

Joint Meeting

of the Members of

**THE CONSULTATIVE ASSEMBLY
OF THE COUNCIL OF EUROPE**

and of the Members of

**THE COMMON ASSEMBLY
OF THE EUROPEAN COMMUNITY
OF COAL AND STEEL**

OFFICIAL REPORT OF THE DEBATE

STRASBOURG
June 22nd, 1953

NOTE

This edition contains the original texts of the English speeches and translations of those delivered in other languages.

The latter are denoted by letters as follows :

(*G*) = speech delivered in German.

(*I*) = speech delivered in Italian.

(*N*) = speech delivered in Dutch.

(*F*) = speech delivered in French.

The original texts of these speeches are published in separate editions for each language.

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PRESIDENCY OF M. FRANÇOIS DE MENTHON,

President of the Consultative Assembly

The Sitting was opened at 10.45 a.m.

The President. — Ladies and Gentlemen, the Joint Meeting is open.

The Bureaux of the Consultative Assembly and the Common Assembly have jointly studied questions pertaining to the organisation of this joint session and have agreed on the following points :

Representatives attending the present Session who are members of both Assemblies cannot be replaced as members of the Consultative Assembly by their Substitutes.

The object of this meeting is to hold a joint discussion of problems. To emphasize the free character of the discussion, no agenda will be distributed. The purpose of our debate is to make known to the members of each Assembly the opinions of members of the other Assembly, so that the two Assemblies may thoroughly understand the issues before voting on them separately.

No vote will be taken at the present joint session.

The Chair will be taken alternately by the Presidents of both Assemblies.

The Rules of Procedure will be those of the Consultative Assembly of the Council of Europe.

Secretarial services for the joint Session will be provided by the two Secretariats in collaboration.

The Clerk to the Consultative Assembly, together with his staff, will sit on the right of the President-in-Office, those of the Common Assembly on his left.

The Summary Report of the debates of the Joint Meeting will be published in accordance with the practice observed for the debates of the Common Assembly.

The verbatim record of these debates will be printed by agreement between the two Secretariats and published in the five languages.

I call the President of the High Authority.

M. Jean Monnet, *President of the High Authority*. — (F) Mr. President, Ladies and Gentlemen, on behalf of my colleagues of the High Authority and myself, I wish to say how very pleased we are to have this meeting to-day with the members of the Common Assembly and the members of the Consultative Assembly. The co-operation between the Council of Europe and the European Coal and Steel Community has now definitely entered a concrete phase.

This meeting, which is the result of proposals made jointly with Lord Layton last January, and which were approved by the Common Assembly and the Consultative Assembly, represents the fruition of proposals which Mr. Eden had made with a view to strengthening the unity of Western Europe. I want to take the opportunity, therefore, to express the good wishes of all of us for the recovery of the British Foreign Secretary.

This meeting has been preceded by two joint sittings of the Committee on Economic Questions of the Council of Europe with the High Authority. In the course of these meetings, we have already answered a large number of questions raised by the delegations of the various countries which are not members of the Community. Our reports are now in your hands, and the High Authority is here to-day to reply to your questions.

You have been able to see from these reports that our Community is now an active reality.

In respect of coal and steel, the Community has set up a huge European Market of more than 150 million consumers, *i.e.* equal in number to the population of the United States of America. Under the terms of the Treaty, customs duties and quota restrictions have been abolished between Germany, Belgium, France, Italy, Luxembourg and the Netherlands; the principal discrimination in respect of transport have been done away

with. Coal and Steel, iron-ore and scrap can now circulate freely, without restriction or discrimination, except for such transitional measures as have been taken for the purpose of avoiding too abrupt impacts, and facilitating the necessary readjustments.

At the risk of repeating myself—and I apologise for this to the members of the Common Assembly—I wish to say that the decisions of this first European Executive, which is the High Authority, are being carried out in our six countries as if they were but one country. This is, indeed, one of the essential transformations which our enterprise has brought about, and is the test of its success.

The members of the Assembly of the Community who are sitting here among you are, at this moment, in their own session, exercising their sovereign right of control over the action of the High Authority. The Court of Justice, which has had a number of appeals against the decisions of the High Authority laid before it, will be pronouncing final judgment.

This first Common Market, these first supranational institutions, are the beginnings of a united Europe.

I am happy to welcome here, in this Assembly, the representatives of the countries which have recognized this new reality by accrediting permanent delegations to Luxembourg : Sweden, Norway, Denmark and Austria. I must not forget Switzerland, although she is not a member of the Council of Europe. Great Britain was the first to appoint its delegation in Luxembourg, with instructions to establish an intimate and lasting association with the new Community.

The attitude of the United States is well-known to you; a permanent delegation was appointed to the Community by the President of the United States, and the letters recently exchanged between President Eisenhower and the Foreign Affairs Committees of Congress, which have just been made public, confirm in no uncertain manner the support which the United States is giving to our Community. In this correspondence, President Eisenhower re-affirmed that "the uniting of Europe is a necessity for the prosperity of Europeans and for the peace of the whole world". He says "the Coal and Steel Community appears to me to be the most hopeful and constructive develop-

ment so far toward the economic and political integration of Europe”.

Our Community is an open Community. We want other countries to join on a equal footing with us. I would remind you here that on the very first day when, in the name of the French Government, M. Robert Schuman made his statement of 9th May, 1950, he invited all the nations of Europe to join us, to give up the divisions of the past and, by pooling their coal and steel production, to ensure the establishment of common bases for economic development as the first stage towards the European federation.

This meeting to-day, and the co-operation which we are desirous of developing with the Council of Europe will, I hope, have the effect of persuading certain countries whose delegates are still sitting only in the Consultative Assembly, to take their seats among us in the Common Assembly also, in the very near future. For, as I have said repeatedly before the Common Assembly, and I must say it again before this Assembly, we are not just an association of producers. Ours is the responsibility for setting up the first European Community. It is our ambition to make it as comprehensive as possible. We feel that the association of Great Britain is essential to this undertaking. Now that the Community has become an established fact, I have no doubt that, between us, Great Britain and ourselves will find the right shape and form for this intimate and lasting association for which the British delegation in Luxembourg, so ably led by Sir Cecil Weir, has received instructions to lay the foundations with us. As far as we are concerned, we are resolved to put forward concrete proposals towards the accomplishment of this great task.

All the activities of the Community have, moreover, demonstrated, ever since it was set up, that it is ever mindful of its duty under the Treaty to take the interests of the other countries into account.

In regard to G. A. T. T. we have assumed the same obligations as every other Contracting Party. Here I would like to thank the countries which, though not members of our Community, have facilitated the agreement with that Organisation.

We have established co-operation and permanent contacts

with O. E. E. C. We maintain relations with the Economic Commission for Europe (E. C. E.) and the International Labour Office, who give us the benefit of their studies and their experience.

With the setting up of the Common Market for Steel a first stage in the harmonisation of customs duties at a lower level has already been completed, and the quota system applied to imports from countries outside the Community is much less rigid.

All the countries of Europe, even those which are not members of the Community, are interested in the action which we shall now be able to take, with the Common Market set up, and which, as the High Authority has made known to the Common Assembly, will, in addition to the association with Great Britain, be concerned with three main issues :

- to develop production and provide for the financing of this expansion;
- to complete the setting up of the Common Market by putting an end to the cartels which interfere with it;
- to prepare ways and means for enabling the workers to share in the advantages of an improved and increased production.

Our Community embodies the principle underlying all further developments. This principle is very simple : it means the pooling of resources, the acceptance of common rules administered by common institutions vested with effective powers.

The Consultative Assembly has recently been apprised of the proposals which are now being submitted to the six Governments for the setting up of a Political Authority based on a parliament elected by direct universal suffrage, under whose authority both the Coal and Steel Community and the Defence Community will be placed.

Rules and institutions do not change men's natures but they do bring about a change in their behaviour towards one another. That is the lesson which civilisation has taught us. The rules and institutions which we are establishing will contribute

essentially towards guiding the action of the peoples of Europe in the paths of peace. (*Applause.*)

The President. — I call Mlle. Klompé.

Mlle. Klompé (Netherlands). — Mr. President, Ladies and Gentlemen, the Presidents of the Consultative and Common Assemblies have asked me, in order to open our discussion to-day, to introduce to you the Report which I had the honour to present to the Common Assembly on behalf of the Committee for Political Affairs and External Relations of the Community. It was debated in the Common Assembly last week. This Report, although modest in its contents, is of particular interest to the Representatives to the Consultative Assembly because it covers the relations between the Community of the Six and the other Member States of the Council of Europe.

Here I should like to explain that we find ourselves in a curious situation. The High Authority submitted its Report to the Common Assembly, and in it you will have read of the almost superhuman efforts the High Authority has made to carry out, within the specified time, the plans necessary for the setting up of a common market for coal and Steel. You will all appreciate this great effort, and at the same time understand that during the short time it has been in existence the Community has had a tremendous task to fulfil. It had not only to set up its institutions, but it had to tackle straight away the most urgent and essential problem which in the Community required immediate decision; namely, the removal of all types of discrimination in order that a common market could be opened.

In view of the urgent character of this task, it is natural that the working out of the rules of general policy in the various fields had to be given second place. The High Authority must have more data at its disposal; in other words, it must have a better survey of the many problems concerned before it can lay down general lines of policy. At this moment everything is in a state of evolution, and much hard work is being done to collect all the necessary elements to give a clear and accurate survey of the situation as a whole. In these circumstances our discussion to-day will have to be a limited one, just as it was last week in the debate in the Common Assembly. We must all await further developments.

Before commenting on the Report which I have the honour to submit and which is of special interest to you, may I be allowed to make one or two more general observations? The political situation in Europe to-day is far from encouraging or clear. This week the Consultative Assembly will have a full-dress debate on this item. Therefore, I do not intend to introduce my Report by a major political speech—in order not to prejudice our future discussions. We are here to-day to discuss common interests in respect of the Coal and Steel Community and we shall therefore have to limit our remarks to this subject.

Two general principles, however, underlie this Report, and I should like them to be clear from the beginning. The first is that whatever happens in Europe, Asia, Russia or any other part of the world, Europe must remain absolutely firm in its conviction that European unity is of primary importance as the keystone of peaceful world conditions. No measure or pressure, from whatever side it may come, should offer a pretext or excuse for us to diminish our efforts to unite our countries and thus give our peoples peace, prosperity and freedom.

We all admit that threats from a certain quarter have stimulated European integration in the last few years. However, our Community cannot and must not be built by fear. Even if the best relations exist between the Western world and Russia, we must still unite for political, economic, social and moral reasons. Europe has still a very important task to fulfil in the world of to-day and has to serve as a strong and constructive partner in the Atlantic Community.

As I put it in the Common Assembly, and as it was repeated by the President of the High Authority as the expression of his own conviction, more than ever the political situation obliges us to be courageous, realistic, idealistic and firm. In this I am in agreement with the Message addressed to the Consultative Assembly by the Committee of Ministers in May : They said :

“ Whatever uncertainties surround the real significance of an apparent *détente*, it is beyond question that the task of unifying Europe—a task which was undertaken irrespective of any threat of war—must be pursued with courage and determination. And although we shall welcome whole-

heartedly any slackening of international tension, we shall, none of us, allow our satisfaction to retard progress towards this goal. ”

The second principle, which is closely connected with the first, is that there is no Little Europe and no Great Europe. There is only one Europe. In the field of political development the Community represents the solid and stimulating nucleus which, rather than isolating itself from the rest of the world, must remain open to all nations of good will who wish to join in future either as full Members or as Associate Members. To-day the Community is an economic entity which comprises the territories of a number of precisely limited countries. The Community cannot pursue an isolationist policy, but must be given an open character—open in two directions. The Community will have to act as a stimulus to extend the field of action over other sectors of political, economic and social life. It must be open, also, to an increase in membership.

The Report which I have the honour to submit deals more specifically with the relations between the Community and the other countries of the Council of Europe. I should like to limit myself now, after those general remarks, which were to a certain extent *à titre personnel* but which at the same time are shared by many of my colleagues in the Common Assembly, to a short account of the Report itself.

First, I should like to tell the Consultative Assembly that the Common Assembly was very satisfied by the fact that so many countries, Member States of the Council of Europe, have established delegations in Luxembourg in order to follow the work of the Community as closely as possible and to discuss common interests. Relations with the United Kingdom have progressed even further through the setting up of a Joint Committee. In this Committee and in many technical committees of experts a very close co-operation between the Community and the United Kingdom has been established and has already borne fruit.

I should like to point out the reason our Report is so preliminary in character. Before we can establish links with third countries we have first to consolidate our Community and to take concrete measures in the field of markets, production, invest-

ments, cartels, etc. Only then will there be really solid ground on which to build a policy of negotiation.

In the Conclusion, paragraphs 24 to 27, will be found the essence of what has been discussed in the Report. It will be noted, with regard to relations with third countries, that no detailed suggestions are made. This is for two reasons. The first is that we thought it inopportune to seek to define or determine the *modus operandi* of such relations too precisely. In doing that, the Common Assembly might prejudice future negotiations while the parties concerned ought to have an opportunity of conducting such negotiations with full liberty of action and perfect mutual understanding. To create a precedent at this stage as to the form and scope of the external relations of the Community would impede rather than facilitate those relations.

The second reason is that the Common Assembly felt that, in order to arrive at results in this respect, the best approach would be a pragmatic one. No theoretical schemes can help us. We must start by common agreements in practical fields, and out of these agreements will emerge the general rules which will serve as the basis for the treaty for long-term association. The Common Assembly stressed the importance it attaches to co-operation with these third countries by expressing clearly in its Conclusions the view that the unification of the European economy is so highly desirable that no juridical formula must be rejected *a priori*.

It is evident that we all wish you to join as full Members. Nevertheless, we understand and appreciate the reasons why at this stage your Governments are not prepared to accept the transfer of powers to the supranational Community. We therefore accept every form of co-operation which would be in the interests of the Community as well as in the interests of the other Members of the Council of Europe.

I should like to stress that in this respect the Common Assembly attaches great importance to the principle whereby co-operation should take place on the basis of reciprocity. When a third country is willing to take responsibilities in this connection, it is evident that it will gain rights in exchange and that the Community is willing to consider the admission of representatives of such countries to some of its institutions with well and

clearly-defined rights. When I say " some of its institutions " I must explain, as my personal view, why I make this reservation.

To my mind, there is, for instance, one institution, the High Authority, in which we could not accept a representative of a third country who should act under governmental instructions. That would be incompatible with the genuine European character of this institution. However, we could set up new institutions in which the Community and third countries could work at this level. But it would be unwise at this early stage of evolution to go ahead too quickly and try to define from a theoretical point of view the detailed character of association. We have, therefore, left all this open, so that it may develop freely and along the most practical and solid lines.

You will have noted that we emphasise very strongly the open character of the Community. After what I said in my introduction, I did not think it necessary to develop this principle in further detail. The Community feels that it has a great responsibility, in that it has to show to the other countries of Europe that adherence to our Community opens up new perspectives for them and that co-operation at a supranational level is not only workable but desirable and useful.

In its conclusion the Common Assembly expresses the desire that the High Authority should seize whatever opportunity presents itself and, with the firm will to succeed, take such action as will ensure the progress of present and future negotiations. It is with great satisfaction that I can tell the Consultative Assembly that the President of the High Authority, speaking for the High Authority as such, has given the assurance, which he repeated this morning, that the Authority was in full agreement with this conception and that, instead of waiting for action from third countries, it would proceed itself to take the first steps.

Before I conclude, I should like to be allowed to make one observation of a more general character; not intended, in the first place, for to-day's debate, which will be limited, but which ought to be given some thought in future. In doing this I slip for a moment into my role as a Representative to the Consultative Assembly. To-day the Community of the Six comes to the Consultative Assembly for consultation. It considers the Council of Europe as an important centre in which relations and links

can be established between the Community and other Member States of the Council of Europe.

In making this gesture, it stresses one of the main tasks of the Council of Europe—namely, that of keeping Europe together. However, when I think back to our discussions on the Draft Treaty worked out by the *Ad Hoc* Assembly, I remember how many Representatives hesitated to take the Floor, arguing that it was not for the Eight to criticise or comment as long as they themselves were not prepared to take the same responsibilities as the Six had done. In my opinion, this is a mistake, and I submit that it is rather a dangerous attitude. It is dangerous because this conception of our task as a Consultative Assembly is likely to jeopardise the Council of Europe as such.

Time and again we have asked as a Consultative Assembly to be consulted. Now that we are being consulted, we must react. When you are willing in one way or another to co-operate and establish links between the Community of the Six and the other Member States of the Council of Europe, you must tell us what you would like us to do to facilitate relations between us and how we can serve the common interest.

In this the Council of Europe has a great responsibility. I am convinced that you are willing to accept it and to try to find ways and means of keeping Europe together. As I told you, the Community considers itself to be a stimulating nucleus for Europe as a whole. The political situation in Europe to-day is very uncertain and obscure. We are concerned about many problems which have to be solved. Although we regret this situation, I hope that it will give an impetus to all of us to realise more than ever our responsibility to work together and to develop the Community of Six in the spirit in which it was formed—as a first step towards the unification of Europe.

In doing this, we shall contribute tremendously towards bringing peaceful conditions to the world. We shall thus live up to the standard which we set ourselves of bringing to our peoples, especially the younger generation, peace, prosperity and freedom.

The President. — I call M. Preusker.

M. Preusker (German Federal Republic). — (G) Mr. President, Ladies and Gentlemen, it is my privilege, as Rapporteur and Vice-Chairman of the Committee on a Common Market of the European Coal and Steel Community, to address you on the economic matters with which our Common Assembly is concerned.

You need have no fear that I shall broach specific questions dealt with in the Reports before you, which appear to us to be of particular importance for the future progress of our Community. Rather would I like to submit for discussion a number of basic considerations with which we have been concerned in all our debates of the last week (and indeed the past months).

We have continually been confronted with the fact that the European Coal and Steel Community in many spheres possesses reserves of raw materials almost as extensive as, and in some case even more extensive than, those of the United States, and yet it has so far succeeded in making available to its various peoples little more than a quarter of the amount of steel consumed by the United States of America.

This shows to what extent Europe lags behind in its standard of living as a result of the discord and the tragic conflicts which have studded its past. It is this previous history which we wish to leave behind us by means of the European Coal and Steel Community. The Common Coal and Steel Market is intended to provide a means of achieving this. It demands common rules of the game, the drawing up of which is the main object of our Treaty constituting the E. C. S. C. It also requires an arbitral body to see to it that the common rules are observed and developed. Therein lies the rôle of the High Authority which, in turn, is controlled by the Common Assembly.

The rules governing the Common Market could only be based on recognition of the principle of fair competition. This was, however, incompatible with national self-seeking of any kind, whether in the form of subsidies, discriminatory measures, quotas, monopoly power, currency control, taxation or other customs and monetary measures.

It is very easy to say that we must do away with all the discriminatory practices, which, indeed, far from allowing our peoples to make progress, have reduced their standard of living

to a level lower than that of the rest of the world. The High Authority has, however, so far shown that it is tackling this problem with determination and tact.

We have had a Common Market for coal, ore and scrap iron since 10th February last and a Common Steel Market since 1st May. The High Authority has succeeded in inaugurating a Common Steel Market and in completely eliminating all the national regulations and price agreements which have been in force for decades.

There has, therefore, been free competition with unrestricted prices in the Community's steel industry since 1st May and in iron ore production since 10th February.

The High Authority has not yet been able to go quite so far in regard to coal and scrap iron. Maximum prices still apply in respect of both these commodities. It is already evident that the opening of a Common Market has relieved and improved the scrap iron and coal situation to such an extent that the High Authority may here, too, contemplate a relaxing rather than a tightening up of regulations governing maximum prices.

The High Authority has adopted the general principle of interfering as little as possible with the Common Market, but will, on the other hand, approach Governments as often as may be necessary to ensure that national differentiation, subsidies and discriminatory measures are abolished, at the same time seeing to it that steps to integrate national economies into a Common Market do not upset those economies. It may therefore be said that the wise application of this general principle has yielded good results.

It might well have been feared that the abolition of subsidies—and such abolition has to a large extent already taken place—would lead to a rise in prices on the Common Market to make up for the loss. This has not, however, been the case. On the contrary, despite the uncertainty still existing in the initial phase of the establishment of the Common Market, it may be said that the general price level within our national economies has not risen, although during the necessary period of adjustment we had to put up with isolated cases of price increase or reduction.

In establishing a Common Market the High Authority and

our Assembly aim, of course, at achieving, in the long run, a reduction in prices and, by so doing, at raising the level of production and consumption of coal and steel in our various national economies.

Results already obtained give grounds for hoping that this reduction in prices will be achieved :

- first, because of the establishment of a Common Market based on the principle of free competition;
- secondly, because of the standardisation and calculation of freight rates within the European Coal and Steel Community, which have already been initiated and will be pursued in accordance with the provisions of the Treaty;
- thirdly, because the Treaty provides that all undertakings of the Community shall have the right to adjust their own prices to the lower prices of other Community undertakings in order to expedite the development of mass production;
- finally, by merging the whole economic potential of the European Coal and Steel Community, with a view to raising capital on the national finance markets of the Community and the rest of the world, on terms which, having regard to the magnitude of that potential and of the Community's aims, it is hoped will be more favourable and secure than those which might be obtained by individual undertakings.

But better and more favourable possibilities of financing our basic commodities industry—so far behind that of the United States of America—mean that we may increasingly dispense with the self-financing practised hitherto, in favour of seeking funds on the capital market. The consequent saving in costs will enable the prices of Common Market products to be reduced and lead to greater output and consumption.

That, however, is not all that we have in mind and is already being partially achieved. The High Authority is not only the arbiter of the rules of the game governing the Common Market; it also fulfils, in the general economic development of our Community, the rôle of a shrewd captain. This task consists

not only of safeguarding the possibilities of economic expansion, but also of facing any temporary crises brought about by events over which we have no control, such as developments in Korea.

In this connection I wish to stress the special importance of Article 57 of our Treaty, which provides that the High Authority shall in such cases give preference to the indirect means of action at its disposal, such as co-operation with the Governments of Member States of the Coal and Steel Community, calculated to influence the economic situation by means of public investments of all kinds.

I particularly stress this point because it may offer our European Coal and Steel Community an excellent means of engendering confidence in place of mistrust. For the time being, however, the question does not arise, since, thank goodness, we have not so far had to face up to such a crisis.

Hitherto, in critical times it was, one might almost say, customary for each country to stave off a crisis by trying to "export" it to other countries by means of dumping measures or similar discriminatory practices. Within the European Coal and Steel Community it is no longer possible to "export" crises to another Member State; all countries strive, on the contrary, to export stability instead of crises to neighbouring Member countries.

I may assure other members of the Council of Europe that the Common Assembly is resolutely determined that crises within the Community shall not be "exported" to other countries. On the contrary, we wish to exercise towards them the same principle of fair competition and the same rules of overall co-ordination in economic, financial, credit and monetary matters. We hope that if we succeed in reaching agreement with them on these principles—by inducing them to accede to the Community or become associated with it—we shall together contribute to the stability of the free world as a whole.

