

SIXTH JOINT MEETING

of the Members of

THE CONSULTATIVE ASSEMBLY

OF THE COUNCIL OF EUROPE

and the Members of

THE EUROPEAN

PARLIAMENTARY ASSEMBLY

OFFICIAL REPORT OF DEBATES



(STRASBOURG - 16TH AND 17TH JANUARY 1959)

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.

(*D*) = speech delivered in Dutch.

(*F*) = speech delivered in French.

The original texts of these speeches will be found in the separate editions which are published for each language.

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FIRST SITTING

FRIDAY, 16th JANUARY 1959

IN THE CHAIR, M. ROBERT SCHUMAN, President of the European Parliamentary Assembly

The Sitting was opened at 10 a.m.

The Chairman. — (*F*) Ladies and Gentlemen, I declare open the Sixth Joint Meeting of the members of the Consultative Assembly of the Council of Europe and the members of the European Parliamentary Assembly*.

1. Opening remarks by the Chairman

The Chairman. — (*F*) In accordance with the proposal made to me by M. Dehousse, President of the Consultative Assembly, I shall preside over this morning's Sitting, and M. Dehousse will take the Chair this afternoon.

This morning we shall hear first M. Furler, Rapporteur of the European Parliamentary Assembly, then the representatives of the Executive Commissions of the European Economic Community and of the European Atomic Energy Community, and

* *i.e.*, on the five previous occasions, the Common Assembly of the E.C.S.C.

the representative of the High Authority. The debate will open this afternoon.

I would remind you that there will be no voting during this Joint Meeting, whose sole object is to give the members of the two Assemblies an opportunity for a free exchange of views.

Thus, following the tradition already established over the last few years, the members of each Assembly will have an opportunity of hearing the point of view of the other. When they again meet separately in their own Assembly, they can take decisions in the light of information gained here in joint debate.

This meeting is of particular significance, for it is the first since the coming into operation of the Common Market, and is also the first to be attended by the three European Executive Commissions.

I would add that we were very satisfied with the important debates, especially that on the Free Trade Area, held here during the European Parliamentary Assembly's Session which has just closed.

2. Presentation of the Report of the Activity of the Common Assembly and the European Parliamentary Assembly for 1958

The Chairman. — (F) I call M. Furler, to present the Report on the Activity of the Common Assembly and the European Parliamentary Assembly for 1958.

M. Furler (Federal Republic of Germany). — (G) Mr. Chairman, Ladies and Gentlemen, I have the honour to open this Joint Meeting of the two important European Assemblies with an introduction to a report which is to serve as a basis for discussion and to describe to the members of the Consultative Assembly of the Council of Europe the work, aims and intentions of the Common Assembly of the European Coal and Steel Community and of the new European Parliamentary Assembly.

The annual Joint Meeting which has taken place since 1953 has proved its worth before now, but the present European situation shows with particular clarity how important it is that parliamentarians from all the countries of the Council of Europe should meet the members of the Assembly of the three Communities which bind the six States of Western Europe inseparably together.

Discussion of the different European aspects and problems of a free trade area or a European economic association is particularly propitious here, since the two Assemblies between them include, with the exception of Switzerland and Portugal, the countries of the three Communities *and* the other States which by their ties with O.E.E.C. are concerned with these exciting problems, with their attendant difficulties and tension.

The Report covers a period of 18 months. It describes the work accomplished by the Common Assembly between 1st July 1957 and 19th March 1958, the date on which it was absorbed into the European Parliamentary Assembly, which is now the single parliamentary institution for three Communities, those of the E.E.C., Euratom and E.C.S.C. The activities of the European Parliamentary Assembly are thus described as from this date up to 31st December 1958. Another reason why the Report covers a period of 18 months is because the new Assembly decided to make its parliamentary year coincide with the calendar year, whereas formerly the parliamentary year of E.C.S.C. ended in the middle of the calendar year.

The printed report has been distributed to you. In a verbal introduction I cannot, of course, hope to cover everything. I should simply like to bring out the most important points which can serve as a basis for the coming discussion.

I cannot, of course, confine myself to recounting events up to 31st December 1958; I must give a brief outline of the events in the European Parliamentary Assembly during the past fortnight. A very important working session—which should really have taken place last November—was held and, as is evident from the Resolutions, it can be said to have marked the end of

certain developments up to that time or to have laid the foundations for future work.

I do not intend to include in my introduction events which have already become part of history; I should simply like to mention the factors which affect the new European developments and describe some of the vast store of experience on which the European Parliamentary Assembly and the Consultative Assembly can draw. I shall also try to outline a number of political views of a general kind which are of interest to the two Assemblies.

First, I shall begin by describing what happened in the time of the Common Assembly of E.C.S.C., without losing sight of the fact that E.C.S.C. and its experience provided an example for everything which came later and which is still to come. The achievements of E.C.S.C. have necessarily had a strong influence on subsequent developments.

Nearly six years ago—in February and May 1953—the Common Market for coal, scrap iron, iron ore and steel was opened. At this time those responsible for the ECSC Treaty had realised that it was not possible to start straight off with a perfect common market and that a transition period was essential, during which it would be necessary to deviate from many of the principles of the Common Market for coal and steel. Thus, authorisation was given for the temporary maintenance of customs barriers, for granting assistance and for the continuation of subsidies, in order to progress gradually over a five-year period towards the final achievement of a real common market for coal and steel.

The transitional period came to an end on 10th February 1958. If we take a look at this period, we can say—the debates and resolutions of the Assembly alone demonstrate this clearly—that the special arrangements made in pursuance of the Treaty did in fact achieve their purpose. The last customs duties levied on the Italian frontier on products of the Coal and Steel Community were abolished on 20th February 1958, and this does not mean that the Italian coal and steel industries, which were being protected thereby, will not be able to hold their own in

face of the competition from the industries of the other countries, in other words in the free common market. Similarly, subsidies in the Italian coal basin of Sulcis have been brought to an end. Thanks to financial assistance for the conversion of industry, it was possible to create a situation which was in keeping with the aims of the Common Market.

As Rapporteur, I am sorry to have to bring one exception to your notice. We have not succeeded in incorporating the Belgian coalfields in the common market, as was planned. A number of disparities which existed at the time of the opening of the common market, between the Belgian mines and other coalfields in the Community, have even increased, to the detriment of Belgian coal producers. The Parliamentary Assembly accepted the findings of its Commission to this effect and noted with regret that full advantage had not been taken of the opportunities offered in this field by the transitional period. It submitted a number of proposals to remedy this situation. To the details of these I would refer you to the events in question and to my written report.

When the transitional period expired, the establishment of the Common Market was by no means complete, and problems had to be tackled continuously with a general common market in view. Indeed, to achieve a common market it is not enough for the clauses of the Treaty to be applied as a matter of form; in practice, it means a lengthy process, a long and slow development involving constant difficulties and obstacles.

It is important that the executive bodies of the three European Communities should now co-ordinate their work. Such collaboration is necessary if we are to overcome the drawbacks and restrictions of partial integration, of which the Common Market in Coal and Steel formed one sector.

But, leaving aside the limitations and difficulties resulting from partial integration, in other words from the fact that integration was confined to these important basic industries, there were, of course, other difficulties as well. We are faced, if I may

put it in this way, not with a short and spectacular metamorphosis, but with a process of organic growth within the development of a new and greater common market.

How can we assess the achievements of the common coal and steel market and what lessons can we draw from it for the future? It can be demonstrated that the increase in trade in this sector was proportionate to the obligations undertaken. But, clearly, an increase in trade is not all we can hope for from the common market.

It was found that, in the free market, the position as regards coal was less good than that of steel, particularly as coal products are affected by transport conditions. If we take the figure 100 for coal trade at the beginning of the transitional period in 1952, it appears that, over the period from then until 1957, there has only been an increase to 119.2, whereas trade in steel, which can be transported more easily, has reached a figure of 177.5.

But it is also important to note that a comparison with similar products which are not included in the common coal and steel market, *i.e.* the smaller, limited market, shows that the volume of trade in these products has been less; trade in steel has therefore increased more than that of similar products. This means that there is hope for the general common market.

Furthermore, conditions of competition have developed favourably. As regards price trends, it must, however, be emphasised that up to 1957 there was a boom in the common coal and steel market, and this, naturally, forestalled many difficulties which would otherwise have arisen. It also prevented a drop in prices.

A number of changes have taken place in this respect. Since the decline in the economic situation, steel prices have fluctuated in a downwards direction, and extensive price levelling has taken place. It is true that many difficulties only became apparent with the decline in trade—I shall say more about this later.

Something else also became apparent at the time of the levelling of the prices of steel: that certain currency changes can alter the structure of prices. The Community has no control over such currency changes, and they therefore take place quite independently. In this way the prices of French steel fell owing to reasons of a monetary order. In spite of this the prices of foreign steel fell into line in the general fall-off of the market.

Action in face of trusts and combines also takes an important place in the development of the Common Market. Here the High Authority is faced with a very difficult problem, and the Assembly, first the Common Assembly and later the European Parliamentary Assembly, has concerned itself at great length with it. I cannot describe the situation in detail here and I would refer you to the general survey. It was relatively difficult to assess the situation and to gauge what measures were necessary in this special field.

The GEORG, which is the most important German coal-selling agency of the cartel type, was replaced by three autonomous sales offices with certain services in common. As has already been pointed out in a previous report to the Consultative Assembly, the Common Assembly had only approved this transformation subject to certain reservations. This point had given rise to discussion in our Assembly. Whereas the Socialist Group—I only mention this to show that differences of opinion arose over this point—considered that the measures taken were inadequate, the other groups approved of them, while refusing to commit themselves, finally, until they had seen how the new sales system worked out in practice.

The competent committee has been constantly concerned with the functioning of this system. The fact that the High Authority is reconsidering the work of the three sales offices more carefully has been greeted with approval by the Parliamentary Assembly, for the present arrangement is only due to last three years. In view of the resolution which it has adopted the Assembly expects the High Authority to do everything in its power to bring the situation into line with the stipulations of the

Treaty, while at the same time taking into account economic necessities.

A second problem along the same lines arose in relation to the A.T.I.C. No progress has been made over the ATIC question since the last Report submitted to this Assembly; at the moment it is the subject of a case before the Court of Justice of the Community. An application was lodged with the Court of Justice and the Assembly, and the competent committees have therefore ceased to deal with the problem for the time being.

Combines continue to form a very important problem. The High Authority and the European Commission as well as the Assembly will have to pay assiduous attention to it, for it concerns a fundamental issue in the application of certain principles of a Common Market.

A special problem of particular importance is that of transport, for it is directly bound up with the coming into force of the Common Market. At first the High Authority had considerable success in this sphere; it made rapid progress as regards the gradual integration of national markets in the field of transport. Later on certain questions proved more difficult to solve. An agreement on freight charges for Rhine transport became indispensable, and on 1st May 1958 one such was brought into force. Negotiations are at present going on with a view to a code of regulations covering the waterways to the west of the Rhine.

The problems raised by road transport were much more complex. Exceptional difficulty was encountered and, in spite of prolonged negotiations, no agreement has yet been reached. The High Authority issued a formal request to the Governments asking them to find a solution which is in keeping with the stipulations of the Treaty by the end of 1958 at the latest.

At this point I must mention support charges, which constantly came in for criticism because they have no rightful place within the common market. However, here again the High Authority made a ruling, which was disputed before the Court.

The Assembly has therefore taken no further stand on the question. Naturally enough, neither the Assembly nor a committee can continue to work on a question when a case has been brought before the Court of Justice and no verdict has yet been pronounced.

One of the most important tasks of the Common Assembly—an essential task in the new Communities too—was to look ahead and work out a long-term policy. As earlier reports show, the Common Assembly had never believed that an empirical, day-to-day policy would succeed in solving the weighty problems in the coal and steel sector and therefore always insisted on a long-term policy. The Assembly has constantly urged this approach. This did not mean, in its view, imposing just any plan, but it considered it essential for the High Authority to provide guidance and information, supplemented where necessary by protective measures.

This applies, above all, to the field of investments where, at the request of the Assembly, the High Authority has taken advantage of an optional provision in the Treaty which lays down that investment projects must be made public in order that investments may be co-ordinated by means of advice and consultations. Further discussion, which I do not need to go into in detail, still continues on this subject.

With the funds at its disposal, thanks to American loans, the High Authority has also granted direct financial aid. The last loan contracted with the United States in June 1958 for a sum of 50 million dollars was also greeted by the Assembly with great approval, since it would enable it to provide financial support when needed.

It soon became apparent that a long-term coal policy must be incorporated into a common power policy and that it could not remain isolated.

The High Authority was late in beginning to embark on its long-term policy on steel. Its Sixth General Report contained

indications that did not escape the criticism of the Assembly, which thought that, although the steel policy described in the Report provided a valuable stimulus to the development of this key-industry, it was in certain respects provisional and incomplete.

To sum up, taking those points which are to provide a basis for discussion, let me say that both the Common Assembly and the European Parliamentary Assembly have always wished any specific measures of the High Authority to be part of a genuine policy of a wider scope. This the Assembly believes to be one of its most important tasks.

May I briefly say something about the Common Market and the coal and steel situation in relation to the present world economic situation?

As I have already said, from 1952 to 1957, the E.C.S.C. made almost uninterrupted progress. This state of affairs forestalled a number of possible disputes which would have otherwise probably arisen and did in fact emerge when the market began to decline. As regards fluctuations in the market, which took place in sectors outside its immediate concern, the Common Market reacted in a way which is interesting both as regards the present and the future development of the general common market. After the first signs of a recession which were observed in the United States in 1953, particularly with regard to the iron and steel industry, there were no significant repercussions on the common coal and steel market. In 1957 the considerable decline in the American market was felt more keenly but did not have such a serious effect as previous experience might have led us to suppose. The Common Market has therefore shown relative stability in the face of economic fluctuations in other big markets.

The coalfields were nevertheless hit more severely by this recession, and you all know of the great difficulties which arose. I have no need to remind you of the increase of stocks, sectional unemployment and the like.

There is a great variety of reasons for these difficulties, first of all a certain shift in consumption, then the import of American coal and perhaps, too, the existence of excessive stocks of secondary products. The High Authority studied these problems and put forward a number of proposals. The Common Assembly and the European Parliamentary Assembly also dealt with these difficulties in the course of their discussions and adopted resolutions on the subject.

Investments also figure largely in these problems of economic trends. Whereas it used to be accepted that the situation in the European market depended very largely on the United States, as I have already said, recent experience has shown that we have become much more independent, particularly if a judicious investment policy is followed. There are a variety of reasons for this, it being due partly to our own impulsion and partly to international forces.

The Assembly and its appropriate Committees have constantly emphasised that collaboration between the executive bodies of the three European Communities and the Governments of the Member States is of particular importance in this field and must continually take into consideration trends in the world market and what can be done to offset them in our own Community.

I shall now turn to a subject which has always been of special interest both to the Common Assembly and the new European Parliamentary Assembly, namely the conditions of workers—or in other words the problem of social policy.

Let it be said, first of all, that the opportunities offered by the ECSC Treaty to achieve the aims of our social policy were extremely limited, and this has always been a subject of regret to the Assembly. The new treaties offer a little more hope for the development of a social policy, and I shall say more about this in a few minutes. Even in the time of the Common Assembly we always insisted that particular attention should be paid to social questions within the general aims of E.C.S.C. I can only mention the various points briefly; a more detailed account of these problems can be found in my printed report.

There was a particular need to observe developments in the field of employment. Major problems had arisen in the coalfields where there was extensive fluctuation in manpower. For a long time there was a shortage of workers in the coalfields. The Common Assembly and the European Parliamentary Assembly took steps to have a European Statute on miners drawn up, with a view to providing social and economic assistance.

The free movement of workers also led to lengthy discussions, as did the problem of migration and rehabilitation. As you are aware, a great deal of money has been paid out in response to requests from the French, Belgian and Italian Governments for assistance in rehabilitation schemes. This assistance will continue to be allocated for two years after the transitional period expires; further credits for this purpose may have to be provided, since experience has shown that, where changes have taken place in the economic structure, rehabilitation plays an extremely important part in the development and establishment of the Common Market. In such cases care must be taken to prevent any possible harm or to attenuate such harm as is unavoidable.

Furthermore, the Assembly has given a lot of its time to the problem of the training of workers, which is extremely important for raising the level of production, preventing industrial accidents and improving living and working conditions. No provision was made for this in the Treaty, but, in spite of this, noteworthy results have been achieved.

At the same time the construction of houses for workers has also been promoted. This was urged by the Committee on Social Affairs in the time of the Common Assembly and again later by the European Parliamentary Assembly. The Assembly noted the activities of the High Authority in this field with satisfaction and greeted with approval the news that the third programme of construction of workers' houses, financed from loans worth 30 million dollars, has just been launched. These are deeds of which we can be proud.

Lastly, I would mention the tragic disaster at Marcinelle,

which took place at a time when we were developing the common coal and steel market. This event led the Common Assembly to set up a Special Committee on safety measures and rescue work in the mines. On a proposal from the High Authority an inter-governmental conference on safety measures in coalmines was held and accomplished very useful work. Many new measures have been worked out in order to prevent as far as possible any repetition of such a disaster.

The Committee on safety measures and rescue work in mines has been altered by the new Assembly in accordance with the latest ideas; it is now known as the "the Committee on Industrial Safety, Health and Hygiene"; this committee deals with all questions relating to security, and hence with some which do not affect the coal and steel industry.

I now come to the work carried-out by the Common Assembly with a view to preparing the way for the wide-scale economic integration which must, above all, be attained by the European Economic Community.

From the start the Common Assembly was aware of the weaknesses and obstacles presented by any form of partial integration; it was also alive to the need for more effective harmonisation between the economic policies of the six Member States, which are far from being uniform. I am now speaking of the period which preceded the creation of E.E.C. To bring into line such different trends, to bring them down to a common denominator, even though their fundamental aims were the same, was certainly no easy undertaking.

The Common Assembly went into this question in very great detail, and talks were also held with the Council. It was finally in Rome, at one of its last meetings attended by the Ministers for Economic Affairs of the six Member States, that an important debate ensued, mainly on the subject of the problem of economic collaboration between the different countries with a view to setting up a general common market; this debate was generally regarded as extremely valuable, and it is partly responsible for

some of the trends which are now being followed in the general common market.

The problem of power policy, which has come to the forefront of interest again recently, has also been dealt with by the Common Assembly, which adopted a resolution showing its special interest in the subject.

The present problem is that of co-ordinating the different forms of energy. A fact worth noting is that, in a resolution adopted only three days ago, the European Parliamentary Assembly has just stated that encouragement should be given to the judicious development of new forms of energy—oil and nuclear power—inasmuch as they might contribute towards increased prosperity in Europe, but that it was nevertheless convinced that Europe needed a well-equipped coal industry which must continue to be modernised and therefore supported; at the same time an effort must be made to co-ordinate the different sources of power. The Parliamentary Assembly has constantly requested the committees and Governments to tackle these problems by a common approach.

The problem of co-ordinating European transport with an eye to future development has also occupied the Assembly a great deal. On this subject M. Kapteyn has drawn up a very important report, which I have also mentioned in my written report so that I need not go into questions of detail. More than 5,000 copies of this report have already been requested by authorities and institutions in every country wishing to study it and base their future work upon it, which shows the interest it has aroused.

The Common Assembly has also sketched the outline of a common European social policy. I have already told you how interested we were even in the days of E.C.S.C. in the problems of employment, vocational training and free movement of workers. Anxious to take this work further, the Committee on Social Affairs turned its attention to two other questions. I would remind you in this connection of M. Nederhorst's report on wage trends and wages policy in the industries of the Community; this report

was intended to point the way for future developments in the extended common market.

Finally, preliminary discussions have also taken place on the problem of reducing the number of working hours. Here again we note that the new Assembly has lost no time in using this work and encouraging it. Thus, this very week, the Assembly adopted a very important resolution on the reduction of working hours in the coal and steel industries.

In this context I must mention one other important activity: the elaboration of regulations governing competition. As you know, with so many different Treaties the position is somewhat complicated. From the start, the Assembly, like the European Commission, thought that the injunctions in Articles 85 and 86 were not just points in a general programme but took immediate legal effect. We hope that the efforts made by the Commission of E.E.C. with the support of the Assembly will soon lead to a satisfactory solution, in line with the provisions of the Treaty, in this tricky and important field.

The Assembly is very glad to see the interest shown by the European Commission in these questions, which are really fundamental.

The Assembly was also anxious to promote the development of a common economic policy. To do so, it is essential to know the *de facto* situations, and that is why the EEC Commission has endeavoured to submit concrete data to us. The length of some of the reports has been criticised, but I, for my part, think that it is very difficult to work out a common economic policy if the economic facts are not precisely known. That is why the reports have a particular importance in this sphere. Recently the new Assembly has once again dealt precisely with this common economic policy, adopting a very detailed Resolution with a view to giving its support to certain trends.

It is scarcely necessary to speak at length about the policy on power; there again there is a movement towards a common policy and on this I refer you to my written report.

As regards general economic policy, I would simply add that some fundamentals ought to be as uniform as possible in all countries. Recently the situation has improved because France has taken certain measures, which ought to be viewed with satisfaction and which will have an encouraging effect upon the development of the Common Market. I am thinking of the fixing of the new value of the French franc, of convertibility and of the extension of liberalisation. All these measures are helping to establish a common basis for economic policy within the Communities.

The new Parliamentary Assembly has already shown considerable interest in agricultural problems. You will be aware that a conference, envisaged in the Treaty, was held at Stresa to work out the basis of an agricultural policy. The committees of our Assembly have studied the work of this Conference, and on 14th January the Parliamentary Assembly held a fresh discussion, without, however, adopting a Resolution. The debate will continue. In this sphere, also, there are signs of fruitful developments.

The association of overseas countries and territories raises new and delicate problems, which were not the concern of the old Community. You are aware that the Common Market is not limited merely to European countries but that it also includes the so-called associated territories, that is to say overseas countries and territories which form part of the countries belonging to the Community, and which are associated with the Community in a particular form. There are two problems of first importance: on the one hand, that of the development of trade with these territories and, on the other hand, that of financial aid to be granted to these territories for their economic and social development—aid which must be supplied by a Development Fund specially set up for that purpose. It is evident that the aspirations of the African peoples are directed more and more to obtaining their autonomy and, ultimately, total independence; this fact has played a large part in the events of international policy of recent years. It is hardly necessary to mention the reasons which have led our Parliamentary Assembly to devote

attention, especially, to this problem of the association of overseas countries and territories.

The Assembly has noted with satisfaction that, in this sphere, the European Commission is already very active. On the proposal of the Commission a first investment programme has already been accepted by the Council. The practical work of the Development Fund has accordingly begun.

It is easy to understand that these are difficult problems to solve, that they require lengthy and considerable preparation. The Assembly has stressed the importance of close contacts between the organs of the Community and the overseas territories; it has been particularly anxious that the representatives of these countries and territories should be associated with the work of our institutions. Provision is also made for fact-finding missions, especially by the Committee dealing with this subject.

In the present state of affairs it is, obviously, not yet possible for me to give you concrete results. I would only mention in passing that everything in this sphere is in a state of flux. Thus the recent independence of Guinea has raised some problems. To these must be added problems which can undoubtedly be expected in the case of Somaliland, an Italian Trust Territory, and Togoland and the Cameroons, French Trust Territories, all of which will obtain independence in 1960. In any event the Parliamentary Assembly will still have to bear in mind what is said in the preamble to the Treaty on the subject of the importance, from the social, economic and political point of view, of relations between the overseas territories and our Community.

Will you now allow me—by way of suggesting the subjects to be discussed next—to say a few words on the European Atomic Energy Community. In this sphere the Assembly has concentrated its work on four points which have served as a basis for discussion: the establishment of the atomic production of the Community, co-operation with other countries, the impetus to be given to technical and scientific research in this sphere and, finally, the working out of basic norms for the protection of the population against the risks involved in nuclear

energy production. It has also discussed one particular event, the conclusion of a very important agreement between the Commission of Euratom and the United States; an agreement which can be considered as one of the basis for the development of nuclear energy production.

In fact, the loan of 130 million dollars granted to Euratom will facilitate and accelerate the construction of indispensable power-stations. Naturally, it is not possible for me to go into technical details. The Assembly decided to devote special attention to the distribution of plants and the choice of localities where works could be built.

I come now to what has been done for European integration in the Assemblies that have met here, the Consultative Assembly of the Council of Europe and the European Parliamentary Assembly. You are aware that during the period to which the report refers very important events have taken place. The Rome Treaties were ratified towards the end of 1957; they came into force on 1st January 1958, and January 1st of this year was the date, I would say the crucial date, when the first practical measures for the actual putting into operation of this new and vast Common Market were taken. In the course of the first half of 1957 the work for the ratification of the Rome treaties in the national Parliaments was vigorously supported by members of our Assemblies. The Common Assembly, which was in existence at the time, had not, at first, taken up an official position on the matter, and certain difficult situations led us to think that it was preferable for an international assembly not to intervene in decisions taken by national parliaments. Nevertheless, it must be remembered that the Common Assembly had initiated a series of very precise measures to bring about the conclusion of the Treaties, to encourage certain trends which we can still observe today and which reappear in a particularly striking form in our Assembly.

A whole series of proposals was made by our Working Party; the three Presidents met in order to undertake common lines of action. The Bureau of the Common Assembly also had discus-

sions with M. Spaak—generally with the Chairmen of political groups present—to give yet more weight to these actions.

I should like to recall that this tendency to unite the Communities was very clearly shown in the action, already decided upon by the Ministers, which avoided the setting up of a fourth parliamentary assembly and created instead a single Assembly, the European Parliamentary Assembly.

Passing now to a very important point, relations between the Assembly and the other institutions of the Community. Collaboration between the High Authority and the Common Assembly has been intensive, fruitful and satisfactory. The policy of the High Authority was thus consolidated and the parliamentary position of the Common Assembly strengthened. The European Parliamentary Assembly has continued this interchange of views, and it forms part of its relationship with the European Economic Community and the European Atomic Energy Community. We can state with satisfaction that the Presidents of the European Commissions have declared that close collaboration with the Assembly was particularly valuable and important.

I think that this collaboration assumes such importance because the European Parliamentary Assembly represents the essential driving force for the development of the three Communities. It is true not only because the Assembly's task is to forge ahead but also because, owing to the links established between the Commissions and the Assembly by the Treaties, the Commission and the Assembly are interdependent. Both bodies, in fact, wish to forge ahead; both are endeavouring not to hinder the development of the Communities, but, on the contrary, to promote it, and the European Commissions are concerned, as we have seen, with what preoccupies us here in this Assembly. In a word, each one welcomes the fruitful suggestions of the other.

Another question which is also important is that of the relations between the Assembly and the Councils. In this respect the position is not as simple as that which I have just described for the High Authority and the European Commissions. In the

Coal and Steel Community it was not absolutely essential for the Common Assembly to co-operate directly with the Council of Ministers because the High Authority occupied the central and decisive place. It was responsible to us, it made its own decisions and held discussions with the Council of Ministers. But since then the treaties have altered the position. Contrary to what happened as regards E.C.S.C., the Council of the Communities has powers of decision. It would then be quite natural, opportune and judicious, side by side with the links existing between the European Commissions and the Assembly, that there should also be a link between the Council and the Assembly. It was, moreover, the objective of the Rome meeting to set up stronger links between the Council and the Assembly, not by a modification of institutional provisions but by creating a *de facto* situation. But this objective has not been reached, either legally or in the standing orders of the Assembly. The Council has not taken into account the Assembly's wish that co-operation between these two institutions should be more or less laid down in the rules of procedure. However, thanks to the new Assembly, we have reached the point where the Councils have shown themselves more forthcoming on the subject of co-operation between themselves and it.

I must not forget in this regard to say that M. Larock, President of the Council of E.E.C. and M. Motz, President of the Council of Euratom, made very positive statements at the inaugural Session of the new Assembly on 19th March 1958. M. Larock, in particular, said:

“We lay the greatest store by the close co-operation which must exist between the European Parliamentary Assembly and the other organs of the Community. We are resolved to do our utmost to bring about this co-operation without delay, so that our common determination may find expression in united action.”

M. Motz spoke in similar terms. For my part I will only add that, if to it is not for us to complain of the infrequent presence of Ministers, it must not be forgotten that co-operation, although it is not laid down in our rules, is helped by the con-

siderable personal interest which members of the Council can bring to it and by their presence at debates on subjects which necessitate the co-operation of all the institutions of our Communities, as is, in point of fact, always the case.

Let us turn now to budgetary questions. They are undoubtedly tedious questions but—and this is why I mention it here—they are of the greatest importance to an Assembly.

In the Coal and Steel Community our situation was relatively simple. The budget was settled by the four Presidents of the institutions and excellent co-operation was achieved. Now the new treaties have appreciably complicated the situation. On the one hand, the European Coal and Steel Community still goes on with its budgetary system while, on the other hand, the new treaties provide for a totally different budget system. The Coal and Steel Community had its own financial means at its disposal. You know that E.E.C. and Euratom receive, in contrast, subsidies from the States. The result is that the influence of the States on the budgets is totally different. That is why I consider that we must do all we can to see that the new Communities also have their own resources—and this is perfectly feasible, as the Treaty provides for it—in such a way that they can become progressively autonomous in budgetary matters.

The complication does not arise solely from the fact that the three Communities applied two different budgetary systems but also from the fact that two institutions are common to the three Communities: the Parliamentary Assembly and the Court of Justice. The Treaty limits itself to stating very briefly that each of the three Communities will contribute one-third to the financing of these two common institutions. It is precisely on this point that the problem of the form which the budget is to take has not been finally settled. The work that we undertook at the time of the Common Assembly is being intensively pursued with the object of finding a system which will overcome the various difficulties.

At the present moment the European Parliamentary Assembly sustains a conception which had previously guided the Com-

mon Assembly, according to which this institution—which is entrusted with parliamentary control—has the sovereign right to draw up its own budget so that budgetary questions may not serve as a means of jeopardising its independence nor of paralysing its action. It is legitimate for a parliament to desire to prepare its own budget, for this is a function of its sovereignty.

You are aware that somewhat lively debates took place because the 1959 budget had not been drawn up in time and because of this it could not be submitted at the right moment to the European Parliamentary Assembly. It is clear that the Parliamentary Assembly must demand that a budget be submitted to it in time, and it is normal for it to insist on this point. But it is also quite normal—and this must be understood—that this very budget, the first and therefore very important budget, of the new Communities, should be prepared with particular care and checked before being submitted to the Parliamentary Assembly. We have only four weeks to examine and discuss it. This may not be a very happy provision, but by the terms of the Treaty we must take a decision within the four weeks which follow the tabling of all the documents relating to that budget. I was anxious to mention this fact because budgetary problems are of particular importance for the development of new Communities and of our Parliamentary Assembly; all the more so as, contrary to what happened formerly, the fact that Governments now contribute gives national Parliaments the possibility of intervening decisively in budgetary questions, since it is their task to approve the grants to international organisations.

Our Assembly is particularly anxious about the co-ordination of tasks between the three Communities, and I have already briefly mentioned it. It is, in fact, only by a pure caprice of history that we have three Communities. It is probable that fifty years hence those who cast an eye back will exclaim: "Incomprehensible! There was a special organisation based on international law for coal and steel, a special organisation for atomic energy and a third—entirely independent of the others—for the general Common Market!" I think that coming generations will not understand very well this state of things. All the same we must adapt ourselves to it, but it does mean that we are obliged

to insist that co-operation between the Communities shall be rationalised so that they can harmonise their policy, and that everything possible is done to prevent the existence of these three separate organisations from involving waste of energy.

The Parliamentary Assembly has been seriously engaged on this question, and it is very satisfied to note that the Bureaux of the three Communities have lost no time in meeting, that they have set up common services and proceeded to discussions, and that they wish to persevere in this closer approach and to rationalise it. It is true that the efforts hitherto undertaken have not seemed adequate in the Assembly's opinion. We think there is much more to be done. I will venture to say that it is necessary for this co-operation to be intensified as soon as possible because, if services are developed separately and if this situation becomes crystallised, it will obviously be much more difficult to bring them back to unity.

Do not let us forget, however—and this is a point on which the Assembly has constantly insisted—that this union would have come about more easily if what we have always desired had been set up, that is a common headquarters for the institutions; this is essential for the work of the Communities. Quite recently it was evident once again that the existence of a single headquarters could not but facilitate and consolidate real organisation, efficient work and, above all, a united policy.

I am now going to speak about external relations and the European Economic Association. There again I shall confine myself to mentioning certain facts which can form a basis for the discussion. I do not wish to keep you too long and so prevent you from beginning the discussion. In the Parliamentary Assembly we have always stressed the fact that our Communities are open Communities, that they do not adopt any autarkic policy, that they do not wish to isolate themselves, and that they are in favour of union with other areas of Europe. The Assembly has stressed this and it has noted with satisfaction—I am anxious to emphasise the point—that this tendency, which can already be clearly noticed in the Treaties, has also been followed by the European Commissions and by the High Authority.

Since 1957 the three Presidents of the European Assemblies have met on many occasions to give their support to this policy of the "open door". I can say that in the European Coal and Steel Community we have always sought to avoid any kind of isolation.

The Common Assembly always welcomed with satisfaction customs adjustments between the E.C.S.C. and Great Britain within the framework of the Council of Association. At that time that operation was not considered merely as a policy peculiar to E.C.S.C.; the Assembly approved of it because it facilitated the inclusion of coal and steel in a free trade area.

Let us now turn to the European Free Trade Area and the Economic Association. I think I can say that that is a central problem of present-day European policy, a problem on which all European Governments and all European peoples are concentrating their attention. From June 1957 onwards, the Common Assembly approved the steps that Great Britain took at that time because those steps represented a reaction to the setting up of a common market. At that moment the Consultative Assembly invited the Governments of Member States to meet with the High Authority for negotiations; from its side, the Parliamentary Assembly stressed the necessity, as far as the six countries were concerned, of taking up a common position through the medium of the High Authority.

The European Parliament has not been slow to take up this question and it has been actively engaged upon it; by means of its well-known basic Resolution of 27th June 1958, it laid the foundations of this Free Trade Area. Moreover, it substituted the expression "European Economic Association" for the expression "Free Trade Area". This was not just a formality; it did so not only to clarify the situation but to demonstrate that, basically, it was a question of linking the community of the Six—and I always mean by that the three Communities—with the other States of O.E.E.C. by means of an association on the plane of internal customs duties, as, indeed, the Treaties had provided for. It was always admitted that this association was

a very obvious means of incorporating the European Economic Community within a wider area.

It is true that the Parliamentary Assembly considered—and said so as unequivocally as possible—that the reality of our Treaties ought to be safeguarded and that it was therefore necessary to start from the principle of the permanence and the intangibility of the European Economic Community and of the other two Communities. That was an essential attitude; it had a political purpose, and the negotiations for setting up the Free Trade Area constantly showed that the right recipe for negotiations, whatever the end in view, was to treat the Community of the Six as an autonomous personality, if I may so express it.

Negotiations on the Economic Association are not simple. This week we have held a long discussion in the European Parliamentary Assembly and it seems—I note it with satisfaction—that we can hope that, in spite of all the complications, we shall reach an understanding on a basis which will satisfy all the parties concerned.

The date of 1st January 1959 marked a “dramatic” episode in these negotiations. Some people have perhaps exaggerated the dramatic side of these events. People felt and often said that the only possibility of achieving a free trade area or an economic association was by setting it up before 1st January 1959. This idea was shown to be false. And, moreover, it was not possible along the lines of a realistic policy. Since then not only have the points of view become less divergent but new factors have appeared which are facilitating solutions.

Allow me to bring to your notice the economic decisions which France has taken and which our Parliamentary Assembly has enthusiastically welcomed in its Resolution. Without any doubt they have helped to improve the situation. Also I suppose that we shall see the end of the famous debate on discrimination to which other parties who were concerned in the setting up of the Free Trade Area have attached such importance. In fact, when we really think about it, we see that there could be no question of discrimination once new political facts, both

of a national and international character, arose, the essence of which was nothing less than to create new situations. These are the consequences of new situations, some favourable and others less so, but which, in any case, ought not to be considered from the standpoint of discrimination, since they are based on the vital need for associating ourselves in what will finally constitute vast common markets.

Nor can it be said that either with or without discrimination the other party will have the feeling that, even if it is not the victim of discrimination, it is not so well off as its partners. Even if no more than that were said, I should be inclined to be doubtful, because it would be yet another example of a misunderstanding of the will behind the deed. There is not the least intention of treating outsiders less well; it is simply a question of drawing certain necessary consequences from the obligations which have been assumed and to which there are corresponding rights which have to be guaranteed.

An attempt is now being made to find a transitional solution. We shall try after that for an integral solution, the essence of which is stated in the Resolutions of the European Parliaments. At the last Session of the Assembly an important debate was held, introduced by a detailed report from the President of the Commission of the European Economic Community. At the conclusion of that debate the Assembly voted a very brief Resolution. I think it is indeed the shortest that has been voted for years. In the text of its Resolution, the Assembly approves, without reservation, the principles set out by the President of the European Commission. It is, therefore, easy to see in which direction things are developing.

Of all the principles which M. Hallstein has expounded—for he enumerated several, out of concern for realities and to do justice to certain prejudices and certain preconceived ideas—I will dwell only on one. It is the principle that the Economic Association must be multilateral. In other words, it is not a question of concluding association treaties with each of the States; what is wanted is to build a bridge, through the medium

of the OEEC member countries, between the Community of the Six and the general common market.

Our debates have been fruitful from yet another point of view because it has been understood that such over-simplified plans as the customs union for us and the free trade area for the others serve no purpose. There are new elements in international life, and each of these is revealed in its own particular light. Our countries of the Common Market do not constitute anything as simple as a customs union; they are much more than that: they are an economic Community, which must have a common economic policy and in which the common external tariff, while having essential importance, has not such a vital interest as other factors for which provision has been made to give life to a Community thus conceived—the Bank of Investments, aid for rehabilitation, common monetary assistance. The same is true for the Free Trade Area. There will never be a free trade area purely and simply—and some even go so far as to ask whether it was even conceivable in theory. Real life requires certain special combinations, and certain particular clauses, which the Economic Association, the free trade area, shows to be appropriate and pertinent to its own interest. In fact, even the free trade area will not be able to avoid adopting certain common objectives in economic policy nor maintaining common decisions in external trade, even in the absence of a common external customs tariff. That is why an organisation of a special kind will be set up, and we shall hope to see it work.

To conclude, I have still a few words to say on relations between our two Assemblies; for all other questions I refer you to the Report. It is a question of existing relations between the Consultative Assembly of the Council of Europe and the European Parliamentary Assembly,—which are, indeed, most desirable—as well as the question of finding out how these relations can be developed.

You are aware that the Common Assembly of the European Coal and Steel Community established close ties with the Consultative Assembly of the Council of Europe. It was in 1953 that the first of these annual Joint Meetings of our two organisations

took place, and four or five times since my predecessors have submitted reports in this hall to the representatives of one or the other, with the purpose of stimulating discussions on our problems, of clarifying them and perhaps even of reaching a common decision.

In the new Assembly we immediately took up and deliberately developed this tradition. The organisation of joint sessions has aroused no objection; their length has even been extended from one to two days. We decided to draft a general report; I submitted it in writing and I am now commenting on it verbally. We shall continue in this way. The Bureaux also have very close relations and they both hope that the work will be carried out in the best possible conditions. In fact, Ladies and Gentlemen, it is undeniable that when States or institutions pursue the same objectives in different spheres, there is always the risk of encountering grave difficulties. Nothing could be more unfortunate than to see in Europe—merely because certain historical necessities have given rise to different institutions—a kind of rivalry occurring in their activities.

In the course of the period under consideration in our Report, the question was discussed at length as to whether the Assemblies—to complete the picture I must remind you of the existence of the Assembly of Western European Union—could not be grouped, in one form or another, in a single European Parliament. That was the idea of the “Grand Design” which emanated from Britain; and we had also the Italian proposal. Then there were discussions on a parliament which would work like “a system of tiers” in which the different assemblies would be incorporated somewhat like the compartments of a large safe. Now the discussions have shown that a solution of that kind would scarcely be rational and that it could not be made to work. The situation in Europe is such that distinct parliamentary bodies must be allowed to go on functioning because they have different tasks. But that should not prevent them from meeting together.

I think that this discussion will reveal once again that, in general, the objectives pursued by the two Assemblies are, to a large extent, the same, because we wish to serve common ideas.

We wish to act in such a way that the idea of European co-operation on the parliamentary plane can be achieved. We want to make our contribution to the unity of Europe. Now, it is only within the framework of efficiently exercised functions and concrete tasks that a parliamentary ideal can be maintained and achieved.

The Consultative Assembly of the Council of Europe has a much broader field of activity and contains representatives of a much greater number of States than the European Parliamentary Assembly. Truth to tell, it is slightly handicapped by the fact that it possesses no power of decision, but is limited to fulfilling a consultative mission. But it is quite possible, and probable, that its functions will be enlarged as the result of the creation of the Economic Association. The European Parliamentary Assembly is confined to six States. Its activities are limited to the problems of economic policy and general policy which concern the three Communities. We have powers of decision and, above all, we have the powers of control, witness the famous obligation to resign, over the High Authority and the European Commissions. It is this power which constitutes the starting point for our future development. These parliamentary organs, *sui generis*, will have to remain distinct because a merging of them would involve a risk, that of weakening the parliamentary situation, which we certainly do not want to see. The objective of our work is a common objective, but the paths leading to it are different. Our goal is to overcome historic differences on our continent—differences often fostered by chance, on the economic, social and political plane—and to give Europe the unity for which she has such a pressing need. (*Applause.*)

The Chairman. — (*F*) Thank you, M. Furler, for your clear, full and balanced Report.

Before giving the floor to M. Hallstein, I would remind members that this afternoon's debate will be on questions relating particularly to the Common Market and the European Economic Association.

Tomorrow, Saturday, the debate will be first on questions relating particularly to Euratom, then on the European Coal and Steel Community, and, finally, on the activity of the European Parliamentary Assembly.

I would now ask the members of the two Assemblies who wish to speak to give their names in at Room A 92 as soon as possible, and by 2 p.m. at the latest; would you please state in which part of the debate you will take the floor, and for how long you wish to speak? I must ask for these details in the interests of well-organised debate.

I call M. Hallstein, to speak on behalf of the Commission of the European Economic Community.

M. Hallstein — (G) Mr. Chairman, Ladies and Gentlemen, may I, first of all, express my sincere gratitude for the opportunity afforded today to the European Commission to give an account of itself and, where appropriate, to justify its policy in European matters. I should especially like to thank you, Sir, and also the Secretary-General, M. Benvenuti, for taking the initiative in carrying on an old custom of the Consultative Assembly. This is the great general European forum in which common values, common convictions and a common responsibility are developed. We, the organs of the “six-Power Community”, also accept this wider European responsibility. We are aware that the dual concept “Little Europe” and “Greater Europe” does not imply two alternatives, but simply two aspects of the development of European political unity: two aspects that are inter-related, complementary, indeed complementary by necessity, the one being dependent upon the other. We well know that even our own work, the work of the smaller Community, would not be possible without all that has been done in the broader European sphere. Without the association of a vast European trade and payments area such as has been created among seventeen States in the O.E.E.C., and, above all, without the assistance of this general European forum which I now have the honour of addressing, it would not have been possible to achieve as much—even in the specific matter of the completely integrated system of the Six—as we have happily achieved. We therefore welcome

this renewal of a sound tradition which has grown up between the Consultative Assembly of the Council of Europe and the European Parliamentary Assembly on the one side and our elder sister, the High Authority of the Coal and Steel Community, on the other, just as we always feel that we are acting wisely when we follow the tradition that has been developed by the High Authority.

That affords me a welcome opportunity of repeating here that we are most grateful for all the initial help which our sister Community has unfailingly given us. It is a pleasant feeling that it is not just one of the three Communities that is called upon to appear here, but that when common interests are discussed all the Communities are represented. We feel ourselves to be different expressions, accidentally separated by history, of one and the same political will, and it is for that reason that we feel indissolubly linked with both the other executive organs. Their strength and their success are our strength, our success, and any criticism of them is also a criticism of us.

My contribution to today's debate is a modest one. It is a report on what has been done and a glimpse into what is to be done in the future. The subject-matter to be dealt with is so extensive that I count myself fortunate to be able to refer to certain documents which relieve me of some of my reporting work. First and foremost I would mention the excellent Report, both written and oral, given by M. Furler, which by its balance and its masterly pointing of the problems provides a good basis for my remarks. I shall make every effort not to repeat anything he has already said.

Secondly, I should mention the General Report, or perhaps I ought rather to say the series of Reports, which the Commission presented to its Parliament, the European Parliamentary Assembly, in the autumn of last year, and which has also been circulated to members of the Consultative Assembly.

May I begin from the premise that the basic features of our activity, as described in these Reports, are known to the members of both Houses met together here. However, the Annual Report

was written four months ago, and I must therefore bring it up to date.

I cannot undertake to highlight everything in that document. I must necessarily make a choice.

In doing so, I shall first cast a glance at the organisation of our European Economic Community, at the anatomy, as it were, of the system that has been created here. It has already been said with justice that the most important administrative question before us is the co-operation of the various bodies on whose shoulders rests the overall responsibility for the affairs of our Community. I would especially mention with deep gratitude the relationship between my Commission and its Parliament, which has proved extremely fruitful not only in the work of the plenary sessions but also, and above all, in the Committees. It has been particularly fruitful, moreover, in those fields where our task is to determine the course of events, fields which include a re-shaping of the political and economic conditions of present-day Europe to bring them into line with modern requirements.

I would also mention our relationship to the Council of Ministers. From the formal and juridical aspect this is somewhat different from the pattern set by the Coal and Steel Community for the relationship between its High Authority and Council of Ministers. I do not think, however, that the differences should be exaggerated. Despite the fact that decisions on political questions take the form of Council Resolutions, we too are so placed that in most cases, and certainly in all important cases, the Council can take no decision without a prior proposal by the Commission. It follows, and this is the crux of the matter, that Commission and Council are bound, whatever happens, to co-operate with each other. I am glad to be able to say that this co-operation between the Commission and the other organs of our Community has developed in a true community spirit.

As for the Commission itself, its first task has been to set up house and organise itself. This it has done in a manner which deviates perhaps a little from the pattern set for us by the High

Authority. We have not gone so far as to divide the tasks among the individual members of the Commission strictly in accordance with spheres of responsibility within the Community. We have not gone so far as to introduce a sort of delimitation of portfolios. We have been content, on the lines followed by the High Authority, to concentrate responsibility for the preparatory treatment of certain broad problems in groups of the Commission's members, but we have given greater prominence to the Chairman of each group than the pattern of the Coal and Steel Community would have suggested. In this I believe we have acted wisely. By this organic method we have attempted to go some little way towards assimilating our organisation to the traditional system of national Ministries.

In the course of 1958 we have also created the necessary administrative infrastructure. Here we have been guided by two basic principles. First, there has been the principle of maximum economy, which means that we are keeping the institution small. We have no desire to see the Commission's spirit of initiative stifled by a huge bureaucracy. Secondly, we have made it our maxim that only a staff of the highest quality can fulfil its proper task of furnishing us with the necessary help and advice in the planning work which is our primary function and also, in certain fields, of assisting us in our administrative responsibilities.

After these preliminary remarks, Mr. President, Ladies and Gentlemen, I should now like to speak of certain things we have actually achieved. This I propose to do in two stages. I shall first select three subjects which are of special topical interest and then go on to a number of other important spheres of activity.

The three topical subjects with which I begin are the opening of the markets on the 1st of January of this year, the position with regard to the negotiations for an association of other European countries with our Economic Community and, lastly, the recent decisions on currency convertibility and the French financial and economic reforms.

With regard to the first subject—the initial step towards making the Common Market a reality—I should like to say the following, without going into too much detail. M. Furler has rightly said that if one wishes to create such a Common Market it is not sufficient to draw up the appropriate provisions in the form of a treaty and then put this into force; it is not enough, taking a concrete example, to stipulate a flat 10 % reduction in customs duties, as the Treaty does. Nor is it enough to stipulate that the erstwhile bilateral quotas shall become general quotas and be increased in total value by 20 %, and that what may be called non-existent or diminutive quotas shall be raised to at least 3 % of production. If that is to achieve real results, real action must be taken. True, the first to act must be the Member States. But it was incumbent on the Commission also to give a strong helping hand, for the Commission is the guardian of the Treaty. The general clause defining its function within the framework of our Community's institutions and in regard to the Community's relationship to the Member States—remembering that the States still exist as national entities—is that which lays down that it is the Commission which must watch over the application and observance of the Treaty. This meant that it was the Commission's task to ensure that the methods chosen by the Member States for accomplishing this first step in the transitional period of our Treaty were in fact in accordance with the Treaty. As a result the Commission intervened in the preparatory work in order to do three things. First, it had to ensure that the measures taken by the Member States reflected a uniform interpretation of the Treaty, so that there should be no inconsistency in the implementation of the Treaty owing to differences of interpretation. Secondly, we deemed it our duty to regulate, in co-operation with the national administrations, methods of dealing with liberalised commodities and to promulgate rules for goods originating in another Member State but in whose manufacture products are employed for which the exporting Member State has either not levied, or has reimbursed, customs duties or equivalent charges.

To master this problem we took a somewhat bold step. We introduced a kind of European goods certificate for liberalised commodities. That seemed to us the neatest way of overcoming the technical problems involved.

The third problem that exercised our minds was that of trade in goods for processing. We ruled that raw materials earmarked for processing and imported from other Member States should be allowed duty-free into the country where they are to be processed. The end-product will then be subject to a preferential customs tariff on its total value when it is imported into the Member State. But perhaps I am going into too much detail.

The second topical question—as I have already said—is that of negotiating an association between our Community and our OEEC partners. Before giving you my views on this subject, I should like to express my gratitude for the way in which my task has been simplified by the excellent Report—or rather, Reports—presented by Mr. Hay to the Consultative Assembly on this subject. Apart from one—possibly not unimportant—political nuance, to which I will return later, I can fully endorse those Reports. At all events they have done much to facilitate my own statement.

The Commission of the European Economic Community has devoted the closest attention to this question from the very first, and has consequently taken part in the negotiations for a Free Trade Area since its inception—indeed since the first day of its existence. This it did in the first place by formulating views which might serve as a guide for the six Member Governments of our Community concerned in those negotiations. The views thus expressed related to every aspect of the Free Trade Area: agriculture, the transitional period, the representation of the Community in the institutions of the Area—a matter of outstanding importance to the political functions and political integrity of our Community—the transition from one phase to another, the establishment of general quotas and, above all, the problem of preferential Commonwealth tariffs, which is likewise of practical importance. We have had the satisfaction of finding that frequently—indeed, I may say without exaggeration, usually—the Council of our Community has followed the recommendations of our Commission, insofar as the negotiations up to now have given it an opportunity of considering them.

It is a matter of general knowledge—and I shall refer you

for the details to Mr. Hay's Report—that it finally became obvious last autumn that the negotiations then being conducted in an OEEC Committee could not be expected to culminate in the conclusion of a Treaty by the end of the year. The negotiations were thereupon broken off. In the following few weeks, which represented an interim period, efforts were made by various parties to overcome the difficulties of the ensuing situation. Among them I would mention, in particular, a proposal made by the Benelux Governments for the establishment of a transition system. I would also mention the request made by my Commission to its President—my colleague, M. Rey—who has a particular responsibility for the external relations of our Community, to contact the Governments of our six member countries in their respective capitals. And, thirdly, I would mention the very important talks at Bad Kreuznach between the Heads of the French and German Governments—which led to the elaboration of various joint proposals which were subsequently transmitted to the other Member Governments and formed the principal basis for the Resolution adopted by our Council on 3rd December last.

That Resolution of 3rd December provided the point of departure for the present phase of our efforts. Its contents may be divided into two parts. It first deals with the question of rules for the transitional period—rules to bridge the gap caused by the establishment of the six-Power Common Market on 1st January, at a time when no solution had been found for the larger problem of association.

The essence of these transitional rules is that the tariff reductions introduced within the Common Market are to be extended to the member countries of O.E.E.C. and G.A.T.T. and to countries enjoying most-favoured-nation treatment—with the one reservation that the resulting rates should not be lower than the proposed common external tariff of our Community. This principle was to be applied unilaterally.

The second transitional regulation concerned the question of quotas. The Council made an offer to our OEEC partners that a 20 % increase in non-liberalised quotas should be nego-

tiated on a bilateral basis, since this is a matter requiring reciprocity.

The second part of the Resolution was a request from the Council to the Commission to undertake a new and thorough investigation of the whole problem of association and work out possible solutions in official liaison with our six Member Governments and, where possible and necessary, in unofficial consultation with other Governments. My Commission is to present a report on this subject on 1st March and make proposals concerning the joint attitude to be adopted by the Member States. Further measures will be considered later. As the Resolution specifically states, there are prospects that the Commission may at this later stage also establish official contact with the Governments of non-Member States.

Mr. President, Ladies and Gentlemen, I would rather not deal with the first of these themes, as full justice has been done to it in Mr. Hay's Report. There is just one thing I should like to say about the first point, the transitional regulations, as I feel it is essential to an understanding of them. This idea of transitional regulations does not anticipate or encroach upon the future regulations, nor is it a first phase in such regulations, or a preview of the final solution. Consequently, no firm conclusions can be drawn from these regulations as to the nature of any final solution that may be contemplated. The aim is, purely and simply, to gain time in which to negotiate. As you are aware, the Commission was the first to put forward this idea, and did so in the early summer, as soon as it realised that the negotiations would achieve no positive results by the end of the year. The intention was to fill the vacuum by a temporary measure.

I will confine myself to commenting on the implications of the Resolution of 3rd December as far as the final solution is concerned, and to an explanation of the views of the Commission regarding the instructions it has received to work out a final solution.

The Commission is guided by the directives it received from its Parliament, the European Parliamentary Assembly, in the

form of the unanimously adopted Resolution of 27th June, 1958. Apart from expressing approval of the proposed transitional regulations, that Resolution contains three basic principles: it expresses support for the idea of economic association; it declares that the solution of the problem of economic association need not be identical with those applied to the problem of the European Economic Community itself; and it lays down the highly important guiding principle that no solution must be such as to threaten or impair the integrity of the European Economic Community—that the cohesion and smooth functioning of the Community must be unaffected by such a solution. It follows from this basic attitude, stated in the Resolution itself, that the solution must take the form of a Treaty concluded between the Economic Community as such—as a self-contained entity—and the other members of O.E.E.C.

I should like to deal with these principles one by one, and explain the interpretation I had the honour to put before the European Parliamentary Assembly three days ago, and to which that Assembly gave its approval.

The first principle is that of association itself. From the formal aspect, this confirms one of the fundamental ideas of the Treaty which established the Economic Community, I mean the idea of the open door. The Treaty, as you know, provides that accession to the Community shall be open to any other European State desirous of acceding and willing to be bound by the provisions of the Treaty as a whole. It is highly important that we should bear this principle in mind. Our Community is an open community. We often hear our Community called, sometimes not without *arrière-pensée*, the six-Power Community, but we should not forget that its limitation to six States is not the work of those States themselves. I ventured to say to the Parliamentary Assembly, and I venture to repeat it now, that the restriction of the number of Members to six is not the work of the six Governments; it is the work of those who will not join. The number of Members of our Community is governed by those who do not accede.

The Treaty is not, however, limited to the open door for full

accession; it has also developed the notion of association, by a process of thought that goes back to the preparatory work for the Coal and Steel Community, although at that time the idea appeared in only rudimentary form. Since then we have considerably clarified our thoughts on this phenomenon.

What is an association? An association is not only the obvious confirmation that our Community enjoys the benefits of a free trade policy, nor does it only mean making use of the possibility of concluding trade agreements with other States on a give-and-take principle. Association—and in European legal jargon the term is already well defined—is the establishment of lasting organic links between our Community and outside States. The experience of E.C.S.C. has already shown us how the principle is applied: in particular, the relations between E.C.S.C. and Great Britain are an example of such lasting links with non-Member States, firmly rooted in the structure of the Community.

A material feature of such associations is—if I may so briefly put it—that full accession does not take place: there is no accession in the sense that the newcomer agrees to abide by all the stipulations of the Treaty; there is only a kind of relative or partial accession. The associated State undertakes to fulfil certain obligations laid down in the Treaty and is granted in exchange some, though not all, of the rights resulting from this complex form of union.

We have always found the association formula to be happily chosen, because it is flexible and because it mitigates the rigid, strict nature of the demands made by accession. We are well aware that in this work-a-day world many States, which would be well advised, not to say prompted by their interests, to join our Community as full Members, are unable to do so for reasons which are entirely legitimate, reasons which are their own and for which they bear the responsibility, reasons which may lie in certain principles of their foreign policy or in certain obligations which they have assumed. It is here that association provides a formal opportunity for them, without the need for full accession, to enjoy the benefit of essential provisions. This flexible system

thus opens the door to individual solutions, for the position of States which agree to accede is not in every case the same; it is, therefore, a good thing that legal niceties make possible certain arrangements which allow individual needs to be taken into account.

From the material standpoint the possibility both of accession and of association is none other than an expression of the fact, at which I have already hinted, that our narrower European continental structure is to be understood as something more than the mere pursuit of the selfish interests of the six States whose economies have now been merged. We have, indeed, regarded ourselves as having been given a mandate which has a broader basis. We are persuaded that every step forward we take within this continental Community is also a step forward in the field of wider European unity; that the stimulus imparted by this smaller Community, closely knit, well-disciplined and strongly dynamic as it is, will imbue the other members of the European family and there find an echo which will lead to the consolidation of a still larger union.

The second idea behind the Resolution of June, 1957, is that the solutions found to the association problem are not necessarily identical with those that exist in our Community.

And so I come to the painful subject of discrimination. I must take this opportunity of saying a few words in all frankness. We are far from happy that the idea of discrimination has been brought up in this debate. It shows small regard for our ability to find a satisfactory solution. The necessary ability to find that solution is founded on intelligence, imagination and ample good will. But into this reflection the idea of discrimination introduces a note of reproof. I do not feel that this in any way serves to improve the atmosphere of negotiation, or helps to stimulate intelligence, imagination or good will. Little as we welcome the reference to the disadvantages that may beset us if we continue along the same road, we are just as little convinced that these emotional considerations take us any further.

I should therefore like, here and now, to reply with an unequivocal "no" to the argument frequently adduced that the European Economic Community means discrimination against other European States. Let me very briefly give my reasons for doing so.

My first comment relates to terminology. If the word "discrimination" means that within the Community matters are not the same as outside, then we can quickly pass on to the next item. If the institution of the Economic Community brought nothing special to its founders, there would be no justification for its existence. In truth, however—so at least experience shows—the word "discrimination" is also used in the sense that there is differential treatment between non-Members and Members, and that this is reprehensible.

The second comment I have to make relates to concepts. Discrimination can be said to exist only where there is unwarranted differential treatment of the same factual situation. But that is precisely not the case here. Underlying all efforts to create a European economic association is the very desire of certain States to find arrangements which bring them the advantages of the European Economic Community without requiring that they subject themselves to the same common discipline as is self-imposed by the Members of that Community. What is demanded, then, is not the same treatment for the same factual situations, but the same treatment for different situations, and in the final analysis this means discrimination against those who have subjected themselves within the Community to a form of discipline bordering on partial renunciation of sovereignty.

My third comment is concerned with standards. Texts exist which prescribe what is meant by good and decent behaviour in trade policy. These rules are embodied in the catechisms of good conduct found in G.A.T.T., the worldwide trade and tariffs association, and in the OEEC Liberalisation Code. Both texts, however, expressly provide that customs unions and free trade areas may be formed. They expressly provide that when such associations are formed the otherwise sacrosanct prohibition of dis-

crimination no longer applies. We are therefore on safe ground when we say that what we are doing is permitted. It simply is not true that in this world only a single principle for good behaviour in commercial policy has been developed, namely the universal principle of non-discrimination. The truth is that there is a second principle limiting the first, I mean the regional principle of the free trade area and the customs union. I need hardly add that if the reproach of discrimination were justified, it could equally well be levelled at the Free Trade Area, which would also lead to differential treatment of Members and non-Members, who are for the most part also members of G.A.T.T. The Free Trade Area would even be open to still more serious criticism, for there is something which happens in the Economic Community but which does not happen in the Free Trade Area, namely the merging of the six States into an economic union, a single unit for purposes of trade policy, in other words a reduction in the number of participants in the overall structure and organisation of trade throughout the world.

My fourth comment has to do with timing, which I consider to be important. I, personally, am convinced that we should have avoided all this discussion, had we been able to set up the Economic Community at one stroke, without any transitional period, or if the talks on association had not begun until the end of the transitional period. In that case it would have been entirely clear that the creation of the Economic Community—and here is a difference of quality, as compared with a customs union pure and simple—means the establishment of a new commercial unit in the world.

In short, therefore, I feel that it will be as well to close this debate on discrimination once and for all and to banish these emotional undertones from the discussion. It is not our intention, when talking of setting up a European Economic Association, to embark on a pseudo-theological discussion. What we want is a practical discussion in the course of which we are perfectly clear that the other European States have a legitimate interest in solving this problem, a legitimate interest which we acknowledge in full awareness of the mission of Europe as a

whole. That mission is also ours; consequently, the basis for finding the solution is the concept of a united Greater Europe.