I think I may claim to have shown you the importance which the plans of our Community already possess, not only from the economic and social, but also from the political point of view, having regard to the fact that our Community is in a position to contribute to the political stability of the free Western world.

In conclusion, let me just say that by enhancing confidence and stability in the economic field, the European Coal and Steel Community has already achieved something which goes beyond the purely economic sphere, and from which there can be no retreat but only continued progress towards a united, free, peaceful and happy Europe. I can only trust that out of our debate to-day may emerge the will to extend as far as possible to all free peoples of Europe the union achieved by the European Coal and Steel Community. Thank you. (*Applause.*)

The President. — I call Mr. Chetwynd.

Mr. Chetwynd (United Kingdom). — My first pleasing duty in speaking in this Debate is to congratulate the High Authority on the speed with which it has put its plans into operation and upon the comprehensive and excellent nature of its reports. I am particularly glad to note that, in the space of a few months, the Coal and Steel Community has been translated from a paper plan to a realistic and active organisation.

The birth of the High Authority was clouded—at least, in my country—by a kind of mysticism, and so it is most important that all its acts should be justified to the public. These reports recognise the importance of full and frank information to sweep away the suspicions which surround the plan. This is important not only in the six countries, but also in Britain; and I must stress the need for continuing publicity for the work of the High Authority.

It is not my purpose, nor indeed have I the Right, to deal with the internal matters affecting the establishment of the Common Market. But I note with satisfaction the steps already taken to free trade in coal, scrap and steel within the six countries. This is, of course, a necessary preliminary but it is only a beginning. The real work will begin when the High Authority gets on with the task of stimulating production in the most economic locations and of directing new investments where it is most needed in the interests of an expanding production and of an increasing world demand. The real test will be in keeping costs of production low and in keeping prices low whilst at the same time safeguarding the wages and conditions of the workers in the coal and steel industry, maintaining

full employment and raising the general standard of living throughout Europe and the world.

My main purpose in addressing the Assembly is to discuss and define the relationship of Britain and the Community. Of course, in this I am speaking for myself, but I believe my views are generally shared by most of my colleagues and by the overwhelming mass of public opinion in Great Britain. In assessing our relationship, it is essential to bear in mind these facts; that Britain produces as much coal as the combined production of the six Community countries, that we produce about half their output of steel and that we depend more than any other country upon our exports.

There are three possible alternatives as to what we can do. First, full membership of the Community. This is still not possible and nothing has happened to convince either the Government or the people of Great Britain that we can surrender a part of our sovereignty in vital industrial fields to a supra-national body linked with a political federal unit.

Second, isolation. This is not a practical proposition, and in my view it is impossible for Britain to stand aloof and to disinterest itself from what takes place in Europe.

Third, the question of association. This has always been an aim of British policy; and at this stage I remind the Assembly of the conclusion of the speech of Sir Stafford Cripps in the Debate in the House of Commons on British participation in the Schuman Plan. Speaking almost three years ago to the day, he said on 26th June, 1950 :

“ Nevertheless, we regard the French objective of the elimination of the age-long feud between France and Germany as being so important that we are prepared to do our utmost either to join in or associate ourselves with any scheme that meets with the approval of the six countries now meeting in Paris. ”

That was a firm undertaking that has been fulfilled in the letter and more than fulfilled in the spirit.

I would remind this meeting that on the initiative of my colleague Mr. Robens, the leader of the British Labour delegation to the Consultative Assembly, we had inserted in the

Act denationalising the steel industry in Great Britain provisions making it obligatory upon the Government to keep the Iron and Steel Board informed about the proceeding of the European Coal and Steel Community, and in return to receive advice from the Board of all matters concerning the relationship between the United Kingdom and the Community. In my view, that was a right and proper decision to take.

Secondly, the prompt despatch of Sir Cecil Weir and his delegation to Luxembourg is another earnest of our desire to co-operate; that very high-powered delegation, composed of men of great ability on the official and industrial sides, is watching all developments and has the immediate task of working out in practice the Governments' pledge of "laying the foundations for an intimate and enduring association between Britain and the Community".

The question now facing us is the problem whether we can now establish by treaty a more formal and detailed relationship. This, in my view, is the obvious long-term solution, but in my judgment it would be premature to embody it in official terms until we can see a little more clearly where we are going. That does not mean that we should be content to leave things where they are in their present undefined state. I am sure that that is in the best interest neither of the Community nor of the British coal and steel industry. We can no longer go on appearing to the Europeans to have the best of both worlds with the minimum of responsibility.

But it must be clearly understood that we are an empirical people. We are inclined to judge on results and we are not prone to make sudden leaps in the dark. We approach the problem of a more intimate relationship with caution, for the experiment is still in an early stage. It will be easier to see later what sort of policy the High Authority will adopt with regard to production, investment and prices, and it will be easier to tell later what the world market will be like.

In the case of steel there is no inevitable clash of interest between the British industry and that of the High Authority countries. Given good will on both sides, there is no reason why a formal agreement should not be reached specifying Britain's rights and duties in relation to the Community. It is not a fact that we are interested only in getting something from

our knowledge of what is going on at Luxembourg. We are also interested in giving something to Europe as well.

From the point of view of technological efficiency, from the point of view of costs, we in Britain have nothing to fear at present from fair competition with the Community. There will be no question of Britain outselling the Community within the Common market, nor will there be any question of Britain losing her home market to the Continental producers. The main question will arise over third party; markets where British and European producers appear as competitors.

There is one thing I must stress above everything else. We must be assured in Britain that there will be no re-emergence of the International Steel Cartel and its European counterpart, the European Steel Cartel, which was so pernicious in its activities in the 1930s, with its restrictive production, its price-fixing and quotas, its carving up of overseas markets, not in the interests of the consumers by the provision of cheap and plentiful steel, but in the interests of high profits, high prices, and high cost inefficient steelworks and a restriction of supply. This was indeed a disastrous policy.

Britain would be prepared to make concessions to avoid this; and in its fight against the resurgence of cartels—there is disturbing evidence that this is coming about—the High Authority would be able to count on the full backing of Great Britain.

Of course, there are difficulties concerning British preference in British overseas countries. There are difficulties in the fields of coal with double pricing, and so on. But I think we would be wise in this Assembly to concentrate upon the points of agreement where there is a real desire on the part of Britain to make her association with the Community effective, continuous and mutually beneficial.

I should like to give two practical examples of what I mean. First, we must at all times be prepared to exchange information on developments in research and technical progress and on safety and health in our coal and steel organisation. Matters affecting production, investment, markets, prices and conditions of work are of common concern, and a mutual sharing of information and mutual consultation about them can do nothing but good. As well as being in the interests of European

unity, this close association with the developing European Coal and Steel Community is also in British interests.

In developing our association we must be prepared to adjust our own plans, if practicable, to fit in with the plans of the Community and at the same time our plans ought to influence the Community in theirs.

Let me give an example. Some of the Community developments in steel would be better planned on the basis that they would get imported coke for their blast furnaces. Surely it should be possible to-day to make firm arrangements between Britain and the Community by which Britain would supply the Community with coke by developing new coke ovens on our eastern seaboard.

In the field of supply of iron ore, we ought to be able to plan a joint co-operative, or at least complementary, development between the United Kingdom and the Community to tap the new resources of iron ore in North Africa and elsewhere to our mutual advantage, so that we can avoid competitive scrambles and, by an assured supply of ore and scrap, maintain a balanced steel industry in Western Europe.

The supply of scrap is a serious problem which had hindered development in British steel for some years and there is a great need for a right price and for a joint plan to provide for the adequate scrap that we need. I suggest in this context that here is something that the Council of Europe can do of a practical nature. We could organise a joint European scrap drive planned on imaginative lines with a fair sharing of the proceeds to avoid a fierce scramble for the limited supplies now available. That is important not only in the steel-producing countries, but in the consumer countries also, and I am sure that if this were tackled with energy we would achieve astounding results. At the same time I stress the need for greater economy in the use of our scarce materials.

I want to touch for a moment upon something which is disturbing me very much. That is the dangerous talk which is going on in certain circles at present about the dangers of over-production. Already there is talk that we shall have surplus capacity and that we must act with caution in our development plans and, if necessary, consider a curtailment of production. In my view, however, we must aim at an expanding steel

industry if we are to meet the responsibilities which face us in raising not only our own standard of living but that of the under developed parts of the world.

The answer to the Jeremiahs who are once more forecasting that there will soon be too much steel in the world is that the trouble is not over-production, but under-consumption. The consumption per head of steel is an effective guide to the standard of living in each country. The latest figures available for 1951 show that consumption per head in the United States was 1,343 lb. In the United Kingdom it was about half that, 642 lb. Germany, with a consumption of 497 lb., was less than its 1937-38 average of 596 lb. In Belgium the figure was 488 lb., in the Netherlands 428 lb., in France 407 lb., and in Italy 166 lb.

A wide gulf therefore separates the United States from the rest of the world. There are also considerable differences between the level of consumption in the Western European countries, whereas consumption in France is only two-thirds and in Italy about one quarter of that of the United Kingdom.

And so my belief is that it is idle to talk of over-production in face of these figures. It is criminal to talk that way when we consider that the average inhabitant in the Far East consumes 30 lb. of steel a year and the average African 20 lb. If these people were to close up one-fifth of the gap between their standard of living and ours, their increased demand for steel would amount to more than the present output of Great Britain and the Community combined.

And so, for as far ahead as we can see, there is a demand and a need for all the steel we can produce, and more. We must give all support to the High Authority in its aim to use the two great industries committed to its charge to improve the standard of living of its peoples.

I summarise the problem of relationship in this way. In one of our debates in the House of Commons the present Prime Minister, Sir Winston Churchill, said that we must have a look at the girl before we marry her. In my view we cannot marry the girl because we have older and stronger loves. Neither can we live in sin, with all the privileges of marriage and none of its responsibilities. The question facing us is whether we can maintain that degree of understanding, tolerance and lack of

passion to make a lasting platonic friendship between us a possibility. There are difficulties in the way, but I believe it can be done.

In any case there is no reason for refusing to talk the matter over and to find out whether the advantage outweigh the dangers of substituting a more normal, more defined relationship for the present very loose one.

In our dealings with association we are facing at the same time a challenge and an inspiration. The challenge is to try to find a suitable means of getting on together. The inspiration is the vision of a united Europe, prosperous, progressive and free. I believe that our leaders who are guiding these industries and our deliberations in these matters will be so inspired by that vision that we can, as we must, overcome the challenge.

The President. — I call M. Birkelbach.

M. Birkelbach (German Federal Republic). — (G) Mr. President, Ladies and Gentlemen, we German Socialists welcomed the announcement about the convening of a Joint Meeting between the Consultative Assembly of the Council of Europe and the Common Assembly of E. C. S. C. This meeting should enable the Members of Parliament of Member States of the Council of Europe which do not belong to the E. C. S. C. to express their views, in the presence of the High Authority—as has been done by the members of the Common Assembly during the last few days—on the General Report on the activities of the Community, and to ask, where necessary, for additional explanation.

Furthermore, this joint meeting should surely enable certain conclusions to be drawn from the results already achieved by the E. C. S. C., particularly as to how Greater Europe is to be made a reality and whether there is a clear and straightforward road to this goal open to each country.

As everyone knows, the German Socialist Party has rejected the Treaty instituting the European Coal and Steel Community. This it did because it considered it illusory to imagine that the course adopted by the six countries could lead to this unification of Europe for which we are all striving.

I do not want to start a debate on principles again to-day,

but rather to avail myself of this opportunity to discuss a few of the—to my mind—more important points of the Report of the High Authority and the results of the work of the Committees and plenary meeting of the Common Assembly. I should, however, also like to make some general remarks, merely in order to demonstrate the peculiar situation in which the German Federal Republic finds itself.

In our opinion European unification is only possible if the countries being united are on a free and equal footing.

This principle is, however, incompatible with the special measures adopted in Germany, particularly in the coal and steel sector, in compliance with the wishes of foreign countries. It is true that the High Authority is not responsible for these measures, but I am sure that the population of any country treated in this way would object to such methods.

I refer to Law No. 27 of the Allied Powers on the decartelisation of Germany's basic industries. During the last few weeks this Law has had some remarkable consequences. Certain French steel-works, for instance, have acquired property rights over one of the largest German mines which produces some 6.5 million tons of coal a year, slightly over half the present total annual production of the Netherlands. Further purchases of a similar kind are now being negotiated.

This transaction is the result of laws passed by the Occupation authorities. I only mention it in order to point out that we German Socialists feel that this is not the way equal partnership should be interpreted.

You will also realise, I am sure, that there are certain other peculiar situations that we feel should not be overlooked arising from the present division of Germany into two parts, or three, if you like, if we include the Saar. The High Authority itself has not refused to grant for a transitional period a special status to the steel-works situated on the borders of Western Germany, particularly at Lübeck, Watenstedt-Salzgitter and Bavaria. In view of their geographical position the steel-works used to supply formerly a sector which to-day cannot be reached owing to the zonal demarcation lines.

We intend to draw constant attention to the special situation of these steel-works and the urgent need to enable our own steel

industry to make up its investment losses caused by war damage and the dismantling of factories, and also the restrictions imposed on production at that time. At the same time we shall be continuously watching to see whether the measures of the High Authority tend to lessen or increase this handicap.

The decision taken on the controversial question of taxes, for instance, has hardly reassured us that our fears are groundless. However, I do not want to dwell at length on this particular German problem, but I should like to discuss whether the E. C. S. C. structure is to be taken as a model for European integration.

On this point we have some slight experience. First, all the reports of the Committees of the Common Assembly, particularly that of the Investments Committee, go to show that the Members of our Parliament wish not merely to be asked for their views after the more important decisions of the High Authority have already been taken, but to be able to influence them from the outset. Thus the draft Resolution submitted by this Committee to the Common Assembly ends with the following words :

“ The Common Assembly . . .

“ Requests that, pending the forthcoming debate in the Assembly, the competent Committee should regularly be kept informed in advance of developments in connection with the first investment programme now under consideration by the High Authority. ”

The High Authority has not yet reached a clear decision on this subject. During the last few days its spokesmen have repeatedly stated that it was studying these questions from the point of view of the mutual relations of the institutions and their respective functions, and that it proposed to discuss them in detail on the last day, which is to-morrow. I assume from this attitude of the High Authority that the latter, basing itself on the terms of the Treaty, intends to confer very restricted powers only on the Common Assembly—that is, Parliament. This to my mind clearly demonstrates the extremely rigorous, I would almost say dictatorial attitude which is being adopted by the High Authority and it alone suffices to prevent me from regarding the structure of the E. C. S. C. as a model for European integration.

The policy adopted by the High Authority with regard to relations with third countries, which is described on page 23 of the General Report on the Activities of the Community, should also be treated with caution. Here is the passage in question :

“ During the past month the Community extended and intensified its external relations. It neither is nor intends to be an autarkic or a restricted community. Among the six countries which established it it includes some which are producers of coal and steel, and others which are consumers of these products. It is open to all countries, whether producers or consumers. Its limits are not fixed by us, but by the very countries which, for the moment, are not linking up with the Community. It depends solely upon them whether these limits are extended, and whether the barriers which separate the countries of Europe, and which the Community is anxious to eliminate, are progressively and to a still wider extent abolished. ”

In my opinion we must also find other ways and means of achieving the unification of Europe. I am therefore glad to note that on the last page of its Report the Committee for Political Affairs and External Relations of the Community has formulated certain conclusions which we can all approve, stating, for instance, that :

“ The unification of the European economy is so highly desirable that no juridical formula must be rejected *a priori*. ”

I should now like to turn to certain individual questions of interest to others besides the Member States of the Community.

In its first Report on the Situation of the Community of 10th January, 1953, the High Authority makes a long-term estimate of the rise in production, arriving at a smaller percentage than that in the O. E. E. C. Report, *i.e.* 20 % instead of 25 %.

To justify this discrepancy the High Authority states on page 116 of its Report on the Situation of the Community :

“ The significance of the increase is different in each case.

The O. E. E. C. proposes an increase which can be achieved by means of a continued and coherent effort. ”

I feel we should all ask ourselves how this continued and coherent effort to raise production can also be encouraged by the High Authority. The latter, while acknowledging that such an effort is necessary, nevertheless stresses that it does not depend on the Authority alone. Seeing that in many quarters the impression is gaining ground that we may have to contend shortly with a deterioration of the economic situation, this continued and coherent effort is becoming an ever more urgent need.

It may therefore be asked what measures the E. C. S. C. should adopt, if necessary in conjunction with the Governments, including those of non-Member States, and with O. E. E. C. to ward off this deterioration. The officials of the High Authority might carry out certain preparatory work extending beyond its own strict field of action. The Treaty instituting the E. C. S. C. contains enough planning possibilities for the High Authority, which can as easily hamper investments as encourage them, to be perfectly able to contribute something more than theoretical aid if it so wishes. As Socialists we shall follow its actions in this field with particular attention.

It is clear that a spokesman of the Socialist Party should also give his views on the social aspects of the E. C. S. C.

Of the many questions which could be discussed in this connection, the most important is to encourage the members of the Common Assembly to persuade the High Authority to take special measures in this field, too.

During the last few days the High Authority has explained that the Treaty has given it few direct powers in this respect. This is perhaps true to some extent if social policy is regarded as a separate question. Actually, however, the economic and social effects of the decisions taken are always closely interconnected. This was expressly acknowledged by the President of the High Authority in a letter to the Chairman of the Committee on Social Questions. The economic decisions gain a special importance from this very fact.

On page 49 of the Special Report of the High Authority on the Establishment of the Common Market for Steel, the following remarks are made about the turnover taxes :

“ In taking this decision, the High Authority issued at the same time a declaration to the effect that it had decided to examine forthwith, in conjunction with the Governments concerned, and in accordance with the procedure laid down in section 2, paragraph 4 of the Convention containing the transitional provisions, the effect on the coal and steel industries of the provisions concerning turnover taxes, with a view to improving on the system of exemptions and compensation payments in force at present. In a letter which the High Authority addressed to the Governments on this subject on 1st May, 1953, it requested the Governments to carry out this examination within as short a period as possible, and to complete it not later than 31st December, 1953.

“ Should the conclusions of this examination cause the High Authority to adopt the rule that the present system must be improved upon, it will submit the necessary proposals to the Governments which have retained jurisdiction in matters of taxation. ”

I feel that if the High Authority proposes to take such a step in the field of indirect taxation, where very limited powers are conferred upon it by the Treaty, and if it is to make proposals to the Governments on this subject, it should adopt the same procedure for an active social policy as that laid down in Article 3 of the Treaty, which states that the institutions of the Community should “ promote the improvement of the living and working conditions of the labour force in each of the industries under its jurisdiction ”.

Such measures should be enforced simultaneously, if only to ward off the dangers which would otherwise arise as soon as further cost elements such as taxes are co-ordinated—that is, to some extent stabilised—in the course of creating the Common Market. It will automatically follow that any competitive trends will tend more and more to affect those elements which have remained elastic—that is, wages.

Although this need not degenerate into unfair competition at the expense of wages, it is, nevertheless, clear that the margins available to workers' associations and trade unions for improving wages and working conditions will be reduced, at least in certain sectors of the Common Market.

The fixing of maximum prices for products entailing a large amount of labour, such as coal and steel, may have similar effects.

I particularly wished to call your attention to these points.

The Schuman Plan must not be allowed to jeopardise the position of wage-earners in their struggle for a share in the social product. We do not wish the initial advantages which we gained in Germany through a powerful democratic trade union movement and the right granted to wage-earners to participate in the administration of mines and steel industries to be undermined by the E. C. S. C. before having really been put into effect.

I tell you frankly that in Germany even the advocates of the methods which have led to the establishment of the E. C. S. C. are beginning to have more sober thoughts. Thus in the opinion submitted on 1st May the Scientific Adviser to the Federal Ministry of Economic Affairs expressed the view that a series of "additional partial integrations" of specific branches of the economy could not be regarded as an effective contribution to the creation of an internal market.

Considerations such as these may perhaps have been the reason why the Committee on the Common Market expresses the following wish in its Conclusions—I quote from the actual text :

"that the Common Assembly . . . will share the conviction, endorsed by the High Authority, that the conditions for complete success for the European Coal and Steel Community are the following : the peoples, Parliaments and Governments must here and now be persuaded that the best means, not only of solving all the difficult problems which have arisen within the framework of the E. C. S. C. but also of effectively serving their own political, economic and social interests, is to obtain co-ordination of economic, financial, monetary and credit policies and achieve complete economic integration."

It should also be noted that the Committee considered that this co-ordination of economic, financial, monetary and credit policies should not be confined to the six countries of the Community. On the contrary, the Committee wished thereby to appeal to non-Member States.

We German Socialists have affirmed from the outset the

importance of co-ordinating economic, financial, monetary and credit policies. We should be happy if this Assembly could take effective steps in this respect, basing its actions on the Report on a Common Policy of Full Employment adopted by the Consultative Assembly of the Council of Europe in May, 1951. (*Applause.*)

The President. — We have two more speakers this morning, M. Michel Debré and M. Henle, after which I suggest we suspend the meeting and resume this afternoon at half past three. (*Agreed.*)

Anyone wishing to speak this afternoon is requested to register his name. The list will be considered closed at the end of this morning's meeting—at about twelve-thirty.

I call M. Debré.

M. Debré (France). — (*F*) Mr. President, Ladies and Gentlemen,—when discussing European politics we discuss, perhaps not the fate of millions—modesty forbids that we should go so far,—but at least some pointer to their destiny. So grave a problem deserves more than thoughtless praise or criticism, more than lighthearted building or destruction.

The creation, some years ago, of the Consultative Assembly and the Council of Europe was a first attempt, and, let us admit it, a first disappointment. If it were only a matter of gathering together politicians from different countries, of endeavouring to establish good relations between them and between their parties, of reaffirming those principles of freedom which are the very basis of our civilisation, then the Council of Europe may be said to have succeeded. But let us not close our eyes to the fact that the Statute signed in London has wrought nothing new for this poor Europe, brought about no improvement in the economic or social life of the European nations, in no way enhanced their political and world prestige.

The Coal and Steel Community constitutes a fresh attempt, and it is too early to judge of its success. It has in the last few days received both praise and criticism, but I feel not enough of either.

Too little praise, for it is no mean feat to brand an artificial

system of production and distribution which has seen its day. The desire to be realistic is itself praiseworthy.

Too little criticism, for the other day we listened to long, vague speeches about investments, the main theme being that investment policy should be based upon productivity and on costs of production. That, to a great extent, is begging the question. It is not only to assume that the future of the European nations will be quite different from their past but also to attribute to our national economies, our sources of manpower, that is to say our peoples, a flexibility and an adaptability which we know they do not in fact possess. It is therefore time to admit, in a world where political considerations predominate, that it is artificial to set up a legal structure based merely on factors pertaining to production cost.

Apart from this, praise or criticism is, for the moment, premature. There is, however, one thing to be said here and now, one urgent warning to be given, one feature which, I repeat, calls for impartial consideration. I refer to the thesis that the Coal and Steel Community is the *only* spring-board, the only blueprint for the construction of a united Europe.

This mistake has already once been made about the Council of Europe. Let us not repeat it!

The new Community is at present seen under two different lights.

Some hold that the Coal and Steel Community marks the beginning of a structure which will assume all the powers of a sovereign State, that the nations will gradually relinquish their sovereignty and surrender it entirely to the Community.

Others stress a different aspect. They urge us as soon as possible to form a Political Community on the same pattern, without which the future of the Coal and Steel Community will be in jeopardy. They would regard any political organisation of Europe not founded on the same model as the European Coal and Steel Community as a hostile development.

Both schools of thought conclude that we must set up a Defence Community without delay; we must unhesitatingly approve the draft Treaty for a Political Community produced by the so-called *Ad Hoc* Assembly. Opponents of this scheme are

dismissed as bad Europeans, enemies of Europe and therefore of liberty.

I wish to protest here and now against this whole conception and the exaggerated importance attached to it, against the official approval, apparently, given to it by the High Authority.

During the visit recently paid to the United States by the President and other members, we had a succession of statements and hearings before competent committees and an official communiqué. These all suggested that the President and representatives of the High Authority paid less attention to coal and steel than to the future of the Defence Community and of the Political Community as planned by the *Ad Hoc* Assembly. This affords most convincing evidence that the Coal and Steel Community is regarded as the only model to follow—and that all objectors to the European Army or the Political Community will be flung out. I do not agree that the Coal and Steel Community is the only possible political structure for Europe,—and I am not alone.

The first point I have to make, and I shall be brief since I may well deal with the matter at greater length in the Common Assembly, is this :

In adopting this attitude the High Authority has exceeded its functions and lost sight of the terms of its charter. It is not the duty of the High Authority for Coal and Steel to pronounce itself on questions outside the province of the Coal and Steel Treaty. It has no right to discuss with foreign Governments problems not contained in that treaty. It has no right to try to force the hand, even in appearance, of Governments and Parliaments by bringing pressure to bear on the American Government or American public opinion. This needed saying and should not be forgotten! After all, the terms of the Treaty are clear, and so is the fundamental principle that any delegation of sovereignty implies that there must be no overstepping of the powers so transferred. Those of the High Authority for coal and steel are limited to matters of coal and steel and are concerned with nothing else.

Some of you may regard me with mistrust, but my views are shared by many others. Only a few weeks ago there appeared a book by Professor Reuter with a foreword by M. Robert Schuman

—both well-known names—which argues convincingly that the competence of the High Authority, particularly in matters of foreign policy, is limited, according to the letter of the Treaty, to the field of coal and steel. Like the whole of the democratic system, liberty is founded on the rule of law. I feel that I must sound a note of caution against this disregard by the High Authority of the letter and spirit of the Treaty.

If that were all I had to say, Ladies and Gentlemen, I need not have chosen this august assembly before which to say it. But there is something more. The European Coal and Steel Community can and we hope will do most valuable work, and we must do all we can to further its purposes in the matters of coal and steel.

But I cannot accept that it foreshadows the hoped-for political structure of Europe. Like the Council of Europe, it is an attempt, a step along the road. There is much that is valuable in the principles underlying both the Council of Europe and the European Coal and Steel Community, but it is unlikely that either will show us the way to an early and viable re-organisation of Europe.

I shall not dwell once again upon ideas of which some of my listeners have heard me speak only too often. I merely wish to reiterate that in the long run the best interests of Europe cannot necessarily be served by making the Coal and Steel Community its only political basis.

The main principle of the Coal and Steel Community, implicit in the Treaty but overtly stated in the draft Treaty of the European Army and in the preliminary draft Treaty of the Political Community, is the union of nations or at least of certain nations. The States are asked to surrender their sovereignty. Now any surrender of sovereignty implies establishment of, or subjection to, a new sovereignty, in this case European sovereignty, which presupposes the existence of a European nation requiring only its military and political institutions in order to spring into life.

This is a dangerous assumption, both unrealistic and fallacious. As I have often said and shall go on saying: the essential feature of Europe and indeed of the Western hemisphere is the nation, and furthermore the *sine qua non* of democracy

is the authority of the nation-State. Whether we like it or not, the fact is that Europe is not a single nation and does not constitute a single sovereignty. It consists of a group of nations. To set up a Government based on a non-existent nation and to expect this authority to rule over Governments securely based upon their respective nations is to court disaster.

The European Coal and Steel Community seems unaware of this, because the problem facing it, though serious, is, nevertheless, limited to the technical and economic matters of coal and steel. But the moment the Community comes up against a political problem—and in the draft Treaty of the European Defence Community it is entering upon the realm of politics—the clash will come, and we shall find we have taken the wrong path. Evidence of this is already at hand.

I need only remind you briefly that the French have a problem similar to that to which our British colleague referred just now when he spoke of the British Commonwealth of Nations. We also have the duty of safeguarding and developing an international community—the French Union. If you examine the political structure of communities formed by the merging of nations, you will realise that it is incompatible with the development and even the continued existence of the French Union.

One more example will show that the path we have taken leads nowhere, and here I shall not mince matters.

This conception of a Europe formed by merging certain nations together, by transferring sovereignty to a European sovereignty, leaves no room for expansion.

They tell us : “ This is just a beginning, a nucleus. ” That is how the President of the High Authority put it. And, as Mlle. Klompé also said just now, “ we shall welcome newcomers with open arms ”. This urge to “ get started ” is quite understandable, but let us first be sure that we can take others along with us. For the second time in this Assembly Hall I maintain that, basically, the system of the Coal and Steel Community, which has been extended to the other two draft Treaties, is a closed system involving the idea of a new sovereignty. Membership entails more than a surrender of certain powers, it means the loss of the very principle of a nation’s existence, the safeguard of its people’s liberty.

On such terms as these we shall never obtain the participation of the United Kingdom, nor of other European countries.

Let us examine, for example, the case of the United Kingdom, which is so variously interpreted.

We know that the British Government, Parliament and people are resolutely opposed to British participation. But we are told "The United Kingdom is our associate; she has sent a strong delegation. She is prepared to talk, and that is the first stage."

Are we expected to take this assertion seriously? Is it conceivable that Britain will accept our rules, will carry out an investment policy identical with our own? In the event of an economic crisis, is there any common authority to impose the same policy on the United Kingdom as on ourselves? All this is very dubious, but one certainty we can fasten upon is the categorical refusal of the United Kingdom to join the Coal and Steel Community.

I do not know whether any of you have read the famous speech of Sir Winston Churchill in which, referring to the European Coal and Steel Community, he used the words "... that Community in which, I understand, we have observers". The phrase was ironic, but it is a symptom of the scant importance attached by Great Britain to its co-operation with our Community, that co-operation which some optimists take to be the forerunner of full membership.

When the other two projects based on the same principle—the European army and the Political Community—have finally taken shape, no doubt the United Kingdom will again send over distinguished staff officers; she will, let us say, station troops on the Continent for a period to be determined at her own discretion, but she will not commit herself in any way.

Let us look things squarely in the face. This is a closed system, based on acceptance of a new sovereignty, and, despite our repeated assertions that we shall welcome new Members with open arms, inaccessible to other countries such as Great Britain.

The exclusive character of this so-called Community becomes all the more apparent when one recalls an unintentional paradox to be found in the last great speech of the President of the United

States to the American people, and, of course, intended for the ears of the Soviet Union. Here the President speaks in the same breath of the "full independence of the East European nations" and of "their participating in a free European Community."

Yet, if these nations are to join a free European Community, it cannot be a Community of the type envisaged by the American Government, similar to the Coal and Steel or Defence Communities, because these are closed Communities of which membership involves loss of independence, that very independence which we hope they will one day recover and to which, in their chains, they pin all their hopes. Coupled with the blank refusal of the United Kingdom, does not this paradoxical attitude prove, if proof were needed, that we are on the wrong track? We are indeed beginning to realise it.

Taking as a starting-point the principles of the Coal and Steel Community, the Ad Hoc Assembly has outlined a draft political Constitution, a Government transcending the present Governments and exercising a new form of sovereignty.

The Ad Hoc Assembly aims at a merging of the nations, the surrender of their autonomy. What has been the outcome? The Governments, or at least many of them, are being seized by last-minute doubts.

The *Ad Hoc* Assembly also called for the formation of a Parliament for this hypothetical European State—which should decide by a two-thirds majority on fundamental problems of law, on legislation and political issues. Again, what has been the outcome? For the most part, the Parliaments have been most hesitant, to put it no higher than that, to grant this so-called European Parliament competence over any save the most limited fields.

It is also found that the principle of surrender of national sovereignty is running up against existing constitutional law, not only against statute law, but against the very fundamentals; everywhere progress is held up by the fact that constitutional changes are found to be necessary.

Yet there is a third and much simpler form of political organisation for Europe, derived neither from the Council of Europe nor from the Coal and Steel Community. Instead of a fusion, why not an association of States under a European Authority

reposing on delegated sovereignty, not sovereignty " transferred " to representatives appointed to exercise so-called " European " sovereignty?

In that way, real progress could be made, and without long delay.

Why not a pact between the nations, formed round the nucleus of the Six? Under this pact there would be established a European Executive composed of the Prime Ministers and meeting each month. There would be an elected Assembly, not modelled on those of the individual States, as was the intention of the draft Political Community, not a legislative body, but an Assembly dealing with financial matters and also with powers to enforce observance of the compact by which it had been established.

When I see political parties and their leaders shying away from this path and heading down the blind alley of amalgamation of nations and surrender of national sovereignty, I begin to wonder if their refusal to take the most obvious road does not betray their unwillingness to work for a viable re-organisation of Europe.

Let no one say this plan is impracticable; it has never been tried. Let no one object that it is incompatible with the Common Market. There were common markets a century ago without customs barriers or currency difficulties, and at that time the nations exercised their several sovereignties untrammelled—a system which I am not proposing to maintain.

The High Authority has been justly applauded for its creation of a Common Market in coal and steel. But this was no more than the implementation of governmental and parliamentary decisions to remove all customs and currency barriers in this sector. Without detracting from the merit of the High Authority, which has accomplished a difficult task, it must be admitted that its task was merely to carry out principles decided upon, I repeat, by the Parliaments and Governments.

A system of Prime Ministers' meetings with an Assembly not of a political or governmental character would be a system open to all. It would be a compact between nations, an association of democratic States, which agreed to limit but not to relinquish

their sovereignty and would thus retain the principles of democratic authority.

A beginning might be made by approaching the United Kingdom as well as the nations we hope to see one day liberated with a view to their joining this genuinely free community.

The time may come, perhaps in a few years, perhaps in one or two generations, when we may speak of European sovereignty. We cannot do so at present. The salient fact of our times is nationality, for the sense of nationality forms a bond—not merely an abstract conception or a feeling of cultural similarity—between the idea of liberty and that of patriotism, as is only too clear in the oppressed countries beyond the Iron Curtain.

This attachment to the idea of nationhood, which is the only inescapable political reality, is perhaps a weakness. I would go further and say it certainly is a weakness. But we *must* take it as our starting-point because, believe me, it is just as real as the empire of Charlemagne, a model which is now upheld before us as a recent discovery, when, in act, all attempts through the centuries to reconstitute that empire have led to a tyranny which has only been overthrown by the systematic opposition of free men.

I am sorry to speak so feelingly, but, as I have already said, I belong, as do many of you, to a generation which has every right to look more searchingly into the panaceas proposed to it, whatever may be the claims of the pundits. We witnessed between the wars the collapse of democracy. We are going to judge the bottle by its contents, and not by its label. We have learned to stand up fearless and alone against domination, even against the threats of Great Powers. We have learned that any sound political structure must derive its strength from the liberties of the people.

Now it is proposed to tie us down to the following argument : you are an upholder of freedom; since you are an upholder of freedom, you must be an upholder of Europe, and therefore of the six-Power Europe, and therefore of a merging of the nations by extending the principles of the Coal and Steel Community to military and political institutions.

That is a faulty, and a most pernicious, argument, and the more widely it is refuted the better.

The Council of Europe was a first step forward. We are all aware of its defects : its ill-defined functions, its excessively broad composition, its lack of executive power.

The Coal and Steel Community marks a second step. Again, it is not without its faults. Politically it is ineffective, for, though there is some significance in supranationalism when this takes the form of an association of legally constituted Governments, it loses all meaning when it raises deep political issues such as the replacement of national sovereignty by a non-existent European sovereignty, when it presupposes a European nation that we have still to create.

It is more than probable that decisive progress towards European re-organisation will be made along a different, a third path. The Government of Europe must combine the legitimate sovereignty of its component countries; the first elected Assembly, like the earliest Parliaments known in our history, should concern itself with financial and constitutional matters, without meddling with the processes of legislation or government. Then you will have made a good start, and the rest will follow in due time.

To cling obstinately to the principles underlying the Coal and Steel Community as if they were inviolable and to extend them into the realms of politics and defence is not the sure way to success. Far from it; by riding roughshod over nationalist feelings—and I beg you to weigh my words—you will be playing into the hands of the Communists; you will hand them the trump card of being able to pose as the defenders of patriotism, though they are the last people in the world to deserve that title!

To sum up, I am convinced that if the High Authority exceeds its rôle and goes on making statements and undertaking commitments in order to create an impression and, I shall go so far as to say, to induce the American Government to force upon our peoples a particular military and political structure when several other possibilities exist, then, in spite of its valuable efforts in the sphere of coal and steel, the High Authority will not, I say, be serving the best interests of us all.

Mr. President, Ladies and Gentlemen, I have had my say.

Perhaps my reference to an attempt to foist upon us a European conformism was going too far. The best proof that the conformist attitude has not yet gained ground is the kind attention with which the Assembly has received my speech. (*Applause.*)

The President. — I have two communications to make to the Assembly.

The first concerns the members of the Consultative Assembly. The three relevant Committees of this Assembly, the Committees on General Affairs, Economic Questions and Social Questions, will meet this evening at 9.30 p.m.

Secondly, I would ask those of you who wish to speak this afternoon to enter your names before 1 p.m. The list will then be considered closed, since it is essential for us to arrange the order of this afternoon's debate of the Joint Meeting.

I call M. Henle.

M. Henle (German Federal Republic). — (*G*) Mr. President, Ladies and Gentlemen, I think everyone will agree on the desirability of arranging between our two Assemblies now meeting together here not only close contacts and co-operation—but for ultimately we are all serving the same ends—but also a mutual exchange of experience.

This is all the more necessary since the experience we are acquiring in the Common Assembly is, naturally, quite different from that of the Consultative Assembly, owing to the different nature of our respective tasks. Nevertheless, these different types of experience may do much to clarify the main problem common to both Assemblies—namely, that of European unity.

Naturally, the primary question for the Council of Europe is how far its aim to unite the European peoples is to extend—in other words, the precise degree of integration which can and must be achieved.

For us of the Coal and Steel Community this is also an important and constantly recurring problem. In our case, however, it presents itself in a basically different guise. There is no longer any question about the supranational character of our Community; it has been established once and for all under the Schuman Plan Treaty. As you know, however, this Treaty

has only provided for the partial integration of the economies of the countries concerned, limited to coal and steel. It is thus the problems arising from this partial and limited integration which we of the Coal and Steel Community are required to solve.

To my mind the needs and difficulties which we have to face and the possibilities open to us for overcoming them are closely bound up with the problem of integration as a whole. And this integration problem also plays a central rôle in the debates of the Council of Europe.

Our work in the Coal and Steel Community, what is more, differs radically from that of the Council of Europe, in that we are less concerned with the big theoretical political problems, whereas we find ourselves directly confronted with the practical side and have to deal with all kinds of extremely real and technical problems. Such things as soft and flaming coal, scrap and iron ore, bar iron, rolled wire, or thin, medium and thick plate hardly lend themselves to generalisations or eloquent political discourses. On the contrary, as soon as one begins to deal with such matters, one becomes immersed in a welter of practical details in which figures invariably play the principal rôle.

This study of figures has thus become to some extent our daily bread. True, its dryness may make it somewhat unappetising. Nevertheless it has, I believe, already provided us with valuable information. Without figures the coal and steel experts who go to make up the Common Assembly would be unable to work effectively.

It was figures such as these which stood rather like god-parents over the cradle of the Schuman Plan—I mean those impressive and almost overwhelming figures which illustrated the gradual eclipse of the coal and steel industries of Western Europe over the past twenty years.

These figures naturally gave rise to apprehension when a comparison was made with the growth of the coal and steel industries of the United States and the Soviet Union over the same period. There could be no more striking proof of the economic superiority of these wide open spaces over the small cramped national economies which characterised Western Europe. Detailed examination of these figures showed with startling

clarity that it was absolutely essential to unite if the threatened decay was to be averted.

We thus realised the futility of continuing our lengthy discussions as to whether integration, the amalgamation of our collective forces, was desirable or not. This realisation, however, seems to me of equal interest to the Council of Europe. For these figures, showing as they do how Europe has already been economically outstripped as a result of her own divisions, speak a more convincing language than any amount of deliberations as to how the political pre-eminence of the European countries may be restored.

While we were particularly struck by the need for integration, however, it was not long before we came to realise with equal clearness the difficulties and perils with which the partial integration represented by the Coal and Steel Community was fraught. I do not want to go into details here, but merely to point out that, as soon as we got down to practical details, we found ourselves confronted with questions which the parties to the Treaty instituting our Community had at first imagined they could afford to ignore. The truth is that partial integration entails all kinds of measures of adjustment and compensation. These are essential if the ambitious concept of a common market is not to remain an illusion which conceals the continued existence of separate national economies varying widely in both aim and method.

One important problem, in particular, emerged at this time, and one of profound significance for the future development of the Coal and Steel Community—namely, that of the different financial and monetary policies of the Member States. For a long time the experts have been pointing out that the Community could not really prosper under the system of currency controls pursued almost unremittingly by the various countries.

On the contrary, it is essential that our currencies should be made convertible, and the whole economic, financial, monetary and credit policies of the Member States co-ordinated. Here is a grave omission which must be remedied, quite apart from the need for other integration measures of all kinds, such as the abolition of quotas and customs duties.

Against this background of experience two important truths

seem to emerge ever more clearly in our coal and steel field, even though our experience may naturally have to be revised as time goes on.

The first is the realisation that serious drawbacks exist to the system of partial integrations—that is, the so-called sector by sector approach. If this method is continued I am afraid our difficulties will become even more complex, and we may ultimately lose ourselves in an inextricable economic morass.

Naturally, we can only proceed by stages, but these stages should be conceived on as broad lines as possible. The first step, I feel, is the introduction of a really systematic liberalisation of the whole of our foreign trade, as has so salutarily been advocated by O. E. E. C. Only then should we establish the European customs union which I hope some day to see brought into effect. The Kingdom of the Netherlands, in particular, has elaborated an admirably clear scheme for the achievement of the latter aim, even if it cannot be carried out as quickly as we should like.

The second point is of particular importance to those who, as they come to realise more and more clearly the vast implications of genuine integration, tend to lose heart and wish to call a halt. It is that there can be no staying of the course we have set ourselves, because, ultimately, it would mean a return to the intolerable conditions of the past.

We can only go forward. By this I certainly do not mean that we should rush heedlessly ahead; I do think, however, that we must advance resolutely, keeping our aim steadily in view and refusing to content ourselves with unsatisfying half-measures and partial solutions. The process of integration has its own inner laws, whose main characteristic is precisely this slow and steady advance, and from which alone it derives its impetus.

Of course, this does not mean that we can level overnight all the historic differences between the European peoples and their own deep-felt sense of individuality. It does mean, however, that we regard it as one of the main tasks of our generation to create ever-closer unity among these peoples so that they may strive jointly to further the works of peace. Only in this way can we overcome this harmful dispersal of Europe's forces which we have inherited from the past.

There is one further point, with which I should like to

conclude. I need hardly say that our Community has no desire to be exclusive but is bent on finding a new form of association and co-operation with the non-Member States and particularly, as you all know, with the United Kingdom. The first hopeful steps for achieving this aim by empirical means have already been taken. In these negotiations we cherish the hope that, to apply the metaphor employed by our British colleague when he spoke about looking at the young girl before marrying her, being the youngest of the potential brides we can at least try gradually to lessen the distance which separates us from our older rivals.

By association we do not merely mean a series of friendly exchanges of views. What we mean is concerted action for solving the main problems confronting the world coal and steel market, involving the abolition not only of cartels and similar practices but also of subsidies and other processes which to-day have an important but unsteady effect of the fixing of market prices.

Here, again, we of the Coal and Steel Community find ourselves at the heart of economic realities. We must accordingly pool our experience and devise methods of concerted action. We are counting on the members of the Common Assembly to support us wholeheartedly in this undertaking. Nothing could be further from our thoughts than isolation. On the contrary, we seek closer co-operation with you all in a spirit of mutual trust.

I know that in this respect our two Assemblies think alike. I am firmly convinced that we shall one day achieve our noble aspirations if only, instead of shrinking timidly from the inevitable difficulties, we rally our forces in a common endeavour to realise our aims. (*Applause.*)

The President. — The Sitting is suspended until 3.30 p.m.

(The Sitting, adjourned at 12.55 p.m. was resumed at 3.30 p.m., the Chair being taken by M. Paul-Henri Spaak, President of the Common Assembly.)

**PRESIDENCY OF M. PAUL-HENRI SPAAK,
President of the Common Assembly**

The President. — The Sitting is resumed.

Ladies and Gentlemen, I would point out to you that there are twenty members down to speak. If we want to finish this evening at 6 p.m., speakers will have to be concise.

I call M. Blaisse.

M. Blaisse (Netherlands). — (*F*) Mr. President, Ladies and Gentlemen, unfortunately the Rapporteur of the Committee dealing with investments, financial matters and production trends cannot be here to present his report which we discussed last week with the High Authority. He has therefore asked me to summarise it briefly on his behalf.

First of all I want to make the point that this report could only deal in generalities, there being at present no precise statement on behalf of the High Authority with regard to investments; the latter has not had the time during the short period since the opening of the common market to undertake a thorough study of the subject.

The problems which the Committee felt it should deal with have been classified into three main categories :

1. What are the general objectives which the High Authority seeks to attain?
2. What financial resources are likely to be essential for the attainment of these objectives?
3. What should be the Community's preference in the way of investments, both with regard to particular sectors and the undertakings likely to benefit by such investment?

The High Authority has given notice that it aims in the first phase at increasing the production of coking coal and iron ore in order to reduce the deficit of the trade balance *vis-à-vis* the United States and to meet the increased needs of the steel industry.

With regard to investments in the steel industry the main purpose of the High Authority must be to work towards a lowering of cost prices and an improvement in quality.

As regards finance, which is dealt with in the second part of the report, I may perhaps remind you that the rate of the levy on production of coal and steel is required to reach .9 % by July. Half way through 1954 the amount of the levy will have reached a figure of some 40 million units of account, and it will be used, in accordance with Article 50 of the Treaty, to cover the following outlay : administrative expenditure, expenses of re-adaptation, encouragement of technical research, the guarantee fund for the investments—in other words in respect of that portion of the service of the borrowings by the High Authority which may not be covered by the service of its loans, as also in respect of the guarantee of borrowings made directly by the undertaking.