The third concept to which the Parliamentary Assembly is committed is that of the integrity of the European Economic Community itself. As M. Furler so happily put it just now, what is needed is to reaffirm the proper personality of the Economic Community within the broader framework of the Economic Association. That wish is often polemically misconstrued to mean that the object is to develop the Economic Community as an autarkic and protectionist structure. In this debate, which is a political debate, may I be allowed, Mr. President, to state my views on that?

I would, first of all, point out that the Community's common external tariff prescribed by the Treaty gives no grounds for a charge of autarky or protectionism. In planning the common tariff we adhered to the conditions laid down by G.A.T.T. for the formation of customs unions; in other words, the common external tariff will be the average of the national external tariffs hitherto in force. Indeed, since we have chosen the arithmetical average, the total burden introduced by the common tariff will, in absolute figures, be less than the present burden; for the low foreign tariffs of Benelux, for example—although Benelux contributes only 20 million people to a market of 165 million—have just as much effect on the computation as the rates in force in the large States. In the case of Benelux, then, there will be increases in customs duties. In Germany there will be certain increases, too; on the other hand, there will be reductions in the case of foodstuffs, raw materials and mineral oils. Above all, the 95 million people in France and Italy will enjoy quite considerable reductions of customs duties. In all this it should be borne in mind that the common external tariff is only a tariff for the purpose of negotiation—a tariff which is to be made the basis of the actual tariffs applicable in the relations of the European Economic Community with its trading partners elsewhere.

This brings me to the second point to be dealt with in connection with the question of protectionism. We are asked:

“What will be the trade policy of the European Economic Community?” To this we can reply briefly that our trade policy will be a liberal one.

Here I expect many of my listeners to react by saying: “I can hear your message, but I lack faith”. (*Laughter.*) Hence, perhaps, I should like to say a few words in support of my conviction that it is necessary for our Community to pursue a liberal foreign trade policy.

In this connection I would refer you first of all to the Treaty. As time is getting on, I cannot quote it in detail. However, I would refer you in particular to Article 110 and also to Article 18, as well as to the joint declaration by the six Governments in favour of such a liberal policy, made in Rome at the very last minute on the morning of the day of signature.

Secondly, there is another argument—which for some may be more convincing than the solemn obligation laid down in the Treaty, although I would like to add that I do not know whether the Constitution of any other State or community of States contains a declaration on a liberal trade policy comparable with that embodied in our fundamental law, namely the Rome Treaty.

What then is the position viewed from the standpoint of the interests of our Community and its Members? Here it must first of all be pointed out that although in some sectors of our Community traditional protectionist ideas still obtain, the Common Market itself will have a liberal influence. I hope that to this the retort will not be made: “Yes, but this only applies to relations between the Member States of your Community!” Such a reply would be neither accurate nor logical, for the keenness of competition depends not on the number of competitors but rather on the price and the quality of the competing goods. Thus, if a producer has to compete with cheaper and better goods even from a member country, he has to face this competition only once. In the event of other States entering the competition with similar prices, his position will not become worse. Hence, I believe that the habit that will be formed within the Common

Market, the fact of becoming accustomed to the keener wind and the more exacting requirements of a competitive economy, will also affect the Community's relations with the outside world.

The second major argument that should be mentioned here is that the economy of our Community is closely bound up with that of the world at large.

Our Community—and here I assume that the relevant figures are known—is the largest importer in the world and, after the United States, the second largest exporter. If you compare these figures, and if to them, in particular to the export figures, you add those concerning exports of manufactured goods, a third factor emerges, namely that the European Economic Community will become the largest manufacturing area in the world and, at the same time, one far more dependent on foreign trade than any other manufacturing area of comparable size in the whole world.

As, however, our Community is tending to step up its output of these goods destined for export, trade is bound to increase accordingly. The significance of this is twofold. In the first place—and this was mentioned in the very fruitful debate our Parliamentary Assembly held here three days ago—it is important with regard to our relations with the underdeveloped territories. We are aware that our role as leading importers, especially of raw materials, places on us a special responsibility towards underdeveloped countries. In our own interest we must try to reduce or even eliminate the political tension and latent conflicts which, unfortunately, exist in the present-day world.

If we say, somewhat pathetically, that our Community has an important contribution to make to peace, this affirmation is based on the practical ground that it is of vital importance to our Community that the world shall live in peace and order.

Similar considerations apply in respect of our relations with the developed countries. To take the most striking example, that of our relations with that large economic region, the United States, there is scarcely any doubt that the economic policy of our

Community can considerably influence American economic policy. A sound trade policy on our part may help to reduce American protectionism. An unsound policy could aggravate this protectionism and lead to fresh tension, which would not be confined to the economic sector.

To sum up, it may be concluded from what I have said that if the European Economic Community were to follow an autarkic policy, this would not only be contrary to the Rome Treaty but would plainly strike at the very interests of the European Community itself. Hence, it was very interesting to note—and my Commission was greatly impressed by this—that in the debate our Parliamentary Assembly held three days ago practically all the speakers urged that the world aspect of the trade policy of our Community should be taken into consideration—and recommended that in any proposals we might make in connection with association this aspect should not be lost sight of.

I should now like to turn to the immediate tasks which as a result now face my Commission. The Commission, which received its mandate from the Council of Ministers of our Community, will work out its proposals in complete independence and with a feeling of responsibility towards its Parliament. To begin with, we have an analytical task before us, which I outlined three days ago in the Parliamentary Assembly. The experience we gained in the previous negotiations has shown that no further progress can be made in this matter on the basis of dogmatic attitudes. By dogmatic attitude I mean a method of work which sought an ideal definition of a Free Trade Area and, in the belief that it was to be found in the GATT Agreement, is now striving, as has already been said, to instil life into that so far unknown quantity, a Free Trade Area.

Our labours in setting up our own Economic Community taught us that the conception, also embodied in the GATT Agreement, of a customs union is no longer consistent with the realities of the present-day economic world. In the preparation of the Rome Treaty, we were led, step by step, to add to the concept of a customs union, implying the elimination of internal tariffs and

the introduction of common external tariffs, a large measure of economic integration. We did this because experience has shown that, in the modern world, in view of vastly increasing State intervention in economic matters, the abstract approach confined solely to eliminating internal tariffs and establishing common external tariffs is no longer consistent with the facts of economic life.

During the Brussels negotiations, we stipulated that certain additional conditions must be fulfilled to make such a customs union at all possible. These included the maintenance of balance between the different States with regard to their balance of payments; the avoidance of unfair competition; assistance to the under-developed territories so that the setting up of the Community may not, by aggravating the differences within the Community itself, harm those territories where the market is not governed by competition; the working out of a common policy with special reference to agriculture and transport and, last but not most important of all, a common foreign trade policy.

Thus we are determined to carry out our task undogmatically and unemotionally. Here I should like to revert to something I said earlier on, namely that what we want is a practical and lasting solution, and not a doubtful solution which from the very first will prove inadequate and unbalanced and give rise to tension. The positive consideration by which we are guided is the wish to do something liberal, on multilateral lines, for we do not want to weaken Europe as a whole, but strengthen it by giving it a fresh lease of life; in short, we wish to achieve true progress.

The third topical development which I should like to mention concerns the free convertibility of currency carried out by our Member States and by the United Kingdom. We welcome this decision which we regard as highly appropriate and believe that it constitutes a further step along the road to free trade throughout the world, that is the free movement of goods, persons and capital. In setting up our European Economic Community, it was our intention to give it strong impetus towards economic development within a broader geographical framework.

To be sure, I do not believe that convertibility will eliminate all the problems that still have to be solved if such greater freedom of trade and greater European unity are to be achieved. I do not believe that this development is an automatic process. I have faith in the virtue of reason, but I do not believe that mere reliance on reason relieves us of the need to act. To put it differently, I believe more in reasonable people and reasonable action than in abstract reason as such.

We particularly welcome the reform of French economic and financial policy, and I should like to place particular emphasis on our satisfaction in this respect. These measures have eased the trade position because they have adjusted French trade policy to the fulfilment of OEEC commitments. From the financial point of view, the new rate of exchange has made it easier for that country to rectify its balance-of-payments position in conjunction with greater liberalisation. By and large, we regard these French measures not only as the reflection of a strong and courageous policy, but also as an act which will lead first to a financial and then to a general political strengthening of France. As the strength of our Community as a whole depends on that of each of our Member States, this will be a boon to us all.

Mr. President, it was my intention to complete this review of a few particularly topical problems by referring to certain political problems which have resulted in less spectacular events and questionings. However, the hour is now so far advanced that I must abandon this idea. I can do this all the more readily as M. Furler's admirable report has already performed a great part of this task. This does not mean that my colleagues and myself are not prepared in the course of the debate to deal with other fields of activity at your request.

In conclusion, I should like to say this: our Community—a young and untried institution—is vitally dependent on good relations with the world at large. If this is true of our relations with the family of nations, as a whole, it is doubly true of our relations with the wider European family. We, too, as politicians, occasionally need to draw encouragement from the thought that

we are in harmony with the general will. Indeed, that is what we are attempting in this debate. True, we regard ourselves as a firm and dynamic nucleus within this general European framework. But for this very reason, we want to have suggestions and criticisms—and not only from the circle of those towards whom we have a special and, in particular, a legal responsibility, owing to the geographical limits of their work. Consequently, Mr. President, Ladies and Gentlemen, you may be certain that our Commission will pay the closest attention to any criticisms or suggestions voiced in the course of this debate.

(Applause.)

The Chairman. — *(F)* Members' applause, M. Hallstein, shows how much your statement is appreciated.

3. Statement by the Vice-President of the Commission of the European Atomic Energy Community

The Chairman. — *(F)* I call M. Medi, Vice-President of the Commission of the European Atomic Energy Community.

M. Medi. — *(I)* Mr. Chairman, Ladies and Gentlemen, Article 200 of the Treaty setting up the European Atomic Energy Community lays down that the Commission shall co-operate, wherever appropriate, with the Council of Europe.

It is with very great pleasure that I report to-day before the joint session of our two Assemblies on the work which we have already accomplished and on our plans for the immediate future.

We are faced, in accordance with the stipulations of the Treaty, with the task of studying, planning and considering the application of a series of measures designed to promote the development of nuclear energy with an ultimate social objective in view which will benefit all the members of the Community.

This objective involves primarily the production of power, but it also encompasses a variety of other fields in which nuclear

energy will be able to make valuable contributions to the economy and to the general welfare.

For this purpose, every possible means will be brought into play in the technical field, whether in biology or agronomy, and this will entail, as you will readily understand, a proper system of training to produce personnel in the required numbers and with the necessary qualifications.

Our problem is one which calls for urgent solutions and this urgency determines our methods of work and animates our appeal for that co-operation which we must endeavour to achieve on all sides.

We are convinced that our work conceived along these lines will benefit all the countries which help us in our endeavours and give us the benefit of their experience and skill.

In submitting this brief account of our work to this joint session of the two Assemblies, we should like to draw your attention to a number of problems of particular interest to all the members of the Council of Europe, whom we have the privilege to address for the first time. We shall endeavour to deal primarily with what we have already been able to do rather than describe what we plan to achieve in the future.

In the course of its first year of work, the Commission has aimed at drawing up in broad outline the research and instructional programme for which it is responsible.

It has elaborated the safety regulations which are the necessary concomitant of this task.

It has also been able to formulate the basic standards relating to the protection of the health of workers and the general public.

It has fixed the criteria relating to the type and scope of investment projects to be submitted to the Commission, under Article 41.

It has made a first survey of the nuclear industries and prospects in the six Community countries.

It has drawn up the proposals which it is required to submit to the Council of Ministers on the setting up of an institution at university level.

Together with the six Governments concerned, it has brought into being both as regards nuclear materials and equipment the internal common market and the free trade area.

It is completing the task of compiling the information on nuclear research currently being carried out in the Community and is collecting the necessary documentation which will enable it to set up without delay and in the most appropriate form the Joint Research Centre.

Finally, the international role which it is called upon to play has led to the signing of two agreements which are of great importance for the nuclear development of our six countries.

May I be allowed to give just a few details on each of these items I have just mentioned? In the field of research and instruction, the Commission is fully alive to the importance of co-ordinating all available efforts and has already begun to establish the necessary contacts to achieve this aim and make the maximum use of the skill and team spirit of research workers.

The projects currently being drawn up are also designed to eliminate unnecessary duplication of work and to make full use of the financial means at the disposal of the Commission. It is also striving to extend in the nuclear field the training of research workers, of the personnel needed to implement nuclear projects and also of the various levels of manpower with the skills required by this type of industry.

Only by being thoroughly informed of the programmes under way in the various Community countries will the Commission be able to fill in existing gaps.

As to the basic standards, I should like to draw your attention to the fact that on December 22nd last, the Council of Ministers, acting on a proposal of the Commission, unanimously laid down directives establishing basic standards for protection against ionizing radiations. Apart from its scientific and technical implications, this act has a political and social bearing, the significance of which the Euratom Commission wishes to emphasize. In view of the special nature of the hazards arising from ionizing radiations, the authors of the Treaty required that the development of nuclear energy within the Community be closely linked with compliance with clearly defined measures designed to ensure protection against these radiations. A chapter of the Treaty is, accordingly, devoted to this question and the first article of this chapter provides for the drawing up by the Council of Ministers of uniform safety standards, which are to serve as a basis for a co-ordinated system of legislation in the various countries in the sphere of health protection.

In this matter, the Statute of Euratom is quite clear. Never before has an international body been given such clearly defined statutory powers in the field of health protection.

In view of the very limited time at its disposal for this task, the Euratom Commission can feel justified in considering the establishment of the basic standards as an indisputable and substantial success; for the first time in the world, public opinion has been given a co-ordinated system of exact values and principles of supervision, which are designed to provide the indispensable guarantee for the development of nuclear energy.

In no other industrial enterprise has it hitherto been possible to take precautionary measures in time against the possible damage which might arise in this field.

The Commission, however, considered that health protection and safety precautions should be conceived within a larger framework than that provided by the countries of the Community. From the very outset, therefore, it has taken the necessary steps to establish both with the European Agency and the International

Agency in Vienna technical contacts on the question of ensuring protection against ionizing radiations. Joint meetings have been held; technicians from Euratom and the Agency have exchanged information, discussed their various points of view together and provided one another with the necessary documentation on the possibility of implementing health protection programmes.

As for the European Nuclear Energy Agency in particular, its statutes provide for the drawing up of recommendations in the field of protection against radiation. Euratom has played an active part in the meetings which have been held at O.E.E.C. and has given the latter the benefit of the experience which it was able to acquire in the course of the last months of 1958 in elaborating the basic standards. We hope that these standards can be used by the countries of O.E.E.C. and serve as a basis for all the member countries in adopting administrative and legislative provisions which will be largely international in character.

You will recall that Article 41 lays down that the criteria relating to the scope and type of investment projects submitted to the Commission shall be laid down in agreement with the Council of Ministers. This work has been done, but I do not think it is necessary to discuss in detail the provisions which have been adopted. May I merely be allowed to say that Euratom will make a particular point in its work of respecting and fully utilising initiative in the nuclear sphere, both in the private and public sector. The Commission, however, believes that its activities as they affect enterprises will go all the more smoothly and with the minimum of disturbance for the work in hand, the more complete and reliable is the information at its disposal.

As for the survey of the position of the nuclear industry required by Article 213, I can do no better, Ladies and Gentlemen, than refer you to the report published on this subject by the Commission.

It should be added that this inventory will be kept constantly up to date so that it will be possible to follow current progress.

In accordance with the requirements of the Treaty, the Commission has very carefully drawn up proposals on the institution to be set up at university level and has submitted them to the Council of Ministers, which now has to give its approval to the basic provisions which will serve as the groundwork for its establishment.

In the preparatory work it carried out in this sphere, the Commission was given considerable assistance by a working party, which included delegates of the E.C.S.C., the Common Market and the six countries of the Community.

The Commission has been able to bring into being within an extremely short period the nuclear common market and also a free trade area in the materials and equipment used in this field.

As from January 1 1959, nuclear materials, including fuel elements, can be moved duty-free between the six countries without any limitation as to quantity. A common external tariff has been established entailing either the complete absence of all duties or the imposition of very moderate duties.

As for nuclear equipment, the same freedom of movement without the imposition of customs duties and without any limitation as to quantity came into force at the same time. The common external tariff is also very moderate, except for reactors, reactor parts and deuterium compounds, for which all duties are waived for a period of three years, the situation being subject to review for the future before the termination of this period on a proposal of the Commission.

The Commission feels justified in considering this as an important achievement in view of the fact that it is required by the Treaty to do everything in its power to promote the establishment of nuclear industries in the Community in the most favourable conditions.

It should be emphasized that the introduction of this common external tariff at such a low level is the best guarantee for ex-

changes between the Community and the countries outside it. And it should also be realized that, thanks to the initiative of the Commission, we have here a *de facto* free trade area.

The Treaty entrusts the Commission with the task of setting up a joint research centre and provides it with the means to do this. This is, of course, a most urgent task and it need hardly be stressed that research is the keystone to all our work in the nuclear field. But, although we must act within the limits imposed by our desire to make the most rational use of expenditure and scientific personnel, nevertheless, the research centre must be conceived in such a way that it will supplement and increase the scope of the plans currently being carried out by laboratories, research workers and undertakings in the various countries.

The sort of extensions which can be envisaged at the present time within the framework of Euratom depends on the possibility of setting up international teams, studying different research projects, making contacts outside the Community and profiting from a system of documentation based not on the efforts of individual countries but on the pooling of resources and information. The survey which is now being completed must, obviously, serve as the groundwork of the detailed programme which the joint research centre will be required to carry out and will be an important factor in determining its scope, its equipment and the location of its various establishments. It need hardly be repeated that this research centre will also be a training centre for scientists and technicians.

Ladies and Gentlemen, we are required both directly and indirectly by various articles of the Treaty to establish close and fruitful relations with countries, institutions or international bodies outside the Community, and we ourselves attach the greatest importance to this policy because it is only thus that the European problem can be seen in its true context.

This is to say that in the field of modern progress and technology in general and the nuclear field in particular, the maximum degree of contact and collaboration with other countries is

absolutely essential. The fact that the six countries have adopted a policy of joint action broadens the scope of these contacts and provides greater opportunities. It is in this spirit of large-scale international action that the Euratom Commission has already dealt with three questions and will go on to deal with others.

These are: the agreement with the U.S.A.; the agreement with Great Britain; the negotiations carried on with a view to achieving a unified practice in the question of covering third party liability in the national and international sphere.

The agreement with the U.S.A. has already been the subject of considerable discussion within this forum and among the public generally. I would simply remind you that this agreement involves collaboration on a basis of equality between the U.S.A. and Euratom and provides for the installation of a certain number of power reactors by 1963 and for one or two reactors between 1963 and 1965.

The investments entailed in installations of such capacity will be facilitated by the loan *via* the "Import-Export Bank" of a sum of \$135 million out of the \$350 million worth of investments required to carry out this programme. Guarantees will be given by the United States Government on the performance of the fuel elements which will be used. Both parties will devote for an initial five-year period a sum of \$100 million borne equally between them to ensure the research and development required for the improvement of nuclear techniques. This research will be concerned, to take a few examples, with the improvement of the metallurgy of uranium elements, the fabrication of fuel elements, the utilization of plutonium, moderators and especially organic moderators, the reprocessing of irradiated fuel elements, the removal of radioactive waste and, in a more general way, any problem involved in the design, building and operation of the reactors used under the joint programme.

We are also happy to be able to mention here the important agreement which we have concluded with the United Kingdom and which will be signed shortly. The main object of this agree-

ment is to create the general conditions necessary for the development of commercial exchanges in the nuclear field between the United Kingdom and the six Community countries. This will be of benefit as far as nuclear power stations are concerned. The agreement, however, does not stop here: it covers all aspects of the use and development of nuclear energy for peaceful purposes. The question of the exchange of information and of collaboration between scientists is one of the important clauses of the provisions which have been accepted by both sides. Measures envisaged in the sphere of control have been drawn up on a basis of balanced responsibility.

The full importance of this agreement becomes evident when it is realized that it reinforces the cause of solidarity between countries and in this case European countries.

Finally, within the framework of the international relations which it is our duty to establish, we must mention the various contacts which have been made between Euratom and the European Nuclear Energy Agency. As far as our own sphere of competence and skill has allowed, we have taken part in the work of various technical commissions and of joint undertakings, such as for example the Halden heavy water reactor, in the construction of which Euratom has participated. On the other hand, you are fully aware of the importance of the question of an international settlement of the problems of third party liability. Euratom hopes to be able to solve the intricate problems with which it is faced within the framework of the Committee set up for this purpose by O.E.E.C. It is hardly necessary to remind you that, quite apart from the legal definition of the liability assumed by operators, there is also the liability of the contractor and that, moreover, the covering of risks must be shared equitably by insurance companies, on the one hand, and States, on the other. Furthermore, in the event of a large-scale catastrophe with consequences which would be beyond the scope of any foreseeable insurance, the question would arise of the burden which the various States would assume. The latter possibility is envisaged in order to cover all eventualities and in order to be as prudent as possible in a field in which, on the whole, operational safety

has proved so far to be at least as great as in other industries. It must be pointed out, finally, that nuclear hazards by their very nature have no geographical limits, which makes it even more imperative to solve these problems by international agreement on the broadest possible basis. In this connection, it can be supposed that, beyond the field covered by O.E.E.C., it might be useful if the Vienna Agency were to collaborate with other institutions to find solutions based on an optimum extension.

It should be noted that the statutes of the Supply Agency have been drawn up and adopted and that they will come into force in a few days' time.

This Agency has a right of option on ores, sources and fissile materials produced in the territories of the Member States and, furthermore, it has the exclusive right to conclude supply contracts on behalf of the Community.

It has been organized on a commercial basis, which should make for rapid and effective action. It should be noted that the Commission has extensive powers of control in this matter.

Ladies and Gentlemen, the exposé which I have just delivered gives only an extremely brief but, we trust, objective account of the progress which has been made, of the problems to be solved in the immediate future and of the intentions of our Commission. We attach to the building up of a nuclear Europe an importance which is at once practical and symbolic.

Its practical importance is clear since it is in the most modern fields that the implementation of these European plans will encounter the fewest obstacles.

Its importance is also symbolic since it is in this field that, provided the problems involved are successfully solved, there will be benefits which will contribute to the development of the whole Community, and a task of great value will have been accomplished which will profit the maximum number of people.

Ladies and Gentlemen, may I in conclusion express the hope that you will make full use of the opportunity for establishing contacts provided by this joint session? I should be glad if you would ask questions which would enable us in our replies to give you more information and help to encourage you to work in collaboration with us.

The Chairman. — (F) Thank you, M. Medi, for managing to say so much in so short a time.

As it is late, the next item in the Orders of the Day is postponed until this afternoon.

The Sitting is suspended.

(The Sitting was suspended at 12.55 p.m., and resumed at 3.5 p.m., with M. Dehousse in the Chair.)

**4. Statement by M. Finet,
President of the High Authority
of the European Coal and Steel Community**

The Chairman. — (F) The Sitting is resumed.

We shall first hear a statement by M. Paul Finet, President of the High Authority of the European Coal and Steel Community.

As M. Schuman announced this morning, the debate which will then open will be on questions relating particularly to the Common Market and the European Economic Association.

Would Members who wish to put their names down to take part in the debate please do so at Room A/92 as soon as possible, by 4 p.m. at the latest?

On his behalf, I present the apologies for absence of M. Pierre Blaise, Rapporteur of the European Parliamentary Assembly, who was at The Hague, and owing to the bad weather was unable to catch a plane early enough to arrive here in time.

I call M. Finet, President of the High Authority.

M. Finet. — (*F*) Mr. Chairman, Ladies and Gentlemen, it is not quite fifteen months since the last Joint Meeting of the Consultative Assembly of the Council of Europe and the First Assembly of the “Six”, the Common Assembly, took place in this hall.

Today we are resuming and continuing a welcome tradition, and I have the honour, on behalf of the High Authority, to address a Joint Assembly which in a sense is stronger than previously, since the competence of the “Six” now extends not merely to coal and steel, but to the entire European economic field.

Little more than a year has gone by, but many changes have taken place, confronting the High Authority, among other bodies, with problems of which I propose to tell you something.

For the greater part of the transitional period, during which we had to establish the Common Market and begin to supervise its operation, the Coal and Steel Community pursued a course of action with which you are familiar and which you have been able to judge by its results, in an economic atmosphere where the trend was definitely towards expansion.

This favourable circumstance, naturally, facilitated the work of the High Authority. I need not revert at any length to that subject; but since the Economic Committee of the Consultative Assembly has displayed interest in the matter, I would remind you that in the past six years the European Coal and Steel Community has achieved the principal economic aims assigned to it in the Treaty. In addition to introducing successively all the measures laid down in the Treaty for the establishment of the Common Market, the High Authority, as I said just now, has closely supervised its functioning in order to guard against the risk of new impediments.

The European Coal and Steel Community has thus contribut-

ed, in its own sphere, to the gradual introduction of a new economic order, entailing a certain rationalisation of investment, greater stability of prices, and increased trade among the Member Countries of the Community.

I would like to mention—for the matter is regarded by the High Authority as one of importance—that in the social field we have striven to develop to the full all the possibilities, I would rather say all the potentialities, of the Treaty, alike in regard to resettlement, workers' housing, research into workers' security and health questions, free employment, *etc.*

With regard to non-member countries the provisions of the Treaty were fewer and perhaps less definite than those relating to the internal market; but the efforts of the High Authority, energetically supported by the first European Parliament—and with the active help of the Governments—have been directed to interpreting those provisions in such a way as to allow of the most extensive possible relations with the outside world, while not forgetting a legitimate concern, on the one hand, for the security of resources and employment and, on the other, for the necessity of obtaining supplies at the most economic rates.

Close relations have been established with third countries and with the international organisations. The Community and the United Kingdom are now linked by a special bond in the form of a Council of Association, through which uninterrupted discussions are conducted, and whose very practical results include the tariff agreement on steel rights which came into force officially on 22nd October last.

I should also mention the consultation agreement with Switzerland, the GATT negotiations with the United States and Austria, the agreements on railway charges between the latter country and Switzerland; and the negotiations conducted with Switzerland for the alignment of international and national freight rates and transport conditions for coal and steel on the Rhine—negotiations which have reached a successful conclusion and will shortly find their expression in a further Agreement.

On the commercial level, which is naturally of prime importance to third countries, the Community, pursuing its twofold vocation as importer and exporter, has shown that it does not intend to adopt a closed-door policy.

If we look at the customs duties as they stood on 10th February 1958, we find that all countries of the Community have reduced their tariffs to bring them nearer to the lowest rates prevailing among its members. The duty on steel, which varied from country to country and often exceeded 20 %, is now in almost every case lower than 10 %.

A word should perhaps be said concerning trade with non-member countries. During what may be called the period of expansion, that trade steadily increased. My predecessor, M. René Mayer, described this favourable trend to you at some length on a previous occasion. At the last Joint Meeting he pointed out that the Community had continued to export coal throughout the most difficult period, when its own net imports exceeded its total apparent consumption by between 5 and 10 %. He also pointed to the structural stability of solid fuel imports, especially from the United States of America.

Finally, turning to steel prices, we find that, although the export prices of the Community have reflected economic fluctuations to a much greater extent than have the internal prices (the comparative stability of the latter is also one of the advantages secured by the countries of the Community in compensation for the sacrifices they accepted in signing the Treaty), they were nevertheless maintained, on a strong market, within much more reasonable limits than before the establishment of the Common Market.

At the beginning of last year, simultaneously with the first signs of recession, a deterioration in the situation of the Coal Market became rather suddenly apparent. Faced with a dangerous increase in stocks and the threat of unemployment, first the Belgian and then the German Governments found themselves suddenly compelled to introduce measures controlling coal

imports from third countries, and to apply for the mutual support which the High Authority immediately granted to them.

This reversal of the situation, however distressing its consequences, did have the advantage of correcting certain errors of appreciation and revealing certain flaws in our trade policy, which can be remedied, in the spirit if not in the letter of the Treaty, by co-operation among the members of the Community.

The extent of the present coal crisis is due to several factors. In an industry where the pattern of production is as rigid as it is in coalmining, it is difficult to avoid entirely the repercussions of any sudden change in current conditions; and the fact that in normal circumstances the Governments of Member States are free to pursue an independent commercial policy hardly facilitates prompt adaptation to the changes that occur. Under the terms of the ECSC Treaty the measures by which the High Authority is entitled to restrict the freedom of action of the Governments may be introduced only in the event of an obvious state of crisis or a serious shortage. That freedom of action may, however, hamper joint preventive measures which might have had the effect of retarding or even preventing such a crisis or shortage.

Thus opinion in the Community was led to ask why there was no co-ordinated commercial policy between Member States and the High Authority and why, in particular, no beginning had been made on a co-ordinated policy on imports; for it is largely imports of coal, especially American, made under long-term and charter contracts—the conclusion of which in some cases goes back to 1956—which have helped by their volume to aggravate the situation in the coal industry of the Community.

The conclusion of these contracts had been considered desirable by the High Authority, as the Community is structurally an importer of coal. The High Authority saw in them a means of obviating fluctuations in the price of imported coal due to the instability of freight rates.

But a twofold phenomenon, essentially psychological in

character, led importers to exaggerate the scope of that recommendation.

The Suez crisis provoked a sort of panic. Dependence on the outside world for fuels became an obsession, and industry wanted to protect itself by increased imports of coal. On that feeling of insecurity was grafted a speculative movement, itself aggravated by the collapse of freight rates. The cumulative effect of these circumstances led to the conclusion of long-term contracts bearing no relation to structural import needs. This phenomenon accentuated the disparity between supply and demand.

To cope with this situation, the High Authority might have been tempted to resort to the extreme measures which are available to it under the Treaty. Nevertheless, it has never yet considered that the conditions of manifest crisis, which would justify a general restriction of imports throughout the Community, were fulfilled. But, for more than a year now, it has been endeavouring to rectify the situation by recourse to all the indirect means provided for in the Treaty, in close concert with the Governments, precisely in order to avoid arriving at a declaration of manifest crisis and at the measures irksome to third countries which the Treaty empowers it to take in such a case, in conformity with the international undertakings of member countries.

I do not wish to survey the situation again—it has been extensively described and frequently discussed in the press—nor to dilate on the measures taken, but simply to sum up the situation and the measures very briefly.