As regards a preference for one type of investment over another, the High Authority made a statement to the Committee in the following terms :

“ It will be left to each undertaking to determine its own programme. The High Authority has no intention of exercising authoritarian control in this sphere nor of taking over what must necessarily remain the responsibility of the undertakings themselves. What it can do is to offer guidance. It is in the position of having a thorough knowledge of the widely-ranging market which the Community represents and it can enable the undertakings to make use of this knowledge. ”

The same statement was likewise discussed in the Common Assembly, and there was a lively discussion on this point. Actually, the Assembly, while recognising that the observation in question was in accordance with Article 54 of the Treaty, took the line that the High Authority is required to specify its general objectives in a definite programme so as to be able to give opinions to, and provide financial facilities for, the various undertakings, as laid down in the same Article 54.

And, finally, with regard to financial resources, the Assembly took note, with satisfaction, of the exchange of letters between

the President of the United States and certain Committees of Congress.

Mr. President, Ladies and Gentlemen, I think I have brought to your special notice certain matters of primary importance in the report, and I wish to confine myself to this brief analysis of its contents. (*Applause.*)

The President. — I call Mr. Bell.

Mr. Bell (United Kingdom). — I should first like to thank M. Monnet for his kind reference this morning to Mr. Eden whose early return to good health we all so much hope for. It has indeed long been the view and the wish of the British Foreign Secretary that the Coal and Steel Community should develop in close collaboration with the Council of Europe; and this joint session is the logical outcome of that policy.

Those States which are Members of the Council of Europe, but not of the Coal and Steel Community, look to this collaboration not only for the protection of their own economic interests but also for reassurance against the danger that is naturally inherent in organisations of the part, namely, that they may become inimical to the organisation of the whole. Upon that point, in the first months of operation of the Community and in the speeches this morning we have received considerable reassurance that the High Authority and the Community itself are imbued with a liberal spirit and understanding of the rôle which they occupy in the European community.

The association of Great Britain must, of course, always—or at any rate in the foreseeable future—fall short of actual membership of the Coal and Steel Community, and since we are the largest coal producer in Europe and second only to the countries of the Community in steel production, our relations to it must be of great importance to ourselves and to the Community itself.

I do not want this afternoon to speak for long. What I would say is that I suggest we ought to be thinking about that relationship now. It is quite true that no conflict of interest has arisen so far between the Community and Great Britain, no case of friction or of difficulty, but I think that the time for

establishing the relationship in a fairly detailed manner is *before* any difficulty or friction arises.

I do not know what is exactly the right policy for the expansion of the steel industry of Great Britain and Continental Europe, but I suggest that if we proceed to expand our steel production at the highest possible rate, whether by reference to the personal consumption of the United States of America, by reference to the rate of increase which has occurred in Russia, or just upon the principle that the right thing to do is to increase your steel production and believe that demand for steel will naturally increase at the same rate—if we act upon any of those principles, as we seem rather likely to do, it would be folly not to have a policy which envisaged at any rate a temporary surplus of steel production.

As long as there is no surplus of steel production, the relations between Great Britain, or, indeed, any outside producer, and the Community will always be fairly easy; but, if a surplus of production, even temporarily, arises, that will be the testing time. That will be when the difficulties arise, whether they are in relation to third party markets, the European market or the internal British market. And then they will arise with all the acuteness of existing political problems, and will be very much more difficult to solve.

Sometimes it is easier to solve problems in the abstract. It is true that the British in particular are a pragmatic or an empirical people, but I have never thought that pragmatism was a synonym for lack of foresight.

If I indicate one or two of the possible kinds of danger I do so not in any critical spirit, or because they will necessarily happen, but only because I think it is best to be quite frank about the possible difficulties in order to avoid any kind of misunderstanding. For example, there is a risk—I do not put it any higher—that the Community might develop certain restrictive characteristics. For example, there is the natural advantage which sea transport has over land transport, meaning that in certain respects and in certain places supplies from the United Kingdom of coal more especially, but sometimes of steel, are more economical imports in parts of the Community territories themselves.

In general European principle, would it be a desirable development, for example, that those imports should be kept out of such parts of the Community territories although on purely economic grounds they ought to come in? I only mention that as the kind of difficulty which, if not resolved in principle before it becomes an acute political problem, might be very difficult of solution later on.

My friend Mr. Chetwynd this morning referred to the possibility that cartels might develop. I, personally, am not afraid of that word. Mr. Chetwynd, of course, was expressing his own point of view about that, both as to the future and as to the merits of the steel arrangements which existed in Europe before the war. I personally hope that greater formality will occur in the steel arrangements between Britain and the Continent in the near future. I am not afraid of the word "cartel". I think the only consideration that you have to worry about is whether your arrangement takes care of the consumer as well as the producer; and from the constitution, and the practice hitherto, of the Coal and Steel Community, I am quite happy that they would take care of the consumer as well as of the producer.

This morning Mlle. Klompé said that European unity, whether in the Coal and Steel Community or otherwise, was not a mere reaction against the threat from Russia. I do not think one could use truer or more relevant words at the present time. No doubt the peril that we have faced has been a powerful accelerator and because we nourish hopes of an improvement in the political situation it would be a disaster if on that account the movement towards European unity in different fields were to lose any of its impetus or if the nations of Europe were to relax for a moment their interest in the ideals which underlie this Assembly. If that were the result of the possible *détente* with Russia, it would come to us now not as a blessing, but as a curse.

I think that the European Coal and Steel Community, by recognising its part in the larger European movement, by realising that it is an integral part of something which includes the European Defence Community, is performing a great service for the whole comity of Europe. I hope that those of us who are inside the Community and those who are outside it will press on with the main aims of the Council of Europe, and, in particular, that nothing that has happened recently will in the least

weaken our desire to see established at the earliest possible moment a Defence Community of Europe.

Mr. President, I only wish to say in conclusion a few words of congratulation to the leaders of the Coal and Steel Community for the statesmenlike way in which they have conducted the affairs of their body and for the inspiration they have retained in dealing with coal and steel, yet, nevertheless, realising that implicit in their organisation is a large part of the whole future of the European idea.

The President. — I call M. Lannung.

M. Lannung (Denmark). — (*F*) Mr. President, Ladies and Gentlemen, by bitter experience and at what a cost, we are all only too aware how difficult it is to bring about effective European collaboration. That is why I feel I cannot speak here without first of all expressing my admiration, as, indeed, I have already done in the Consultative Assembly, for the remarkable combination of hard work and idealism which has resulted in the creation of the European Coal and Steel Community.

As M. Monnet, President of the High Authority, was saying just now, so clearly and with perfect justice, it is absolutely essential, if Europe is to maintain its existence, for the forces hitherto employed for purposes of war, disintegration and destruction to be now concentrated to the purpose of a close collaboration in the economic and political spheres.

It is quite clear that there can be no question of efforts being confined to economic integration limited to coal and steel. If there is to be a real common market, that must involve a co-ordination of the economic policies of the various countries.

It is no less clear that this process of working together, if it is to be efficacious, cannot possibly be limited to the six countries at present Members of the Community. And how, indeed, will there be any possibility of bringing into line the monetary policies of these countries unless Great Britain is brought in?

I may say therefore that I listened with the utmost satisfaction to the statement made by M. Monnet this morning in

which he laid particular emphasis on the fact that the European Coal and Steel Community is an open Community.

But, then, how is this collaboration on a wide scale to be ensured?

The one and only way to achieve it must be to instil into the minds of the peoples of our various countries an understanding of the necessity for working together. It must be, principally, the task of the political representatives of the countries outside the Community to make such understanding possible.

It is important, however, and indeed needful, not only that we should strive for such understanding but also that the Coal and Steel Community in its policy with regard to countries outside should go out of its way to avoid any discriminatory treatment such as might render difficult or indeed impossible of success our efforts towards mutual understanding.

In this connection, Mr. President, I propose to speak frankly of the difficulties facing, for example, us in Denmark.

What is the general impression, in the countries outside, of the progress made hitherto by the European Coal and Steel Community? I think one may say that people are very well disposed to the efforts that have been made by the Community; and the particular individuals who have to deal with these problems are certainly in no doubt as to the idealistic purpose of the High Authority. At the same time the recent trend in the coal and steel market has in many quarters aroused a certain scepticism as to the capacity of the High Authority to surmount existing difficulties.

As regards the coal market—here is, roughly, the situation, as it is seen from outside : the level of prices, since the opening of the common market on the 10th February, has, on the whole, theoretically, been firmly fixed, following upon certain increases which took place immediately before that date. The maximum prices that have been fixed are, then, in practice minimum prices and, although these prices may only have been fixed in respect of the common market, the stabilisation of prices thus brought about has had its influence on the markets of countries outside the Community.

According to the rumours which are circulating in coal

industry circles, the stabilisation of prices is regulated more or less by a cartel or a price-ring, bearing the innocent title of "study group". Now, descriptions of this kind are sometimes, like young damsels, less innocent than they appear to be. (*Laughter.*)

This stabilisation of prices coincided, as it happened, with a reduction in demand—and, consequently, an increase of stocks of coal available at the mines. The problem is to know whether prices have not been stabilised at too high a level. And, of course, it is difficult for the layman to judge whether or not this is the case.

I must not fail to emphasize that burning-oil, as a result of the reduction of freight charges, is now a serious competitor with the solid fuels—at any rate that is the case in Denmark and in Scandinavia; certain changes in fuel consumption are definitely to be noticed, oil being substituted for coal. And let me remind you that oil is a commodity produced outside Europe—and in any case has to be paid for partly in dollars.

In view of this fact, when the argument is put forward that modernisation and rationalisation of the mines will at some future date make possible a price reduction, I must just utter this warning against the idea that we have here a solution of the problem.

As regards the steel market the situation is much the same, when looked at from outside, namely that the price of steel has gone up as a result of the institution of the so-called export prices cartel. Let us take as an example the price of merchant steel, which has been stabilised at about 87 dollars per ton, whereas the corresponding price, at the beginning of the Korean war, was only 62 dollars.

I must say I was somewhat perturbed to hear that the High Authority is not able to intervene to prevent the creation of any such price cartel, affecting third-countries, at the moment when the steel market is substantially weakened.

It is to be feared, Mr. President, that the consumer in the non-Community countries will get the impression that a price cartel such as this is a betrayal of the European idea and that the High Authority is not entirely master of the situation—I am not prepared to say whether this is true or not.

Let me say in conclusion that close collaboration on a European scale in the economic and the political sphere is an urgent necessity. We politicians are in duty bound to seek to extend the collaboration now existing to our own countries; but at the same time we must urge on the High Authority the necessity for making the effort, in its policy towards countries outside the Community of combating price cartels and measures of price discrimination, so that in this way our efforts shall not be in vain. (*Applause.*)

The President. — I call Mr. Robens.

Mr. Robens (United Kingdom). — Mr. President, Ladies and Gentlemen, I am afraid that I shall not be contributing a great deal to this debate, but shall rather be asking a series of questions—the questions which I think are being asked by our own people in the United Kingdom and, possibly, by many people in the countries of the Nine outside the Six. When a reply is made to the debate I hope that we may have answers to some of these questions, which I ask in a constructive way, and in no way antagonistic to the Community or the High Authority. I am most anxious that we should at the earliest opportunity get the arrangements between the nine countries and the High Authority complete, whether by agreement or by treaty.

First, however, I should like to refer, as did my Conservative colleague, Mr. Bell, to the speech of M. Monnet this morning. I was very appreciative of his references to Mr. Eden. Although I sit on the other side of the political fence from Anthony Eden, I can assure you, Mr. President, that all of us hold him in the very highest esteem in the United Kingdom. We were extremely sorry at the breakdown in his health, and we all hope that he will be speedily restored to health and back in his usual good form conducting the affairs of the British Government in the Foreign Office for just as long as the present British Government remains in office, which I, of course, hope will not be too long. I hope that the kindly remarks of M. Monnet will be conveyed to Mr. Eden, and that there will be added to them the good wishes of all of us here who think so highly of Mr. Eden.

At the same time, I should like to pay my tribute to the

enormous work that has been done by the High Authority and those associated with it. It was a very great task; to have accomplished so much in a short time is a clear indication of the energy and initiative that has been shown, and I have only the highest admiration of that work.

M. Monnet said that in this common market there are 150 million consumers. That represents an enormous potential, and I hope, with my colleague George Chetwynd, that this common market and the setting up of the Community, with the High Authority, will lead to a great development indeed of the use of coal and steel. But that is something that will be outside the authority of the High Authority itself. The greater use of steel in engineering, industry and agriculture depends very largely upon the Governments of the countries themselves and the way in which their investment programmes are made.

At the beginning, therefore, I should like to know whether or not the High Authority is in close enough contact, not only with Member Governments but with other Governments outside, in order to discover whether or not their broad economic policy is of an expansionist type, and whether or not in economic matters they will be encouraging the largest possible amount of capital investment in coal and steel, because all the efforts of the High Authority to increase production within Europe will be of no avail if Governments adopt a restrictive policy and if there is no way in which the increased steel and coal production of Europe can be used. Indeed, unless Member Governments are alive to the fact, and are working hand in hand with the High Authority to make certain that the increased production is to be used, Europe will be in a very grave situation, having expanded its industries to the extent that it will have done, only to find Governments following a restrictive policy, leaving a large amount of productive potential unused, not only in the Community but in the United Kingdom and elsewhere. I therefore ask whether or not the High Authority is seeking to urge Member Governments to look at their economy and to make it expansionist, particularly in the field of fuel and power and of the steel used.

It is also quite clear to all of us that with this present development there must be the closest practical association with the United Kingdom, which is the largest producer of coal and steel in Europe outside the Community. Later on I shall want to

ask just what proposals the High Authority has in mind for this close link-up which is an essential feature of the Treaty.

I now wish, if I may, to ask some questions about investment. As I understand it, investment by those firms which do not require capital from the capital market may be carried on without reference to the High Authority at all. Presumably they will be the most efficient and most profitable undertakings, and until such time as those undertakings required to raise money on the capital market they would have no need to ask the High Authority for its approval for investment programmes which they themselves are capable of carrying out. That will present a very important social problem, because it presupposes that the only undertakings which will want to raise capital with the backing of the High Authority will be in the main the less efficient ones, and it may well be that a unit which at the moment is less efficient would, given the right amount of capital, be able to become an efficient one, but, because of the large number of undertakings wanting capital for development, it might be denied the capital it required.

We could have a situation in which some plants might be virtually closed down whilst other plants would be very considerably extended. On the grounds of efficiency there may be a good case for that, but the social consequences are terrific, inasmuch as we are faced with the maintaining of full employment. Our own experience in the coal industry in Britain has been that we have had to continue in production about 200 or 300 pits which could not be said to be economic, but which for social and other reasons it was desirable to maintain in production.

I should like to know whether, in relation to the investment programme, the High Authority is taking into consideration, not only the general efficiency of the industry, but also the effect of capital investment upon the social lives of the people in that industry and in the area in which the industry is situated.

Now, may I turn to the common market and ask my first question on that, which is: Will the common market be exclusive? Shall we reach a stage when there will be a general tariff against other countries and thus give the Community very great opportunities of a protectionist policy detrimental to coun-

tries outside? What is the position about third-country trade? Are we going to survey the requirements of third countries, and are we, between us, going to divide that market? Are we going to work out together the way in which our productivity is to be increased and make certain that the total increased production of the Community, *plus* the other steel-producing and coal-producing nations, is used in the third-country markets? Might a situation arise where there would be under-selling in the third-country markets because of the economic situations which might develop? Or are we going to have a real understanding and agreement with regard to third-country markets?

The Community will be a very big purchaser of things like iron ore. Will it use its position as a great purchaser of iron ore to insist in return that the countries supplying the iron ore shall take Community steel irrespective of other countries producing steel? The harmonising of tariffs has already resulted in the re-imposition of tariffs which were previously suspended. May I ask what has been the effect in Sweden and Austria, which export steel to Germany, and what has been the effect on the export of tinplate from the United Kingdom to Germany? In other words, I ask the simple question: is this the beginning of a protectionist policy?

At this point I should like also to say this. In the granting of the waiver from G. A. T. T., and the O. E. E. C. code of liberalisation it was implicit that the good-neighbour policy should be continued, and I therefore think it is important that we should know what are the views and ideas of the High Authority on the question of protection.

Now, I should like to ask something about the association of third countries in relation to trade agreements. As I understand it, there is to be an examination of trade agreements, and I should like to ask what is to happen to existing agreements and to future agreements? The United Kingdom has a number of trading agreements with other countries in which trade is based upon our ability to supply certain goods and our willingness to accept other goods from the countries concerned. Very often we accept from the countries concerned goods which we do not particularly want, but as the production of those goods is part of their economy we purchase and use them.

Where there are agreements of which steel and coal are part and parcel, is it the intention of the High Authority that old agreements should be examined with a view to steps being taken to withdraw those features of the agreement in relation to coal and steel which cut across the present policy or proposed policy of the High Authority? Secondly, in relation to future agreements, is it the intention that countries should put in escape clauses in order that they could at the appropriate moment, at the behest of the High Authority, withdraw from those portions of the agreement relating to fuel and steel?

Those are some of the questions which I ask, as I say, in a most friendly way, because they are the kind of questions to which I am sure we in the United Kingdom would like to have some sort of answer; and I am quite sure also that there are other countries interested in those answers.

At the moment we have Delegations to the High Authority; the Joint Committee has been set up with the United Kingdom; there are working parties, and we are exchanging information. On matters concerned with safety in mines and on the subject of intensive research into pneumoconiosis—the special miners' disease which kills so many of the mining community every year—I am sure that there is the freest exchange of information on both sides.

But then we come to research. Research is important, because unless we spend a great deal of time, energy and money upon research we shall not increase the productivity of the worker, which is absolutely essential, together with increased total production.

What I want to know about research is this. Within the Community there are a large number of private enterprise firms each of which will be running its own research department. Is it proposed that the whole of the work of the various research organisations now in existence in firms within the Community will be placed wholly at the disposal of all the firms inside the Community? Or are they regarded as the normal commercial practices, so that firms within the industry will not share the secrets of their research but will keep them for themselves? That is the first question on research.

The second point is this. We, too, in the United Kingdom

are spending a great deal upon research. I think it is for the good of Europe that the whole of what is discovered from research, both in the United Kingdom and in the Community, should be fully shared. But it is important that at this point there should be a perfectly clear agreement about what is to be done, or else we shall probably find that the results of research are exchanged to improve the efficiency and productivity of a rival organisation to the detriment of the organisation providing the results of the research. On research, or rather the application of research to industry, I should therefore like to know whether we are going fully to share all that is discovered, because I believe that upon the answer to that question depends just how far this complete collaboration should go.

I am a complete and avowed supporter of the work of the Community. I want to see it progress! I want to see the closest possible association with the United Kingdom and the other countries. I hope, therefore, that in the next few months the High Authority will tell us, from its experience and knowledge of these months of working, just what its proposals are for this close and enduring association. It is important that we should know what its proposals are as quickly as possible, so that all of us who want to see this work go forward and prove highly successful may know precisely where we are and what contribution we can make.

I am glad of the opportunity to ask these questions. I must say that this first joint session appears to have been highly successful. I believe that the work can be developed along lines which, in the years to come, provided that we take advantage of experience, will allow few differences between us in Europe ever to exist again. (*Applause.*)

The President. — I call M. Nölting.

M. Nölting¹ (German Federal Republic). — (*G*) Mr. President, the question of investments is extremely important; it is in my opinion one of the factors by which the Coal and Steel Community will stand or fall. Even the self-imposed limitations of the High Authority, as witness its recent statement that its rôle is merely one of "guidance", do not affect this view.

¹ M. Nölting's death was announced on 17th July, 1953.

On what basis should the funds available be allocated? Money is pouring into the coffers of the High Authority, and as it enjoys independent control of these funds, it has ample cover, its credit position is unassailable.

I should like information, not necessarily on the nature of its plans, but at least on the principles to be observed in this matter of investments. Forward supplies for the European market can only be assured by a wise investment programme, by which I mean the allocation of credits on the most rational lines. Our general aim is to develop the production of coal and steel. I need not recapitulate the target figures for each year up to 1961; they are common knowledge. But to fulfil those norms will require an extensive capital programme for modernisation and construction of new plant.

With regard to coal, it would be mistaken policy, however, to base the allocation of new credits on the present rate of extraction. A sounder basis would be the estimated coal reserves in the various countries. According to French estimates, out of the total coal reserves of 82,000 to 84,000 thousand million tons available to the Community, 80 % lies in the German Federal Republic, and the current production of coal in that country amounts to 60 % of the total. The Community's principal reserves of coal are to be found in the Ruhr basin, which will amply repay more extensive exploitation. If the percentage taken as most significant is that of soft coal, particularly suitable for coking, then we find that the German Federal Republic is responsible for 67.8 % of the total production.

Please do not misunderstand my motives, Mr. President, in pointing to these figures. I am not thinking in niggardly terms of quotas and agreements, far be it from me! These facts have nothing to do with nationalism; they are the phenomena of geology, and I am speaking purely as a European economist whose only concern is that production should seek the most favourable conditions, so that exploitation may be rationalised as fully as possible.

Our steel industry, on the other hand, is still handicapped, as was pointed out to you this morning, by the effects of war and its aftermath, dismantling, decentralisation and the breaking up of cartels. We have had some experience in the Ruhr.

of capital outlay on reconstruction, and have found that in the Ruhr basin there is no fear of a poor return on capital invested.

The estimated shortfall of investment required in the steel industry of the Ruhr is of the order of 5,000 million DM, a sum far beyond the capacity of the industry to plough back out of profits.

That the German steel industry is in need of expansion is also evident from the fact that our index of general production stands at about 150 to 156, whilst in the steel industry this index is as low as 113. If the investment programme is to be impartial,—and I mean impartial—it must take into account two factors peculiar to the Ruhr, namely the immense backlog of investments to be made up and the exceptionally high profitability of capital laid out for reconstruction in this area.

It is vitally important that the risk capital should be found. But I should like to enlarge upon the statement made by my friend M. Birkelbach this morning, and point out that this capital cannot be provided by the forced liquidation of assets in the Ruhr. Admittedly international economic agreements are quite defensible and have a great deal of right on their side. They have in the past contributed greatly to the development of the mining industry, irrespective of frontiers. Mutual investment of capital by various countries can exert a favourable influence on production and marketing. But there must be a basis of reciprocity in these matters, and not a liquidation forced upon a single country, such as is unfortunately the case in Western Germany as a result of the breaking up of the cartels by the occupying Powers under their Order No. 27.

On our own capital market money is not easy enough to take up the shares on offer as a result of liquidation. There is then an influx of foreign capital, which has caused concern among large sections of our population. Yet there is no lack of rational means of pressing forward the economic integration of Europe. Selling off German securities can lead only to an accumulation of national resentment which may one day reach the bursting-point.

This situation is full of pitfalls. They should be recognised in good time to avoid making errors which it would be difficult to put right later. It has always been good policy to forestall unwanted developments. (*Applause.*)

The Chairman. — I call M. Nadi.

M. Nadi (Turkey). — (*F*) Mr. President, I listened with the greatest interest to the speeches made this morning. I have also been able to follow some of the proceedings of the Common Assembly of the Coal and Steel Community, and I must admit to being most favourably impressed.

Those who are concerned with the development of this particular European Community, which is still in its infancy, must certainly continue carefully to nurse it for a long time to come; but it may be stated here and now that this infant Community was not still-born, and I think that this is a valuable and encouraging sign in a world where we have often become accustomed to see the best intentions nipped in the bud.

As has so rightly been emphasised by the President of the High Authority, the Community is not an association of coal and steel producers, it is Europe coming to birth.

The progenitors of the Community wish the organisation of the production of these two raw materials and the creation of a common market in the six countries, to bring about the unification of Europe. Were this not the final aim, though not, in fact, an aim in itself, there would be no great point informing the Community.

It is satisfactory to note that almost every speaker in the course of this Session has agreed on this. I was particularly impressed by the remarkable speech of Mlle. Klompé, who rightly rejected all forms of discrimination between the Europe of the Six and the Europe of the Fifteen. That, Mr. President, is a point of view that I should like to see shared by all men of good will.

It is difficult, nay impossible, to outline the frontiers of Europe. Europe is a thing of the spirit which, in the final analysis, finds expression in the respect of human dignity. Wherever this spirit lies, there lies Europe. Were this spirit one day to perish in our Assembly, we should, in this Hall, seek vainly for Europe, for it would no longer be there. The Europe of the Six and the Europe of the Fifteen are, in truth, two forms of organisation that are the outcome of political conditions. They have a common aim. They could be illustrated by two

concentric circles whose circumferences may, for the time, be different but whose centre, by definition, is the same. The successful development of our institutions must clearly result from our joint efforts. If all goes well, it is logical to foretell complete identification in one form or another. Any form of dissociation would in fact be a setback for the Western cause.

Among the various Committee Reports submitted to the Common Assembly, it would seem that that of the Committee on Social Affairs is of especial interest, and by overstepping the framework of a small Community is worthy of attention.

Preoccupied as it is with the welfare of workers and the success of the task undertaken, the Committee on Social Affairs of the Community has suggested that the Assembly take certain initiatives which, if carefully translated into practice, would go far towards raising the standard of living of millions of workers and thus increase the prosperity and vitality of Europe.

My colleagues on the Committee on Social Affairs are perfectly aware of the importance of the housing problem which we have been attempting to resolve for several years, that is to say ever since the creation of the Council of Europe.

Within more restricted but more homogeneous limits and with better material means at its disposal, the High Authority is able to-day to find a solution to this problem. By adopting an investment policy for the building of worker's dwellings and by applying this policy with tact and energy, the High Authority will set a fine example to the rest of free Europe, and contribute to its own success.

The introduction of international passports for workers, should this come about in the near future, would also provide a fine example which could well be followed by other European countries and be extended to other fields.

The readjustment of social charges, following upon the abolition of discriminatory practices in various member countries, is an essential measure if the common market is satisfactorily to be developed and speeded.

I shall not dwell on those technical problems of the Community which directly concern the Member States. So far as concerns the problem—mentioned, I think, by M. Struys—of

defining the character of the Treaty setting up a European Coal and Steel Community, may I agree with the honourable Representative from Belgium that care must be taken not to give it too limited an interpretation.

This Treaty is certainly not a Constitution, but let it not be forgotten that a Political Authority is now being prepared which, once set up, will embrace all the jurisdictional systems of the Coal and Steel Community.

The fact of refusing to recognise any constitutional feature in the Treaty, on the pretext that the Political Authority has not yet been established, would seem to be tantamount to wishing to avoid the establishment of this Authority.

I am firmly convinced that, failing a supranational authority, no useful progress can be made towards the unification of Europe.

The President of the High Authority referred to letters exchanged with leaders in the United States. It is a considerable source of strength and encouragement to see the new Administration in America, like its predecessor, display enthusiasm and reveal the wish to support any effort made towards the unification of the free peoples of the old world.

Are we not justified in seeing in this courageous and brotherly gesture of the United States of America the wonderful projection of Europe beyond the seas and towards the West? Are we not justified in seeing in this gesture, which appears to ignore all obstacles, the best reflection of ourselves?

We are fully aware of the obstacles. There has never been a human community which, in the course of its development, had not to fight against obstacles. To-day, more than any time, we are surrounded by them. We are not here in search of compromises. We are not here in order to pretend that the obstacles don't exist, but to overcome them.

The implementation of the Coal and Steel Community was achieved as the result of tremendous efforts, and further efforts will be needed if Europe is to become a reality. The supranational authority we are seeking to establish will not be a super-nation. Egoistic and aggressive nationalism should be relegated to history. Any attempt made in a direction other than that I have defined will in fact prove a criminal anachronism.

Free Europe has proved, at the cost of great sacrifices, that it must find a new form of existence, so that man may live free from fear and from the threat of slavery.

It is fruitless to seek this new form of existence otherwise than by the unity of men and peoples. (*Applause.*)

The President. — I call M. Motz.

M. Motz (Belgium). — (*F*) Mr. President, Ladies and Gentlemen, I should not have thought of speaking in this Debate, had not our distinguished colleague, M. Debré, this morning raised several problems concerning the political aspects of the European Coal and Steel Community or relating to some of the reasons for which we agreed to the idea of supranational powers for that Community.

M. Debré stated this morning that there was a time when the nations of Europe, enjoying freedom of trade and currency convertibility, could carry on commerce and trade with one another without surrendering any part of their national sovereignty. I should like to confine myself to the economic aspect of this proposal. I fully agree with him that there was such a period, but I wish to draw his attention to the fact that at that time national sovereignty was strangely limited by the functioning of economic institutions, that is to say, by the operation of the gold standard and by its consequences, namely the independence of monetary institutions and of currency itself. It was a period when currency was not in thrall, in other words, not controlled.

Economic nationalism had not at that time caused to the economic organisation of Europe the havoc which it has wrought during the past twenty-five years. It is in order to put an end to this disastrous state of affairs and to eradicate the malformations, tumours and cancers which have developed behind economic nationalism that we are to-day obliged to resort to supranational powers.

Actually, what we really should do is to come down out of the clouds. How many resolutions concerning the economic situation of Europe have been adopted during recent years! How many times have those resolutions been agreed to solely on the basis of the idea of national sovereignty! How many new

organisations, such as Fritalux and Francital, have been set on foot to cure our ills, not to mention all those artificial organisations and customs unions which broke down even before they were properly launched, and all those economic institutions which came to nought because they were only makeshifts.

The reasons for such failure are invariably to be found in the basic problem : it was not possible to authorise the import of agricultural produce, because it would ruin the domestic agricultural industry; industrial products could not be allowed in, because it would give rise to grave social unrest; manpower could not be allowed into the country, because it was bound to cause new unemployment. All this boiled down to the fact that no solution could be reached, if and when national sovereignty was brought into play.

Let me say quite frankly that it is my own belief that perhaps the best service rendered by the British Government to the European Coal and Steel Community was that it did not accede to that Community. Indeed, once the trend of British opinion was such as to preclude the Government from agreeing to the necessary transfer of authority and the establishment of supra-national Authorities, it was infinitely better for Great Britain to remain outside the Coal and Steel Community.

By doing so the British Government gave proof of honesty and sincerity. By stating that it was impossible for it to co-operate, that it encouraged European efforts to achieve results, but that, having regard to political conditions at home, Great Britain could not accede to the Community, it did well to refuse participation, since, if she had acceded to the European Coal and Steel Community, with the political situation as it was in Great Britain, the influence of the British Representatives would inevitably have acted as a brake on decisions and brought about further changes in them. We should then have found ourselves, in the European Coal and Steel Community, in the same position to-day as we were three years ago in the Council of Europe, that is to say, we should have had endless debates on the constitutional method or the functional approach, and no decision would have been reached.

Without sharing Leibnitz' view that everything is for the best in the best of all possible worlds, I believe that we may approve the British Government's decision, taken as it was

honestly and sincerely, and I say this without any irony, for I always considered myself to be one of Great Britain's best friends in the dark days in which it fought alone against Nazi barbarity, so that to-day I have a feeling of pride at having at that time been at Britain's side.

It is my belief that the position, as it now is, is much more clearly defined. It is up to Europeans to organise the economic market among themselves, so that in two or three years, when sound conditions have been restored, co-operation will be resumed on a footing of equality and in a spirit of mutual confidence. The pragmatic spirit of the British will certainly await the effect of these practical results, and it is up to us to bring them about.

Let me also draw your attention to certain aspects of the idea of national sovereignty.

We are told that in present circumstances the nation constitutes the only political reality.

Now, I ask you, Ladies and Gentlemen, what, for many European countries, is national sovereignty which can no longer bring prosperity or ensure national defence? What, after all, lies behind this old-fashioned idea?

Above and beyond nationalism and patriotic feelings, all countries are faced with the need for a new form of economic co-operation, since it is a natural outcome of conditions of production in the modern world and represents a force to which all nations must submit, however much they may oppose it and whatever their feelings may be.

Indeed, it is to-day a recognized rule of political economy that it is only after a given volume of investment and production that profits rise, prices fall and prosperity increases. That is what we must try to achieve, and the key to it is efficiency and distribution of labour.

The unhealthy conditions which have grown up behind economic protectionism must all disappear. That is why, as a liberal, I accept the powers of a supranational Authority, since it has that task to fulfil. In order that freedom may be recovered, liberals now agree and must agree to long-term planning. On the other hand, the planners must agree to see to it that that planning leads to the establishment of a sound economy based on a rational distribution of labour in a free market.

The true alternative is that of expansion or stagnation. What we wish to do is to return to the natural order of things, re-discover an era of prosperity and a natural economic structure within this immensely rich area which lies between Flanders, Lorraine and the Rhine, and in which, by making the greatest possible use of modern technical methods, output can expand in a vast economic market and ensure the prosperity of the peoples.

It is my clear-cut conviction that any political form of government which in practice opposes economic expansion and prevents the attainment of a higher level of economic prosperity is doomed to disappear and that debates of a sentimental character on certain forms of national sovereignty are of about as much value as were the disputes of feudal lords in the Middle Ages on whether or not gunpowder should be used during war.

We are now on the threshold of an Atomic Age, and not of that of the steam engine. The fact is that, in the economic re-organisation of Europe, the Schuman Plan must play the part of a powerful modern locomotive drawing a train made up of the necessary economic reforms.

Whether it be in the field of transport or that of taxation, the Schuman Plan will everywhere lead to transformation of the taxation and economic systems of the nations of Europe. I believe this to be the rôle which the Schuman Plan can play, and all members of the Assembly will realise how important it is for the prosperity of Europe that it should succeed.

Members of the High Authority may rest assured of the zeal, determination and enthusiasm of most, indeed, I am convinced, of the vast majority of the members of the Assembly of the Coal and Steel Community. I am quite sure, too, that by our joint effort we shall succeed. (*Applause.*)

The President. — I call M. Wistrand.

M. Wistrand (Sweden). — (*F*) Mr. President, in the debate which has taken place to-day we have been listening to speakers representative of the States Members of the Coal and Steel Community and also representatives of Britain; but, as was emphasized in the discussion, the work of the Community does not only concern the members of the leading producer countries, it is also of the utmost importance for the whole of Europe.

I asked leave to speak simply in order to give expression to my sincere hopes that this Community may achieve success in the accomplishment of its task of establishing useful and beneficial modes of collaboration, not only for the countries which are at present Members but also for the other countries of Europe which were not invited at the start to take part in the enterprise and which for one reason or another have still preferred to remain outside the Community.

It is my opinion that our common interest requires close ties between the States Members and the non-member States and that those ties be continually strengthened. To those who are hesitating now to join in I say that the future will point the way. To my way of thinking, what has been elaborated during this last year will be a source from which nothing but benefit can derive.

Clearly much is going to depend on the manner in which the Community will be directed. But if the spirit which consists in making approaches to other States outside the Community prevails we may cherish great hopes for the future. As in every sphere of life the actual forms of co-operation are of less importance than the spirit in which it is effected. A willingness to meet others leads to a mutual desire for closer intercourse: if that is the inspiration of this undertaking it is bound to develop everywhere an atmosphere of co-operation.

Sweden was the second State to establish formal relations with the Community. That shows that we are ready to involve ourselves in close and effective co-operation. It also shows that we share the hopes that inspire you and that we wish to contribute to the recovery of this old continent of ours. Would that we may labour together—though indeed at present in different ways and under different forms—to attain that objective the very idea of which should unite us: a Europe where there is prosperity, a Europe without antagonisms and strife, a Europe that knows not either external or internal domination, a Europe knowing the strength which comes from unity based on equality. (*Applause.*)

The President. — I call M. Lapie.

M. Lapie (France). — (*F*) Ladies and Gentlemen, this

joint meeting of the Common Assembly and the European Consultative Assembly manifestly marks an important date in the development of Europe's institutions.

Those who were present—and there are quite a few of us sitting here—in the early days of the Consultative Assembly when it met in the precincts of the University of Strasbourg may well rejoice that to-day they are present at a new phase in the progress of those institutions. In particular, the sight of M. Jean Monnet, the Community's President, seated at the embryo Ministerial bench, may be thought to presage Cabinet responsibility and is anyway, an interesting omen.

Yet we have hardly made this fresh start when already we seem to have come to a sort of vital crossing-point. A ridge, so to speak, which it is necessary to cross, may I suggest? And it is on this idea, precisely, that I wish to make a number of observations.

For the very fact that the Common Assembly of the Coal and Steel Community, on the one hand, and the European Consultative Assembly, on the other, should have met together in a joint session is surely a sign and portent of the junction of Europe's economics and politics.

Now, the chief problem facing us is just this : how are we to get once and for all beyond what I called just now the ridge, the crossing-point.

First of all, let me say—and I am speaking personally throughout my speech, which I shall make as brief as possible in accordance with the President's injunction—that, of course, we French Socialists (we don't forget it and we ask others not to forget it) were the first to give our backing to the Coal and Steel project.

From those first days following the statement by M. Robert Schuman, French Foreign Minister, on the 9th May, 1950 a certain number of us seized the opportunity of the National Congress of the French Socialist Party which was then meeting to testify our sympathy for the project and our desire to co-operate in making a reality of it. Consequently we do rejoice to observe the progress made by this institution.

Certainly we must go on regretting that the Community as

it exists at present, is composed only of six nations, and we bring salutations to those countries which may not even be members of the Europe of Fifteen, yet are seeking some way of being associated with the Europe of Six of the Coal and Steel Pool.

We must also continue to feel, and to express, our regret that—if I understood aright a speech which was made this morning—Britain should still be, for all the feelers put out and very rightly grasped, still on the side-lines. As my colleague put it this morning, having had a good look at the young girl, Britain still fights shy of the bonds of matrimony. We are too old, he went on to say. To which I would say, without wishing to offer advice such as in this august gathering might seem out of place, sometimes the best way for old persons to regain their youth is to mix frequently with the young.

We would applaud also what M. Jean Monnet said this morning about the share which the world of labour enjoys in the work of the High Authority and its Council. I should like, if I may, to tell him and his colleagues of the High Authority, that in our eyes as Socialists the participation of labour can never be too substantial, for it is on the foundation of the labour element, on the basis of the opinion of the workers as a whole, that a real Europe firmly based on economic—and later political—foundations will come into being.

That is all I want to say about the Coal and Steel Authority as an economic phenomenon, and its progress. I should like now in the second part of my speech to show why, as I see it, we cannot hope to build Europe unless we start from a basis of economic institutions similar to those that have been set up for coal and steel, by dint of unremitting labour and thanks to a spirit of enthusiasm which goes nevertheless with great precision, not to say meticulous care. I repeat that, if we can only have economic institutions of this type as a basis applied to other spheres and with access provided to such institutions for the greatest possible number of the countries of Europe, we shall then be supplied with solid foundations—I don't want to use the word infrastructure—on which we can one day erect European political institutions.

I listened very carefully this morning to our colleague M. Michel Debré. I am prepared to maintain that there was

some sense in what he said. There are a certain number of things that he said which we should do well to bear in mind. Naturally, the moving language and the skill with which he presented his thesis were calculated to secure a certain amount of support from some of us; but it is a fact that there are certain national realities with which we must reckon.

Nevertheless, I cannot continue to go along with M. Debré if he will permit me to say so as a friend, when he appears to take the view that these national realities must inevitably remain static, so to speak, and without fissures. What on earth should we be doing here, any of us, whether we be members of the Consultative Assembly or of the Common Assembly, if we were not straining every nerve to loosen the existing barriers, be they sentimental, economic or diplomatic, between the various nations.

M. Debré—and that is the value of his speech—has brought this Assembly, which is sometimes carried away by enthusiasm, and where some of us, every time we talk about Europe, are imbued with a sort of mystic passion, a little lower than the Pythian brazier, has brought us, I say, down to bedrock; he has shown us that there is something more in all this than emitting flames which then go up in smoke, but we must realise that we are, in fact, still on solid earth.

The big problem, as I said just now very briefly at the beginning of my speech, is how the leap is to be made from economics to politics. What we want to know is whether the leap should be made here and now, how it is to be made and what are the attributes that must be given to Europe.

If I remember rightly, it was Cardinal Richelieu who limited the attributes of sovereignty to three main elements: foreign affairs, the judiciary and the army. When a Community is solidly established from the economic point of view, surely then, and only then, can we superimpose upon it the different political attributes of sovereignty, namely armed force, international justice and foreign affairs.

But are we to set about doing it straight away, at once, or by making a choice of one or other of those sovereign attributes, in accordance with the circumstances of the moment? It is still the old question of where do we make the vital crossing.

If in the various parliaments there is so much hesitancy—even though people don't quite know why they are hesitating—about the Defence Community, the explanation is that there is a leap forward to be made. And this particular sphere, the army, is one on which nations are apt to be particularly sensitive.

Consequently, when the time comes for discussing details, actual figures, the relative extent of participation and this or that Article of the Treaty, each and every one of us really feels a certain inhibition which derives from the national tradition.

Must we not take this into account? Is it necessary to make a leap and 'cross the Rubicon'? Are we compelled to effect this vital crossing, about which I have been talking? Could not some formula be found for making a gradual transition?

I am convinced that there are several formulas for making a gradual transition, and each one of us in our respective countries will be trying to find that which is appropriate. I, for my part, in all modesty, would bring to your notice one such formula which has been evolved by a few of my friends and myself. The aim of this expedient is precisely to effect the jump from economics to politics under present conditions. Our formula consists in transforming the existing Coal and Steel Community by amplifying its powers so that it becomes an armaments and supplies pool. I realise that this idea raises a whole host of problems, one of them being the elementary one that, supposing it became an armaments Community, the Coal and Steel Organisation instead of being only concerned with raw materials would have to do with transforming industries and the manufacture of war materials. Whatever may be the difficulties, however I would ask my colleagues to put their minds to this proposal.

I am not asking you, Monsieur Monnet, to give me your opinion this evening; I am only asking you to think about it, not merely to reflect on the actual formula that I have suggested but, particularly, on the considerations that I have ventured to set forth and especially this idea that we shall really never manage to build Europe as a political entity until and unless European economic institutions are well and truly established in the greatest possible number of countries, enjoying the support of the world of labour and, if possible, with Britain joining in.

These are the remarks and the ideas which I wish to express

on behalf of no one but myself and which I humbly submit to the two Assemblies here present and to the President of the High Authority.

The President. — I call M. Wigny.

M. Wigny (Belgium). — (*F*) Mr. President, as I do not have the honour of being a member of the Assembly of the Council of Europe—my name is in blue lettering on the seating plan—I can particularly appreciate the value of the discussion between the two bodies.

I have taken part in the work of the E. C. S. C.—and also I took part in that of the Ad Hoc Assembly. And to-day I am meeting for the first time representatives of other countries who, for perfectly legitimate reasons, have not been prepared to stake as much as some of us have on European unity.

I feel therefore impelled to offer testimony.

We are only at the beginning of the experiment. Up to now there are not many facts to lay before you. But there is a certain atmosphere already, and it is psychological considerations such as these which count. Perhaps I may be allowed to say, in all modesty, what my feelings are—and I am quite sure that many others here present have had the same feelings.

Well, the first of these sentiments, which I have felt to be shared, whenever we happen to foregather, whether in Strasbourg, in Luxembourg, in Paris—we were there for a longish time—or in Rome, is that there are not and there cannot be division between us. Mlle. Klompé said that again this morning : There is not a little Europe and a big Europe, there is but one Europe.

I have in my memory the experience of living through, in this Hall, one of the decisive moments in my life, when the President of the Ad Hoc Assembly handed over to the six Ministers the draft of a Political Constitution. M. Bidault in one of those graphic phrases of which he has the gift, said that we should have dearly liked to make Europe at the frontiers decreed by geography, we had to limit it to the frontiers of freedom; and we were resigned to making it, for the time being, at the frontiers of goodwill.

Propounding the same idea under a slightly different form the President of this High Authority of the Community, in reply to a question put to him, declared that the only limits to the extension of the Coal and Steel Community were those imposed by the European States which have not yet joined in the undertaking.

That is a splendid description. It must not be understood, however, as meaning that the whole weight of responsibility for decisive steps lies on those States. The Six have also certain responsibilities to help those others of you to make up their mind and to take decisive action.

The first responsibility that we have is that of keeping you informed.

There is something almost pathetic in the anxiety which we feel to keep you abreast of what is happening. This joint meeting is certainly evidence of that, and we are awaiting your opinions before making our own views known on the first report presented to us by the High Authority.

The meeting of our Committees and yours in joint session at Luxembourg, and the relations being maintained with international bodies, reflect the same purpose. Every time one of our Committees meets you will hear the *leitmotif*: 'have you made sure that they are in the know? Do they know what is happening? Have you offered them every opportunity of joining in with us? Have you sought to anticipate their wishes and their needs?'

It is only right that you should be informed also of the experience which is ours. As I said, it is only a start. It is a psychological experience, if you like, but the effect is really extraordinary.

I am no specialist on the subject of coal, I know nothing about steel, I am a political being. And I assure you that I have been surprised, indeed amazed, to see the dimensions of the sundry barriers put up between the six European States here and now making up the Community, and then, too, between those Six States and all the others. How split up Europe has been! And to think that we never realised! What great efforts, moreover, will have to be made to raise all those barriers.

It is commonly said that a businessman is prepared to make a loss on an individual article and make a profit on a total sale. Well, the fact is that industrial Europe was doing just the opposite : it was making a profit on the individual operation and losing on the whole.

For, indeed, all those measures which we had so cleverly invented for the protection of our national markets resulted eventually in price-increases, which could not be sustained either by the consumer or the taxpayer. It meant impoverishment of the latter as well as impoverishment for the producer for whom the protection was designed, since the producer was faced by a consumer whose purchasing power was artificially diminished.