I may remind you that the breakdown of the coal market, due to a sharp decline in apparent consumption—which was 40 million tons in 1958, although imports of hard coal from third countries could only be brought down from 44 million tons in 1957 to 31 million tons in 1958—has caused considerable inflation of pithead stocks, which have risen from 7 million tons in 1957 to nearly 25 million tons now. Stocks with consumers have risen to more than 20 million tons.

We may also mention that the number of days of unemployment per worker affected had risen, by the end of the year, to a monthly average of 1.7 for the Ruhr and 4.7 for the Belgian coalfields.

The measures taken form together a coherent policy designed to achieve long-term aims by, as far as possible, limiting sharp fluctuations, as disagreeable to the Community as to those who trade with it.

The keystones to this policy are the financing of stockpiling, the removal of distortions in the competitive position of coal in relation to other sources of energy, the maintenance of stocks for consumption and, especially affecting big consumers, the application of quantitative measures for a period limited to the essential minimum—I mean measures taken to reduce imports.

With regard to stocks, the High Authority is contributing to direct stockpiling costs by financial assistance out of its own resources, the amount being fixed at present at 7 million dollars.

With regard to conditions of competition and distortions as between different sources of energy, the labours of a Joint Committee of the Ministerial Council and the High Authority are about to issue an agreement which will allow the High Authority to work out proposals in the framework of a co-ordinated energy policy. But, as a result of intervention by the High Authority, the Federal Republic of Germany is already drawing up measures to remove the discrepancy which exists in that country between the taxation borne by coal and fuel oil respectively.

With regard to imports, the High Authority, in agreement with the Governments, has taken action in the field of commercial policy, especially with a view to regular confrontation of import policies.

In the Community's internal market, the Italian and Netherlands Governments, whose countries are largely dependent on imports for their supplies, have undertaken to use all means in their power to increase their purchases from the Community

and, in any case, to take a proportion of their coal from the Community at least as great as that which they received in times of buoyant trade.

With regard to imports from the outside world, I have already told you that the Belgian and German Governments had been obliged to impose restrictions on imports and had obtained mutual assistance; but the restrictions only affected new contracts, and imports under old contracts continued to depress the market. The High Authority therefore felt obliged to invite the Belgian and German Governments to ask importers to spread out deliveries or even to secure the cancellation of outstanding contracts on a commercial basis. The High Authority is happy to note that the negotiations entered upon in accordance with these recommendations have already produced substantial results.

The High Authority has asked the American Government to show the utmost understanding for this policy, and I must say that it has found that understanding. At the same time, however, the High Authority confirmed that the Community, in the course of trade fluctuations, would again need to import American coal in large quantities.

These are the main efforts that have been made to stabilise the coal situation.

I should like to conclude with a review of present trends in the external trade of the Community.

I have already dealt in detail with the question of coal imports. As regards exports, the export of coal in 1958 will have amounted to little more than 4 million tons; that is to say, it has dropped to the 1952 level. This drop is most appreciable in the case of Germany and the Saar; it is less in the case of Belgium, while French exports have remained constant, and those of the Netherlands have slightly increased. The reason why demand among the Community's usual buyers has slackened is that those of them which are also coal-producing are also

experiencing difficulties in the coal market. Coke exports have dropped in the same proportion as coal.

As regards steel, the situation is as follows. Up to now, the recession has not had such marked effects. Although there has been a certain falling-off in the production of steel, there has, on the other hand, been a distinct easing in the supply of raw materials.

Iron ore imports, which reached a record level in the first half of 1958, fell in the second half, so that on balance they are somewhat lower for this year than in 1957. Similarly, import demands for scrap-iron have progressively fallen owing to the drop in the production of steel and in the consumption of scrap in blast furnaces and to the increasing level of the Community's own resources.

However, on a long-term basis or in case of an early resumption of industrial expansion, the Community will be faced with a need for more iron ore from outside and a steady supply of scrap.

Cast iron imports have slightly risen. Steel products have shown an increase of 10 % in 1958 over 1957, although the actual tonnage involved is fairly small.

Steel exports in 1958, on the other hand, reached an all-time record (9.5 million tons of finished and semi-finished products). Indeed they have risen steadily since 1953.

This brings me, finally, to export prices to third countries, in which coal has followed the general trend in world prices. As regards steel prices, the High Authority had already noted in its Sixth Report that they had begun to fall in February 1958, whereas they had been rising ever since 1954. This reversal in the trend has been observed since June 1957, when prices for various products fell below the internal level. This falling-off is still continuing and the steel of the Community can be made available to other countries, particularly under-developed countries, at its marginal cost.

Thus if we compare the trend in export prices with that of internal prices since the establishment of the Common Market, we see that the somewhat high, though reasonable, export prices in exceptionally good years are matched by moderate prices in periods when the market is slacker. Records show that in the long run price movements up and down tend to balance each other out and this long-term stabilisation between advantages and disadvantages for the Community's customers is an economic feature of which the significance will be easily apparent.

There is just one more point I would like to mention, namely the efforts made by the Six and the Eleven to lay the foundations for an Association based on an equal distribution of burdens and advantages among its members.

As matters stand at present, since we cannot anticipate the exact forms of this association, I can only say that the High Authority considers the inclusion of coal and steel as essential, but that in our opinion this inclusion will only be possible if methods are decided upon which do not affect the full application of the provisions of the ECSC Treaty and are not to the disadvantage of firms in the Community as compared with those of our future partners. It should certainly be possible to satisfy these conditions and in this way to reconcile the desire of the Six to go ahead with their desire for a wider association embracing the whole of Europe.

Mr. Chairman, Ladies and Gentlemen, in my speech I have not quite struck the same note as my predecessors in your Assembly. For the phase of economic recession, through which the Community is passing in its turn, makes it impossible for the High Authority to evince the same satisfaction with the record for the last year. However, although this reversal of economic trends is not without its difficulties and sets serious problems for the Community, it can nevertheless serve a useful purpose, for it is in testing times that solidarity is established and it is through both that progress towards the ultimate unification of our continent will be achieved. (*Applause*).

The Chairman. — (*F*) Thank you, M. Finet.

The next item in the Orders of the Day is the debate on questions relating particularly to the Common Market and the European Economic Association.

I would remind those who wish to speak to give in their names at Room A 92 by 4 o'clock.

The following are so far on the list: M. van der Goes van Naters, Rapporteur, and M. Leverkuehn, Rapporteur; MM. Russell (10 minutes), Heckscher (15 minutes), Duvieusart (15 minutes), Burgbacher (5 minutes), Duynstee (15 minutes), le Hodey, Schuijt, Czernetz, Vos (15 minutes).

I call M. van der Goes van Naters, Rapporteur.

M. van der Goes van Naters (Netherlands). — (*F*) Mr. Chairman, Ladies and Gentlemen, I am not going to speak particularly as Rapporteur of the Council of Europe, nor as a parliamentarian of the Six or of the Fifteen; in all three capacities I believe that a European Economic Association, an economic complement to the political Council of Europe, would be to the advantage of free Europe and an admirable rejoinder to the Bolshevik "Seven-Year Plan".

But for precisely those reasons I do not accept, in any of my capacities, an association, a free trade area, at any cost.

If the association were to lead to the disintegration of the European supranational Community, to its dissolving into something wider but vaguer, the economic and political disadvantages would outweigh the advantages; it would deprive Europe of an immensely important experiment: of the first constitutional reply to forty years of the Soviet regime.

It is well that we are now ready to talk about the European Economic Association, a conception much less open to attack than the Free Trade Area, which was presented from the

very beginning, rightly or wrongly, as a kind of European “Pan-Hon-Lib”.

“Pan-Hon-Lib”—the phrase is rather outlandish—is the over-all name for shipping sailing under “flags of convenience”; that is to say, shipping companies which ignore the safety regulations and employment conditions respected by others all over the world.

In the case of the European Economic Association it will not be like that. First, the cost of social benefits, at all events of the United Kingdom and Scandinavia, is not lower than in the European Economic Community.

Then, the Association would not be an economic “jungle”; the anarchy of world shipping would not be repeated. It would be compelled to lay down jointly applicable regulations.

Finally, the Treaty of Rome itself provides for continuous liaison between the Common Market and O.E.E.C., in the form of multilateral association, negotiated by the European Commission.

It is unfortunate that the non-members of the Six did not wait until the Common Market was operating normally, and the European Commission in being, and that, in particular, the British Government prematurely launched, in February 1957—a year before the Communities had been created—its Memorandum on the Free Trade Area.

It was this bad beginning, perpetuated for almost a year in the Maudling Committee, which the French Government denounced on 14th November 1958, by M. Soustelle’s famous declaration.

What did M. Soustelle, in fact, say? He rejected the area as proposed by the British, but left the way open for a solution acceptable to the six Common Market countries and other Western European countries in their common trade policies. For its part, the French Government, he said, was actively seeking one.

Indeed, an undeniable proof of the good will of the Six in general, and France in particular, was the offer of the Common Market Council of Ministers on 3rd December to lower customs tariffs by 10 % in respect of all members of G.A.T.T. without reciprocity; and to increase quotas by 20 % in respect of OEEC Member States, subject to reciprocity.

To this must be added, a kind of Christmas present as it were, the fulfilment by France of its obligations to O.E.E.C.; 90 % liberalisation of trade.

Thenceforward, the French problem no longer existed, neither in nor outside the Six.

On the other hand, a British problem arose. Because our Community is political rather than technical, we are required to deal with this very serious matter.

The following are its main features:—

After many warnings—it must be admitted—that the approach of 1st January without the institution of a Free Trade Area was dangerous, M. Soustelle's declaration of 19th November stiffened the British attitude. Mr. Selwyn Lloyd deemed it necessary to state in the House of Commons: "I do not see how the tradition of confident co-operation could survive intact in the military and political fields . . ."

This was no passing irritation; Sir David Eccles, speaking on behalf of the British Government, made that quite clear at the disastrous meeting of O.E.E.C. on 15th December. *The Economist*, at the time, suggested that the choice of Sir David was unfortunate, in view of the delicate nature of the meeting. He had never shown much sympathy with the work of the Six, and you will no doubt remember, Mr. Chairman, that like the Common Market—Free Trade Area arrangements, the Schuman Plan, eight years ago, was followed immediately by a non-supranational counterproposal on the coal industry: the Eccles plan.

There is no need for me to dwell on the unfortunate atmos-

phere of the meeting I have just mentioned. *The Economist* has already done so. With admirable impartiality, it criticised the British policy of threats and concluded by quoting one of the Dutch negotiators. He said "Strange, I feel greater solidarity with the Six than ever before." I know that is true.

The cause of this British irritation appeared to lie in a minor matter; whether the measures of liberalisation announced by the Six should go hand in hand or not with a final arrangement which would eliminate all differentiation between the Six and the rest; namely applying to all members of O.E.E.C. the clause of the Treaty which lays down that the Six must increase their "nil or negligible" quotas to the level of 3 % of national production.

Everyone will admit, I think, that the practical effect of that would be slight. No one, even on the British side, had mentioned it before.

No reference was made to it by the Rapporteurs—including the British Rapporteur—of the Consultative Assembly of the Council of Europe, which sponsored Recommendation 186 of 17th October 1958, where there is mention of a "Provisional Agreement" to be concluded. This Recommendation, I repeat, is silent on the thorny question of the 3 %.

However, the apparently minor problem becomes extremely serious on closer inspection, as is shown in the written text of Sir David Eccles' proposal at the meeting of 15th December. From this it is apparent that any difference whatever between the regimes of the Six and Eleven would be inadmissible in principle and should be rejected as "discrimination".

That is the importance of the controversy on the 3 % and its significance for the future—any concession from the Six on this point would commit them on all the other points and for ever.

Most of the British deny the right of the Six to federate in a political and economic system of their own. I say most of the British, but not all of them.

During the debate on the Free Trade Area in November in the House of Commons, our friend Sir James Hutchison said it was recognised that the Rome Treaties were not merely treaties designed to ensure reciprocal commercial advantages for some countries, but were in fact treaties of vast economic and political significance whose aims were, ultimately, the union of the member countries. He added that every nation had a right to aspire to such an end.

Lastly, *The Economist* urged the British Government to recognise the integration of the Six as a great historical achievement requiring revision of its concept of discrimination, and it added that a discrimination "which takes the form of a more speedy advance towards freer trade with some neighbours than with other countries would be less harmful."

Unfortunately, the present British Government pursues a less tolerant policy. What is our answer to its demand that trade discrimination between the Six and the others must be abolished?

You all realise what that means, since you know the conditions for lowering customs tariffs and increasing quotas under the Rome Treaty. It means that the dispute will flare up again in eighteen months' time, and then four, eight, twelve years later, and so on—it would be interminable.

That, Ladies and Gentlemen, is unacceptable. Once and for all, it must be agreed that the Six have the right to self-determination, as set forth in the Declaration on Human Rights. If you start from this principle, there will never be any question of discrimination but—and here I speak as a European in the widest sense—of a sound and perfectly justifiable policy to prevent a cleavage in free Europe.

Can this cleavage be prevented by a merger of the Six within the Seventeen? I do not think so. The best solution is that which is the basis of the Rome Treaty: expansion in all sectors—which is its true starting-point.

A better division of labour and production, specialisation,

conversion and re-adaptation, which form the subject of the Rome Treaty, necessarily imply this expansion.

The Community, with higher production, must export more, but in view of its increased purchasing powers its imports will likewise increase enormously.

That is the soundest guarantee for third countries, particularly those of O.E.E.C.

Such is the infrastructure, so to speak, of the European Economic Association of the Seventeen and, even more, of future trade with the members of G.A.T.T., with South America, Japan, the under-developed countries, with the rest of the world.

Once this non-autarkic, non-protectionist policy is adopted—and it is already—the success of an association of the whole of free Europe will follow, on condition, however, that the charge of discrimination and automatic limitation under the Rome Treaty be set aside.

In my opinion, under these conditions the negotiations—which are to begin again by April at the latest—can lead to salutary results, both practically and politically.

The Chairman. — (*F*) Thank you, M. van der Goes van Naters.

I call M. Leverkuehn, Rapporteur of the Economic Committee of the Consultative Assembly.

M. Leverkuehn (Federal Republic of Germany) — (*G*) Mr. Chairman, Ladies and Gentlemen, you will find in Document 915 of the Council of Europe an appraisal of the report for the period from 1st January to 17th September 1958, drawn up by the Commission of the European Economic Community. For the moment I shall add nothing to this, as I do not wish to take up your time unnecessarily. However, I do not wish to forego this opportunity of expressing my warmest thanks to M. Hallstein for the statements he made this morning in addition

to this report, which give us a clear picture of the situation, so necessary now that we must once more turn our thoughts to the question of the Free Trade Area. M. Hallstein quoted several passages from the report of the Economic Committee of the Consultative Assembly which was drafted by our good friend John Hay. This co-operation between M. Hallstein and Mr. Hay strikes me as being a particularly happy example of the collaboration between the Commission and the Council of Europe and also, of course, the European Parliamentary Assembly.

I am very sorry to hear that Mr. Hay will no longer be in a position to take part in the work of our Committee: the United Kingdom Government announced at mid-day today that Mr. Hay had been given a ministerial appointment.

We who have worked with him, Ladies and Gentlemen, understand very well that the British Government should desire to have his services and we offer him our warmest congratulations. May I convey to Mr. Hay the thanks of the Council of Europe for his co-operation and especially those of his colleagues on the Economic Committee? I believe I pointed out on Tuesday, when I addressed the European Parliamentary Assembly on the report presented by Mr. Hay to the Economic Committee at its Stockholm meeting at the end of the summer of 1957, that this report opened up new avenues of thought for all of us. Mr. Hay subsequently added to his report on several occasions to produce the document on which M. Hallstein bestowed high praise more than once in his speech today.

The departure of so valued a colleague as Mr. Hay reminds us that it is in the nature of things for assemblies like ours to have to make such sacrifices. On this occasion we may perhaps congratulate ourselves on the number of former members of this Assembly who have been called to high office—not excluding that of Prime Minister. We see therein a happy omen for European co-operation. We ask Mr. Hay to retain his friendship for us and we would assure him that we shall always be more than happy to see him here again, should the opportunity arise.

I should now like to comment on a few small points. At

the request of my Committee I would insist once more on what has been said in that Document 915, namely that we are fully satisfied with the manner in which the Commission is dealing with social questions, and that we fervently hope to see the work in this sphere carried forward in the same spirit.

One matter which was brought up in our discussions refers to paragraphs 142 and 143 of the Report, where it is stated that the Economic Community, the Community of the Six, remains open to accession by other States. Some of our friends from the smaller countries seem at times to feel that the Council of Ministers or the Community are not really in earnest about this. From what M. Hallstein said this morning I feel I may deduce that this is an incorrect assumption.

There was another question which came up. M. Hallstein gave us to understand this morning that an average tariff, the external tariff, would ultimately be set up. As far as we know, it is not yet quite clear at what level the tariff will be established. Discussions are still proceeding on this point. In any case, if President Hallstein could tell us at the close of this debate at what level he believes this average might work out, my Committee would be most grateful to him.

We have already seen evidence of close collaboration this morning in the shape of exchange of information, praise for the Hay Report and the very fact of the Joint Meeting now in progress. The members of my Committee have asked me to inform you that we have suited the deed to the word by inviting the Chairman of the Committee on trade policy and economic co-operation with third countries, M. Rochereau, to take part in our meeting. He has accepted our invitation, and we hope that this form of collaboration may continue. We should be very happy if the other committees did likewise, as far as their spheres of activity allow.

The Chairman. — (F) Thank you, M. Leverkuehn.

One member has added his name to the list of speakers which I read out earlier: M. De Vita. If the Joint Meeting agrees, I declare the list of speakers closed.

I should like this afternoon to finish the debate on questions which particularly concern the Common Market and the European Economic Association.

However, as there is a reception at 7 o'clock, I shall have to close the Sitting at 6.45. If there has not then been time for all the speakers, we shall have to hold a short Sitting at 9 or 9.15; as MM. Hallstein and Rey have to leave this evening, they would no doubt welcome this opportunity of replying to the debate.

M. Rey (Belgium). — (*F*) Thank you, Mr. Chairman.

The Chairman. — (*F*) Then this is agreed. I call Mr. Russell.

Mr. Russell (United Kingdom). — It is with some diffidence that I rise to be the first back-bench speaker in this debate in the Joint Meeting of the two Assemblies, and I am all the more diffident because what I shall put forward will probably fall on somewhat stony ground.

Before I do that, however, I should like to add my congratulations to those which have been expressed by M. Leverkuehn to our colleague, Mr. John Hay, on his appointment as Parliamentary Secretary to the Ministry of Transport in the United Kingdom. I do so with all the more pleasure because on economic questions I have sometimes had to differ from Mr. Hay in the past, and it is pleasant to know that he is to go to a Department where I am not likely to do so in the future! I hope that we shall see him back here, because I understand that his Minister is Chairman of the European Conference of Ministers of Transport this year. We therefore may have the pleasure of seeing him back here in May. At any rate, I hope that we shall. We wish him well in his new post.

There have been, quite understandably, some recriminations today about the breakdown in the Free Trade Area negotiations. I do not intend to indulge in those because I am an unrepentant believer in the British Commonwealth, but I also believe that

the British Commonwealth and the countries of Western Europe can be welded together into a viable economic unit on their own, provided that it is done in the right way.

I want to put forward some considerations today on what is that right way. It is not the first time I have done so in this Chamber. As a believer in the economic future of the British Commonwealth, I have repeatedly criticised the General Agreement on Tariffs and Trade because of the restrictions which it places on new Commonwealth preferences, or, for that matter, any other kind of tariff preferences. I am therefore somewhat encouraged today to see in Professor Furler's Report, in paragraph 99, a criticism of G.A.T.T. by the Committee on Trade Policy of the European Economic Community. Paragraph 99 reads:

"The Committee on Trade Policy, in its report, came to the conclusion that some of the fundamental principles of G.A.T.T. no longer met the requirements of the present general situation and should therefore be revised, especially in regard to relations with under-developed countries. The Committee emphasised that the provisions governing association of the overseas territories with the Community formed an essential part of the EEC Treaty and that it was not conceivable that they should be amended to meet the possible wishes of G.A.T.T. The Committee held it to be just as impossible for the E.E.C. to be subjected to control, since this would lead to its economic policy being determined by G.A.T.T."

My complaint over the past eleven years is that the economic policy of most of Europe, and certainly of the Commonwealth, has been determined to a very great extent by the restrictions placed on it by G.A.T.T. I am therefore not displeased to see the European Economic Community finding itself at loggerheads with G.A.T.T. over a point similar to that which some of us have found in my country in the relations between the United Kingdom and the Commonwealth.

Professor Hallstein said this morning that G.A.T.T. allowed discrimination in the formation of a Customs Union or a Free Trade Area. I should like to see it revised so that it would allow discrimination in the form of a preferential area as well as the other two, because, as I see it, at the moment the European Economic Community in its intermediate stage is a preferential area.

I know that it is the intention by stages to bring it to the ultimate goal of a Customs Union; but in the meantime it is not that. It is a preferential area and I wish, from the point of view of bringing about some kind of agreement between it and the other countries of O.E.E.C. and the British Commonwealth, that it could stay in that category, although not necessarily on its present level. If it were to remain a preferential area indefinitely it would be in defiance of G.A.T.T. and the ban on discrimination imposed by G.A.T.T.

There is plenty of discrimination in the world today in other ways than by tariffs. I cannot help thinking that the proposed managed market for agriculture under the European Economic Community is discrimination. It is not tariff discrimination, but it is discrimination, and it has been designed to get round the restrictive provisions of G.A.T.T. which prevent tariff discrimination. I do not blame the European Economic Community for doing that. What I wish is that we would all face up to this difficulty, which is imposed by the restrictive clause of G.A.T.T. on discrimination.

Another point I wish to raise is that there have been any number of instances in the post-war period of loans granted by one country to another. The United States of America is a case in point. Many of us have benefited by the loans generously granted by that country, but what is that if it is not a form of discrimination in favour of one country as against another? Whereas there is a tendency to regard the discrimination set up by the European Economic Community in bringing in the first stage of its tariff reductions on the 1st January as discrimination against the rest of the world, I would rather look at it as discrimination in favour of one another. I regard discrimina-

tion as better looked at from the point of view of discriminating *in favour* of one country rather than *against* another. It is a different attitude of mind.

That brings me to my main point. Before there is any final breaking down—and I hope there will not be—of the negotiations between the European Economic Community, the rest of Western Europe and the Free Trade Area, I hope we shall have another look at the suggestion which was put forward not so many years ago by the Consultative Assembly itself, that is, the Strasbourg Plan. I know that that plan was rather quietly dropped as a result of criticism by O.E.E.C., but so far I have not heard any convincing economic argument against the proposals which it contained.

I would also recall that that plan was worked out by a committee of economic experts, some of whom are still with us. It was passed by the Consultative Assembly by 84 votes to 0, with six abstentions. Those abstentions were not on grounds of disagreement with the economic proposals, but had something to do with emigration. Therefore, the economic proposals were accepted virtually unanimously. That plan then went to O.E.E.C. and, as I say, it there met with opposition which caused it to be dropped.

Before we dismiss this step completely, I suggest that consideration be given to revising that plan, as it might prove to be a solution to our difficulties. I know that it will be difficult to overcome opposition, particularly the opposition of the United States of America, who have rigidly imposed this policy of non-discrimination in their post-war economic relations. But I urge that we face up to this and consider it before any final decision is taken and there is a complete breakdown in the negotiations for a Free Trade Area.

The Chairman. — (F) Thank you, Mr. Russell.

I am told that two members have put their names down without my knowing, owing to the fact that there are two Clerk's offices.

If the Joint Meeting agrees I shall add them to the list of speakers.

Does anyone object? . . .

Then it is agreed.

The final list of speakers is therefore as follows:

MM. Heckscher, Duvieusart, Burgbacher, Duynstee, le Hodey, Schuijt, Czernetz, Vos, Martino, Lannung, De Vita.

I call M. Heckscher.

M. Heckscher (Sweden). — It is a very good thing that we have an opportunity today of discussing, in a Joint Meeting of the two Assemblies, the problems of the European Economic Community and a possible European Economic Association. Mutual explanations, and perhaps mutual recriminations, might lead to an increase in mutual understanding.

The voice of the European Economic Community was expressed this morning in a most able way, particularly by Professor Hallstein. I am only sorry that the able answer to that which we might have expected from Mr. Hay, as Rapporteur of the Economic Committee of the Consultative Assembly of the Council of Europe, is, unfortunately, not forthcoming because of the rules which apply to members of the United Kingdom Government. While we all join in congratulating Mr. Hay on his new post, we all deplore this consequence of the appointment.

I shall try to say a little, in a far less able way than he would have been able to do, about what the problem means from the point of view of the non-Six. When we were discussing this matter in the Council of Europe, in October, we feared the complete disintegration of the economy of Europe. We feared that if the European Economic Community came into existence on 1st January without the establishment of a Free Trade Area, or a European Economic Association, that would have serious and dramatic consequences.

But the situation as it stands today is less dramatic than we anticipated at that time. That is partly because of the decisions of the Members of the European Economic Community, taken on 3rd December, and because of the return to convertibility by a number of European countries—but perhaps in particular, because of the decision taken by the French Government, on 28th December, to liberalise their imports from all OEEC countries to 90 per cent overall and, as Mr. Hay estimates in his Report, to 75 per cent in each of the three sectors. This action by the French Government has undoubtedly gone a fair way towards improving the situation. There is a certain amount of discrimination, using the word in an emotional sense, but it is far less than we expected—and there is nothing as yet to be emotional about. What remains are certain tariff differences and the famous question of the 3 per cent rule, but I think that, in practice, these things do not create at the present time an impossible situation. It all depends on future developments.

Also, I think that we are all conscious of the fact that the problem is in many respects limited. The non-Six—the Eleven—did not expect full equality with the Six. We never did expect it. This is proved by the fact that we have been discussing for two years the question of determination of origin. It is also clear that an increase of production within the European Economic Community might lead to a rise in the standard of living which would, in turn, lead to increased commerce with the outside world.

But there remain real technical problems. I will leave the technical problems aside, but there are certain more fundamental problems which cannot be left aside. It has been said that the Rome Treaty is open to everybody. That is true in a sense, but I am not quite sure how far it would be open if, let us say, the United Kingdom and Sweden proposed to join. Article 237 of the Rome Treaty says:

“Any European State may apply to become a member of the Community, and the Council will act on such application by means of a unanimous vote.”

The fundamental point is in the second paragraph:

“Conditions of admission and amendments to this Treaty necessitated thereby shall be subject to agreement between the Member States and the applicant State. Such agreement shall be submitted to all Contracting States for ratification in accordance with their respective constitutional rules.”

I submit that the adherence of countries like the United Kingdom and Sweden to the Rome Treaty would necessitate rather far-reaching changes in the conditions established by the Rome Treaty and I am not at all sure that these things would be acceptable to all Members of the European Economic Community. It would mean a change in the ultimate level of customs duties, since, by GATT rules, that level is to be based on the average of all participating countries.

Apart from that, I think that this question is a rather academic one. Those countries, for reasons of their own, seem to me economically unable to join in the European Economic Community, so I think that the question will not arise. If the level of protection of the European Economic Community is too high for some of us, even if modified by the adherence of new members, it is partly because of the particular extra-European commercial contacts of some of these countries.

A number of things said by Professor Hallstein this morning are, of course, true, and it is important and useful that they should have been put to us in such a forceful way. I do not deny that the Rome Treaty is compatible with the GATT Agreement. There might be some difficulties in detail, but, on the whole, I think he is quite right in that respect. Also, I agree that the Rome Treaty is not opposed to the rule of the OEEC Treaty. The difficulty which might arise will come if the European Economic Community starts negotiating bilateral agreements with other States. That is the point where the GATT rules might impede further development.

Also it should be made clear that the Eleven are making no attempt to break up the Rome Treaty. It has been repeatedly

stated at the meetings of the Consultative Assembly of the Council of Europe that we congratulate the Six on their efforts and wish them all luck. The only thing is that we hope that developments based on the establishment of the European Economic Community will be such as to strengthen and not disintegrate Europe as a whole. If I may perhaps be a little emotional here, I might add that Europe is more than the Six. Europe comprises at least the member countries of the Council of Europe, but our aim should be to maintain an even larger concept, including nations which now cannot make their voices heard. We should not limit the concept of Europe to the main Continent of Europe taken in the most limited sense of the word.

What are the arguments against the establishment of a European Economic Association? It is said sometimes—I think it is in the Report of M. van der Goes van Naters that the Eleven are attempting to get something for nothing—that they are not willing to pay the fee. What is the fee? Is the fee increasing protectionism in countries which so far have been typical free trade countries? In that case we *are* unwilling to pay the fee. Or is the fee simply opening our frontiers to the goods coming from the Six? In that case I submit that, in a sense, we have already deposited the fee in advance. What is said here is that the Eleven are trying to get into the club without paying the fee. I am reminded of the story of the Prodigal Son, and in this case I sympathise more with his brother. The brother of the Prodigal Son complained that the fatted calf was offered to the prodigal on his return while he himself had had no opportunity of getting a fatted calf: I profess that I sympathise with that attitude. Moreover, I am not sure on this occasion that the prodigal will also prove an infant prodigy.

However this may be, I think it is important to point out that if the Six are attempting to participate in the establishment of a European Economic Association, they are doing this in a spirit of complete respect for the European Economic Community. We are hoping that this Community will thrive, but also that its policy will be as liberal as Professor Hallstein said this morning. I confess that I am not entirely convinced even

by what Professor Hallstein said. I am certainly convinced of his intentions, but I am not quite convinced that he will be able to convince everyone else. He maintained that it is in the interests of the members of the European Economic Community to be as liberal as possible. I agree; but will they all understand it?

Let us look to the future. I have a number of questions to put. First, are we all agreed, all fifteen or seventeen of us, to try to reach a solution on a basis which, to quote Professor Hallstein, is liberal, multilateral and evolutionary? Secondly, how far are we bound in our efforts by the rules of G.A.T.T.? I should very much like to have some elucidation of that from Professor Hallstein. He said—and it has been said before—that the rules of G.A.T.T. are antiquated and should be modified. If I read the Agreement correctly, any amendment to that Agreement requires a two-thirds majority. Is there likely to be a two-thirds majority available in G.A.T.T. for making possible, say, the establishment of preferential areas? Or are we willing, if that is not the case, to risk the breakdown of G.A.T.T. at a time when there are other factors which work against the free flow of commerce?

Another question is whether there are any other international agreements which might provide a possible framework for further European co-operation. This is a question which could well be studied within the framework of the two Assemblies.

Finally, would it not be useful if we as parliamentarians, independent parliamentarians—and I am particularly independent since I belong to the Opposition—were able to make a practical contribution to the developments here by, first of all, studying in detail the provisions of the Rome Treaty to see where the difficulties of the Eleven lie? Secondly, would it not be wise to try to follow as far as possible in the months to come the practical and psychological consequences of so-called discrimination and to what extent this so-called discrimination actually has any practical importance at the present moment? Thirdly,

would not we have reason to study also the alternative possible lines of action of the Eleven? I am quite willing to agree with M. van der Goes van Naters when he says that the Six are entitled to determine their own destiny—although, on second thoughts, I do not know that I would agree with him in the substance of that statement, because, so far as I know, one does not determine one's destiny, it is pre-determined by somebody else. However, I agree that they should determine their destiny so far as possible. Of course, this applies to the Eleven as well. It is important to try to see what the Eleven are going to do in present circumstances. It might be that action taken by them could open new avenues for the establishment of further co-operation.

We are all looking forward with great interest to the concrete proposals which have been promised to us by 1st March. Those proposals are to be made available in time for the next Session of the Consultative Assembly. It is extremely important that the Committees of the Consultative Assembly of the Council of Europe should use the time available before the next Session to study the problem further and try to prepare a basis for discussion which, in some respects, might be more informal and practical than any discussion which might take place between Governments and diplomats. Therefore, I say to the members of the European Parliamentary Assembly that all we are proposing for the Economic and Political Committees of the Consultative Assembly at the present juncture is that they should make such studies; we are not proposing that the Consultative Assembly should pass any recommendation of substance at this time. I think this is useful, and, since this position has been taken up with the full agreement of the Eleven, it proves that there is good will on both sides.

The Chairman. — (*F*) Thank you, M. Heckscher.

I call M. Duvieusart.

M. Duvieusart (Belgium). — (*F*) Mr. Chairman, Ladies and Gentlemen, the first part of my speech will to some extent echo what was said in the European Parliamentary Assembly.

The second part will be in response to the remarks just made by my honorable neighbour, which clearly puts the problem in a quite different light, and to those made by M. Heckscher, which, if they do not radically alter the basis of the problem, nevertheless make in my view, a positive contribution.

Ladies and Gentlemen, we are meeting here in this joint session under very European names—the European Parliamentary Assembly and the Consultative Assembly of the Council of Europe. How is it that we came so near to acrimony in our debates?

I think there is a very simple reason; at all events the danger of complications could be avoided, as the Parliamentary Assembly suggested, I think, if some of us stopped accusing the Six of introducing discrimination and failing to respect the treaties.

This accusation was certainly ill-founded, as is becoming increasingly apparent. It seems to be getting less categorical, but this is not enough; it must be entirely abandoned; for it is clear that the members of the Six can hardly allow themselves to be accused of not observing the treaties when they are, in fact, seeking partners with whom to put them into effect.

I have said that this accusation is now less categorical. I shall not go over the reasons why it is so utterly devoid of substance, for today we have heard M. Heckscher say in so many words that GATT rules were not infringed and that no other treaty was likely to be broken.

Nevertheless, the situation is not yet clear, as it must be when a question of honour is involved.

I am sorry to see that Mr. John Hay's report, which we have just received, has not explicitly or even implicitly abandoned this accusation of wrongful discrimination. On the contrary, he gives reasons for it, though they are not impressive. One can see the position weakening. We read in the Report, however, that the contention of the Eleven—that any act of

discrimination resulting from the implementation of the Rome Treaty constitutes a breach of existing OEEC obligations—appears to rest on practical economic and political considerations rather than on purely legal grounds.

I do not know whether it is just that I have a lawyer's one-track mind, but I cannot see how a Convention can be infringed, except on legal grounds. We can use arguments based on economic and practical considerations against a convention between third parties, but only in the sense that one has legitimate interests to protect; that does not, however, give one the right to say that there has been a breach of the obligations contracted in O.E.E.C.

I would make a strong appeal on this to our British friends, and to all those who have accused the Six of infringing a treaty which would be no less infringed by the Seventeen than by the Six, and by the European Economic Community no less than it has been for ten years by the Benelux Convention.

Here again I would refer to Mr. John Hay's Report, which implicitly recognises that my argument is well-founded. Speaking of Benelux it says that, while the wording of Article 8 of the OEEC Convention is unambiguous, it may perhaps be argued that the drafters of the Convention and the Code did not have in mind a customs union of the size and economic weight of the Community.

This means that it is only because of a difference in size that the Community would be infringing the Convention and Benelux not.

I would urge you to call a halt to these accusations and to agree frankly that there has been no breach of treaty, that differences may result from the implementation of these treaties, but not in the form of discrimination which can be attacked on legal grounds. I call on those who have made these accusations to go even further and wholeheartedly to welcome the Community of the Six as a newcomer worthy of their unqualified approval.

M. Heckscher has just done so; but you must admit that this has not always been the case, and is not a universal attitude even now. You will no doubt remember that unfortunate remarks made by British statesmen—that the creation of this Community meant losing what was won at Waterloo, and the defeat of the aims for which two wars were fought.

You may be sure that these wounding words did a great deal of harm. They are obviously very different from the words of encouragement with which M. Heckscher has greeted the Community.

I have said that Mr. Russell's remarks seem to me a revolutionary approach to the question. Mr. Russell is among the Englishmen to whom I would particularly express my appreciation; not only has he given up any claim that treaties have been infringed, but he even suggests that we should join him in seeking a revision of G.A.T.T. In other words, we are being asked to call for the revision of the very agreement which we have been accused of violating. It is always possible to ask for an agreement to be amended; but, meanwhile, it is obvious that we have not violated it, since, in making a suggestion which I find most valuable, for negotiations between the European Community and the British Commonwealth, Mr. Russell says that, in his view, the Community constitutes a preferential area. I am a little wary of Mr. Russell's tempting logic, and I would not agree at once to such suggestions. No, we did not set out with the intention of remaining a preferential Community: we shall certainly achieve a complete customs union.

Mr. Russell goes on: if G.A.T.T. were revised, it would perhaps be possible to negotiate an agreement with the Commonwealth.

This is what was said here a few days ago. It is clear that, once the accusation of defaulting over other obligations is withdrawn, the Contracting Parties to the Rome Treaty will naturally pursue their original trend. We have not made a six-country convention, a convention for economic expansion, with the

intention of shutting ourselves off from the rest of the world; those to whom we shall turn will, obviously, be our friends of long standing: our partners in O.E.E.C. in Europe, those who have a special interest in agriculture—I am thinking of Denmark in particular—those who are perhaps less well equipped, such as Britain and the Commonwealth nations. And I would go even further: as I said here a few days ago, I think that we ought to negotiate with all who were our partners in the European Payments Union.

Looked at in this way, the question obviously appears in a quite different light.

I have not gone so far as to adopt Mr. Russell's suggestion. I leave the revision of G.A.T.T., to the competent authorities. But I welcome M. Heckscher's suggestions—and I think that once the moral issue has been cleared up we could re-open negotiations for an association between the European Economic Community and, as we have already said, those with whom we are naturally linked.

I said "the European Economic Community", and, with M. van der Goes van Naters, I would urge you not to isolate France in this debate. She has only taken her stand on the Convention of the Six, and M. Debré himself said in his governmental statement yesterday that France did not categorically oppose, any more than it had in the past, the establishment of a broader free trade area.

It is encouraging to hear these words from that quarter, recently, and we have heard other encouraging remarks from M. Erhard. These are two men of the first rank: so important indeed that they have sometimes aroused some modest apprehension on our part.

However, we are always very glad to hear official spokesmen of Germany and France opening possibilities for an understanding. In the eyes of all men and women in Europe, specially on the Continent, the conciliation of France is of such value

that we want to defend and safeguard what we have achieved with the Convention of the Six, for we know that it serves this end.

Ladies and Gentlemen, I was born and brought up in a small area of Belgian territory which, within a radius of a few kilometres, includes Ramillies, Fleurus, Jemappes, Waterloo and Charleroi.

We do not wish our contribution to history to be only battlefields and cemeteries. We hope that those who met in tragic encounters on our soil will weld themselves into a union that will last for all time. I would beg you to do nothing to hamper this, but to give it your every help.

The Chairman. — (F) Thank you, M. Duvieusart.

I call M. Burgbacher.

M. Burgbacher (Federal Republic of Germany) — (G) Mr. Chairman, Ladies and Gentlemen, I think that in the course of this debate we must not forget that it is simply a friendly discussion between nations who are unanimous on the great political problems and who, in the interests of the free world, should share the same convictions. I venture to remind you that the Europe of the Six was conceived as a blueprint of the political unity of Europe—but this initial effort must not become frozen, and, within this Europe of the Six, the will to reach a closer co-operation must remain alive.

The treaties which have led to the building up of the Europe of the Six are still too recent for there to be any thought of altering them yet; on the contrary, we must consider what we can derive from them and—not forgetting the modes of thought proper to legally established States—to what extent they can lead to this closer co-operation.

That is why I shall, in the first place, address an appeal to the three executives and to all who assume responsibility in this sphere: this organic growth of Europe must be encouraged

within the framework of the treaties, and the possibilities offered by the latter must be made use of to implement—by respect for their stipulations—the political determination which they inspire.

It has already been said today, and I may perhaps recall it, that the common services of the three Communities must be developed—and that should in reality be the general rule and not an exception. Undoubtedly there is no lack of good will but, I regret to have to say it, the realisation of this desire is impeded by the fact that the Governments of the six countries have still omitted to fix a unified centre. And it is not only a question of saving money; what is much more important is the placing of this Europe of the Six in better working conditions, which is certainly not a negligible factor in the problem with which we are concerned today.

I will go even further by proposing that we consider whether an increase in the number of members of the EEC Commission would not make it possible to combine the members of this Commission and those of the High Authority and whether, moreover, we could not combine the members of the Euratom Commission with those of the High Authority.

Political motives were entirely sufficient to justify the creation of the Europe of the Six. But this Europe of the Six will only justify itself historically if its development is logically followed out. Allow me in this context to recall a saying of Goethe's: when one takes a bold decision, it will take its course because it must.

I hope you will pardon me if I say that we should not only look at the divergences of view which still separate us from the Economic Association, but we must realise that the debate on this Economic Association is also a debate aimed at reaching a new stage in the construction of Europe. Again, I must ask you to pardon me for telling our friends from the countries of the Free Trade Area, that, if we have the prospect of taking this step, it is, in my opinion, thanks to the existence of the E.E.C. We should not, therefore, see a negative element in the dynamism

that has led us along the path to which we are resolutely committed and attach too much importance to the fact that opposing interests still exist; it is, rather, a very favourable element, which ought to inspire the kind of reflections which I have just put before you.

I must say that I never have a feeling of discrimination when one comes up against the union of the Commonwealth countries. It seems to me, moreover, that this term should be used with more circumspection; and, if it is used, its actual significance should not be exaggerated. I would remind you that in the ECSC Treaty we come across it very frequently—and even in relation to the problem of prices, which have certainly nothing to do with honour.

I repeat, then, what I said at the beginning of my speech. Do not let us forget in the course of our discussions that the Economic Association simply must be set up because the interests of the free world and higher political interests require it. If we are aware of this necessity, and if we all act on it in consequence, this Economic Association will eventually see the light of day and will establish a just balance between the interests of all.

The Chairman. — (*F*) M. Schuijt tells me that he no longer wishes to speak.

I call M. Duynstee.

M. Duynstee (Netherlands). — In the context of our discussions today I should like, first of all, to make a few general remarks on the subject of the protracted discussions on the Free Trade Area, or, as it is called nowadays, the European Economic Association; and to conclude by making some personal remarks on a form of European economic activity which I have always had very much at heart—European civil aviation.

As a European, as a member of the Six of E.E.C. and as a Dutchman, I have been greatly disturbed by the unfortunate and critical trend which the Free Trade Area discussions has taken, and, as a European parliamentarian, deeply disappointed

by the lack of European solidarity of "OEEC Europe" in relation to the world at large. However, in answer to the question as to what will happen after a shower of rain, it is only the pessimist who replies that the soil and the roads will be muddy. The optimist, by his nature, looks forward to the ensuing sunshine.

Although, as I say, I am greatly disturbed and deeply disappointed, I prefer to concentrate on, to enumerate and to evaluate the sunny aspects of the disturbing politico-economic trade shower that has fallen on Europe. The present difficulty, or the present deadlock, serious as it is, nevertheless has produced some good. This, perhaps, sounds rather unwarranted, but I believe it to be true.

The adamant French attitude on most questions throughout the negotiations, one of the causes of the present deadlock, has had the result, or has contributed largely to the fact that on the issue of institutional questions the previously negative British and Scandinavian attitudes have changed. The very regrettable British and Scandinavian unwillingness to accept a majority ruling on certain questions—the great weakness of O.E.E.C.—has changed to willingness on the part of Britain and Scandinavia to accept majority rulings in clearly defined cases. I feel that this point has gone rather unnoticed.

Furthermore, the French recalcitrance has made the United Kingdom and the other non-EEC nations realise that the Six take the Rome Treaty obligations seriously. It has made people in the United Kingdom and elsewhere in Europe realise that political and economic events in Europe might in future take a completely different turn from the past. It has prompted and stimulated certain responsible quarters in the United Kingdom to undertake a re-appraisal of the historic United Kingdom—Commonwealth relationship.

I should like to refer to the British Federal Union Paper called "Britain, Europe and the Commonwealth, a Proposal for Economic Union", from which I quoted extensively last October in my speech to the Consultative Assembly. In the same vein there appeared in *The Economist* of 27th December, 1958, an

article called "Join the Common Market? A Case for Joining." In this article the suggestion is canvassed for Britain and the Commonwealth to join the E.E.C. In the article, as a starting-point of discussion is taken the fact that the importance of Imperial Preference in United Kingdom trade is relatively dwindling.

As you know, Mr. President, I have often spoken on this question of the necessity of a tie-up of Europe with the British Commonwealth, since such a tie-up would appear to me to be of vital interest to all parties—to Europe as a whole, to the United Kingdom, to the members of the Commonwealth themselves, and to the world. The British Commonwealth is an alliance which constitutes an important factor in the economic and political defence of the free world. Such an alliance should not only be kept alive but reinvigorated, if you like revitalised, and the necessary medicine for such a purpose could be found in an overall tie-up. Mr. Russell has often spoken on this question, as has our other British colleague Mr. Royle, and I therefore listened with great interest to Mr. Russell's speech this afternoon.

But enough of this. As you know, Mr. President, I spoke very fully on this subject last October and on many previous occasions. Let me come back to my thesis, namely, that the adamant French attitude—strange as this may sound—has produced two good results; namely, first, the British and Scandinavian willingness to accept majority rulings in certain defined cases, whereas in the past both Britain and the Scandinavian countries have always insisted, with a certain amount of vehemence and great detail of reasoning, on unanimity rulings; and, secondly, the adamant French attitude has led to a re-appraisal by certain responsible quarters in Britain of the U.K.-Commonwealth future on broader and wider outlines.

As to the effects on France, I would make the following comments. The timing of the British Free Trade proposals and the adamant British insistence within these Free Trade proposals on applying all the more important internal EEC trade rulings to the Free Trade Area—one of the causes of the present deadlock—has in my opinion prompted France, in the difficult days

through which she has passed during the last few months, to abide by the Rome Treaty and has led her to be more inclined to fulfil the obligations as contained in the EEC Treaty clauses. I should like to point out, however, as high Dutch civil servants have told me, that at times the most ingenious minimalistic interpretations on points of detail are put forward by her on most subtle legal grounds.

I often wonder, if there had been no Free Trade Area proposals by Britain, whether France in the course of the summer of 1958 would not have revoked a part of the EEC Treaty. I believe the answer to be in the affirmative. Look at the recent U.N.R.—M. Christian de la Malène—proposals, however much denied publicly at the moment: namely, by refuting the Free Trade Area proposal, but by adhering to the EEC Treaty clauses, France could continue to don the coat of European integration-mindedness and continue to appear to be European-minded, be it within the more narrow framework of "*la petite Europe*".

Another result of British insistence and force of argument—although, mind you, I do not for one moment approve of Sir David Eccles' rather undiplomatic tactics at the recent Paris OEEC meeting—has been that France has resumed her willingness to fulfil her OEEC trade liberalisation commitments. First, there was some talk about a 40 per cent liberalisation by France, and finally France came into line with the other OEEC partners and liberalised 90 per cent of her overall inter-European OEEC trade.

I am quite prepared in this context to believe that in addition the advice, assistance and counsel of the other EEC five have had some influence. Incidentally, I want to express my highest admiration for the recent economic measures which the French Government showed the courage to take.

One can lament and bewail the present critical and even dangerous Free Trade Area deadlock, but I prefer to continue to confine myself to the sunny aspects of an otherwise—I must, alas, admit—gloomy and foreboding apparent impasse. I think we all realise the importance of European unity. We have all

spoken on this subject on repeated occasions. I am also convinced that our Governments, taken by and large, realise and subscribe to the imperative need of European economic unity.

I can only hope that all parties concerned will reflect once more on the urgent need to come to an agreement. The present deadlock, as I have tried to show, has produced some useful and necessary by-products. Let us hope that these by-products will be of help in constructing at this late hour, even yet, a soundly based European edifice. Furthermore, any proposal to change the rules of GATT, any proposal to reinforce GATT, has my entire approval.

I myself proposed such a change in the GATT set-up in April last year in an address to the Consultative Assembly. What I had in mind in this respect is a GATT with greatly increased powers not only to deal with matters of trade, but also with financial, general economic, and one might even consider, possibly, investment issues. In such a context it would be possible to solve this outstanding problem within GATT of establishing price-fixing machinery for staple export products of certain less developed countries.

I want to conclude with some remarks on a totally different subject—on a branch of European economic activity in which I take a very personal interest. It is a hobby-horse of mine. It is European civil aviation and, within this field, Dutch civil aviation.

A few days ago public opinion in Holland was very rudely shaken—and I put it mildly—by the United Kingdom refusal, through the voice of the Prime Minister, Mr. Macmillan, to permit K.L.M. to continue its twice-weekly end-of-the-line flights to Singapore. Public opinion was really very badly shaken, and certain anti-British sentiments even crept into the Dutch press. In my opinion quite rightly, our Dutch Ambassador in London undertook certain steps at the Foreign Office. We in Holland are and always have been very proud of our national airline, of our Flying Dutchman. K.L.M. in Holland is, I dare say, even more popular than our national football team, and a doubtful tackle

against our airline produces the same effect in Dutch national sentiment as does an unfair score on the international football pitch. It is my considered opinion that this sudden refusal by Mr. Macmillan himself was not quite cricket. To my British friends I say: notwithstanding the national indignation in Holland, you do not have to put your coastal guns along the Thames into position to ward off a second Dutch excursion to Chatham. Nor do I want to turn this issue into a sort of Anglo-Dutch "Cyprus" or "Gibraltar" tussle over aviation, but I would like to ask you, even if it is only as a personal favour to me, to write today or tomorrow to your Prime Minister asking him to look into the possibility of revoking his recent unfortunate decision. I do not beg this of you, but I ask you to do this as a good and proved friend of long standing of the United Kingdom, and as a friend who has been sorely tried by this, in my opinion, quite unnecessary gesture.

The Chairman. — (*F*) M. De Vita has withdrawn his name from the list of speakers.

I call M. le Hodey.

M. le Hodey (Belgium) — (*F*) Mr. Chairman, Ladies and Gentlemen, during the last few months, European integration has run into certain difficulties. After the heated articles in the press and the animated meetings of the Committee of Ministers, we should welcome the favourable atmosphere of this meeting of the two assemblies. Might this go to prove that parliamentarians are wiser than Ministers? At all events, we should be glad that this has happened.

Our debate opened this morning with M. Hallstein's excellent Report, clearly giving the position of the Six, while showing generous understanding of the problems facing the Eleven, and going half-way to meet them for a truly European answer to our difficulties.

This afternoon we have reason both for pleasure and regret: pleasure, in learning that our able Rapporteur, Mr. Hay, had become a Minister—M. Duynstee has already given you some-

thing to do, Mr. Under-Secretary for Civil Aviation—and then regret that Her Majesty's Government should have chosen today for announcing its decision. Had it been tomorrow, we should have had the pleasure of listening with great interest to your speech, Mr. Hay; as in all your previous speeches, you would have presented a remarkable overall view of the problem, from a standpoint different from that of M. Hallstein, but, I am sure, with the same fairness on finer points and delicacy of approach.

In this Hall of the Consultative Assembly of the Council of Europe, Mr. Chairman, where so many European speeches, so many calls to unity have rung out, where so many resolutions have been voted, only to be quietly buried by the Committee of Ministers—here, it is nevertheless gratifying to be able to say that the Rome Treaty sprang originally from the work of the Consultative Assembly.

The Six have only put into action the express desire of the Consultative Assembly, the policy it has followed for years, of European integration. The Six are not traitors to Europe, they are the true believers. They really believed what other people only said, and the Common Market is in the interests not only of the Six, but also of those outside.

As M. Burgbacher said a moment ago, the coming into being of the Common Market has been of immense value, even to those who do not belong to it, because it will force them in one way or another to move on from good intentions to the more arduous realm of reality and action.

If European integration comes one step nearer, it is because the Six have themselves gone ahead.

Some countries which do not belong to the Community of the Six are wondering how to avoid the adverse effects of the Common Market. As members of the European Parliamentary Assembly or of the Consultative Assembly of the Council of Europe, we should, I think, ask ourselves a different question—how to take the best advantage of the Common Market, for real progress in the building of Europe.

The Six are not only giving effect in a limited geographical area to the intentions of the Consultative Assembly; they are also leading non-member countries to shape their policies in accordance with our long-established programmes. Why should there be so much psychological reaction? Because we are afraid. We are afraid of an economic split in Europe. Those outside the European Community are wondering how far the Common Market will disturb their national economies.

The first question which arises—and I should be glad if M. Hallstein could reassure us on this point—seems to be the following: will there be a drop in exports from the Eleven to the Common Market countries?

I remember a meeting of the Consultative Assembly Economic Committee some months ago, when one of our Scandinavian colleagues—I may say one of my excellent Scandinavian friends—expressed misgivings on this point. He said that the economy of his country would be profoundly disturbed by the Common Market. He said they would have to turn to the East for openings to replace those likely to disappear because of the Economic Community.

Will the Common Market import less as a whole than the six countries individually? I, personally, do not think so, and the experience of Benelux goes to prove the opposite. There, trade between Belgium and the Netherlands has of course increased, but that between Benelux and the outside world has risen to a remarkable extent.

We should ask ourselves this: why are we founding a Common Market? Why do we accept the substantial sacrifices and risks which it entails? By a political impulse? Through some sort of fanatical Europeanism? No. Because we are convinced that a broad market will hasten economic development, more rapidly increase national revenue and raise living standards. The Common Market is our answer to the economic challenge thrown out by other civilisations.

The Common Market will hasten prosperity for the Six. Do you not agree that a prosperous Economic Community will prove a better economic partner for the Eleven than six separate States? One has more financial interest in a rich and prosperous partner, one who is a good customer.

Poor countries cut down imports; rich countries can lift restrictions and encourage imports. I think that is how we should interpret the speech made the other day to the European Parliamentary Assembly by M. Erhard. In welcoming monetary convertibility and stressing its importance for trade within Europe, he meant that in poverty-stricken countries, without currency resources, trade must come to a standstill. But prosperous countries can overcome such obstacles and improve trade.

A prosperous Community should naturally be a better partner for the Eleven, the more so in that—as it has said, and proved by its decision on 3rd December, and as its President, M. Hallstein, has confirmed—it rejects autarkic tendencies; it is outward-looking and follows free trade principles.

Further, thanks to the measures taken recently by the French Government, it can no longer be said that the Community does not respect its obligations towards O.E.E.C. and towards G.A.T.T. We shall no longer have to refute this—as M. Duveusart says—this disagreeable argument.

One important argument has still to be met. We are no longer accused of discrimination in the legal sense of the word, but discrimination *de facto*, in that producers in the Six will have an advantage in the Common Market over producers among the Eleven. This is so. There is nothing that can be done about it. In the same way that a British or Swedish producer has an advantage in the British or Swedish market, so the producer of the Six will be at an advantage among the Six.

The Rome treaty,—and I do not think Mr. Russell quite understood this—like the Benelux Treaty, abolishes national markets and makes them into a single new market. At the end

of the transitional period, it will no longer be possible to say that goods are exported from Italy to the Benelux countries, or from France to Germany. It will simply be said that they are transported. Imports and exports will be replaced by plain transportation, in the way that there is no export of goods from Wales to Scotland but only goods carried from one part of the United Kingdom to another.

There should be no illusions on the advantages of this situation to producers, at least at the beginning. The Common Market does not of itself create new demand; at the outset, it will not lead to a rise in consumption. The producer will of course have a broader market for his goods, but there will also be greater supplies which will compete with his own on his traditional market.

Experience in the Benelux countries shows us what will happen, and so does the bitter experience at the present moment of the Coal and Steel Community. From the experience of these two bodies we can see the very serious effects of expanding a market. It deflects trade, and leads to the closing of marginal enterprises, with resultant economic and social difficulties. In the long run, this rationalisation lowers production costs, opens up the market, and creates prosperity; but at the beginning this prosperity has to be paid for by considerable hardship, particularly in closing down many firms.

M. Heckscher has just asked what the entry fee, or subscription, was for joining the club. Well, a part of this entry fee is the disruption of one's economy, the closing of firms, unemployment and regional depression, all in order to secure benefit in the long term. But the price must be agreed to; and this is only one part of it. Another element, M. Heckscher, is to abandon complete independence in economic policy, to agree to co-ordinating it with that of others.

As M. Heckscher fully recognizes, it is not fair to try to obtain the advantages of the Common Market without paying for them. It would be impossible to negotiate on this basis, and no talks between the two sides could take place. But talks are necessary.

on a reasonable basis. What should be done to prevent the Eleven being adversely affected by the Common Market? Especially, how could we best extend the advantages of the Common Market to the whole OEEC area?

The Common Market governs the national economies of the six countries; I have just outlined its effects on production and internal trade. The Common Market will affect the Eleven only as regards their exports to the Six, and this part of their foreign trade varies widely from one country to the next. Austria for example—as M. Czernetz will certainly be telling us in a moment—runs the risk of considerable difficulties in its foreign trade, as a result of the Common Market. In contrast, other countries among the Eleven export very little towards the Common Market, or only one product.

Unfortunately, we still do not know what these difficulties will be, and how far they will affect our OEEC partners. The Maudling Committee began a study of the matter and it is a pity it had to be broken off. We still have no statistical information on which to base forecasts; we have only impressions.

How can we prevent such difficulties? Above all, how could we make the most of the opportunity offered by the new Common Market for integrating the economies of European countries, or at least bringing them into line?

The free trade area negotiations started from a broad and generous conception. But for various reasons such an area is technically very difficult to establish, and we have spent much time debating obstacles resulting from the absence of common outside tariffs and from problems of origin. I think a more serious difficulty arises from the lack of co-ordination in economic policies.

Professor Hallstein put it perfectly this morning when he said that the stage of customs unions had been passed, and that henceforth one can only think in terms of economic unions. A free trade area in which the whole economy would be governed by the law of supply and demand, and in which the State would

have no hand, is no longer possible these days. If the Free Trade Area cannot solve our difficulties, where then should we look for an answer? Should the European Economic Community open bilateral negotiations separately with each of the Eleven?

Technically, this would be quite feasible, and rapid results could be obtained, but politically it would be very unwise. It would provoke a very lively reaction in some sectors of public opinion, and would not make full use of the potential contribution of the Common Market to European integration.

Between these two extremes, are there any other possibilities? There must be many. In Professor Hallstein's remarks about legal niceties [in German, *Phantasie*] making possible certain arrangements adaptable to individual needs, the word *Phantasie*, really *imagination* in French, was regularly translated *fantaisie*—a much prettier, and rather unexpected, word. As legal "phantasies" are allowed, let me put forward one suggestion worth consideration. Why should not the Seventeen sign a treaty now—not to provide against the somewhat unpredictable repercussions of the Common Market on trade between the Six and the Eleven and among the Eleven themselves—but to proclaim our common intention of expanding trade among us all as much as possible and of preventing partial integration from injuring any State, and to confirm our loyalty to the spirit of O.E.E.C.

A convention with this limited aim, which would entrust O.E.E.C. with the task of studying, product by product, the effects of the Common Market and the possibilities of freeing trade between the Seventeen—I think this would be an excellent solution. There would be nothing dogmatic about it; it would be quite pragmatic—I almost said British. It would not be based on any pre-conceived idea; it would give us the chance to deal gradually and objectively, on a practical basis, with all the obstacles we shall meet.

I think that changes would also have to be made in O.E.E.C. The O.E.E.C. and the Council of Europe should be linked, not to ensure parliamentary supervision of O.E.E.C., for the Consultative

Assembly is not a parliamentary assembly, but to bring O.E.E.C. into closer contact with national parliaments and public opinion. Link up the O.E.E.C. and the Consultative Assembly of the Council, combine their ministerial bodies; then perhaps the Council of Europe's Committee of Ministers would get out of the habit of saying "no" to the Assembly—when it gives a reply at all.

A third adjustment which could then be made to O.E.E.C. would be to set up a European development fund for those among the Seventeen who really, need assistance, so that European solidarity should not be an idle phrase. I am thinking of Ireland, Iceland, Greece and Turkey, four countries which certainly have special economic problems. I think you will agree that the Seventeen should set up a fund to make investments in these areas, to raise more rapidly their standard of living and bring into being a Europe in which there would be less disparity of income.

I have perhaps taken up too much time, but, to conclude, Mr. Chairman, I would say that the Rome Treaty is the practical realisation of the aims of the Consultative Assembly; we have a better opportunity than ever to go ahead towards European economic integration. There are many paths open to us; I have indicated one which we could follow, slowly, step by step, without scaring off anyone, as far as we like and are agreed to go, towards the only valid objective for our peoples, integration.

The Chairman. — (*F*) Thank you, M. le Hodey.

Ladies and Gentlemen, I think that with an effort on our part we could finish the first part of our general debate, on the Common Market and the European Economic Association, before 7 o'clock. We could avoid a night sitting, which is never welcome, but all the speakers must keep to the time they have announced, and try to be as brief as possible.

I call M. Czernetz.

M. Czernetz (Austria). — (G) Mr. Chairman, for the first time the Consultative Assembly of the Council of Europe and the new European Parliamentary Assembly are engaging in a joint debate. I agree with M. le Hodey when he said that both our Assemblies had shown themselves worthy of the occasion by refraining from mutual recriminations, in spite of the controversial nature of the subject under discussion. Considering the amount of china that was broken towards the end of last year, the mood of the present Assembly is much more hopeful

As the representative of an outside country, one of those known as "the other Six", I hope you will allow me to begin, Mr. President, by presenting our congratulations to our colleagues from the European Economic Community on having brought to birth that great economic, political and historical reality known as the Common Market. I would further like to say to the other Six that we on our side hail the negotiations leading to the Rome Treaties and the creation of the European Economic Community as one of the mainsprings of European unity and integration.