And I come now to the third point to be considered : it is not merely necessary to keep you informed, we must also be successful in our efforts to convince you.

My impression is that we are succeeding.

The High Authority sets store by the fact that its instructions are followed, its orders are executed. That is the touchstone. And may I add that the orders are executed without any ill-feeling?

We were told so many times that we should be starting off in a general atmosphere of catastrophe! So many times it was affirmed that the opening of the Common Market would sound the knell in our respective countries!

The very opposite happened. It is true we wanted all the time to maintain our preserves, to indulge in our sport on our own territory. But the day when the palissades and the fences were removed we suddenly realised—I won't say that we could poach happily on our neighbour's domain, but that the whole area where we could do our shooting was infinitely larger than before.

Here, indeed, is a game in which no one loses. In the end everybody wins.

And, talking of success, I, personally, attach particular importance to that initial reaction of such crucial importance on the part of those who were affected at the beginning of our Coal and Steel Community's career.

We have also had our successes in regard to third countries.

The President of the High Authority has laid due emphasis on the entirely new development of an exchange of letters demonstrating the effective interest of the great American Republic in what we are trying to do.

And here I would wish to express a personal sentiment. When I first heard of that exchange of letters between the President and Congress I felt a sense of exaltation such as my dignity as a human being badly needed. I will confess that I was personally weary of living in a continent constantly exposed to threats and all the time sustained by the idea of receiving foreign subsidies. I ask you, members of the Consultative Assembly, and members of the Common Assembly, how many statesmen have contrived since the war to go to Washington without begging?

It is a striking thing to be able to say that, on the first occasion when we are making Europe a reality and we are really uniting our efforts, we have no demands to make. So far from us making demands, it is the others who are making offers to us. It is indeed a classic precept that the less you ask, the more you are likely to get. That seems to me an initial success, and, as I say, a psychological success, of the greatest importance for those who like myself place their whole faith in this continent of ours and are trying hard to restore it to its place in the van.

And I come now to my fourth and last point: if we are really determined to succeed, we propose to succeed with you.

I should like to give you one more piece of testimony. In the Committee on the Common Market, in the Committee on External Affairs, our preoccupation all the time has been: 'Let us reach an understanding among ourselves, but let it not be at the expense of others, let us create the common market but let it not be under the shelter of tariff protection.' Don't let us rest content with this semi-Europe. Don't let us organise any species of autarky. Let us at every frontier leave doors open by which others can enter—and let the frontiers themselves be substantially pushed back.

But, Ladies and Gentlemen, I would draw your particular attention to one fact. Give yourselves the time for reflection, look carefully at things, and wait for the result to fructify, but do not wait too long. We are now at a moment of history when

acquired rights are being turned upside down, when national economic structures created by a hundred or a hundred and fifty years of separate economies are in process of dismantlement, are giving place to new structures on a continental scale. Do not wait for these new structures to become consolidated before you come in and help us to make the operation a success.

I think that the collaboration and the help that those who are not yet part of the Community might supply is twofold.

First of all, you must be fully informed and you must inform the peoples in your respective countries. That is to your interest as it is to ours. We are all of us part and parcel of Europe, but the tragic thing is that we are trying to begin to build Europe before there are any Europeans. There you are, then. It is your function to create, in all countries, Europeans, people who watch with care and attention those efforts being made here and there, even though it is outside their province, with the idea that they may one day join in.

And the second duty imposed upon you is to try to maintain the possibility of collaboration in subsequent developments, whether by parallel legislation or by contracts, or, indeed, by all manner of measures which are respectful of your national sovereignty. You should endeavour to avoid anything calculated to be an obstacle to that unity which you desire as much as we.

Someone was speaking just now about the necessity for good neighbourly relations. But that supposes the existence of two neighbours. And it is essential that the two neighbours be animated precisely by the same spirit.

Finally, Ladies and Gentlemen, the ultimate hope of collaboration which you can give us is to express sincere wishes for our success because the fate of this continent of ours depends on it.

Various speakers to-day have employed figurative expressions and formulas. Phrases about the nation and about freedom have touched my heartstrings. All that is true enough, but there must be no stopping there. We know full well indeed, from an experience not far away, what still threatens us. As it is, we have neither security nor prosperity.

Someone talked about the Pythian brazier which gives forth flames and smoke, which involves, possibly, burning and suffoca-

tion. I know that we are not even yet reached the height of such a brazier. The construction that we are devising has not yet risen above the earth : at the point where we are now, we are, I won't say threatened by, but at the mercy of, the whims of others, everything depends on the maintenance of goodwill, the maintenance of a certain determination which does not depend on decision by us.

I won't say that we are actually poor; what I will say is that we cannot promise our peoples a standard of living worthy of twentieth-century man and that other continents where the human element is neither more intelligent nor better endowed with the world's goods, neither better trained nor equipped than we are, contrive to provide for their people.

We have taken a risk, that is understood. We are playing for big stakes. I only ask you to join us in wishing for success in our undertaking, so that the means may be forthcoming for restoring to this continent of Europe the place which it should have, by which I mean the first place. (*Applause.*)

The President. — I call M. Laffargue.

M. Laffargue (France). — (*F*) Mr. President, Ladies and Gentlemen, there are strange crossroads along the highway of history, and it was a curious coincidence that the Common Assembly should be meeting to examine the initial labours of the Community at the very moment when there broke out the incidents of East Berlin.

We should think deeply on the meaning of these events, for it plainly shows that behind wishful political thinking there lie economic realities and that, when cracks begin to show in the walls of the economic structure and when the tumult of crowds is heard, political realities are themselves greatly endangered. Here, side by side, are two forms of civilisation. The one is founded on liberty, the other on servitude. They now stand opposed.

M. Motz was right when, just now in his eloquent speech, he said that our modern world was a new one which had developed at a fantastic speed hitherto unknown in history. War and modern technique have speeded up the rhythm of specialisation, of the division of labour, and have therefore imposed upon

undertakings of whatever kind the need for substantial investment. Such investment has revealed the need for open markets which, if they are to show a profit must be on an ever larger scale. Experience has shown that these markets, however large, are really effective only insofar as they are based upon that law of emulation known as free competition.

Where does Europe stand in this modern world? How, in the last fifty years, has it developed,—this Europe which once upon a time made the fortune of the entire world and from which sprang all the wealth that fertilised the earth? Not a yard of cotton fabric or of wool was woven, not a single railway track forged, not a factory constructed, not a penny of credit granted throughout the world, which did not come from a European factory or bank.

Europe's intellectual powers remain intact, as M. Wigny rightly said, technically it is as rich, and the same may be said of the courage of its workers. But Europe lacks one essential thing, which is elbow-room. Europe is cramped and compartmented. It can no longer make use of its technical possibilities, its intellectual powers or its courage in so restricted a space.

The strangest phenomenon dominating this modern world is that which divides us from the great American Republic. The human beings there are not supermen, yet space has given them the opportunity for extraordinary achievements.

There are two stages in the economic life of a great people. The first leads to production and productivity; progression is slow and arithmetical; the second stage is that at which a certain level of production and productivity is achieved, and progression is geometrical. National income rises steeply, and State revenue grows in parallel proportions. The standard of living is improved out of all recognition, and the social problem finds a happy solution. Democracy has no meaning so long as it fails to find its own form of economic independence. The social order is the vainest of dreams so long as there is no ready means to give it reality.

The only merit of the common Coal and Steel Market is not that it is a policy nor the start of a policy but that it is a reality. Its only merit is that at the present time it is a striking experiment

in a field which was perhaps the most difficult one in which to try, in a field where there could be seen all the worst aspects of protectionism and nationalism, where customs duties multiplied, where the dual-pricing system had become a kind of national institution, where the system of subsidies was a form of morphia constantly injected, where natural trade currents, which were the least costly, were deviated by nationalism towards the more costly ones. Here was a system in which cartels knew no master, and by which there was exercised that most stupid of all policies, that of restriction (*malthusianisme*).

It is here in this field, Ladies and Gentlemen, where investment is abused, where methods of self-financing are the most detestable because they determine the highest prices, where labour is most dense and where the human problem is in a sense the most crucial, that we have attempted the present experiment, of which we welcome, if not the success, at least a beginning of our hopes.

Two things can fill our hearts with hope. The first, as has been emphasised in this place so many times, is the credit which has already been granted to us throughout the world; not that form of credit of which we have seen so much, consisting of enthusiasms and formulae, but the form of credit which is a reality, the kind of credit which is the old tradition of credit, and which is not given but which is lent because it is well deserved.

The second thing which would delight me is that this body, contrary to what some people want to make us believe, should remain completely democratic.

There is a High Authority, but there is also an Assembly, one which brings great comfort to those who have come into this European Chamber for the first time. It is composed of men of many nations who have been in the habit of considering one another as adversaries, but who are now gathered together in a community of ideas. Here are men imbued, indeed, with the European ideal, but still firmly holding on to their own national realities, resolved to control and to observe, and to make certain demands on the High Authority.

I should like, if you will allow me, since I did not take part in the General Debate, to formulate three such demands,

Mr. President of the High Authority. The first such demand is that you should have a plan but not go in for a system of planning, for there is an essential difference between the two. A plan consists in seeking great objectives, it is the ideal. Planning is something which is not seldom too hesitant, something which becomes static and does not take account of the unceasing rhythm of life and the constant change in conditions. A plan is a great beam that lights up the road. Beware of planning, for it is not seldom only a policy which keeps you too much concerned with the difficulties that are met along the way.

Secondly, I should like you to be quite convinced that this organisation will succeed only in so far as you arrange for it to be incorporated as soon as possible into the competitive system. The truth is that we must eliminate—I shall not go so far as to say nationalism or national interests—but at least the foolish situations which history has created in opposition to national interests and certainly to common interests.

The third point I should like to make is that the great task we are trying to fulfil, which our countries are watching with very great care and the whole world with immense interest, would have no purpose and be of no value if it did not give rise to some form of popular enthusiasm and an increasingly high standard of living for the workers, which to my way of thinking is an essential mark, perhaps the only one, of a rising standard of civilisation.

Ladies and Gentlemen, the question has been raised in this Assembly as how we should set about extending this system and how we can best achieve a greater and much more united Europe.

My distinguished colleague and friend, M. Michel Debré, has conjured up the spectre of a Political Community in which nations would disappear. It is an argument which may appear rather tempting to those who wish to combat that Community, but it is less attractive to those who have read the texts. There nowhere exists, whether it be in the High Authority or the proposals of the *Ad Hoc* Assembly, however daring they may be, anything calculated to expurge on any grounds or in any way, with the basic principle of the nation, to destroy the very idea of national existence.

It is my belief that no State whatever, built up through the

ages, would strengthen its unity by doing away with the distinctive characteristics of its provinces and that in the same way Europe would be doing a disservice to itself if it did not find in the infinite richness of its national diversities the very means whereby to achieve its harmony.

I, too, deeply regret the absence of the United Kingdom from this debate, but I note that on this point we have made immense progress. We have given up the old traditional policy of wait-and-see, and, if I have rightly understood various speakers, it seems to me that the United Kingdom prefers to see rather than to wait and that it is watching events with unusual keenness.

So far as the European Defence Community is concerned, that is a matter into which I do not propose to go. To my mind it remains an unfortunate and dangerous accident in the life of Europe. I am prepared to agree to it, but, in contradistinction with the Political Community to which I enthusiastically agree, I am prepared to agree to it only in case of need. Even if Europe had not been faced with the problems of defence, and were one day to be no longer confronted with them, the economic need for a united Europe would be as urgently imperative as it is now.

In preference to this system, which certainly has its shortcomings and must have many disadvantages, other systems have been proposed. My friend Michel Debré has asked us in a most able manner, I admit, and, I am sure, with great conviction, to try to set up some form of confederal Europe, in which the Council of Ministers, as the representative and guardian of sovereignty, independence and national patriotism, would meet together in great halls to discuss the common future of Europe. You may say that this is a new policy. I am not sure that it is. It is a policy I knew in my youth, just before the first World War, but, above all, between the two wars; an ineffective policy which did no more than foment nationalism and aggravate separation—and led us inescapably into the recent wars.

As for conclaves of Governments and responsible representatives, we know of some such, meeting in other places, subjected to rules of unanimity rendering them completely ineffective.

It is such policies, with their ever-present nationalism and sovereignty, unwilling to make the slightest sacrifice, which have

invariably led us into war, in the name of freedom and independence, and which almost ended in our losing both.

Let us, therefore, Ladies and Gentlemen, give this world, very near our own, torn, as we know it is, by uncertainty, let us, I say, give that world a brilliant demonstration of a prosperous Europe, of a Europe capable of both discipline and sacrifice, of a Europe in which there still remains the urge for freedom and in which the ideal of solidarity still prevails. Then we shall have won the peace, a peace which has a name, a peace called independence.

A contemporary geographer has said : “ Europe is too large to be united and too small to be divided ”. We are not yet a united Europe; but let the geographer have no fear; we have now ceased to be a divided Europe. (*Applause.*)

The President. — I call M. Dehousse.

M. Dehousse (Belgium). — (*F*) Mr. President, Ladies and Gentlemen, some of us here have awaited this afternoon’s debate with not a little curiosity.

This is the first time that the Assemblies of the Council of Europe and of the European Coal and Steel Community have had a joint meeting and it was therefore interesting to see what would happen when the two radically different methods confronted one another for the first time.

The Council of Europe has remained true to the classic concept of the co-ordination of national sovereignties. The Coal and Steel Community has, on the other hand, embarked upon actual integration.

In former years, whenever those of us who, as M. Wigny said just now, were willing to “ stake so much on European unity ” stated our views, there followed an almost ritual ceremony of blessings and best wishes for our journey. (*Laughter.*) This year there have been further blessings and good wishes, but we have—or at least the High Authority has—been offered something more : an almost unanimous tribute to the first results already achieved.

This, to my mind, proves the excellence not only of the

work of the High Authority but also of the methods and ideas on which the Coal and Steel Community is based.

Were there time, Mr. President, it would be worth going further into this idea of integration and singing its praises. I, at any rate, number myself among those who regard this as a completely new formula which may prove to be our salvation.

All the systems hitherto advocated for the organisation of relations between States have eventually collapsed or produced little or no result because they were based on an idea which experience proved to be defective—that of international co-operation. Under a system where everyone is placed on the same level, the withdrawal of any important partner from the co-operative machinery entails the breakdown of the whole system. This was the downfall of the League of Nations; it may be that of the United Nations.

The system of integration moreover has another advantage,—it no longer entrusts the solution of joint problems to the national Governments but to a separate and independent executive organ. The national Governments, as is only natural, are out to defend their own interests. Thus the agreements they reach can only be compromises between these national interests. An organ acting in the common interest, however, can find a common solution to these problems. I am therefore not surprised at this outburst of tributes from all sides at the first results achieved. This I regard as yet further proof of the soundness of the ideas on which the Treaty establishing the Coal and Steel Community is based.

This leads me to say a few words on a speech which seems to have aroused the ire of certain of our members—I refer of course to the speech of M. Debré.

I must apologise for joining the majority in their attack on our colleague. I myself have always felt irresistibly drawn towards non-conformity; I feel the same way towards minorities, especially when they are small and have the courage to defend their views in an Assembly normally inclined to reticence. The demands of truth, however—or what I conceive to be the truth—must be obeyed. I feel obliged, therefore, to comment on M. Debré's remarks.

These comments will carry me rather far afield, but in this I am only following everyone else's example.

It is true that our debates have been mainly devoted to the report on the activities of the High Authority, but other subjects have also been considered, such as the best way of creating a united Europe or even conditions in Ancient Greece. Then the Coal and Steel Community has been compared with the Defence Community, and both these Communities with the Political Community, and some of us, like M. Debré, have even delved into the intricacies of the draft Treaty of the *Ad Hoc* Assembly. I should now like to reply to this remarks—I would almost say once and for all since I have heard him make the same speech, as a member of the Constitutional Committee and of the *Ad Hoc* Assembly, any number of times.

I am convinced that our colleague bases his views on two fallacious premises. I asked my friend M. Teitgen just now to tell me the right term, whether in rhetorical or logical language, for the deduction of brilliant conclusions from a false postulate. I do not think this can be a syllogism, Monsieur Teitgen, since for that the premises must be valid. At all events, here are my comments on M. Debré's postulates.

First postulate : the only reality which exists in Europe to-day is the nation . . .

M. Debré (France). — (*F*) The *primary* reality.

M. Dehousse (Belgium). — (*F*) Very well, the primary reality!

Second postulate : that what we have created, starting with the Coal and Steel Community and continuing with the Defence and Political Communities, is a kind of Moloch, a super-State destined to engulf those very national States which, to use M. Debré's own words, we are trying to unite.

These two postulates are false. I should like to tell you exactly why.

First, I feel that M. Debré places us in a false dilemma when he tells us : you are building your foundations on a concept of the European nation which does not exist.

It is true that the European nation does not yet exist; but

the State is already utterly outmoded. Over and above this State, which has been growing more and more clear-cut in both concept and structure in the Western world ever since the Middle Ages, so much so that it appears to be indelibly stamped on the minds of a good many people nowadays, over and above this State, I say, we have to-day certain needs and aspirations which can only be satisfied on the social and economic planes by something bigger than the State.

In other words, between the national State and the "world" entity, the culminating point of this international co-operation which some people advocate, we are witnessing the emergence of something which, it must be realised, most nationalists hardly expected—namely, large regional bodies. Looking at the world to-day, moreover, we can see that national States as such are becoming rarer and rarer and tending more and more to become part of a larger whole. I need only quote the Pan-American organisation or the British Commonwealth, or again the Soviet Union itself which is really only a big federation of republics and associated peoples.

It is time for Europe to act likewise in response to the pressing need of our times. The truth is that for centuries we have been so hypnotised by the Western concept of the State that we have looked to it to supply all our needs. Only now are we beginning to perceive that there is something beyond, that there are larger entities which it is up to us to organise, so that they may provide the remedies, or a large number of them, to the evils from which we are suffering.

So much for M. Debré's first postulate. I hardly think it can be claimed, as he claims, that the first or only European reality is the nation.

Second postulate : that we are seeking to unite the nations in such a way as to make them disappear altogether. Now, I really cannot imagine why our worthy colleague, M. Debré, who has worked with us on the Constitutional Committee and in the *Ad Hoc* Assembly, thinks there is really the slightest danger of this.

First of all, neither the Governments nor the national Parliaments show any signs of disappearing in any of the Communities we are establishing, particularly in the Political Community.

Heaven knows they are managing to survive, and sometimes they certainly let us know it! I could, if I wished, quote a number of painful examples to support my views, Monsieur Debré.

In actual fact the Communities work alongside these Governments and national Parliaments. Even within our Communities, moreover, there are organs possessing various powers which specifically represent the national States, whether they be termed Special Council of Ministers as in the Coal and Steel Community, Council of Ministers as in the Defence Community, or Council of National Ministers as in the Political Community.

Thirdly, I hardly think it can be maintained that the effect of the Communities we are establishing will or may be, by bringing the national States closer together, to make them disappear completely. This would imply, quite apart from what I have just said, that we had entrusted the Communities with almost unlimited authority. If we had indeed given them extremely wide powers almost completely superseding those of the individual States, then, even though the Governments and national Parliaments continued to exist, M. Debré's objection would be justified. This, however, is far from being the case.

At the moment there is only one Community in being—the E. C. S. C. It has not even full economic powers; it is only partial, limited to the field of coal and steel. In the near future there will doubtless be a Defence Community, but with extremely restricted powers. In any case, the more Protocols we draft, the more these powers seem to dwindle. As for the Political Community, we have conferred upon it—or rather we have proposed to confer upon it, for it is not yet certain whether the six national Ministers will follow us—the powers and function of the Coal and Steel Community, of the Defence Community and of certain others. I know the importance our Dutch friends attach to including the common market among the latter, and I do so because I cordially support the idea of the creation of this market by stages. Even if we succeed, however, what a vast and varied number of powers will remain, and rightly so, within the hands of the national States!

We should therefore discard once and for all the extraordinary idea that Europe is threatening to engulf the States. I would say that the contrary is true—that if anyone is engulf-

ing anyone it is the States which will engulf Europe because they are at present much the stronger. There really is not the slightest risk of the opposite occurring. This objection reminds me of the view sometimes expressed by distinguished—or at any rate important—individuals here that the European Assemblies we propose to establish would have the effect of reducing the national Parliaments to the status of what they call county-borough or provincial councils. First, it is most undesirable to speak of borough and provincial councils in this way; I feel obliged to defend them for to my mind they fulfil a useful and important function. Secondly, it is quite untrue; there is no question as is sometimes claimed, whether thoughtlessly or with some ulterior motive, of reducing the national Parliaments to the level of provincial or borough councils.

This view is as far from the truth as that whereby the new Europe is represented as a kind of monster seeking to devour the nations.

Well then, what does M. Debré propose in place of all these Communities he so heartily dislikes? A really extraordinary idea which he calls confederation, but a confederation which, should it ever come into existence, would remain still-born because M. Debré has left out one essential—that dynamic quality which our Political Community will derive, through the actual process of election, from the peoples and the masses, and from which its main strength will spring.

Under M. Debré's system we should find ourselves back among a series of national sovereignties, with a confederation headed by the various Prime Ministers. Such a body would be very far removed from the needs of present-day Europe.

At this point I shall bring to an end the few comments I wished to make. Before sitting down again, however, I should just like to repeat what I said during the debates of the Common Assembly—namely how pleased I feel, in common with most of my colleagues, at the considerable measure of success already achieved by the High Authority. (*Applause.*)

The President. — I call M. von Merkatz.

M. von Merkatz (German Federal Republic). — (G)
Mr. President, Ladies and Gentlemen, the present circumstances

do not favour the holding of a full-scale political debate. Any positive conclusion reached would have little or no practical effect, whilst our failure to reach such conclusions would be seized upon by the opponents of the European idea and turned against us.

Nevertheless, I should like to reply briefly to the criticisms of M. Debré, and to stress the importance at the present time of the work of the High Authority, whose efficiency is acknowledged by all. The High Authority has succeeded in forming the nucleus of real European co-operation, an inner source of strength which will prevent the healthy development begun under the stress of the last war from stagnating or marking time.

Before I go any further, let me say that all of us here are Europeans of unshakable conviction. I hope M. Debré will understand that my remarks are prompted only by that spirit of willing co-operation and mutual understanding which is the keynote of this Assembly.

To say the least of it, I think M. Debré is too sceptical when he asserts that the Consultative Assembly and the Council of Europe can boast of no concrete achievements in the political, economic or even the social sphere. Surely the very existence of these institutions is a positive achievement and a demonstration of European solidarity. The mere fact that we are assembled here is at the present time highly significant ; it serves to remind us of what we should never forget, that we sink or swim together.

Admittedly, the Coal and Steel Community has shown more outward signs of success. In its own important field it has passed from words to deeds. As M. Henle explained this morning, it has investigated practical questions, sometimes of far-reaching importance, and has taken the first step towards their solution.

We must continue on this path. I will allow M. Debré his point that the institutions of the Coal and Steel Community are not necessarily the ideal model for wider Communities, though the procedure adopted sets an admirable example. Neither the Coal and Steel Community nor the Defence Community, nor even the projected six-power Political Community embracing both of them, will of themselves create Europe; they can only sow the seed.

This work of creation must be made to last by gradual

development and improvement. The High Authority is doing pioneer work, it is breaking new ground. We have left behind us for ever the barren waste of national rivalries. We now present a solid front of European unity which should prove a force to be reckoned with in future conferences and in relation to the go-ahead policy of the United States. We must take care not to weaken the position we have now won.

I am at a loss to understand M. Debré's censure of the High Authority's action in issuing a communiqué after the visit of its President to the United States. We are deeply indebted to the High Authority for this constructive declaration, designed to combat the general feeling of scepticism with regard to the idea of Europe which is particularly dangerous at the present moment.

I fail to see how in issuing this communiqué the High Authority has exceeded its competence, as M. Debré has alleged. Surely the Treaty has a political significance extending far beyond the sector of coal and steel, a significance we should do well not to underrate, and the importance of which is only too apparent at this very moment.

There is no such thing as a European nation : I quite agree with M. Debré there. But there do exist a number of European nations which intend henceforward to live at peace with one another in a co-operation so intimate as to set the interests of the group above their own. In so doing they are reviving an ancient European tradition which they must now adapt to their present situation. We must take as our starting-point the existence of independent nations, each with its own economic and social structure and its individual requirements. The *Ad Hoc* Assembly was most emphatic that these facts should not be ignored.

The necessity for economic union arises from an economic crisis which has gone on for several decades, and from the consequently retarded development of European economy as a whole. Our need for common defence is due to the superiority of the Soviet Union and its pressure upon the free world. There may be no European nation, but there is certainly a community of Europeans.

A great mistake, the legacy of the past, is to regard any projected Political Community exclusively in function of the

notion of the State. Another error is nationalism, an invention of the early nineteenth century. The time has come to discard both these ideologies. I would remind you of the prophetic words of the Federal Chancellor Seipel, who has written several highly informative articles on the subject, based on his experience in the Central European countries.

Almost any international agreement, in point of fact, involves the surrender of sovereignty in some degree; it restricts the sovereign will of a State by placing that State under an obligation to observe its terms. Co-operation, without which we cannot survive, implies a limitation of national sovereignty and the emergence of a supranational sovereignty whose function it will be to see that the Members of the Community never lose sight of their common aims, and to create a practical organisation untrammelled by nationalism or State Socialism. We must not be hypnotised by words and stand aghast at the bogey of abandoned sovereignty. Can we never grow out of the habits of mind ingrained in us by the political thought of the nineteenth century?

Whatever the combination, coalition or other, the overriding principle of united and effective action in a given field must take the concrete form of organisations working at the practical level to make the Members of the Community the stronger for its existence.

Within the field of the Community, national hegemony will come to an end; in other words, the strong must become weaker and the weak stronger, so that no one Member may have any feeling of domination.

Without close co-operation, the position of Europe as regards its responsibilities for the overseas territories will in the long run become untenable. Specialised Communities by their very essence are open to the other countries; it is in their interest to co-operate with the European family of nations.

It is much easier to imagine an alliance of the traditional kind advocated by M. Debré degenerating into a tight ring of States imbued with the lust for power. Delegation or relinquishment of sovereignty are abstract notions. They come to the same thing in the end, and to attempt to draw a distinction between them is nothing more than a legal quibble. Fusion or

association, call it what you will, what matters in the long run is the extent of co-operation required.

There will be no more independence for European States unless they make a united effort to ensure the independence of Europe as a whole. I am opposed to the nationalist school of thought, to Statolatry, which may cost us our independence. The nations must be free to express their legitimate aspirations, which must not be strangled by a new technocracy. Nor must they be crushed under an edifice of national hegemonies, the inevitable result of the State-idea when it is carried too far. The only means of safeguarding the vital interests of small nations is to set up a common higher authority under democratic control. Here the Restricted Communities have shown us the way. (*Applause.*)

The President. — I call M. Teitgen.

M. Teitgen (France). — (*F*) Mr. President, if before putting my name down to speak I had had an opportunity of hearing the speeches of my colleagues MM. Laffargue and Dehousse, I should doubtless have refrained from speaking.

I shall therefore confine myself to two brief remarks concerning the Community's external relations.

My first remark is addressed to the High Authority and relates to one of the main parts of the General Report before us. On the subject of external relations the General Report states :

“ During the past months the Community has extended and intensified its external relations. It neither is nor intends to be an autarkic or a restricted Community. Among the six countries which established it it includes some which are producers of coal and steel, and others which are consumers of these products. It is open to all countries, whether producers or consumers. Its limits are not fixed by us, but by the very countries which, for the moment, are not linking up with the Community. It depends solely upon them whether these limits are extended, and whether the barriers which separate the countries of Europe, and which the Community is anxious to eliminate, are progressively, and to a still wider extent, abolished. ”

I do not find the passage which I have just read entirely satisfactory. I must, indeed, say that it did not receive the unqualified approval of the External Relations Committee of the Common Assembly. It appears, in effect, to suggest that it is up to non-member countries to take the necessary steps to widen the scope of the Community. The Community, and more particularly the High Authority, playing a kind of passive rôle, would have to adopt proposals from abroad, and, after examining them, accept them.

I do not believe we can adopt such a procedure. The initiative must be taken by non-member countries and the High Authority, which should neglect no opportunity to send those countries proposals for extending the Community's scope and for fostering its links of association with non-member countries.

Our External Relations Committee expressly says so in its Report, and I hope that the High Authority will eventually come to concur with our point of view.

My second comment, with your kind permission, Mr. President, is addressed to the Assembly, this time in defence of the High Authority against what appear to me to be unwarranted charges.

It has been stated that our European policy is doubly at fault; first because it is said to aim at substituting a meaningless, unpractical and mythical concept known as Europe, for the single positive and concrete reality of nations; secondly because the European Coal and Steel Community has the pretension of being the nucleus of an ultimate united Europe.

May I reply to these two charges?

So far as the first "mistake" is concerned, that of wishing to substitute a myth for the sole practical reality, represented by the nations, may I ask to what extent we have, within the European Coal and Steel Community or in the Treaty constituting a Defence Community or that providing for a common political authority, done away with nations as such?

Show me the texts!

Why tilt at windmills? We are concerned with treaties, so let us discuss them, proof in hand, attack them article by article. Have you ever heard of coal and steel possessing a

nationality? Have I become a national of coal and steel? Have I ceased to be French because I participate in this Coal and Steel Community? Has my Government ceased to exist? Perhaps it has (*Laughter*),—but not because of coal and steel. Has my country's Parliament been abolished? Is M. Michel Debré no longer able to speak in the French Council of the Republic?

All these institutions still exist with their powers and competence, and goodness knows they make use of them, sometimes even to the point of abuse!

No, Ladies and Gentlemen, treaties have not done away with nations. They have simply laid down something of which we have long been aware and did not perhaps dare to say, but which was nonetheless true, namely that, over and above the private interests of France, over and above the private interests of Italy, and of Germany, Belgium, the Netherlands and Luxembourg, there is a more general and wider interest, namely that of all these countries together, which is the overall common welfare of Europe. We now know that there is no French interest which can be upheld or maintained against the common and general interest of the six European countries, and there is no German interest which can be maintained and upheld against the general and common interest of the six countries of our Community. We know this from experience, from history and from what we are now finding out together in our European Assemblies.

So we have simply decided that our nations shall be upheld, safeguarded and respected, but that, in order to save themselves, they shall now seek their respective interests not in conflict with that of their neighbour but in participation in the common welfare of Europe. To ensure that the common welfare of Europe shall prevail, we have appointed a guardian of that welfare. In regard to coal and steel the guardian of the common welfare is the High Authority and the European Coal and Steel Community. It is by promoting that organisation, developing its powers, action and competence that we shall rescue the private interests of our peoples. Unless we do this, we shall pit them one against the other, with the result that each in turn will go down to its doom. Because we did not wish for the united Europe we shall no longer have a nation or any mother-country of our own.

The second mistake is, allegedly, that of the Community proceeding to build a united Europe around the institutions of the Coal and Steel Community and the Treaty constituting that Community. Discussion on this point is closed, since the answer is supplied by an authority which overrides us all, namely the Treaty itself.

I could try to show that, since I was a member of the Government at the time the Treaty was being drafted, the Declaration of 9th May, 1950, did not propose to the peoples of Europe that a common coal and steel market be established simply out of love, if I may so express myself, for the producers and consumers of coal and steel, but that it expressed very clearly the idea that a start had to be made somewhere and that the setting up of a common coal and steel market might provide a means of achieving, step by step, a complete systematisation of the common interests of Europe. This already figured in the original Declaration of May, 1950.

Although the legal value and the enforceability of that Declaration may have been disputed in some quarters, let me simply refer to the Treaty itself, which, in its Preamble, states that the Governments of the six countries :

“ Convinced that the contribution which an organised and vital Europe can bring to civilisation is indispensable to the maintenance of peaceful relations;

“ Conscious of the fact that Europe can be built only by concrete actions which create real solidarity and by the establishment of common bases for economic development;

“ Resolved to substitute for historic rivalries a fusion of their essential interests; to establish, by creating an economic community, the foundation of a broad and independent community among peoples long divided by bloody conflicts; and to lay the bases of institutions capable of giving direction to their future common destiny;

“ Have decided to create a European Coal and Steel Community . . . ”

It was therefore decided to set up a European Coal and Steel Community as an essential institution or basis, a nucleus or first step forward. That is what the Treaty itself says.

The President of the High Authority is therefore right, and I say so quite clearly, to devote his efforts and the authority vested in him, not only to the technical planning of the common market for coal and steel, but to the development, along the lines laid down in the Treaty, of the institutions entrusted to him. Our efforts must be on behalf of Europe and be directed towards a united Europe. The Community, the High Authority, our Assembly and all the institutions brought into being by the Treaty are charged by the Treaty itself to go forward, to accept this as a responsibility, a duty and a trust.

Moreover, all who took part in drafting the Treaty are well aware of this.

This morning one of our colleagues quoted the words of a distinguished lawyer who was actually one of the authors of our charter. This lawyer has just published a commentary on the Treaty of which use has been made. Thus a witness for the prosecution is called in who, as soon as he appears in court, turns out to be a witness for the defence!

Here are a few lines from this commentary :

“ Events have stressed and will continue to stress, whether for good or ill, the political character . . . ”—he may well say political character—“ . . . of the Schuman Plan . Nevertheless, the view already encountered persists ”—it is that held by M. Michel Debré—“ . . . that the Schuman Plan is essentially a technical and economic organisation and that, while it might adopt proposals or measures of a political character this would in no way affect its real nature, and it might accordingly reach its full stature within a purely economic framework.

“ Although this view should be treated with respect, it dangerously misrepresents the intrinsic character of the Treaty, which makes full provision for the political aspect and prescribes the future development of the Schuman Plan, enabling an indispensable overall view to be taken of the Plan. Before examining the provisions of the treaty in detail they should be considered in the light of the aims and methods of the Schuman Plan in general. ”

On the following pages the author triumphantly proves that

the Schuman Plan was established not merely in order to organise the technicalities of a common coal and steel market from the economic point of view alone, but also in order to bring about a European union.

M. Debré (France). — (*F*) Read the pages on external policy.

M. Teitgen (France). — (*F*) Even if the Schuman Plan had not specifically said this in its Preamble we should have discovered it by reason alone.

Instead of making a long speech on the subject, Ladies and Gentlemen, I shall confine myself to one short reminiscence.

A year ago in this Chamber, during the first meeting of our Common Assembly, one of the more distinguished members of our Parliament, who is also one of M. Debré's political friends, explained to us at length that a European Coal and Steel Community could only be established, and the aims of the Treaty achieved, by the speedy creation of a European Transport Community also. I still remember this speech quite clearly.

This distinguished expert and friend of M. Debré, however, added that once the Coal and Steel Community and the Transport Community had been established, an Agricultural Community would also become necessary since, as he convincingly demonstrated, the one could not function without the other, and the fundamental economic balance could not be maintained without the problem as a whole being envisaged.

Accompanied by the Assembly's applause, this friend of M. Debré concluded by declaring that all this would rapidly lead us on to a European Political Authority. I much appreciated this speech by the friend of M. Michel Debré. (*Laughter.*)

This being so, Mr. President of the High Authority, I can only encourage you to continue the course you have mapped out for yourself.

I should also like, not only as a number of this Assembly but also as a fellow-European and Frenchman, to express my satisfaction with the first results you have achieved.

Here again I should briefly explain myself. What I mean is that I am most gratified to learn that Europe, in the shape

of the High Authority and Community, has for the first time undertaken to negotiate ways and means of establishing co-operation with the United States.

I would rather Europe negotiated measures of mutual co-operation than continue to exist as separate nations in the way so dear to the heart of M. Debré, each one out for himself, walking along in Indian file and alas! in beggar's rags.

It is only right and proper that we should so re-organise ourselves as to be justified in talking of pride and co-operation. Nothing must be allowed to deflect us from this purpose, which is precisely the one assigned to us by the Treaty and which lies in the interests of us all.

As I have already said, time passes quickly, and our troubles are increasing all the time.

We have been told that we ought to relax our efforts, postpone our plans for the European Defence Community and the Political Authority. The members of the High Authority are advised to keep strictly to the realms of coal and steel. We hear this on all sides, on the ground that a *détente* is visible in Europe.

Détente? What kind of *détente*? The kind we are constantly hearing about in diplomatic Notes and the promise of which is held out to us precisely in order to make us slow down our efforts? Or the other kind¹, the trigger pulled by the Soviet troops when they patrolled the streets of Berlin, armed with guns, three days ago?

Let us not cast away, the substance for the shadow. Of course, as good servants of peace we must hopefully and wholeheartedly embrace any proposals which may be put to us. We must, nevertheless, realise that peace is not won merely by negotiating with countries behind the Iron Curtain, but by creating a united Europe this side of the Iron Curtain, thus pressing on with our plans with all speed, remembering that times pass quickly and youth's interest soon flags.

I hope my Italian friends will pardon me if I say that we have been a little uneasy, both for their sakes and ours, at the

¹ Note. "*Détente*" meaning trigger in this second sense, the pun is untranslatable.

loss of heart perceptible among a good many of our young Italians. Perhaps the Italian supporters of the European cause would have won a greater victory if they had had the Italian younger generation behind them—and perhaps the Italian younger generation would have been more completely behind them if Europe had been built more quickly, and they had been able to present their country with concrete achievements rather than hopes and promises.

Time passes, I say, and youth quickly tires. We here are the only European reality. While we need to have the Community of the Fifteen with us, this Community of the Fifteen must realise that its future is at stake no less than ours because there will certainly be no Europe of the Fifteen without a Europe of the Six.

As I have already said, we form the nucleus of the Europe of the Fifteen. We are organising the Europe of the Six as a step towards the Europe of the Fifteen—and perhaps more. For the result we are all responsible, and you, gentlemen of the High Authority, are responsible for it to our Assembly.

We shall be anxious to learn at each of our Sessions what measures you have been able to take and what progress you have achieved in the direction laid down in the Preamble to the Treaty, not only for the development of the common coal and steel market but also for the development of European unity. Do not forget that we shall all of us hold you accountable for any failure to act. (*Applause.*)

The President. — I call Lord Layton.

Lord Layton (United Kingdom). — At the beginning of this debate, two speakers—the President of the High Authority and Mlle. Klompé—underlined the importance of this meeting, the first Joint Session of the Consultative Assembly and the Common Assembly, and emphasised that it represented the beginning of co-operation between them. It cannot be over-estimated how important this new departure may be.

As I am the last speaker in this debate, the additional thought occurs to me that this debate has shown—and I hope this will be the opinion formed by the High Authority and the members of the Common Assembly—that it has been a very important con-

tribution to the development of ideas and thoughts on both sides and that, although this first Joint Session is meeting before things have taken very definite shape, nevertheless it has shown that it has a very important function to perform.

My purpose, however, is not to discuss generalities; I rise because I feel I cannot allow this first meeting to pass without adding my word to the congratulations that have been given to M. Monnet and his colleagues on the comparative ease with which they have floated this tremendous experiment and new departure in Europe.

It is quite true that they have been fortunate—they deserve to be fortunate—in the market conditions in which the Coal and Steel Community has been launched. The markets have been easier in the last six months. Stocks of coal are growing. Evidence is clear in all directions that there has been a definite move towards a more easy balance between demand and supply in both of these industries. It has, therefore, been much easier to attempt to create a common market than it would have been if, for example, we had been in a time of great scarcity or even facing a crisis of a slump in prices through an excessive surplus. It has come at a suitable moment, and we should all be very grateful for that.

But that fact does not very seriously detract from the merit of what the High Authority has accomplished. So many things have been done—the removal of internal barriers, the prevention of discrimination, the standardisation of prices, and so on—and many very important steps have been taken which have contributed to this case.

Moreover, the High Authority has run up against several very tricky problems indeed. One problem, for example, that the High Authority ran up against immediately was that the price structure of steel and coal and other products materially differs from country to country because of the fiscal system. In particular, the High Authority met the problem of the turnover tax. I congratulate it not only upon having tackled that problem quickly by setting up a commission to deal with it, but upon having persuaded all the six countries, in spite of hesitations, to accept the judgment of that commission. That is a great feather in the cap of the High Authority and is a happy augury in regard to future problems.

Then the High Authority ran up against the cartel problem. Two British speakers in this debate, Mr. Chetwynd and Mr. Bell, appeared to have shown some slight difference of attitude towards cartels. In the middle, sitting between the Tories and the Socialists, and as an economist, I happen to hold the view that cartels are sometimes good and sometimes bad. Sometimes the effects of what they do are good and sometimes they are bad. Restriction, with which the word "cartel" is so commonly associated, is sometimes something which is in the public interest. The trouble is that the world is not very happy to leave rationing, restriction and steps of that kind in the hands of uncontrolled private enterprises.

I happen to think that one of the most interesting developments of the Coal and Steel Community is the fact that in the Treaty the Community has been given powers of restriction in certain clear conditions. To my mind, Clauses 58 and 59 of the Treaty, together with the Clauses to which they give effect—namely, the second, third and fourth Clauses—are a social and economic experiment of the greatest importance. Indeed, in the recent debate on the Iron and Steel Bill in the House of Lords, I made a comparison between the powers given to the High Authority and the power which is given to the newly-established Iron and Steel Board in Great Britain, to the advantage of the scheme elaborated here by the High Authority.

For my part I think that the Treaty lays down, certainly in a very interesting and I think admirable way, the methods of dealing with this cartel—or, as I prefer to call it, restrictionist—problem and the conditions under which it should be controlled.

There is all the difference in the world between a secret cartel which is subsequently suppressed by a negative act of government—such as the Sherman Act in the United States, and the Acts of many countries represented in this Chamber—and the taking of restrictive measures in the full light of day and after consultation, as is the case in this Treaty, with Governments, with the Council of Ministers, with employers and with employed, and finally subject to the control and decision of the Common Assembly itself, which in the last resort has the right to dismiss the High Authority if it is not satisfied with its actions.

There is a complete layout in Clauses 58 and 59 of the apparatus for dealing with scarcities and surpluses which other

countries will do well to follow. But I think that the High Authority must realise—indeed I am quite sure that it does—that there is a certain element of suspicion that the High Authority might turn out to be a restrictive cartel or, at all events, a cartel which might, not necessarily deliberately but in fact, keep prices higher than would be in the interest of consumers.

In dealing with subjects like the taxation problem and the cartel issue, the High Authority is to be greatly congratulated.

While I am referring to the internal problems of the Pool, I note also that in the Report of the Common Market Commission it is suggested—and I understand it has been frequently suggested in the course of the Common Assembly's debates—that the integration of coal and steel should as quickly as possible be increased to include the whole economy of the six countries. That may or may not be imminent. I should like only to comment, on that statement in the Report, that if it comes about, and to the extent that it comes about, it will increase enormously the importance of the liaison, co-operation and contact between the Six and the Fifteen. It will be much more difficult to maintain that contact, but it will be much more necessary that that contact should be maintained.

Having referred to this contact, I should like to underline one or two of the questions which have been asked by various people, including my British colleagues. Speaking in this Chamber last September, I ventured to say that the question whether Little Europe was good or bad for the world, and in particular for Europe as a whole, depended on the policy which Little Europe adopted, whether it would divide Europe into two economic sections, or whether its chief effect would be to increase efficiency and the expansion of economic activity. I said that would very largely depend upon what it was going to do about tariffs.

I know there is an explanation to be given as to why tariffs are at this moment higher against third parties than before the Community come into being. The question was put very strongly by my colleague Mr. Robens. Certainly, in the case of Britain and the Commonwealth countries, the test of what the ultimate psychological effect is likely to be throughout the world will be very largely determined by what happens on tariffs.

I am therefore glad to see that the High Authority has put in its Report that it has harmonised tariffs "with intent to lower them." I am quite sure that the good will, not only of the general public but of commercial and political circles all over the world, will be enormously improved to the extent that further reductions can be made in the new levels of tariffs which at present exist.

I also feel that it is very important from the point of view of good will—which I and my British colleagues feel must be immensely fostered if this Community is to be well regarded throughout the world—to know what is to happen to the system of commercial treaties. I hope that the High Authority will be able to give an answer to Mr. Robens's question as to whether the intervention of the High Authority is regarded as a reserve power only or whether what is contemplated is that the High Authority will tend to become a third party to most commercial treaties between European and other countries. I am not putting the matter in that way in any critical spirit. It may be right, it may be desirable, that the Community should become the chief negotiating body for those six countries, but it will affect the whole attitude and structure of commercial treaties and the attitude towards them.

M. Blaisse spoke of the Commission's Report on Investment. Very little has been said about it in the present discussion. I want first to congratulate M. Monnet and his colleagues on what happened the other day in Washington when they were there, both for the general support that was given to them by the Congress and by the President and also by the special decision that was made about loans to the Coal and Steel Community. That decision is important because it may well be an encouragement to increase the flow of capital that comes from private and Government sources, but particularly private sources, to Europe. There is a new form of credit backing for loans from the United States, and it may mean that more capital will flow to Europe and to that extent help to solve the problem of the dollar gap. But it does not necessarily in itself materially increase the whole volume of capital that is available for investment; that is done only by increased production in excess of consumption.

In this problem of investment it is important to bear in

mind that you may create danger by isolating investment in two industries alone—and two industries in a limited number of countries. In other words, the investment programme must be ultimately considered in relation to suitably balanced investment flowing into the steel-using industries; otherwise, there will certainly be over production of steel. Similarly it is necessary that there should be a suitable flow of investment as between countries which are members of the six-country Community and those which are not.

I think that what has happened in the United States is excellent from the general point of view of Europe. It is, however, necessary to underline the point that the investment policy of the High Authority must be co-ordinated in those two respects.