In saying this, however, we feel bound also to express some anxiety because, while Europe now has a six-Power Economic Community, it is still without that other community, originally known as the free trade area and latterly called the European Economic Association. There are two aspects of this anxiety to which I should like to draw your attention. The first is the anxiety I feel on behalf of my own country, Austria, whose special problems have already been referred to. I shall, however, do my best not to repeat what you have said many times.

The question of discrimination I need hardly say, Mr. President, is basically one of terminology. It makes no difference whether we call it discrimination or differentiation or, if you would rather put it the other way round, the privileged position granted inside Europe to members of the six-Power Community. The terminological question is of quite secondary importance. Discrimination, however, is not a legal question either, in the sense that G.A.T.T. understands it. On the contrary, as the previous speaker has just plainly said, discrimination is an economic and a political problem. From the

legal point of view, the only question that needs to be put is: does the Treaty allow discrimination or does it not?

From the political and economic angle, however, the question is quite different. It is: from the point of view of trade policy, can we or ought we to arrange for differentiation or discrimination between the countries of free Europe, at the risk of endangering the existence of one or perhaps more than one of the free democratic countries?

M. le Hodey was regretting just now the absence of statistics that would enable us to come to a decision on this point. You must know, Mr. President, that I am not exaggerating when I say that the existence of Austria would be seriously threatened if conditions were to remain as at present and things continued to develop along present lines. Here are some actual figures: of Austria's total exports, 50 % go to the members of the Common Market. So far, the 10 % reduction in customs tariffs by the Common Market countries and the 20 % increase in quotas have not made very much difference to us, but the process is only just beginning; with a continuance of the present trend, the position of my country in twelve or fifteen years' time will be absolutely intolerable. I do not think this is in any way an exaggeration.

No one can tell us what we ought to do, or where we can appeal. I regard it as a very dangerous game to play, Mr. Chairman; it is no use thinking that one can deal with the question of discrimination or differentiation by merely juggling with words. On the contrary, the problem is an absolutely clear-cut economic and political one.

If my own country is concerned at the way things are developing, so is Europe as a whole. In the first place, there is the present distressing rift between the Six, the other six and the remaining members of O.E.E.C. A number of forecasts and even threats were made in the heat of discussion at the end of last year. These may have been, and indeed we know were, uttered on the spur of the moment, but uttered they were none the less. Do not let us be deceived into thinking that the situations was or is now other than an extremely serious one. None of the free

democratic countries of Europe have anything to gain by rekindling of these controversies which can only profit the enemies of democracy and freedom, and only result in weakening the position of every one of us. Any kind of trade war, any attempt to fight out our differences, as it were, would harm everyone and advantage none of us. The problem is one that must be dealt with at a political and not at either the technical or economic level.

What M. Hallstein had to say today was very encouraging, especially so perhaps for those of us who are not members of the Economic Community. He said that the European Commission hoped that debates like this today would provide it with criticisms and suggestions as well as with encouragement for its policy. He spoke of the "legitimate interests" of the eleven other members of O.E.E.C. and, not for the first time in the present discussion, described the general tendency today as liberal, evolutionary and multilateral.

One thing is certain—which is that anyone who has considered these problems at all will recognise that the technical and economic difficulties are capable of solution. The very diversity of our economic interests makes compromise possible, while our political interests are identical. We must find a common basis of some sort and we must also accept compromise solutions.

I should like to associate myself with M. Hallstein's statement that the worst thing we can do would be to take our stand on a theoretical or dogmatic basis, or adopt an extreme position in dealing with these problems. I agree with him that a free trade area cannot be established on the basis of theory alone. On the other hand, we must also realise that we cannot content ourselves with merely extending the European Economic Community, as at present constituted, so as to take in the eleven other countries. All over-drastring solutions would be equally dangerous because they would make any *rapprochement* impossible.

We perfectly well understand the inability of our French colleagues to be present today, but it is nevertheless unfortunate that it should be they with whom the opportunity of discussion

should have been lost. In this connection, there is one thing I should like to say. The French Prime Minister's recent statement in the National Assembly, covering a wide number of questions, cannot fail to awake in us a certain anxiety. Today's *Figaro* quotes him as saying that France must insist on being given, in respect of any wider association, the same guarantees as in the European Economic Community, namely, a common external tariff, the harmonisation of wages, joint investment in the overseas territories and a common agricultural policy. Mr. Chairman, at the beginning of the year, the French Government took a number of measures which helped to reduce tension and prevented a serious European crisis. We all recognise this. Nevertheless, M. Debré's official statement is bound to alarm us. On behalf of the six other countries, I should like to express what is at once a hope and a warning. Do not let us hamper future negotiations by putting forward demands and conditions that we know quite well our partners cannot accept.

As an Austrian I have every reason for calling myself a friend of France and for sympathising with her in the difficult position she is in at the moment. I trust that the Fifth Republic will overcome its internal economic difficulties and succeed in solving the problems facing it overseas in a democratic and European spirit. It would not, however, I think, be out of place for us to appeal to France to be ready to accept a compromise in a European spirit, while, at the same time, in view of what happened at the end of last year and the embittering of the controversy between France and the United Kingdom, I would also like to address a similar appeal to the latter country.

May I associate myself with the congratulations to our colleague, Mr. John Hay, on his new post and, as we are giving him so many instructions today, add just one more which is that he should set himself to serve the cause of European unity inside the British Government.

M. Hallstein said this morning that we must beware of sentimentality and that it would be a mistake to allow ourselves to be led away into theoretical arguments. Here, too, I am in complete agreement with him. Our negotiations ought to be

kept on a strictly unemotional level but, when we consider the political questions with which we have to deal, we are obliged to realise that this will not always be easy.

To speak frankly, Mr. Chairman, the failure of the negotiations on the European Economic Association has discredited both O.E.E.C. and the Council of Europe in the eyes of European public opinion. The opponents of a united Europe, the critics and sceptics in all our countries, are asking how much this Council of Europe and O.E.E.C. that we keep talking about will ever really manage to achieve. The whole set-up, they say, is quite unreal, as we shall never succeed in reconciling our opposing points of view. I think that there is some ground for caution here. So long as we are not in a position to create new European institutions, enjoying wider powers and greater authority, do not let us run any risk of discrediting those we have at present and destroying their prestige.

I remember, at the Economic Committee, last December, a friend of mine from the Council of Europe asking how it was that we were not more pleased at the completion of what history would regard as the heroic task of creating the European Economic Community. I answered him by inquiring how it was that its creation had awakened so little interest among the inhabitants of the six States composing it, and why it was that there were so few signs of enthusiasm or excitement. I think that all of us, including our colleagues who belong to the Community, have got lost in a maze of economic and technical details, a morass of unimportant arguments, to such an extent that our peoples can no longer follow what we are doing. We find the same thing everywhere. The man in the street is apt to be critical, and it may be that he has become weary of the subject. He is afraid of possible consequences in the form of crises and economic upheavals.

At the beginning of January, we were all glad to find that the developments many of us had been dreading did not in fact occur, thanks in part to action taken by the French Government and, following its example, other Governments as well. Al-

though our fears at that time happily proved to be without foundation, may I nevertheless, Mr. President, end this short speech with one other warning. The fact that those fears proved groundless must not be regarded as a reason for rashness or complacency in the future. Time does not stand still, and it is essential for us to make use of the respite we have been given. This means that we must give careful consideration to all proposals such as those made by M. le Hodey for an outline treaty and the reorganisation of O.E.E.C. and other European institutions. Any such negotiations, however, must be based throughout on a willingness to compromise. In one form or another, our need, both politically and economically, is for an economic community embracing the whole of free Europe, a European Economic Association to complete the narrower Community of the Six. The creation of such an Association is a paramount necessity.

The Chairman. — (*F*) I call M. Vos.

M. Vos (Netherlands). — (*D*) Mr. Chairman, I should like, first of all, to thank the Commission of the E.E.C. for the work it has accomplished up to now and its President, M. Hallstein, for the detailed information he has given us this morning.

The non-member countries will, I think, have come to realise more clearly that the European Economic Community has now become a reality and that they must perforce accept collaboration with the six countries. A new entity of unity has come into being in Europe, at least as far as certain sectors are concerned, and the effects of this unity will be constantly in evidence.

I say: in certain sectors. In fact, the Treaty instituting the E.E.C. is categorical in stipulating a common policy in three vital economic sectors; in trade this is already the case and in a few years' time it will also be true of agriculture and transport.

During the last few months we have mainly been concerned with problems of trade for the simple reason that these problems are of foremost concern to the other OEEC countries and to the

world at the present time. A common policy in the other sectors, namely agriculture and transport, is prescribed just as emphatically in the Treaty setting up the European Economic Community, and during the first stage it will cover the internal rather than the external relations of the Community; I would, however, put you on your guard against the idea that this common policy is of no particular significance to the other countries.

You all know the criticism we have already, on several occasions, levelled at the Treaty instituting the European Economic Community itself: that it does not go far enough and is not categorical enough in its demand for unification in trade cycle policy nor in the matter of monetary problems. In our opinion, developments in these fields will automatically lead to unification; the third countries would therefore do well to realise that the European Economic Community, this new entity, is bound to lead on to a wider measure of unification.

In this context it is interesting to note that, from the supranational point of view, the Treaty establishing the Coal and Steel Community goes further than the Treaty establishing the European Economic Community, but that it does not go so far as regards the common market and particularly as regards the stipulation of common external tariffs.

It is also interesting to note that the Coal and Steel Community has shown that it is not possible to do without common external tariffs, and that is why they have been imposed in the European Economic Community. I imagine that, by the force of circumstances, the same procedure will come to be adopted in the Coal and Steel Community.

Thus while the third countries, to which I here refer collectively, must accept the reality of the European Economic Community—one is not serving the cause of one's country by not being realistic—the countries within this Community must, on their side, realise that the important work they are accomplishing is bound to have repercussions. And, although I can support the statements made by M. le Hodey at this meeting on the ex-

perience of the Benelux countries, I would add that we cannot, of course, remain blind to the fact that the development of the European Economic Community may under certain circumstances have undesirable repercussions on third countries. There will, of course, also be desirable repercussions, but, if matters are allowed to run their course—which is a familiar occurrence in the world of economics—this is liable to lead to unfortunate results.

We must remain alive to the difficulties which might arise for the Six out of our collaboration with other countries and try to find an answer to them. It is unfortunate that, where Great Britain had proposed a free trade area, we should have allowed ourselves to become absorbed by multilateral negotiations, without making the slightest attempt to distinguish between problems which differ totally from country to country and to tackle them one by one.

We have an instance in the Coal and Steel Community. Here the method adopted has been one of bilateral association. Not only do I recommend this method, generally speaking, but I should now like to see it applied to certain questions. In addition, it should be possible to find a general answer to general problems—I am thinking of current problems concerning trade policy, agreement on tariffs and quotas—but I do not think that this should be to the exclusion of forms of either multilateral or bilateral association.

As regards negotiations and the various aspects of the question, let me give you an example which is often quoted.

After the Six had proposed at the end of the year to make an increase in their quotas, in addition to a tariff reduction in respect of other countries, we were surprised when discussion arose over the 3 % quota. The example of motor-cars was quoted time and again. The argument given in numerous reports ran as follows. France at present imports 6,000 motor-cars, most of which come from Germany; total production in France is extremely high; however, under the system of a 3 % quota,

France will soon have to authorise the import of a total of 30,000 motor-cars from the six countries. The fact was overlooked that France can also export, herself. This is one side of the picture. People talk as though Germany, which exports a great deal more than France, was suddenly going to reap all the gain for itself. They forget that there are assembly plants in the Netherlands and the rest of the Benelux countries—and that these are also able to export to France.

It is argued that, as against the 30,000 motor-cars that Germany will soon be able to import, Britain now imports 3,000 and will soon import 3,600 because the quota will have been increased by 20 %. This would mean therefore that France is the most protectionist country and that such protectionism will be maintained within the framework of the Six.

I am glad to say, however, that we have also had some information about motor-cars from Great Britain itself. From this it is clear that France is not the only country which has set a quota on the import of motor-cars nor the only country where the total import quota for motor-cars is less than 3 %. These figures show in effect that the import quotas allowed in Great Britain from OEEC countries as a whole amount to a total of not 3 % but about 1 % of British production.

If we look more closely at this, bearing in mind both private cars and commercial vehicles, we can see that 3 % of British production of commercial vehicles represents more than 6 million pounds sterling and that the import quota corresponds to about 76,000 pounds. This means that the total import quota for commercial vehicles from OEEC countries is less than 0.5 % of British production.

I am not quoting these figures to show up my British friends as protectionist in this field; I am simply trying to show that, even with this system of a 3 % quota, reciprocal trade terms are indispensable and that Great Britain would have no right to say: "Let us come in under your rule of 3 % among the Six", without

offering similar advantages in respect of its own imports in return.

After what has happened, are there any new prospects in view? As you probably know, Mr. President, at the autumn Session of the Council of Europe, I warned the Assembly seriously against giving in to fears that Europe would suddenly be reduced to poverty, should trade negotiations not continue in the same way as they had begun.

I am grateful to M. Czernetz for drawing our attention to the fact that we have already solved quite a number of problems and have thereby opened up new prospects of negotiation. Such negotiations can be conducted in different ways. Experience has shown us that we shall get nowhere by general negotiations alone.

We can establish a general rule, but this is not enough when we are dealing with a treaty such as the one under discussion. This was apparent at the time of the Rome Treaty.

We have learned something else from experience as well: the need to negotiate and draw conclusions on each sector of trade in turn. This is the method we adopted with the Rome Treaty, and I would recommend its use once again.

Thirdly, in respect of negotiations with other countries I should like to emphasise that it is not absolutely necessary to reach agreement on all points before concluding a treaty.

Thus, at the present time, the European Commission is still continuing negotiations on tariffs for a long list of products. Which means that even the Rome Treaty has not provided all the necessary answers. I feel that we should not try to be too protectionist in our talks. Despite my partiality for a certain amount of economic control, I am liberal enough not to urge that all these problems should be solved beforehand. There is a well-known saying: "There's many a slip 'twixt the cup and the lip"; the same is true of this kind of problem.

I should like to make one last point concerning the negotiations which are about to open.

I should like the European Commission, the Governments of the Six and the Maudling Committee to tell us what other valuable lessons can be learned from the experience gained through the elaboration of the Rome Treaty.

During the laborious negotiations which preceded its signature the famous Spaak Report was published. This was a preparatory report which did not bear the signatures of the Governments but made its mark on public opinion, so that everybody was able to get an idea of the problems at stake and of the aims being pursued. When they came to make their decision, the Governments were thus able to take into account the tide of opinion in their respective countries.

Similarly, I feel it would be a good idea to publish a preparatory report now and then appoint a committee like the Maudling Committee to draw up a treaty.

I am in favour of this method for a further reason. This is that the treaty must not be entirely similar to the report. If we compare the Spaak Report and the text of the Rome Treaty we see that the Treaty differs from the Report on many points, and whole passages in the proposals put forward have been replaced by other conceptions.

If we can proceed in this way, at least there will be a basis for discussion right from the start, and there will be no need to be held up waiting for information concerning discussion in committees, where it often happens that there is a strong divergence of views and no agreement has been reached.

With the help of all the material at our disposal at the present time and on the basis of the views expressed in the course of the talks, which will bring to light any opposition, it should be possible to draw up a report aiming at a form of collaboration which is based on the existence of the Community

of the Six and on the necessity—here I readily agree with M. Czernetz—of lasting co-operation in Europe as a whole.

Mr. President, I have tried to put forward a few ideas and I hope that the Commission of the European Economic Community will be able to put them to some use.

The Chairman. — (F) Thank you, M. Vos.

I call M. Gaetano Martino.

M. Gaetano Martino (Italy) — (I) Mr. Chairman, Ladies and Gentlemen, I am using the opportunity offered me by this very interesting discussion to stress the reasons why the member countries of the E.E.C. consider it impossible to envisage the problem before us purely on the economic plane. In fact, if we were to look at the problem purely on that plane we ought of necessity to recognise that the discrimination of which so much has been said—and so well said by M. Czernetz—does in fact exist—even if in a form and to an extent other than many people say and think.

Mr. Russell stated recently that EEC standards in respect of agriculture also constitute in themselves a form of discrimination. That is probably true. Should it then be concluded that the process of economic unification of Europe which began with what has been called “the Messina drive” is itself a case of discrimination against the other countries of Europe?

In point of fact, from the moment when six out of the seventeen countries already united in O.E.E.C. decided to establish closer relations among themselves, it was evident that a certain differentiation, or discrimination, if you like, was produced between the six countries and the other eleven countries. But the article in *The Economist* which our colleague, M. van der Goes van Naters, has just quoted, stated very clearly that there are two kinds of discrimination. The fact of setting up a new customs barrier is a form of discrimination dictated by a retrograde and certainly a regrettable spirit; but the fact of going ahead

more rapidly in the direction of free trade with some, but not with all, countries is another form of discrimination much less prejudicial than the former and much less regrettable.

It is thanks to the initiative given at Messina, thanks to that economic drive, thanks to that operation of economic unification of some of the countries of Europe that the ideal of a united Europe, which for a long time only existed on the abstract plane, has begun to gain ground in reality. And that we must not forget.

We must not forget that the aim which we set ourselves at Messina to go forward towards the economic unification of the six countries of Little Europe was not an economic aim but a political one. In 1949 the Atlantic alliance was set up; it was the means by which, when the movement of Soviet expansion had already reached its culminating point in Europe, the countries of democratic and free Europe were able to guarantee their security and prevent a war breaking out. And indeed the security of Europe is effectively guaranteed by this Alliance; it is guaranteed (we can and ought to recognise it openly) in particular by the physical presence of Anglo-American troops on our continent.

But it is obvious that if we thought that security ought and could only be guaranteed for ever in Europe by the physical presence of American troops, we ought to arrive at the melancholy conclusion that in the course of those years in which we were straining ourselves to set up efficient instruments to guarantee our security, we were doing nothing else but prolonging the agony of our freedom.

It is, in fact, unimaginable that Europe should for ever be defended by external aid. External aid may be the cause of present security, but the security of the future has to be guaranteed by internal forces, that is to say by new moral, economic and political energy, capable of organising defence against Communism from within. Now, it is the process of unification which is capable of awakening this new source of energy.

That is why, in this post-war period, we have striven in so many ways to move forward to the unification of Europe: it was a question of saving our freedom.

It is pre-eminently a political objective and, if at Messina, on 1st and 2nd June 1955, we decided upon this economic integration, it was only because the attempts made up till then to achieve political unification by direct means had failed; in fact the European Defence Community had been rejected by the French Parliament. Economic unification then seemed to us the means of ensuring political unification. That is what must not be forgotten: the goal that we have been aiming at is not economic; it is political.

That is why it seems to me that in the article to which I have just referred to, *The Economist* uses wise words. It reminds us that when negotiating with a view to setting up a free trade area the British Government had two interests to safeguard, one primary and one secondary. The primary interest was the economic integration of the six countries of Little Europe which *The Economist* calls a great conquest of historic importance.

The secondary interest was to avoid discrimination which would damage the British economy.

That is noble language, a clear vision of the problem and an example which we must strive to follow. We also must, with the same serenity and objectivity, as M. Czernetz has just said, seek a solution in a spirit of compromise. We must seek to associate ourselves with member countries of O.E.E.C. who are not part of E.E.C.

It has been said that the six countries are not the whole of Europe. We are well aware of that! We have always said so, recognised it and that is why, from Messina to Rome, while we were on the long and arduous path of slow and minute negotiations which resulted in the conclusion of the Treaty setting up E.E.C., we always left the door open. At Messina we decided to invite a representative of the British Government and a representative of O.E.E.C. to the Conference of Experts in Brussels,

presided over by M. Spaak. These representatives spoke in the course of the debate and also made their contribution to our work. Then, when we adopted the Spaak report, we decided to make further efforts to get Great Britain, the Scandinavian countries and the other member countries of O.E.E.C. associated with our efforts for integration. And then later, in Rome, as M. Hallstein reminded us this morning, we decided to leave the door open, as is shown in the Treaty setting up E.E.C.

If we have done all that, it is precisely because we know that it is in our common interest to endeavour to promote unification on a wider plane. And it is precisely because we recognise that this effort towards integration taken by these countries of Little Europe is only a starting-point and not an arrival-point that we are ready to accept economic sacrifices to obtain the realisation of the free trade area.

We shall accept economic sacrifices but we shall not accept political sacrifices. No one can ask us to repudiate our common trade policy, no one can ask us to repudiate our common external tariff, because they are both the means of arriving at an economic unification which ought to be the primary condition and instrument of political unification.

That is why it must be recognised that, if the European Community cannot be autarkic, no more can it be anarchic. It must not be, and it has no wish to be, autarkic: M. Hallstein told you so this morning, with the full weight of his authority. An economically integrated Europe, the Europe of Messina, wishes to be a liberal Europe.

That is shown by the very structure of the Treaty, a characteristically liberal structure.

It is our business to affirm and to guarantee the principle of freedom, as freedom seems to us an essential instrument of economic progress; we have endeavoured to safeguard the rules of competition and to prevent the formation of trusts or monopolies.

We have set up an external tariff. That is natural. But who is the free trader who, in our days, would wish to see the abolition of customs barriers which protect him in a world where the barriers of others are left standing? The ideal of every free trader is obviously to attain effective free trade, that is to say, an abolition of *all* barriers between *all* countries in the world.

But that is impossible as long as all countries are not in agreement on this subject and as long as some of them keep their own barriers. What ought to count is not the existence or the absence of an external customs barrier, of a common external tariff, nor the level of customs duties (and we have done all we can to set as low a common external tariff as possible). What ought to interest you is the manner in which it is intended to apply this common external tariff. M. Hallstein gave you the answer to that this morning: it is to be applied in a liberal spirit.

It is in this liberal spirit that the relations between the Community and the outside world should be ordered and, in particular, the relations between the Community and the countries which belong to our own European world, I mean the other member countries of O.E.E.C.

I have said that the Community can be neither autarkic nor anarchic. We realise that there are reasons of an economic character that prompt other countries, and at the same time we would like them to understand our motives, which are of a political character.

We cannot abandon the instruments of total economic integration, which in our opinion, are essential and necessary for reaching automatically political unification, the constitution of the United States of Europe. That is what we cannot and will not abandon. Could we in order to live, renounce the very reasons for living, *propter vitam vivendi perdere causam*? Obviously not! We could not accept it, we could not suffer it.

The Chairman. — (P) Thank you, M. Martino.

I call M. Hermod Lannung, the last member down to speak.

M. Lannung (Denmark) — I should like to make only a few brief remarks at this late stage of the debate. First, I should like to associate myself with the main features of the speech of my distinguished Scandinavian colleague, M. Heckscher. I want particularly to draw attention to what he said about the entrance fee and to point out that, not least, a country like mine has to a great extent paid this fee in advance. This is true, as we are the low tariff country *par excellence* in Europe and have freely opened our frontiers to the import of industrial products from the Six to a degree several times greater than our corresponding exports to the Six.

Above all, I should like to stress that I think it is of paramount importance that a satisfactory solution with regard to a Free Trade Area— or, if you prefer the words, a European Economic Association—a solution comprising agriculture as well as industry, should be reached as soon as possible, at least within a reasonable time.

Belonging to the country which has the largest foreign trade *per capita*, you will understand that it means almost life or death for us, economically speaking, to have access without discrimination—or something which amounts to the same thing, if you do not like that word—to the Common Market as well as to our Western markets. We have heard with great interest from Professor Hallstein some indications of the basis on which the Commission envisages elaborating its proposals for an association with the other OEEC countries. We are pleased that they are to be liberal, multilateral and evolutionary so that the economic order which, for geographical and political reasons, exists in Europe, and is bound to exist, would in no way be jeopardised, but, on the contrary, would form solid and durable foundations on which to build future relations between European countries.

I should like to ask Professor Hallstein and his colleagues whether they do not intend to consider the possibility of extending, for instance, the 3 per cent rule to the other OEEC countries. Needless to say, it would be essential for my country that our

main agricultural produce, such as butter, should be admitted to the Common Market on terms equal to those that apply to other suppliers of that market, such as Holland.

It would be a great misfortune and a tragedy of historic significance if the result of the European Economic Community should be that, instead of the greater unity for which the Council of Europe stands, we end in a most unhappy state of split and division in Europe. I appeal to our friends in the Community not to let us run the risk of this tragedy, which would be to the detriment of the whole of the free world.

The Chairman. — (*F*) Thank you, M. Lannung.

No one else is down to speak in the general debate on questions concerning the Common Market and the European Economic Association.

I call M. Rey to speak on behalf of the Commission of the European Economic Community.

M. Rey (Belgium). — (*F*) Mr. Chairman, Ladies and Gentlemen, I am to reply to the debate we have just heard on behalf of the Commission of the European Economic Community.

I should, however, first of all like to express my pleasure at returning here: as I was a member of the Consultative Assembly of the Council of Europe in 1949 and 1953, I am especially glad to have this opportunity of again speaking in this Chamber.

I recall another debate on the Free Trade Area, held by the Council of Europe in September 1957, which I had the honour of being invited, as Belgian Minister for Economic Affairs, to take part in, together with Mr. Reginald Maudling, who a week before had been appointed Chairman of the Committee we know so well. I should also like to say how much I have always appreciated the moderation and objective nature of the statements made here and of the reports placed before us.

Before to-day's debate, I re-read most of these documents to

refresh my memory on what has been said by the Assembly, in its Resolutions and in the many reports prepared by MM. Hay, van der Goes van Naters, Leverkuehn and others.

As I have just said, I was struck by the moderate tone of these documents and by the efforts of their authors to bring about a better understanding of the situations which we are respectively called upon to face:

It is only natural that in this connection I should pay particular tribute to our colleague Mr. Hay, whom I have had occasion to meet in other circumstances.

I admire not only his moderation but also his courage, particularly when, last November, the Maudling Committee broke off its negotiations, to the great disappointment of the British public. Harsh words were uttered at the time; Mr. Hay did not hesitate to put pen to paper to urge the British public to take a more objective and reasonable view of the difficulties which had led to the breakdown of the OEEC talks in Paris.

The statements made this morning by our three Presidents and our Rapporteur, M. Furler, must have given you the assurance that the European Economic Community is well under way; that its institutions have been set up; that work has been started in every sector designated in the Rome Treaty; that the Overseas Territories Development Fund, too, has set to work; that the plans of the European Investment Bank and the European Social Fund are already under consideration; that an agricultural conference has been convened to enable a common agricultural policy to be worked out; lastly, that the deadline of 1st January, 1959, for the entry into operation of the Common Market has been respected and that as a result the great ship laid on the stocks three years ago has now been launched on her maiden voyage.

These, it seems to me, are the first conclusions to be drawn from the debate.

A less clearly defined question was dwelt on by members

from countries outside the Community. I shall reply briefly to this question, which is that of future economic relations of the Community with other European countries and how far they will be pursued on a liberal and co-operative basis. As we come to the end of the debate, two or three things must be made clear in replying to the questions raised.

This is not the best time for a debate on provisional measures or on fundamental solutions. We are between one meeting—that of 15th December—of the OEEC Council of Ministers, which went badly, and the next, due to take place on 30th January, which we hope will be useful.

With regard to its background, this debate is being held between the suspension at the middle of November of the Maudling Committee's proceedings and the announcement of our Commission's proposals, which is to be made on 1st March. I must, however, point out that if Assemblies never sat between important meetings, they would never meet at all. Whatever the date chosen, therefore, we must accept it.

What is to be said about the provisional arrangement? Just this—that we in the Common Market Commission have always held such measures to be absolutely essential. Before the end of 1958 we were already convinced that in such a short space of time there was no possibility of solving all the political, economic and technical problems entailed in setting up a free trade area or European economic association, of embodying the results obtained in or of getting it approved by the Governments and ultimately ratified by the Parliaments.

At O.E.E.C. in July, the Commission was very surprised at the rather cool reception given to our proposals by the Governments of the eleven countries which are not Members of the Community.

Though the response was courteous, it was in effect most chilly. Ten of the eleven Governments—I pay tribute to the Austrian Government, which, I thought, showed better understanding of the situation at the time—replied that they were

not in the slightest interested in interim proposals and that the only point with which they were concerned was the final settlement.

Your Assembly, composed not of members of the Governments concerned but of back-benchers, appears to me to have taken a much more realistic view of the situation. Whereas in Paris in July the Governments were telling us: "The provisional arrangement does not interest us", your Assembly, in its proceedings from July to September, repeatedly favoured a provisional arrangement and urged that this procedure be followed. In your Recommendation of October, you encouraged us to continue our efforts.

I think that the Consultative Assembly, as on other occasions, thereby showed a far-sighted understanding of the course of events.

There should be little need for me to repeat, after the speech this morning by the President of the EEC Commission, M. Hallstein, we have never regarded the provisional settlement as foreshadowing the final agreement. Its purpose is to ease a somewhat difficult situation, and show the good will of the Commission and the Community, without in any way compromising the final principles.

In the provisional arrangement, our Community abandons none of the principles on which it was founded; nor are our OEEC partners asked to abandon the positions they have held up to the present. We simply wished to ease the situation. The measures which may be considered as provisional must—I repeat, after what M. Lannung has said—not be confused with what is finally arranged.

These measures were discussed on 15th December in Paris, by the Council of Ministers of O.E.E.C. On the whole, our partners found them inadequate. They thanked us—not very warmly, it is true, somewhat to our disappointment, but they did thank us for taking them, and asked us to supplement and improve them.

The matter is now being debated among the Six and among the Seventeen. It will be discussed on 30th January; but, as I think that the final arrangement is the more important, I shall now do no more than express the hope that an agreement on the provisional arrangement will be reached within the next few weeks.

The fundamental question is the most important. Agreement was not reached in the Maudling Committee—for reasons which I hope are clear to everyone, for it is only if they are clearly understood that there can be any prospect of success in the future. After this setback, it was decided to make a fresh start, and our Commission was instructed to submit new proposals by 1st March. We have worked hard since the decision of 3rd December, and I think I can assure the Assembly, as I did our European Parliamentary Assembly a few days ago, that our proposals will be submitted on the date fixed.

It is difficult for me to tell you now what they will contain, for during the next fortnight we are to discuss them with the members of our Community.

In the first half of February, we are to discuss them with those among the Nine or the Eleven who so wish. When we have completed this general review, our proposals will be put into their final shape.

In any event, after what M. Hallstein said about them this morning, it can be stated that they will be liberal, multilateral and adaptable to changing conditions; they will provide the foundations not of a hard-and-fast system, but of an institution capable of making steady progress towards greater international solidarity in the economic field.

In that case, Ladies and Gentlemen, if we wish to come to an understanding, since the problems will still be there, how far will our proposals help us to reach agreement once they are known?

Our success will lie wholly in the extent to which we strive

to understand the point of view of our partners. As spokesman for the Community—and I am not the first to do so today—I would ask those States outside the Six to try to understand us; and I shall tell you in a moment what, in my view, we must do to try to understand those who are not Members of our Community.

We ask that our position be understood. Though, as I said just now, the Consultative Assembly at Strasbourg has always appeared fully conscious of the significance of a new six-Power Community, in Paris, during the OEEC discussions we more than once had the impression that there were people who had little desire to see our Community succeed; some, at all events, who would have preferred to see it dissolved among the Seventeen, like a lump of sugar in a cup of coffee, as one of my colleagues on the Commission put it.

It is not surprising that the Six are not prepared to agree with this view.

After M. Hallstein and other speakers from different regions, political parties and countries of the Community, there is no need for me to repeat why we hold so firmly to it.

I must, however, point out that our Community has been the driving force behind all the progress achieved over three-and-a-half years in getting the public and Governments to support the liberalisation of trade.

Why are we talking about Mr. Dillon's proposal today? Why do we talk about a free trade area? Why did we succeed in achieving convertibility? Because six Governments met on 6th June 1955, three-and-a-half years ago, at Messina, and decided to undertake the great political "drive" of which our Community is now the outcome.

The great effort made has prepared the ground for all that has followed. Following upon the European Coal and Steel Community, instituted in May 1952, the European Economic Community has been the true driving force in liberalising trade,

both within and outside Europe, with a rapidity for which there has long been no precedent.

In this connection I pay tribute to the men responsible for this great "drive", two of whom are with us to-day in this Chamber; namely M. Gaetano Martino, then Italian Foreign Minister, who welcomed the promoters of the Common Market at Messina, and Professor Hallstein, at the time German delegate and today President of our Commission.

Let it be understood that there can be no prospect of reaching agreement with the Common Market unless all that the Common Market implies and has entailed, and how fundamentally important it is both to itself and for the liberalisation of world trade, are fully realised.

I believe that we members of the Common Market organisation should try just as hard to understand the difficulties, misgivings, hesitation and requests of those outside the Six, and above all of our European partners.

M. Hallstein said this morning that I have special responsibilities in respect of the external economic relations of our Community. Allow me, therefore, to stress this aspect.

I sometimes feel that our partners, at all events those not so large as the British Commonwealth, find themselves somewhat in the position of people living in a small house who suddenly see a great building of six stories going up next door. They look at this fine building with a certain amount of anxiety and wonder whether they are not going to be deprived of a little of their sunshine; they are afraid of the soil shifting; of cracks appearing in the walls of their house and of the inconvenience they may have to suffer.

These misgivings are only natural, and our Community must always be willing to pay heed to them. Bearing this in mind, what reply can we make to the misgivings expressed in some quarters?

The first thing that can be said in reply is that we are firmly convinced that the Common Market will of itself lead to economic expansion in Central Europe; it will benefit not only the Six but also all countries adjacent to them. We believe that any form of growing economic activity in one part of the world is bound to be of benefit to the world as a whole.

This is also borne out by the Benelux experience referred to just now by my fellow-countryman, M. le Hodey. Benelux, which is, after all, a common market on a small scale, has shown that though, during this period, its internal trade considerably increased, its foreign trade did not decline, but improved. We may therefore expect that the expansion resulting from the Common Market will more than make up for any slackening of activity which may become apparent in this or that sector of our neighbours' economies.

Let me say, moreover, that, if ever we were to find that in this or that area of Europe the Common Market had really given rise to difficulties or led to a decline in the flow of trade in a particular country or economic sector, we must be prepared to take the commercial measures necessary to prevent the situation from becoming chronic. Customs procedure provides numerous ways and means of settling difficulties of this kind. It is quite clear that the Common Market could not just ignore difficulties in neighbouring countries, especially in those where the industrial or agricultural situation gave grounds for concern.

When I think of the difficulties of Danish agriculture—and we have often discussed these with the Danes during the past year in a joint effort to find ways and means of resolving them—when I think of Switzerland, which exports more than a third of its production to the Common Market, and Austria—which exports about a half of what it produces to the Common Market—it is quite obvious that we must understand, as indeed we do, the sacrifices which must be made by the Governments of these countries; we must realise that we cannot remain indifferent or refrain from taking appropriate measures to alleviate any difficulties which they might eventually be seen to experience as a result of the Common Market.

We have the means to remedy this situation; our Community is fully prepared to do so, and the matter will be given full consideration in our proposals. It is not enough, however, to foresee how the Common Market might prove detrimental to its European members, for the Market can also provide them with benefits which they are unwilling to forgo.

After giving careful study to this aspect of developments arising out of the Common Market, we decided within our Community to found a European economic association. We could very well not have done so and have left things as they were, but we did not consider this economically advisable.

This view was held by our Governments even before the Common Market came into force. Let me recall three dates: the first, March 1958, when our Commission, then only a few weeks old, announced that it was in favour of a European economic association; the second, 27th June 1958, when our Assembly adopted in this Chamber a resolution which you subsequently noted and appended to one of your reports; lastly, and much more recently, 3rd December last, three weeks after the setback to negotiations in the Intergovernmental Committee in Paris, when the Council of Ministers of the Community once again announced that it was determined to conclude a European economic association on a multilateral basis.

I think therefore that this attitude may, of itself, be considered as most reassuring, even though the final terms are not fully known or negotiated and accepted.

While congratulating M. Hallstein on his speech this morning, which dealt with our Commission's intentions as a whole, someone put the question "Though you are a liberal, it is true, will your liberalism in fact go beyond feelings and words?"

In answer to this we can point out, among other things, that the texts of the plan would compel us to be liberal even if we did not intend to be. That does not worry me very much, but the whole purport of our Commission and Community, and the

Treaty's terms, both in the preamble and in many articles, especially the Declaration signed at Rome on 25th March 1957, appended to the final text, all confirm our intention of carrying out a liberal policy of co-operation with non-Member States, particularly the European countries in their own organisations.

When our Commission had to define the broad lines of its policy for the first time, at the opening of the Parliamentary Assembly of the Six on 20th March, our President announced a programme which was welcomed everywhere outside the Six as most encouraging.

Thirdly, in the circumstances I have just outlined and through unequivocal decisions, we announced that we were in favour of what was then called a free trade area or, now, a European economic association.

Fourthly, our Community was in favour of provisional unilateral measures, not necessarily reciprocal. Not only did we propose such measures; we put them into effect on 1st January 1959; they are therefore more than a declaration of intention; they are facts.

Lastly, the Stresa Conference held to determine the broad lines of common agricultural policy—unprecedented in the history of agricultural meetings—was concerned not only with the development of agriculture within the Community, but also with that development through foreign trade, especially in Europe.

At O.E.E.C. we tabled a memorandum on agricultural policy; it still reflects our intentions and future policy, despite the suspension of the Paris negotiations.

Ladies and Gentlemen, some people tend to be a little suspicious and say to us: "Is everyone in your Community liberal? Can you claim to speak on behalf of everyone? Are there not some among you who are strongly protectionist?" To that I would say two things.

In the first place, I cannot think of any country which can

call itself wholly liberal in every respect, where there is not in it economy some sector enjoying special protection.

I could give you examples inside our Community and elsewhere. Sometimes we see Ministers for Economic Affairs—I was one myself—making good speeches on liberalising trade, while their Ministers for Agriculture are much more reserved.

This happens both in the Community and outside it, in the United States and elsewhere. When it is a matter of marketing their products throughout the world, some people are very liberal, but if it is a question of foreigners setting up business in their country, whether it be in industry or commerce, they are much more reserved.

Let us be honest with ourselves. We all have some protectionist foibles. Who among us can with a clear conscience claim to be an example to everyone else?

So much for my first comment.

My second point is this—and let us speak plainly since it concerns France: it is not for me to defend the policy of any one of the Six, but I can assure you that our Community is at pains to ensure that they shall all be treated fairly. We never allowed, and we never shall allow, our Community to be divided on the ground of an alleged distinction between the just and the unjust, between the good and the bad, between those who have a case and those who have not. We have never tolerated this since the Community was founded and we do not intend to do so in the future. We have always found particularly distressing allegations of disagreement within our Community. Our Community has both its strong and weak points; it has its large countries, its medium-size countries and its small countries; it has its flourishing sectors and its less flourishing sectors. It is man-made, with the virtues and the failings of human nature; but its Members must at least be at one in their determination to stand together.

Since we are concerned more particularly with French policy, I may tell you that during the four years I was Belgian Minister for Economic Affairs, that is from 1954 to 1958, I often had to contend with French protectionism. This is a fact, and I do not think the struggle is as yet completely over for my successors.

When, however, I consider that within the last two years, France, which has been traditionally protectionist for generations, agreed to sign the Rome Treaties and to fulfil the obligations ensuing therefrom; that this great country has liberalised its trade, not only to the extent of 82 %, as formerly, but to the extent of 90 %, thus putting herself on the same level as the boldest among us; that she has accepted the provisional measures of economic liberalism jointly agreed upon at Brussels on 3rd December 1958; when I think of all this, I wonder whether in such a short time any of us has done more, and whether it would not be wise to allow our partners a little breathing-space before calling upon them to make fresh efforts within the framework of the final treaty arrangements.

Just now my fellow-countryman and ministerial successor, M. Duveusart, recalled the battlefields which are landmarks in the history of our countries and unhappily, too, within a small area not far from where he lives.

He made us pause and think of the situation. I should like to put before you a second picture which to my mind provides the real answer to the first.

I refer to the European ceremony which I attended in Liège—in our home town, Mr. Chairman,—in July 1958, six months ago.

On the steps of the Liège Town Hall were gathered together the burgomasters and mayors of six large towns in the Community which had completed their European “pairing”. There was the Burgomaster of Rotterdam, which suffered appalling destruction from German bombing on 10th May 1940; the Burgomaster of Cologne, which was very heavily damaged by allied bombs, the

Mayor of Turin, the Mayor of Lille and the Mayor of Esch-sur-Alzette, towns which had suffered the hardships of occupation, and the Burgomaster of Liège, which, during von Rundstedt's offensive in the Battle of the Ardennes, was so severely damaged by the flying bombs. To see the Burgomasters of these six cities shaking hands and taking the European oath together, to hear them say that such European wars were civil wars and must never be allowed again to take place, and that new foundations must be laid for a united Europe, all this appeared to those of us who have been in European politics a long time to be truly symbolical. These men showed us that our Community nurtures great hopes which we have no right to disappoint.

But we are not the whole of Europe, nor do we represent all Europeans. It is because we do not claim to be the whole of Europe that we are here; it is because we are only a part of Europe that the Consultative Assembly of the Council of Europe and our European Parliamentary Assembly meet in this Chamber; that we discuss our problems and are determined to ensure co-operation between our Community and the other members of the European family whom we have met here for several years past.

Mr. Chairman, the Consultative Assembly of the Council of Europe, which during its brief history has been the prime mover and driving force behind many great undertakings, as it will be behind many others, set out solely to compel Europeans to compare their points of view, to find out what their partners think and to make sure that what they do is understood elsewhere and will have not harmful, but only beneficial, effects. If it is quite clear that when our Community meets here it does so with the conviction that what it is doing must, before being accepted, be acceptable to the other European partners—if the only purpose served by the Consultative Assembly was just that, I think it would completely fulfil the hopes placed in it ten years ago by the people of Europe. (*Applause.*)

The Chairman. — (*F*) Thank you, M. Rey.

You will have noticed that I did not interrupt you, although time is getting very short, and I apologise. This is not so much

because you paid moving tribute to our home town, a living symbol of European unity, but because you have made a very fine speech on which, on behalf, I am quite sure, of all members, I should like to extend to you once again our very warm congratulations. (*Applause.*)

5. Time and Orders of the Day of the next Sitting

The Chairman. — (*F*) I see that no one else wishes to speak.

May I remind you that no voting will take place at this Joint Meeting of members of the European Parliamentary Assembly and the Consultative Assembly of the Council of Europe?

The debate on questions concerning the Common Market, and the European Economic Association is therefore closed.

Tomorrow, Saturday, 17th January 1959, beginning at 10 a.m. and, if necessary, 3 p.m. there will therefore be held:

the second part of the debate: questions relating particularly to Euratom;

the third part of the debate: questions relating particularly to the European Coal and Steel Community;

the fourth part of the debate: questions relating particularly to the activity of the European Parliamentary Assembly.

Does anyone else wish to speak?

The Sitting is closed.

(*The Sitting was closed at 7 p.m.*)

SECOND SITTING
SATURDAY, 17th JANUARY 1959

IN THE CHAIR, M. FERNAND DEHOUSSE

**President of the Consultative Assembly
of the Council of Europe**

The Sitting was opened at 10 a.m.

The Chairman. — (*F*) The Sitting is open.

1. Apologies for absence

The Chairman. — (*F*) MM. Motz, Marius Moutet, and Legendre have apologised for not being able to attend this Joint Meeting.

2. Orders of the Day

The Chairman. — (*F*) The debate this morning will be on the following subjects:

- (1) Euratom;
- (2) the European Coal and Steel Community;
- (3) the European Parliamentary Assembly.

The list of speakers is at present as follows:

on Euratom : MM. De Geer, Rapporteur, and Santero;

on the European Coal and Steel Community: M. Czernetz, Rapporteur;

on the European Parliamentary Assembly: M. Strasser, Rapporteur, MM. Santero and Sener.

Perhaps M. Furler's name should also be added, as he will no doubt wish to reply to the speeches?

M. Furler (Germany). — (*F*) Yes, Mr. President, I should like to have my name put down.

The Chairman. — (*F*) I shall be glad if those Representatives wishing to speak, who have not yet put their names down, will kindly do so by 11 o'clock.

If we are brief and to the point, we can avoid sitting this afternoon, but to achieve this I must be in a position to make suitable arrangements for the debate. I should, therefore, be informed by 11 o'clock of those who wish to speak.

3. *Euratom*

The Chairman. — (*F*) In the debate on Euratom, pending the arrival of the Rapporteur, M. De Geer, I call M. Santero.

M. Santero (Italy). — (*I*) Mr. Chairman, Ladies and Gentlemen, I particularly want to congratulate M. Medi on his clear, concise and well-documented Report, as well as the whole Executive of Euratom for the fruitful work they have accomplished during their first year's activity.

It is certainly due to this work of the Executive that the Council of Ministers of Euratom was able to fix the basic standards for the protection of the health of workers in the

nuclear sector and for the protection of the general public from the dangers arising from ionising radiations.

The application of basic standards can thus be ensured at an early stage by legislative provisions which the national parliaments of all the countries are called on to adopt to that end. Let us hope that these standards will be applied uniformly in all countries of the Community.

According to what M. Medi told us yesterday these basic standards will also be applied in the other OEEC countries; moreover, the agreements which have been concluded with the International Atomic Energy Agency of the United Nations make it appear that they will also serve as a basis for the provisions adopted in the other countries of the world. We are very glad to hear it. But there is another problem which requires our closest attention, namely the problem of safety control. One of the main tasks incumbent upon us is to guarantee our peoples that nuclear fissionable materials will be used in practice only for peaceful ends and that, in any case, as is laid down in Article 77 of the Treaty establishing Euratom, we shall exercise strict control in order that these materials are not diverted from their intended uses, as agreed by their users when they took possession of them.

It is obvious that the public are preoccupied just as much with the control of the use of fissionable materials for peaceful ends as by the measures for the protection of their health against the effects of ionising radiations. It would be useless to make efforts to protect the health of workers in the nuclear sector and of the public in general against industrial accidents and against the likelihood of dangers from radioactive ionising emanations, if, in the end, there is no certainty that this material, which has such a bad reputation, by reason of its original misuse, is subjected to strict control as regards the use to which it is put.

We know that the system of safety control laid down by the Treaty establishing Euratom is as complete as possible in this respect; in fact, owing to the rights of ownership which the Community enjoys, and through the Supply Agency, the

Community can keep a very exact financial account of special fissionable materials, as authorized by Article 89 of the Treaty. And, owing to the right which today belongs exclusively to the Commission, and which will later belong to the Supply Agency of Euratom, to conclude contracts with third countries and outside the Community, it is certain that Euratom can follow and control all movements of nuclear material in the territories of the Community.

That is why the system of safety control provided for by the Treaty is the most complete yet known. We are very satisfied, as is the Executive of Euratom, that the excellence of this system of control should have been recognised on the international plane, as has been solemnly stated in the agreement concluded between Euratom and the United States. If I understand rightly, the Convention on safety control of the European Nuclear Energy Agency of O.E.E.C. also recognises the excellence of Euratom's system of control. I think—and I hope—that the International Atomic Energy Agency in Vienna will also recognise it.

Having said that, I am surprised that yesterday morning, when he had given us all this important information, M. Medi did not indicate what stage had been reached in preparing the body of inspectors who will be appointed for this supranational control which the Executive has to ensure, and that he said nothing more about the regulations that the Commission has to work out, pursuant to Article 79 to fix the compulsory standards which enterprises will have to observe.

I would ask the Executive kindly to give us details on this subject.

Once again I thank the Executive for showing such willingness to establish relations with members of the Consultative Assembly. I have the conviction that we are following, with the same interest and with the same sympathy, the work of Euratom and that of the European Nuclear Energy Agency of O.E.E.C. They are two instruments with complementary but distinct objectives, the Agency of O.E.E.C. being a more flexible instru-

ment for collaboration, based on free consent between member countries of the O.E.E.C. in the nuclear sector and for a limited duration, while Euratom is an instrument for ensuring closer collaboration, unlimited in duration, among the Six.

I should perhaps add, Ladies and Gentlemen, that we discussed last October the First Report of the European Nuclear Energy Agency of O.E.E.C. and that at the close of that discussion we asked the Council of Ministers at O.E.E.C. to urge the Council of Europe and O.E.E.C. to conclude an agreement ensuring the permanence of serviceable and cordial relations—which, in fact, were already established—between the Steering Board of the Agency and our own committees.

Today we are discussing the First Report of the Executive of Euratom with so much interest and sympathy. I hope I may be allowed to make the same request: may these cordial and serviceable relations between Euratom and the Assembly of the Council of Europe be made the subject of an agreement similar, for example, to that which has been concluded between the E.C.S.C. and the Council of Europe.

The Chairman. — (*F*) I call M. Duvieusart.

M. Duvieusart (Belgium). — (*F*) I should just like to remind members of the Commission of a suggestion concerning the desirability of extending its international relations in the field of nuclear energy.

The Commission is well aware of the purpose of my intervention, I merely ask it to take steps to ensure that it will be able to tell us at the April Session what it has done in this field, whether encouraging results have been obtained or whether it has encountered insurmountable difficulties.

The Chairman. — (*F*) I call M. De Geer, Rapporteur.

M. De Geer (Sweden). — I have not very much to add, as Rapporteur, to what M. Santero has said. As a member of the Economic Committee of the Consultative Assembly, I was rather

disappointed yesterday that no one mentioned the E.N.E.A.—the central organisation of O.E.E.C. for the development of nuclear energy. This organisation has done a good deal of good work. I would especially mention the rapid conclusion of the co-operation agreement with the United States of America and the further good progress that has been made in the development of health and security control. We hope that in the near future an agreement will be reached on further matters of collaboration between Euratom and the Council of Europe, as provided in Article 200.

I hope that the E.N.A.A., together with Euratom and other national organisations, will make good progress in the work for the peaceful use of atomic energy.

The Chairman. — (*F*) Thank you, M. De Geer.

I call M. Medi, Vice-President of the Commission of the European Atomic Energy Community, to reply to the speakers.

M. Medi, Vice-President of the Euratom Commission. — (*I*) Mr. Chairman, Ladies and Gentlemen, first, on behalf of the Commission and myself I should like to thank Assembly members, particularly M. Santero, for their remarks about us. This close co-operation between the Assembly and the Euratom executive is most reassuring, and is undoubtedly, the harbinger of ever-increasing and fruitful activity.

In this hall much has been said about the problem of “basic standards,” and here again I must say how much the Commission welcomes the fruitful co-operation of both the Committee and the Assembly. In any case, I can assure you that the Euratom Executive is doing and will do all in its power to ensure that the basic standards are applied as widely as possible, inasmuch as protection against radiation hazards is of concern to every country. These standards should be applied integrally, uniformly, and as much as possible, in organic relationship with the general structure.

For other questions which have been raised, Mr. President, particularly safety measures, the Supply Agency and relations with O.E.E.C., I shall keep within the normal procedure of the Commission and ask my colleagues, who are officially competent to deal with these matters, to reply to the various questions raised by members of the Assembly.

The Chairman. — (*F*) And I, in turn, thank you, M. Medi, and also thank the executive body of Euratom for having taken part in this Joint Meeting during these two days.

I call M. Sassen.

M. Sassen (Netherlands). — (*F*) Mr. President, I should like to reply very briefly to the speeches; in particular, to those of MM. Santero, Duvieusart and De Geer.

First, I must congratulate the Rapporteur, M. Furler, on his detailed and clear report and on the eloquent way in which he opened the debate yesterday.

With regard to the question put by M. Santero, in associating myself with what M. Medi said, I should, first of all, like to thank him for what he has said about the work of the Commission; he very clearly explained why the system of control under the Euratom Treaty is safe, sound and thorough.

Under it a whole series of rights and obligations are vested in the Community and, in particular, in its Commission. These are rights which are not delegated to the Community or its Commission by any other authority. It is clear, therefore, that if a problem of control arises, the Commission must, and does, invoke the Control Regulations laid down in the Treaty. We did this in our negotiations with the United States and Great Britain which, as you know, Mr. President, were crowned with success.

No question of control has yet arisen in our relations with O.E.E.C., but if it did, we should examine the problems involved in the same way and in the same spirit.

In such an event, we are sure of being able to find solutions wholly compatible with the Euratom Treaty.

In reply to M. De Geer I would say that, from the very outset, we established and have maintained excellent relations with the Nuclear Energy Agency of the Organisation for European Economic Co-operation, as moreover recommended in Article 201 of our Treaty.

M. Santero has spoken of the regulations referred to in Articles 78 and 79 of the Treaty as well as of inspection. These regulations are being drawn up and we hope shortly to be able to take the essential measures. The Commission is discussing this, as well as the training of inspectors.

I agree with M. Santero when he says that the Nuclear Energy Agency of O.E.E.C. and Euratom are complementary organisations whose objectives, means and possibilities are different. As I have already said, however, we are most desirous of co-operating smoothly and effectively with O.E.E.C., since we are convinced that such co-operation will help us to achieve very useful results.

You will well understand that it is not for the Euratom Commission to give its views on matters concerning relations between O.E.E.C. and the Council of Europe. That cordial co-operation is already taking place between the Council of Europe and Euratom is borne out by our presence here, our participation in the debates, the fact that we have officially submitted our Annual Report to the Council of Europe, and by all that has been so clearly stated by M. Furler in his report.

I have taken note of the question put by M. Duvieusart. He has not given me a very difficult task, since, being a politician of great experience, he is good enough to have the patience to wait until April for a reply.

I can assure him that we realise the importance and the difficulties of achieving results on the point he raised and that we are all the time bearing it in mind.

In reply to the Rapporteur, M. De Geer, I repeat once again what I have said. We are happy that relations between Euratom and the O.E.E.C. are excellent and we are determined that they shall continue to be so in the best interests of both parties.

The Chairman. — (F) Thank you, M. Sassen.

Does anyone else wish to speak in the debate on Euratom?

The debate is closed.

4. European Coal and Steel Community

The Chairman. — (F) We now come to the debate on the European Coal and Steel Community.

I call M. Czernetz, Rapporteur.

M. Czernetz (Austria). — (G) Mr. Chairman, the Economic Committee of the Council of Europe Consultative Assembly, like the Assembly as a whole, has each year and once again this year, welcomed the chance to consider the Report of the High Authority, to debate it and offer criticisms. This we consider most valuable. The six countries of the Coal and Steel Community not only debate this progress report among themselves and pool their experiences; they also communicate it to "third" countries, the other members of the Council of Europe. I regard this as a symbol of a potential community going far beyond the limits of the Treaty of the Six, the ECSC Treaty. I should like to assure the High Authority that all members of the Council of Europe, including those representing third countries, read and follow the ECSC High Authority's report with the greatest attention. Its latest report gives statistics showing a solid increase in steel production, a most instructive example for all countries. We know that developments on the coal sector have been far less favourable; but we should bear in mind that this latest Report communicated to us deals with a period in which the free world, and especially Western Europe, has felt the effects of the recession and suffered setbacks on the economic front.

In this context, it is of great interest to see how the High Authority has dealt with this situation arising out of current economic conditions. Here, the state of the coal industry is of particular importance. It is common knowledge that there have been unwelcome developments: we know that considerable stocks have accumulated at the pithead. We should be grateful if the High Authority could give us more details on how it could master the situation, and prevent such stock-piling from occurring again. We hope that it will be able to institute a long-term policy to prevent or at least minimise unfavourable developments in the future.

I have a few further remarks to make on the general activity of the High Authority and on certain points in particular.

We are pleased to note that the question of co-operation in transport has been tackled vigorously, and to learn how the question of European water-ways is to be dealt with. We particularly welcome the Agreement with Switzerland, and I think we may ask the High Authority to give close attention to the development of a broad network of water-ways west of the Rhine. We hope that all obstacles may be overcome as soon as possible. Speaking as an Austrian, allow me to express a further hope; I think it would be very much in the interest of the coal and steel industries if thought were given, not only to developing waterway traffic to the west of the Rhine, but also to the thorny problem of transport by water to the east of the Rhine, and of extending the European network of navigable water-ways. Means must be found of linking the Rhine and the Danube, either by constructing the Rhine-Main-Danube system, or perhaps by opening canals to connect the Rhine, the Neckar and the Danube. Linking the Danube, and thereby much of Central Europe, with the West European network of water-ways is in any event a matter of great significance, and we consider that not only the Common Market of the European Economic Community, in a larger context, but also the ECSC High Authority, should take it up.

I hope that the High Authority will be able, in the framework of the European Economic Community, to profit from its accumulated experience in community economics in organising

the market in these two sectors, and also from its general experience in transport, social questions and the labour market. I hope that in its own field it will be able to make full use of its powers and experience. Nevertheless, in this context, I cannot pass over the fact that the reports presented to us yesterday at the Joint Meeting do not entirely satisfy us on the question of cartels. Many questions are left open, questions which still give rise to controversy. This problem, as the High Authority's Report itself admits, is one of the most difficult.

The Council of Europe Economic Committee was glad to learn of the relations of the European Coal and Steel Pool with third countries. There have been welcome developments in this sphere; I am thinking of the well-known agreements with Great Britain, Switzerland and Austria, and of the recent report on the development of relations with Greece.

Although the Six have harmonised their external tariffs, certain outstanding questions still give rise to anxiety. Allow me, not only as an Austrian but also in my capacity as Rapporteur of the Economic Committee of the Consultative Assembly, to raise the somewhat disturbing question of protection in geographical limits. We are not very clear whether reasons of prime importance have meant going so far as to reach the point where serious difficulties could arise for third countries, or whether protection within geographical limits, as claimed for themselves by the Six, has simply meant taking full advantage of the possibilities offered by the Treaty. In Austria, anyway, we feel the effects; they are considerable, and hamper our steel trade with Italy.

Let me say this about prices. In reading the Reports of the High Authority, we have not really understood why the dual price system should still have such important effects. This is something else we do not quite follow; why, in a harmonised Common Market, should there be such wide disparity in internal price levels? As an example, the fact that in steel there can be a difference of 40 dollars per ton between Italy and Germany is, for an outsider, most surprising. Since there is a Common Market with free market conditions, free price movement and

free competition, how is it that between two countries as close as Italy and Germany there can be such a price-gap?

Here let me express our great interest in the fact that efforts to harmonise the external tariffs of the European Coal and Steel Community have successfully resulted in the adoption of a common external tariff.

We feel that the experience of the High Authority in social matters is of immense significance. True, a whole series of questions arises here, of concern not only to the Coal and Steel Community but also to the growing Economic Community. Already, in the coal and steel sectors, especially coal, the question has arisen of industrial conversion and the rehabilitation of the working population.

Who is to pay for these changes? In the Economic Community the question of industrial re-grouping and labour rehabilitation is of even greater significance, and will, of course, be of prime importance in studying and debating a future European Economic Association. We should be most grateful if the High Authority would give us further information on what it has achieved, on its ideas and plans, for there is one point, Mr. President, on which we must be absolutely clear: the financial burden and major difficulties entailed in industrial conversion and labour rehabilitation on such a scale could not be borne by the working population of the countries or areas in question. More must be known on how the burden could be shared out, how the problem should be solved. This is a question of social justice; but it is also to a large extent—we must not underestimate this aspect—a psychological and political problem. The European economy cannot be integrated without the consent of the working population. In this respect we depend largely on the experience and proposals of the High Authority.

In this context, I would refer to a point raised by the Economic Committee in a question to the High Authority. We are interested in its contention that certain differences and divergences in social affairs did not constitute an insurmountable barrier to the creation of an economic community. This is of

great interest because, in the painful negotiations for a European Economic Association or free trade area, the question of harmonising social conditions did, in fact, assume considerable importance. The practical experience of the High Authority has shown only recently that this problem has, obviously, been exaggerated, and that in our efforts to harmonise social legislation this should not be considered a *sine qua non* for the creation of a broader European economic community.

I think that we may conclude from experience and what has been said that free Europe today faces a dual necessity; we must achieve the greatest possible degree of economic integration, while avoiding any new schism. This confirms the conviction we expressed in the Economic Committee, that efforts must be redoubled for the creation of a European Economic Association to include all the OEEC countries. For this reason we ask the High Authority to do all in its power to further this development and achieve a successful outcome to the negotiations.

May I conclude by saying that the experience of the European Coal and Steel Community is of significance beyond the Six, and closely concerns us all in Europe. The setting up of the Coal and Steel Community has not merely been an undertaking of great scope in the field of economics. I feel that it was a great venture, without precedent. The High Authority appears as a form of Government, in a limited sense. The creation of what may be called a new State, in two sectors of the economy, and the search for a new capital, have the elements of an unheard-of venture. As members of the Economic Committee of the Council of Europe Assembly, we were able a few years ago to visit Luxembourg for the first time; there we saw the seed of united Europe, and understood the bold nature of the enterprise. Despite any criticisms we may have made, which we would not try to conceal, we nevertheless congratulate the High Authority and the Six. But we think further progress must be made towards economic co-ordination and integration and the unification of the countries of Europe. We believe that the welcome developments in the restricted Community of the Six and in the larger community of the free OEEC countries must be followed up. I think myself, Mr. President, and here I am

speaking for the Economic Committee, that, all theoretical distinctions in European thought apart, great progress has been made, which in the long run brings us nearer to a truly united Europe, the United States of Europe.