Lastly, I turn to relations with Britain and the question of association. Three months ago in Luxembourg some of us, myself included, put to the President of the High Authority and his colleagues a question as to what would be the right time to draw up an association agreement with Britain, what its character would be and what were the sort of common rules which in the opinion of the High Authority, might be accepted and operated by an associated country. (In that connection I am asked by the Chairman of the Committee on Economic Questions—I am throwing a lot of bouquets to M. Monnet and his colleagues—to express thanks to the High Authority for the liaison which they have so willingly established between themselves and the Committee.)

I put that question to the High Authority in March and it replied quite rightly, "We cannot enter into an association discussion until at all events the common market is established in the case of steel". That was a perfectly valid comment. But the common market in steel is now established. It is, of course, much more difficult to indicate the field. The time is far too advanced for me to go into that matter but I should like to ask the High Authority—Mr. Robens put this point also—whether it can now give any indication when will be the suitable time to form an association and, possibly, what field it will cover; in what way it might be possible for Britain to become subject to, or fall in with, the rules of the common market; in what way there might be some co-ordination of investment, and so on? What is the field, and what is the timing? While

it is not reasonable to ask a new organisation of this kind to rush into decisions, and although this new organisation has its hands extremely full, I underline that it is important that this question should be settled quickly.

From the point of view of the growth and development of the Coal and Steel Community itself, that is a very important matter. In Britain and in other steel-producing countries there may gradually be established a less flexible situation and there may be more resistance unless public opinion, including that of the industrialists and the trade unions, begins to have some idea of how we might become closely associated in the operation of the Coal and Steel Community.

But what is even more important, from the political point of view, is that, if we can establish and begin to operate a satisfactory association agreement between Britain and the Coal and Steel Community, it will be an immense strength to the Coal and Steel Community. It will also mark out the future direction of British policy in this most vital industrial sphere. If by so doing it makes it clear that we have strengthened and underpinned the Coal and Steel Community, we shall have strengthened what unhappily at the moment is almost the only apparently solid rock in the tremendous swirling flood of the present international situation.

The President. — This concludes the list of speakers. We must now settle the order of our proceedings. We are only an hour behind schedule. (*Laughter.*)

As certain Committees of the Consultative Assembly are to meet at 10 o'clock this evening, would it be possible for members of the High Authority to resume this Debate at 9 p.m.? I assume they could give their answers within an hour. It should be clearly understood that there will be no further discussion and that, when the members of the High Authority have spoken, the Debate will be closed.

May I ask the President of the High Authority whether he agrees to a resumption of the Debate at 9 p.m., seeing that Committees of the Consultative Assembly are convened for 10 p.m.?

M. Jean Monnet, President of the High Authority. — (*F*)

We consider this meeting to be of extreme importance in view both of the questions which have been put and also, I hope, of the answers we shall give.

These questions are numerous and some of them are extremely specific, the United Kingdom representatives, in particular, have explained that they set great store by our replies.

In our view we should not lose time, Mr. President, were you to accord us a little more respite so that our replies this evening may be as precise as the questions raised.

I would therefore ask you, Mr. President, to take it that the members of the High Authority will reply this evening at 10 o'clock.

The President. — Monsieur de Menthon, I think it may be possible to reach a compromise by allowing the High Authority to answer at 10 o'clock to-morrow morning, with the Consultative Assembly meeting immediately afterwards.

I realise, of course, that the Committee on Cultural and Scientific Questions and the Committee on Population and Refugees are due to meet then, but they could do so in the afternoon.

M. de Menthon, *President of the Consultative Assembly.*
— (F) The purpose of the three Committee meetings due to be held this evening was to draft the Opinion to be given to-morrow by the Consultative Assembly. It is essential that a text should be prepared, but this can be done only after hearing the replies of the High Authority.

However, I consider this Debate to be so important that it would be preferable to agree to the suggestion put forward by the President of the High Authority, namely that a meeting be held either this evening or to-morrow morning. In my view, we must not be too precipitate in our proceedings if they are fully to maintain their serious character.

The President. — If, therefore, we do not hear the High Authority this evening and if the committees of the Consultative Assembly have to meet after they have listened to it to-morrow morning, we shall lose a day.

M. Jean Monnet, *President of the High Authority.* — (F) We shall be ready to give our replies at 10 o'clock this evening.

The President. — Could the committees perhaps meet at 11 p.m.? (*Objections.*)

M. de Menthon, *President of the Consultative Assembly.* — (F) I do not think so, Mr. President.

The President. — Could they meet at 9 o'clock to-morrow morning?

M. de Menthon, *President of the Consultative Assembly.* — (F) They can meet to-morrow at 10 a.m. and in that case the Consultative Assembly can meet only in the afternoon, since the Reports have to be translated, reproduced and distributed.

The President. — Do you think, that the Common Assembly could arrange to meet at 6 p.m. to-morrow?

M. de Menthon, *President of the Consultative Assembly.* — (F) I think the Consultative Assembly might meet to-morrow at 3 p.m. and transmit its Opinion to you about 5 p.m.

The President. — Therefore, as soon as the Consultative Assembly has completed its work, its place will be taken in this Chamber at about 6 p.m. or 6.30 p.m. by the Common Assembly. (*Agreed.*)

I propose that our proceedings now be suspended and that they be resumed at 10 o'clock this evening. (*Agreed*)

The Sitting is suspended.

(*The Sitting was suspended at 7 p.m. and resumed at 10 p.m., with M. de Menthon, President of the Consultative Assembly, in the Chair.*)

PRESIDENCY OF M. DE MENTHON,
President of the Consultative Assembly

The President. — The Sitting is resumed.

I call M. Spierenburg, who has something to say on behalf of the High Authority.

M. Spierenburg, Member of the High Authority. — (*F*) Mr. President, Ladies and Gentlemen, I shall endeavour to answer all the questions which have been asked, particularly those concerning trade policy. I have put the questions into groups. I shall first of all read them out, and then give my answers.

The first query, raised by several speakers, is the following : does the High Authority intend to carry out a protectionist policy in the matter of customs duties and quotas?

Those who are familiar with the terms of the Treaty, I fancy, will be aware that it provides for free competition between the producers of the Community, and also, as I shall endeavour to explain, free competition with producers in the other countries.

Let us take first of all the question of tariffs. There seems to be a general impression that the Member Governments of the Community have set up tariffs at a higher level than obtained hitherto. Nothing could be further from the truth.

Import duties have been suspended. Why? Because the Governments were protecting their industries by quantitative restriction. Since the opening of the common market meant putting an end to quotas, they were compelled to reintroduce these duties, and their level was fixed by negotiation with other Governments through the mechanism of G. A. T. T. The level agreed upon is known as the Annex scale.

Furthermore, upon the opening of the common market for steel, a first step was taken towards harmonisation of import duties in a downward sense. The Benelux countries have maintained their import duties at a very low figure, and Germany

has very largely fallen into line with France where duties are lower than its own. It is clear, therefore, that the Community has not increased duties, it has restored them at a lower level and thus taken the first step towards standardisation.

There is an obligation on the Members of the Community to standardise their duties, within a period of five years, on the basis of the duties imposed by the Benelux countries, which may, if necessary, be advanced by 2 %. At present they stand at an average of 3 %, so that the final figure may be 5 %. Bearing in mind the present German duties of 20 % to 25 % and the French duties of 15 % to 20 %, you will realise that the next five years should see a considerable reduction in duties.

The interval of five years is intended to allow the other countries time to reduce the level of their tariffs. If, indeed, by negotiation with non-member countries, we could obtain an early reduction of tariffs on all sides, I think our Member Governments and the High Authority would readily agree. It does not rest entirely with us therefore whether these duties are reduced in one, two or five years; that depends equally upon the non-Member Governments.

I repeat that there is an obligation under the Treaty to arrive at a harmonisation of these duties, in the downward sense, within five years. It is no exaggeration to say that the tariff rate of the Community will then be among the lowest in the world.

Tariffs constitute one form of protection, quotas another. Mr. Bell mentioned, I believe, this second mode of protection for the common market. I must explain to him that the Governments are in theory entitled to maintain quantitative restrictions, but, since neither the High Authority nor the Treaty can oblige them to do so, and since the Benelux Governments have abolished their quotas, the door is now open for British and other producers to enter the common market, which, as you know, has done away with all quota restrictions as between its Members.

The market is now open to British coal, and I have no hesitation in saying that this competition will be to the advantage of the Community. British coal has always found a market in the Netherlands, in the coastal regions of France and in the north of Germany. This healthy competition will act as a stimulus to production in the Community, and that is one reason

why the Treaty is one of liberal inspiration. - In this matter of quantitative restrictions, the Treaty is far from being protectionist; it is, I suggest, extremely liberal.

Moreover, in the matter of trade policy, I know from my experience at every meeting of international organisations that I have attended, that the High Authority has always been represented as a formidable business agent, qualified to speak for a *bloc* of six countries and even able to sell coal and steel. Nothing of the kind. It is perhaps regrettable, but the High Authority can do no such thing. The Governments have retained their powers as regards trade policy, and the High Authority cannot intervene, except in a number of cases strictly defined by the Treaty.

One case is that of a shortage, which is provided against by Article 59. Obviously, should there be an unmistakable crisis, or should the industry of the Community be threatened with over-production, we could intervene, but only after a vote in the Council of Ministers and going through a somewhat laborious procedure. In this case, I agree, we have certain powers to introduce quantitative restrictions.

We may intervene in one other case, the one mentioned by Mr. Robens. Under Article 75 it is provided that, should a Member Government conclude with a non-Member Government a commercial agreement or arrangement containing clauses interfering with the application of the Treaty, we have the right to make recommendations, or in other words to take the necessary decisions.

We can intervene, I repeat, if any clause of such agreements hampers the application of the Treaty. We can and must intervene if at any time the normal flow of supplies to the common market is impeded or if commercial agreements are concluded which contain clauses affecting free competition between the producers of the Community.

We therefore keep a watchful eye on the commercial agreements notified to us. So far we have not had occasion to intervene, but we are empowered to do so in the cases mentioned (though not otherwise) in accordance with the provisions of the Treaty.

The Governments are free, then, to conclude commercial

agreements. Non-Member Governments can enter into contracts with Member Governments; they can buy from the latter any quantity of coal or steel they may desire. Nothing has been done to prevent such negotiations.

In reply to Lord Layton, I must say that the Community is not a party to such contracts. It has no power to enter into commercial agreements. Mr. Robens asked whether it was not possible to barter steel for iron ore on the principle of : ' I shall buy your iron ore on condition that you take my steel.'

I have been handling this kind of business for fifteen years, and I can assure you that you would be putting yourself in an unfavourable position. My friend M. Sahlin, of Sweden, may be able to contradict me, but, in general, I would say that iron ore is not so easy to come by. And to try to impose such conditions is not the right way to go about it.

In any case, I can assure you that the High Authority is in no position to conduct business on those lines. Indeed, it cannot conduct business at all. Only the States can do that. The High Authority can only intervene in cases covered by the Articles of the Treaty to which I have referred.

Mr. George Brown (United Kingdom). — Who decides if a contract is unfair—the High Authority or the country concerned?

M. Spierenburg, *Member of the High Authority*. — (E) We have the power to decide on the basis of Article 75 whether a clause of the agreement interferes with the application of the Treaty.

(*M. Spierenburg then continued in French.*)

(F) M. Lannung has two queries concerning prices.

He questions, first of all, whether coal prices have not been stabilised at too high a level, in consequence of the fixing of increased maximum prices, this having been done entirely by the Governments. Secondly, he queries whether the same does not apply to steel, as the result of an agreement between the producers, a cartel in fact.

With regard to coal prices, the answer is that the only

country where prices have risen is Germany. Any repercussions of this rise have been felt only by the member countries of the Community. There has been no rise, to my knowledge, in the average export price to countries outside.

As for steel, M. Lannung bases his figures on the period before the war in Korea. He is not going back far enough. At that time the steel industry was passing through a crisis, so that prices obtaining at that time do not provide a sound basis of comparison.

As regards the alleged cartel among producers, I am prepared to deny that there is any real cartel at all, though I must say the producers have agreed among themselves on minimum prices for exports to other countries. The point is that these agreements have never been authorised by the High Authority. M. Lannung may compare the average export prices quoted to other countries with the prices obtaining within the Community. I agree that he will find a considerable disparity. Whether the prices for third countries will continue to run higher than those within the Community raises the whole question of dual-pricing, which is a problem we have to face, just as we have to face that of Government subsidies, dumping and so on.

We should like to get all these questions settled, of course, but they are not within the province of the Community. It would be a good plan to discuss them with other countries, possibly with our friends across the Channel.

Please do not lose sight of the fact that we have established a common market and done away with differential prices. This calls for reciprocal concessions; it cannot be a one-sided affair. Everybody should be prepared to make some sacrifice. The whole matter is of vital importance, and all problems connected with it should be freely discussed with the interested parties. We, for our part, would welcome such discussion.

Before M. Monnet rises, I should like to answer one last question, that from Mr. Robens concerning research.

Trade secrets must, of course, be respected, and the firms of the Community are under no obligation to disclose them. But the results of research work sponsored by the Community are, of course, available to all its Members.

We are not forgetting that information passed on by the Community to other countries may be of considerable advantage to outside competitors. Here, again, there must be reciprocity. The talks which have been held on this subject form part of the general plan for our association with the United Kingdom. (*Applause.*)

The President. — I call the President of the High Authority.

M. Jean Monnet, President of the High Authority. — (*F*) Mr. President, Ladies and Gentlemen, the experiment we have been making to-day will, in my view, make this a red-letter day in the history of the development of European unity.

It is the first time the Representatives to the Common Assembly of the six countries have met together with those of other European countries.

For the first time they have freely, frankly and unreservedly discussed among themselves their common problems. One of the characteristics of the debate which has taken place to-day was the complete freedom of expression not only of members of the Common Assembly and those of the Consultative Assembly, but even—as you have seen—among members of the Common Assembly.

Such freedom of expression, the frankness with which the representatives of countries which are not Members of the Community put their questions, and the frank manner in which Representatives to the Common Assembly stated their objections are, to me, an assurance that in holding this meeting to-day we have succeeded in finding a form of procedure which will, in the not distant future, yield excellent results.

It is my belief that we can now, more or less finally, lay down the form that relations between the Council of Europe and the Coal and Steel Community should take; the present pattern of our relations is the outcome of at times somewhat hesitant progress along a number of roads; thereby all who were present at to-day's meeting should have the satisfaction of perceiving that we are on the road to fruitful co-operation. Such co-operation will be enhanced by what I hope will be frequent meetings between the High Authority and the Committee on

Economic Questions. It will enable us to render the working of the High Authority more effective by adapting it in many cases to the views of certain European non-member countries. I hope, and I shall even go so far as to say that I have no doubt, that, in the light of experience and the march of events, some countries which have not acceded to the Community will be prepared to join in, on the same basis as we ourselves have already done.

On behalf of my colleagues and myself, let me tell you, then, Mr. President, how pleased we are about the meeting held to-day and to add, for those of you who put questions to which M. Spierenburg has not replied, that we consider that the replies will be given in more useful and complete form in the course of the meetings which the Committee on Economic Questions of the Council of Europe will, I hope, hold with us. We shall inform it of our progress and of the Community's development and shall reply in detail to all the questions which have this evening been left unanswered by M. Spierenburg.

I think we should derive a lesson from this afternoon's meeting, a lesson which I, personally, find most encouraging. I believe that our debate has taken this form because we have, all of us, been faced with reality. As M. Motz has said: "We have at last emerged from the realm of fantasy". To show that our Community has now become a solid fact I cannot do better than remind Lord Layton that three months ago at Luxembourg, when we were considering the future of association with Great Britain, he and I agreed that we should cautiously and patiently wait before taking any further action until the steel market was firmly established and had acquired initial experience. To-day you asked what the extent of that association would be, how our action was being timed—and you even added: "This question must be settled quickly."

In the decision you have signified to-day of settling the form of association between the Community and the United Kingdom quickly, I, knowing you and your compatriots as I do, see clearest proof that the Community has become a reality, and that it is a success.

I was also very much struck by the request made by Mr. Robens. Mr. Robens asked the Community how it proposed to ensure that coal and steel consumption would keep pace with the expanding production for which the Community was to be

responsible. He referred not only to necessary contacts with the Governments of Member States of the Community itself, but also with other Governments. I am therefore most gratified to note that, in taking the steps which take we must, in the interests of Europe, we are urged by a British representative to go beyond the limits of the Community itself.

In doing so Mr. Robens has touched upon a basic question, since the question may well be asked whether or not the countries of the Community and the other countries of Europe are pursuing an expansionist policy. That is indeed a question of prime importance.

The matter has been considered by the High Authority, and we propose to get into touch forthwith with the Governments of Member States of the Community. We ask nothing better than also to get into touch with the British Government and we shall put the question to Sir Cecil Weir and the British delegation at Luxembourg.

Let me repeat what I have already told the Common Assembly several times, namely that we propose to discuss with the British delegation at Luxembourg without delay concrete forms of association between the High Authority and Great Britain.

I cannot say at this stage precisely what those forms will be; not that I wish to make a mystery out of them. We have fairly clearcut intentions and ideas on this matter, but you will, naturally, understand that we are required to convey them to the British delegation which has been instructed by the United Kingdom Government to co-operate with us in seeking such close and lasting forms of association. You may at least rest assured that in the very near future we shall be taking up this matter with the British delegation in its most concrete form.

Why have I to-day this impression of reality? Why have all the questions seemed to tend towards the reality we embody and the hope we represent?

Because, for men, reality is only satisfactory when it fulfils their hopes at the same time.

The Coal and Steel Community has begun to solve the hitherto insoluble common problems of Europeans, and has done so by overriding national differences and the rigidity of national sovereignties. It has done so by applying, as I said this morning,

a very simple principle, which has, indeed, contributed to the spread of civilisation for centuries, namely men's acceptance of common rules.

Our European countries, till now divided, traditionally hostile to one another, transforming questions of prestige into problems such as, in a community governed by common rules, would have settled themselves, found themselves at one period of their history constrained to apply rules of their own. Then, at loggerheads with one another, each operating its own rules, they sought to overstep their narrow frontiers and dominate their neighbours.

The history of Europe, when we stand back to consider it, bears, I suggest, all the signs of one of the world's greatest tragedies.

Let us remember that the territories in which the men who have been meeting together in this Chamber first saw the light of day have for centuries been in the forefront of civilisation, that the greatest thinkers and scientists were born in these lands and that the whole world owes its development to the drive and intelligence of men who were the sons of our countries.

The continent of Europe has not, however, changed. Men were what they were because they were born on European soil and kept abreast of their times. That I believe to be an essential condition of human progress. For men to be themselves, they must be in harmony with the rest of the world.

Europe, however, no longer knows that harmony. Our countries can no longer ensure their nations' prosperity and can no longer, separately, ensure their protection. They are no longer able to give to the world the benefits which their intelligence, earnestness and labour should enable them to supply.

It is my conviction, shared by all the members of the High Authority and by those who, before it came into being, took part in the inception of the first European Community, that the world cannot achieve stability and peace without a strong and prosperous Europe whose sons keep abreast of the times.
(*Applause.*)

After all, in this undertaking, which has begun with coal and steel, there is an ultimate objective, namely a human objective. It is the people of Europe who are concerned. Our

aim must be to re-establish conditions which eliminate fear and suspicion from human relations—or perhaps I should say suspicion and fear. Just consider what suspicion and fear mean to European activity. For centuries they have been responsible to a vast extent for the anxieties of the inhabitants of Europe, with results with which you are familiar.

The common coal and steel market is a beginning, an experiment. To-day's meeting shows us that that experiment is succeeding. Indeed, it is the beginning of a wider, more comprehensive market, leading the way to vast production and the use of technical and material resources within our grasp, whose use depends only upon ourselves, but which the present form of the countries of Europe prevents us from utilising.

However, as I said just now, the purpose of our work is more remote. What we have to do is to create conditions which will enable the inhabitants of Europe to live without fear and suspicion and to keep abreast of world progress. To this end, the new organisation, to which the countries of Europe will surrender a part of their sovereignty, will keep in mind what is best for Europe as a whole and will take decisions under the democratic control of a Political Community and of a European Parliament elected by universal suffrage, solely in the interests of the Community. Only such organisations are likely to show greater wisdom.

A long time ago I was struck by a remark made by a Swiss philosopher, who said: "Man's experience is being continually renewed. Only organisations become wiser; they accumulate collective experience and, as a result of that experience and wisdom, man, subjected to the same rules, will undergo no change of nature, but a gradual transformation of behaviour."

It is therein that I would find justification for such common institutions, if any such justification were needed. When I think that Frenchmen, Germans, Belgians, Dutchmen, Italians and Luxemburgers will all follow common rules and, in doing so, will view their common problem in the same light and that, as a result, their behaviour towards one another will have fundamentally changed, I realise that definite progress has been made in relations between the countries and men of Europe.

My colleagues and I were deeply moved by the remarks

made by several speakers, particularly by M. Teitgen and M. Wigny. They said how proud they were that for the first time—although there was indeed nothing difficult about it—we were able to go to the United States without having to ask for anything.

I find great comfort and encouragement in this reaction, since it was, above all, a question of the dignity of the people of Europe, rather than of a great market or future security. If by our journey to the United States and in such a simple way we have been able to contribute to their peace of mind, then we are proud and happy to have done so.

Mr. President, Ladies and Gentlemen, before concluding I should again like to say how glad we are that this meeting should have taken place. Everything you have told us, and even the criticisms—in which we have, for reasons I have just explained to you, discerned grounds for feeling encouraged—have convinced us not only that the road along which the six countries of the Community have set out is the right road, but that we must continue to seek even more zealously ways and means of achieving a more complete understanding with the other countries of Europe. When they have seen and understood, as we have done, what this new and living Europe means for them, they will, one of these days, I hope, themselves join in. (*Loud applause.*)

The President. — Ladies and Gentlemen, like the President of the High Authority, I am sure that we all welcome the great interest arising out of this initial Joint Meeting. Let us all hope that, as the President of the High Authority himself has said, it will represent a further step along the road to a united Europe.

Before declaring this initial joint meeting closed, I should like to inform Representatives to the Consultative Assembly of the times of the various meetings to be held to-morrow, Tuesday :

9 a.m. — Committee on General Affairs, in this Chamber; Committee on Economic Questions, in Room 201.

9.15 a.m. — Special Committee on European Nations not represented in the Council of Europe, in Room 203.

9.30 a.m. — Committee on Cultural and Scientific Questions, in the Library, Room 228.

11.30 a.m. — Committee on Population and Refugees, in Room 204. Special Committee on Agriculture, in Room 203.

2 p.m. — Committee on Legal and Administrative Questions, in Room 204.

A plenary Sitting of the Consultative Assembly will take place at 3 p.m. to-morrow, in the course of which the Assembly will give its Opinion on the Report of the High Authority. The Opinion will be transmitted at once to the President of the Common Assembly.

The Common Assembly will meet at 6 p.m.

I now declare the first Joint Meeting of Members of the two Assemblies closed.

The Sitting is closed.

(The Sitting was closed at 11 p.m.)

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