The Chairman. — (*F*) Thank you, M. Czernetz.

I call M. Duvieusart.

M. Duvieusart (Belgium). — (*F*) I should like to say how pleased I am that an Austrian delegate has been appointed to draw up the ECSC progress report. I feel that this choice is not due to mere chance; apart from recognition of the Rapporteur's qualities, it is a symbolic choice, expressing a particular wish.

I think, Ladies and Gentlemen, that Europeans should extend particularly sympathetic consideration to Austria and I venture to say this to the three Executives, each of which can do much in this respect.

I say so first of all to the High Authority, asking that Austria be granted as many as possible of those advantages and contacts, which perhaps she cannot always claim as a right, as she would wish.

Those of you who are members of the High Authority can give special attention to the problems stressed by the Rapporteur as an Austrian. The European Economic Community can show particular consideration for Austria in the negotiations which will take place between now and next March concerning the setting up of a European Economic Association.

As for the Euratom Commission, I spoke a short time ago of my interest in certain external relations; in these negotiations the Commission will be able to urge our common desire to see Austria granted absolutely independent legal status.

When this status has been finally determined, Austria will be able to decide to what extent she is able to participate in our

associations and in our Community. She will be able to decide freely; meanwhile, the theoretical recognition of her complete freedom will test the sincerity of those who, at international level, press for Austrian independence.

A document, the acceptance of which is conditional on Austrian independence, has recently been circulated by one of the Great Powers. The proof of the sincerity of such documents will be the recognition of Austria's right to participate freely in all peaceful European associations such as the Coal and Steel Community, Euratom and the European Economic Community.

Pending this declaration of complete *de jure* independence, I sincerely ask you to give every consideration to Austria, so that she may effectively be associated as soon and as closely as possible with the organisation of the Six.

The Chairman. — (*F*) Thank you, M. Duvieusart.

I call M. Burgbacher.

M. Burgbacher (Federal Republic of Germany). — (*G*) Mr. Chairman, Ladies and Gentlemen, there are a few words that I feel should be said after listening to M. Czernetz's speech. It contained much that was extremely interesting and that we should all be grateful to him for having said. If I understand him rightly, however, he was saying that the various phenomena observable in the coal industry today were the direct outcome of the general economic situation. It is this that I want to speak about, because it seems to me an entirely mistaken way of looking at things. The general economic situation is, mercifully, so satisfactory and the signs of recession, if any, so isolated that, at the outside, 10 % to 20 % of our stocks, which we can use as a yardstick for the position, can be regarded as the result of the economic situation as a whole. For the remainder we must look for other reasons.

The growth in overall requirements of energy is no more than the normal outcome of an increase of about the same order in productivity, a 1 % increase in the latter being reckoned as

involving, by and large, an increase of 1 % in requirements of energy—actually the estimate varies between 0.1 % and 1.2 %. Let us stop to think for a moment. If we take coal as an example of what we call primary energy, then secondary energy will be represented by gas and electricity, while tertiary energy will be the energy consumed by a given factory at its current rate of production. There is a constant demand for increasing rates of production by employing energy which persists even when both the E.E.C. and the O.E.E.C. are trying to increase productivity, reduce working hours, ensure full employment and raise the standard of living, all at the same time. That is why the only thing to do is to develop man's productive capacity by a massive use of energy.

Hence, it would appear that the demand for primary energy, in other words, coal, ought in fact to rise as well; but there are various reasons why this is not necessarily always the case. In the first place, there is the constant improvement in methods of transforming coal into energy. Only thirty or forty years ago, anything from 2 to 4 kilogrammes of coal were required to produce one kilowatt hour of energy; today, the figure is only 400 grammes. What, however, has had the most serious effect on the coal industry has been the improvement in techniques in the energy-consuming factories where the coefficient of loss has been steadily reduced as they have learnt how to make better and better use of the energy employed. Although it may be difficult to grasp at first sight, it is nevertheless a fact that, in spite of the growing demand for tertiary energy—the energy in fact consumed—there can actually be a drop in demand for primary energy. This occurs when technical progress in the energy-consuming factories outstrips the increase in productivity.

We must keep ourselves clear on this point. It is recognised on all hands that the rationalisation of our economy should remain our constant aim, but we have no idea how long the period of transition is likely to last. I call it a period of transition because there is also a limit beyond which no amount of technical improvement can reduce the loss of energy in the consumer factories. Do not let us ever forget that, in the long run,

the most important primary raw material for energy is always coal and this will continue to be the case until, in however many years it is, it becomes possible to replace coal partially at least by nuclear energy or natural gases. The continuing and growing demand for additional energy, however, makes it probable that the coal produced will still, in the end, find a market.

But this must not be taken to mean that we can neglect the short- and medium-term problems. So far, I have been dealing with long-term problems; now I should like to say a few words as to the short-term ones.

Here the situation is aggravated by the general fall in world freight prices and the fact that United States coal is being offered even more cheaply than hitherto, so that the proportion of imported coal on the European market has risen. That is an important point. In all probability, had freight costs remained what they were, the price of imported coal would still have been lower, but not in that case very much lower, than the price of European coal. We cannot just ignore the influence of imported coal on the European market; it means that we must rationalise our coal production and close mines that no longer repay working because the seams are too poor. A little forethought on the part of the directors of the coal industry would be enough to prevent this from resulting necessarily in any unemployment at all. All that would be needed would be to build other transformer plant for coal, oil, *etc.*, *pari passu* with the measures taken to rationalise the coal industry. A relatively small number of workers would be involved so that the matter would not present any unduly difficult problems for our economy with its modern techniques.

A far more worrying question than that of imported coal is oil. For one thing, we have now reached the stage at which, if oil were not available, we could not meet the demand for energy. The price of oil, however, is unreal in that it does not depend upon the size of the demand but upon the prices offered, for reasons of their own, by the big oil companies. I need not tell you that the price of fuel-oil is lower than that of crude oil and I imagine is likely to remain so, as long as demand for

petrol and diesel oil remains what it is at present. Fuel-oil is a necessary by-product of the production of petrol and, at the moment, the market can absorb the whole quantity available. Once however demand exceeds the limits of supply—the limits, that is, of the amount necessarily produced by the petrol-producing refineries—it will become impossible to offer fuel-oil at a price below that of crude oil. This presents us with the awkward question of whether, given the present method of calculating the price of fuel-oil considered as a by-product, we can take the responsibility of closing any of Europe's coal-mines. It is a very serious questions indeed.

May we now glance for a moment at the coal policy of the Six? This is the responsibility of the High Authority, but it cannot be considered only in that light. The import of foreign coal, as well as of crude oil and fuel-oil, has turned coal policy into one aspect of our marketing policy as a whole. The European Parliamentary Assembly has recognised that it forms one element in a highly complex energy policy and that it is hence a matter to be dealt with by the Common Market. Without the help of the Common Market, indeed, we cannot have a constructive energy policy and hence we cannot have a coal policy either.

We see, therefore, in spite of the light-hearted way the newspapers confuse the two, that it is possible to distinguish clearly between long-term and short-term measures. The object of the former should be an energy policy capable of providing German coal producers and consumers with the cheapest possible sources of energy. It is another matter to decide what temporary adjustments are required, over a limited period, to offset the cumulative effect on the coal situation of the various factors I have mentioned. There is no danger of stocks building up in this way a second time; the reasons for the present situation being, let me recall, the rationalisation of our economy, the improved use of the energy available, the importation of low-priced coal and the sale of fuel-oil at prices below those of crude oil. In these circumstances any failure on our part to make the necessary adjustments would provoke a crisis in the European

coal industry which would be quite unjustifiable from the point of view of any long-term economic policy.

It is now the business of the European Parliamentary Assembly, the High Authority, the Common Market and the Assembly's Committee on Energy Policy to examine the repercussions that the creation of a free trade area might have on the energy policy of the Six. This is an additional reason for pressing the Joint Committee and any other bodies concerned to formulate an energy policy for six-Power Europe, in preparation for the second phase when we shall be adjusting our programme to the needs of the free trade area.

I agree with M. Czernetz. The watchword of our work for Europe ought to be fusion, not nuclear fission. The original growth with which subsequent growths must be fused is, as he rightly said, the High Authority. Next came the European Economic Community with its Common Market which in its turn will be followed by the free trade area. In this way the tiny sapling that we have planted will grow into a tree under whose spreading branches we can all find shelter.

The Chairman. — (F) Does anyone else wish to speak in the debate on the Coal and Steel Community?

I call M. Spierenburg to present the reply of the High Authority.

M. Spierenburg, Vice-President of the High Authority. — (F) Mr. Chairman, Ladies and Gentlemen, I shall begin by paying tribute to M. Czernetz. As a member of the High Authority, I am grateful for his Report which conveys to us not only his congratulations but also his criticisms. We are here to give explanations and it is only by doing so very frankly that we shall dispel any misunderstandings or concern that may still exist at this meeting.

First, Mr. Chairman, I shall deal with coal. As Professor Burgbacher has again so aptly pointed out, a distinction must be made between long-term problems and immediate difficulties.

He is quite right to be impatient—and I sympathise with him. We must have a general co-ordinated policy for energy. This policy, entrusted to the High Authority by the Council of Ministers, must be carried out in close co-operation with the other two Executive bodies.

As you know, M. Burgbacher, the Governments must co-operate.

As I said a few days ago, at the Session of the European Parliamentary Assembly, we must have the report from the Joint Committee. It is not yet ready. Every effort will be made to complete it for distribution during the April Session and to include in it the most important aspects of the energy policy.

I agree with M. Burgbacher, but I should like to put more emphasis on competition. Coal must have its proper place in the general co-ordinated policy, because coal will be needed in the future as well as now; it must, however, be realised that the situation has changed, and that coal must compete with other types of energy, so as not to impede technical development in Europe.

In reply to M. Czernetz, I would point out two very important problems; that of American coal—also a long-term problem because Europe, by reason of the imports we foresee, will need American coal, although it gives rise to a number of difficulties at the present time—and the problem of oil.

Atomic energy is a third problem, but that will arise much later and I will deal here only with imported American coal, and with oil, for the next five years.

What, therefore, are the problems due to American coal? In our opinion, the greatest is that of freights and the sudden fluctuations which disturb the Community's coal market.

A way must be found of neutralising this disastrous effect on the Common Market; but American coal, which we need,

must at the same time continue to provide healthy competition for the European Common Market.

As regards oil, discrepancies must be avoided; we must avoid placing oil in a more favourable position, as it has been in Germany, for example, until now. That may surprise you, but it is true. Coal must not be subjected to keener competition than oil.

In this connection, there is no doubt that a difficulty arises in regard to the rules of the Treaty. Coal is subject to rather strict rules of non-discrimination and publication; but, as you know, oil is not. That is obviously a problem which needs to be solved.

For the moment, Ladies and Gentlemen, I cannot say more, as I cannot say what the High Authority's attitude will be towards energy, but I can assure you, M. Burgbacher, that we shall soon be able to put forward proposals concerning this certainly very complex matter.

With regard to the immediate future, I think, M. Czernetz, that M. Finet has already given you in his speech details of the measures we have taken. Our policy is to refrain from the direct application of what M. René Mayer not so long ago called shock tactics.

As is our duty under the Treaty, we have first of all tried to work in co-operation with the governments on the basis of indirect measures; particularly in the spheres of commercial policy and stock-piling.

Commercial policy raises important problems for the future and you have asked us to tell you what action we intend to take to ensure that the present situation does not recur.

To that I reply that we have co-ordinated and wish to co-ordinate the commercial policy of the Six, and that we hope to arrive at a joint commercial policy. It would indeed be inconceivable, M. Burgbacher, that in the Common Market, in the

largest economic Community, a joint commercial policy should exist for all products except coal and steel. That is not possible.

We have, therefore, undertaken to call the Governments' attention to this point, and, as you know, M. Czernetz, producer countries in the Community are on the whole in favour of maintaining a rather protectionist policy and consumer countries, such as Italy, wish to concentrate only on coal imports, which is quite understandable and perfectly legitimate. That is why, during the Schuman Plan negotiations, it was not possible immediately to include in the Treaty the idea of a joint commercial policy.

As M. Finet has told you, we have succeeded in inducing these consumer countries to agree to restrict their imports in such a way that Community coal is delivered to them at the same price as that which they paid when it was in short supply.

Producer countries cannot be expected to give guarantees to consumer countries when there is a shortage and then, when there is a glut and sales are difficult, be told: Thank you very much, but we don't need you any longer because we can obtain American coal more cheaply.

That is why a policy of co-ordination is essential.

I think, M. Czernetz, that, if the Governments had given earlier all the information required, particularly about freights, had sought to co-ordinate their coal import policy sooner than they have now agreed to do, and had known of each other's difficulties, we should not now be faced with our present difficulties.

Those difficulties arose because each country wished to pursue its own policy in implementing the Treaty and was unaware of the difficulties of the others. The situation was realised a little too late. If, in future, the permanent committee mentioned by M. Finet were to be informed of the situation month by month, to enable individual policies to be co-ordinated, diffi-

culties such as those with which we are now faced could be obviated.

If the producer countries are, as M. Burgbacher said, aware of the new policy for energy and realise that competition and prices must be allowed greater play, this will help to solve the problem in the future.

M. Czernetz also referred to a project very dear to my country, and mentioned a few days ago by a Netherlands Representative in the European Parliamentary Assembly—namely the much-discussed Rhine-Danube Canal.

The transport of coal and steel is without doubt a very important problem, M. Czernetz, but it has now assumed vaster proportions, and, as M. Burgbacher said, we cannot handle it alone; it is now more a matter for M. Hallstein. It is a question of transport in general, for which, Sir, fortunately the European Economic Community is now responsible, though that does not mean we have no further interest in it; quite the contrary.

Since you have asked the question, let me say that there is very close co-operation between the two executives. We upheld this arrangement a few days ago in the European Parliamentary Assembly. Let me give you a few brief particulars.

We have not been able to set up a joint department, as it would be difficult to do that between Brussels and Luxembourg, though the idea is good. We have, however, established very close co-operation through officials in Brussels and Luxembourg, so that before any decision on transport is taken, consultations will be held at both administrative and executive level.

At all events, I can assure you we shall do everything possible to co-operate and solve the problems with which we and non-member countries are faced, and to work out a joint transport policy, which the Community certainly needs.

M. Czernetz has called our attention to two very delicate problems, and here, I think, I must speak frankly. The differ-

ence between prices in Italy and Germany is not so great, if we take into consideration the transitional period, after customs duties have been abolished.

He mentioned the figures of 104 dollars and 109 dollars for Martin steel. I frankly admit that all is not yet as it should be in the Community. It would, indeed, be astonishing if there were no further problems.

Admittedly, M. Czernetz, there is the problem of Government intervention. There is no point in hiding the fact that Governments, rightly concerned with their general economic policy in times of shortage, will be worried if prices rise, and there is no doubt that from time to time there should be an exchange of views on these matters between the High Authority and the Governments. Perhaps prices have not always been as free as might have been wished. We have never ceased to hope that things would settle down. I cannot, however, now say that everything has been resolved in this sphere, any more than in that of the extremely difficult problem of cartels.

As you know, we have taken decisions concerning the Ruhr and Cobechar in Belgium. We have also caused the government monopoly to be abolished in the Netherlands; likewise A.T.I.C. (*Association Technique pour l'Importation Charbonnière*) in France. This decision was disputed by the French Government in the Court of Justice. As for the decisions on the Ruhr, they must be extended. I cannot tell you how that will be done, but it is absolutely essential that the system in the Ruhr shall not remain as it is today.

We are passing through a crisis and difficulties must not be allowed to increase. The Treaty was concluded for fifty years. We have so far lived through only six. It is a revolutionary undertaking, but it has not been accepted by everyone. We must work to that end. True, it will take time, but I hope that next year I shall be able to give you more news.

You then spoke of the Tariff Alignment Committee. M. Finet has told you what we have already achieved.

I gather that you are somewhat concerned about the question of geographical protection. I will once again try to explain what that means.

The Treaty contains no clause governing alignment on the basis of geographical protection. On the other hand, it requires the Benelux countries to abolish tariff quotas they were obliged to set up during the transitional period. We asked them, as we were permitted to do, to increase their customs duties from 4 % to 6 % and, on the basis of this rate of 6 %, the other countries have brought their customs duties into line with those of the Benelux countries.

In other words, they were obliged to fix their customs duties at such a rate that no diversion of traffic was possible.

Italy was obliged to take account of German transport possibilities. It was not able to fix its customs duties at too high a figure, but no one can compel it to fix them at a rate as low as it would have liked. The provisions of the Treaty were strictly observed.

I agree with M. Duvieusart that certain qualities of steel raise a problem. The High Authority is fully aware of this. It is a problem not easy to solve and, in any case the High Authority has no power to do so; but let us hope, M. Czernetz, that the time will come when we shall be able to solve the problem.

M. Duvieusart was quite right to say that Austria is in a difficult position and that we must take that into account. This has already been done, M. Duvieusart, since we have concluded tariff and transport agreements with Austria. Our Austrian friends know that. Even though our views sometimes conflict, we have always been determined to solve as effectively as possible problems arising between Austria and the Community.

M. Czernetz has also mentioned the wider problem of operation between non-member countries and the Community. As it has shown in the past, the High Authority wishes to

establish the closest possible relations with those countries. You are well aware of the efforts we made, particularly with our English friends.

As regards negotiations on the Free Trade Area, the High Authority has always taken the view that coal and steel should be included. The governments shared that view. We told the Maudling Committee that the Community, as such, agreed to the inclusion of coal and steel in a treaty of this kind, provided solutions were found for the problems peculiar to these two products with characteristic properties.

The rules of the Treaty setting up the Coal and Steel Community are different from those of other treaties. It is therefore necessary, as I have just said, to find different solutions for these two products; on that everyone is agreed.

The problem is not confined to coal and steel. Both these products constitute an important sector of industry, and it would be very difficult to conclude treaties which did not include them. Better results in the general field must be awaited before beginning more precise talks on the subject of coal and steel.

That being so, I can assure you that any proposal put to us will be given sympathetic consideration and that we shall continue to follow a constructive policy of co-operation with countries which are not Members of the Community. (*Applause.*)

The Chairman. — (*F*) Does anyone else wish to speak in the debate on matters relating particularly to the European Coal and Steel Community? . . .

The debate is closed.

I wish to express the warmest thanks of both Assemblies to the President, Vice-Presidents and other members of the High Authority who have been good enough to give us their very active support during these two days.

5. *The European Parliamentary Assembly*

The Chairman. — (*F*) We now pass to debate on questions particularly concerning the activity of the European Parliamentary Assembly.

The list of speakers is as follows: M. Strasser, Rapporteur; M. Santero, M. Sener and, lastly, M. Furler, who will reply to observations on the report he presented yesterday morning.

I call M. Strasser, Rapporteur.

M. Strasser (Austria) — (*G*) Mr. President, Ladies and Gentlemen, I think I can really speak in the name of all my colleagues in the Consultative Assembly in thanking M. Furler for the very detailed written report which he has submitted to us on the activity of the European Parliament and also for his verbal statement which we heard yesterday.

As Rapporteur of the Political Committee I was entrusted with the task of preparing the reply to M. Furler's written report. The Political Committee discussed this report, and we shall discuss it at the forthcoming sitting of the Consultative Assembly. The members of the Political Committee were unanimous in considering that we ought to be very grateful to the European Parliamentary Assembly for having given us so much thorough information on its activities.

In particular, we hope that following upon this first report which we have received we shall see a period of fruitful co-operation between our two organisations. We also hope that we shall go further than adopting the method at present pursued which consists of presenting a report and replying to it. We can envisage other methods; we have thought, in particular, that in some cases it would be advisable for the different committees of the two Assemblies to establish direct contact among themselves.

Obviously, we are fully aware that the multiplication of sittings and meetings in common can in the last resort only do

harm to the European parliamentary régime. That is why we are not suggesting, in principle, the organisation of regular joint meetings; we are thinking rather of contacts between certain committees on certain definite points.

I do not wish to anticipate the submission of the report which I must make to the Assembly, nor to go into the numerous questions which have been dealt with by preceding speakers who have spoken with much more competence than I could.

I am thinking of the economic questions which arise within the framework of the European Community; I am also thinking of the vast problem of the setting up of a European Economic Association and of the relations between the European Economic Community and that association which, we hope, will soon see the light of day. I should like to emphasise two points—and I must tell you that I am going to speak not as the Rapporteur of the Committee but personally. The two points that I am thinking of seem to me to be extremely important.

The first was dealt with in M. Furler's Report under the title of "The founding of a European parliamentary tradition". That is a subject which, if I am not mistaken, the Council of Europe has already dealt with in a previous sitting of the Consultative Assembly when last year our British colleague, Mr. Kenneth Younger, as a Rapporteur, addressed the Common Assembly of E.C.S.C. On that occasion he remarked upon the increasing influence that political groups are exercising within European assemblies and showed how the different Representatives were becoming more closely identified with their respective groups—of course, within the framework of the national interests which they have to defend—which seemed to him a satisfactory state of things. I hope that this development, this consolidation of political groups within the framework of the Parliamentary Assembly, will continue.

As a Socialist I was very curious to know the position taken up by my Socialist colleagues in the European Parliamentary Assembly on questions relating to trusts and also on the problem of the revision of the ECSC Treaty. I think that on a number of

questions the same thing applies to numerous Representatives of other groups. We are, moreover, very glad that this development is being deliberately encouraged by our colleagues of the European Parliamentary Assembly.

I am anxious to take this opportunity of making a personal remark on a point which is of particular interest to me as Chairman of the Social Committee of the Consultative Assembly. We have every reason to congratulate ourselves that the author of the Report on the Parliamentary Assembly has devoted so much space to social questions. I say so with even greater satisfaction as, a few weeks ago, at a regional conference of the International Labour Office, we had a rather disappointing experience in this very hall when we were dealing with problems raised by the European Social Charter. Today we see quite a different spirit as regards the European Parliamentary Assembly.

Ladies and Gentlemen, in the course of recent years we must all have noticed in this hall that European unity is not a plant—I am taking up an illustration used by many speakers who have preceded me—that can be made to grow by some miraculous drug so that it attains maturity from one day to the next. But, on the other hand, I think that it often happens that we do not entirely realise the profound changes which have come about in the course of these last ten years as the result of the public movement in favour of European unification and also owing to the efforts that Governments have made for European integration. The most circumspect and also the clearest example of this movement in favour of European unity is your Community of the Six. For a number of reasons, full integration on similar lines for all European countries cannot as yet be envisaged; that is, for instance, the case of my own country. It is even more important for us to reach close co-operation in the most varied spheres and, naturally, on the economic plane, in particular. In this question I think that the opinion of all the Governments concerned and the opinion of the public in all our countries are in agreement.

It is true that in order to reach this goal a long road lies ahead of us; but for that reason we must do all we can to

strengthen the ties that bind together the members of the European family. We need to see a consolidation of the internal structure of Europe, and that consolidation can come about by the co-operation of the different political groups which we have in Europe, by the reinforcement of their internal bonds and finally, by the establishment and development of a really European parliamentarianism, built up on the activity of European political organisations. It is certain that in the Consultative Assembly we shall watch this aspect of the life of the European Parliamentary Assembly very closely.

That is the first point on which I wished to make these short remarks.

The second point which I intend to raise is the problem of the external relations of the Community of the Six with the under-developed regions of Africa and Asia. We know that two important conferences have recently taken place, one at Accra, the other in Cairo. The theme of the Accra conference, which was held last December, was the development of a community consciousness among the African peoples. It was clearly shown that the African peoples really wished to do in Africa what we are doing in Europe as Europeans. My opinion is that as long as we fail to understand that African unity is the supreme goal which the African people are seeking, all efforts on our part to establish a lasting understanding with them is doomed to failure. I would even go as far as to say that the important ties which have existed up to now between Europe, on the one hand, and Africa and Asia, on the other, ties similar to those which unite the British Commonwealth of the French *Communauté*, can only be fruitful if Europe adopts that fundamental attitude which I have just mentioned.

The second conference, that of Cairo, the Afro-Asia Economic Conference, brings us up against the same problem, that of the relations of Europe with the poorer countries of the world. It was organised by the Chamber of Commerce of the United Arab Republic on the initiative of 25 Asiatic and 13 African Chambers of Commerce. I do not wish now to speak about the represen-

tative character of that Conference; the fact remains that the resolutions that it adopted are very significant. In particular, the Conference decided on the preparation of an Afro-Asiatic Economic Organisation. It decided on the extension of trade agreements between Afro-Asiatic States on the basis of the most-favoured-nation clause. It decided to set up an association of producers of cotton, rubber, tea and other primary products. It decided on setting up a fund for economic development and investments, *etc.*

One of the principal themes of this Cairo Conference was the examination of the repercussions—which were considered baleful—that the setting up the European Common Market would have on the Afro-Asiatic States who were taking part in the Conference.

What is the lesson which we can draw from this? It is perfectly clear that the very minute and sometimes even very hostile manner in which these peoples have examined European institutions is having its effect on the most recent European creation, I mean the Economic Community of the Six. In that respect we are obliged to notice a really pessimistic attitude among the peoples and the leaders of Africa and Asia.

This pessimistic discussion which the peoples and the leaders in Africa and Asia were engaged on refers to two different spheres. The first is a purely economic one. We have noticed it not only in these two conferences; we have also seen a reflection of this spirit, the existence of which is beyond doubt, in the meeting which G.A.T.T. held in Geneva last November. We realize the considerable fear which the new European Economic Community has engendered in these peoples and these States. Their apprehension is principally explained by the fact that the countries not associated with the European Economic Community feel exposed to a considerable risk—and I must say that as an Austrian I understand perfectly well this feeling—the risk of seeing a substantial part of their foreign trade in the Community area undergoing a considerable reduction and even completely disappearing, the moment when the Community, as these coun-

tries fear, re-exports an increasingly large volume of its purchases of raw materials into the countries associated with it.

I do not wish to go into all the details with regard to these fears. I do not think that anyone can foresee in which particular sectors and in which particular countries very considerable difficulties will arise. But we must realize that we have a common interest in forging amicable links between Europe and the new countries of Africa and Asia; this is the only way to solve the practical problems of economic policy which will arise and it is the only way in which we shall find solutions which will enable the growing economic prosperity, which we desire for the Community and which we desire for the whole of Europe, to be extended to the countries not directly associated with the Community. If the progress of the associated countries were achieved to the detriment of non-associated countries, we should be paying dearly for it, very dearly; perhaps too dearly.

The other sphere in which this pessimistic and hostile examination in Africa and in Asia of which I have spoken is exercised is that of the policy and the attitude of Europe in general. On the political plane the dangers threatening Europe as a whole are immense. In fact, Africans and Asiatics are not only anxious about their trade relations and the future development of their economic relations with Europe; they are just as anxious about the political climate in which their countries may continue to develop, economically and politically. It is quite certain that the political evolution of the Afro-Asiatic countries is towards independence, full and complete independence. Quite recently we have seen that in one region of the black continent, in the Belgian Congo, where it was thought that all was quiet and would always be so, a movement similar to that which we have seen in other African countries has broken out.

I think that in their progress towards independence these peoples do not intend to jeopardise their friendly relations with the countries of Europe. We must help them to maintain that position. It is up to us to create the climate in which they can follow this path. I think that my colleagues will agree with me

when I say that one of the tasks of European parliamentarianism is precisely this—to make its contribution towards creating this climate. It is a task incumbent on all parliamentarians but it is particularly a task of the parliamentarians of the six Member States of the European Economic Community, and more particularly still a task of the Representatives who sit on the European Parliamentary Assembly. It is their special concern to work for the creation of this climate.

But, on the other hand—and this is the other aspect of the situation—we must endeavour to arouse in Asia and in Africa an understanding of the transformations in the European scene in the course of these last ten years which are taking the direction of an ever-growing movement towards European unity. Once the African-Asiatic countries have attained, in the fullness of time—and that means as soon as possible—their complete independence, once they know the reasons which have constrained us in Europe where we have had independent states, sovereign States, for centuries, to renounce either partially or wholly our national sovereignties and if they understand the development that has occurred in Europe, we can hope that the day will come when, in obedience to their own free will, they will be supporters of a real community along with the European nations, a community such as we all desire. For the moment we are, unfortunately, obliged to admit that the efforts made to unify Europe seem to them extremely suspect. In their eyes the European Community and—once it is set up—the Economic Association may mean, as far as relations between Europe and the countries of Asia and Africa are concerned, a veiled form of exploitation, not individual but collective, of Africa and Asia by the European powers. Our task is to see that all that could encourage that impression and all that seems to justify it disappears. I see there a function and a task of parliamentarians. I think that we should be able to carry out this task because I am convinced that the overwhelming majority of the members of our parliamentary institutions desire nothing else than the existence of close and friendly ties, established on an equal footing, with the countries of Africa and Asia.

As things are, the Consultative Assembly has adopted a certain number of texts to this end, texts which relate to economic relations between Europe and the under-developed countries. I am sure that the European Parliamentary Assembly will adopt the same attitude when it is called on to deal with similar questions which lie within its competence.

I hope that we shall already be able to find in the next Report new information on the development of relations between the Community and the associated countries and territories. I hope indeed that we shall all, whatever our function—I mean parliamentarians as well as administrators responsible to the Community and within European countries—that we shall all do our utmost to dispel this misunderstanding on European policy. Only thus shall we be able to take our share in opening a new era in the relations between the peoples of Europe and those who inhabit other continents.

Those were the few remarks, Mr. Chairman, Ladies and Gentlemen, suggested to me by this excellent report of M. Furler's.

The Chairman. — (*F*) Thank you, Mr. Rapporteur.

I have to inform the Assembly that another member has just put his name down to speak. He is M. Basile.

The list of speakers who have still to be heard is therefore as follows: M. Santero, M. Sener, M. Basile, M. Furler.

Does any other member of the Assembly wish to put his name down? . . .

I therefore declare the list of speakers which I have just read out to be closed.

I am asked to make the following announcement:

The Socialist group of the Consultative Assembly of the Council of Europe will meet at 4 p.m. today in Room 201 at the House of Europe.

I call M. Santero.

M. Santero (Italy). — (I) Mr. President, Ladies and Gentlemen, I realise that this discussion ought rather to be confined to those of our colleagues who belong to only one of the two Assemblies, either the Consultative Assembly or the European Parliamentary Assembly, and not to Representatives who, like myself, are members of both. I shall, therefore, be very brief.

First of all, I want to offer my warmest congratulations to M. Furler for his really weighty and well-thought-out contribution; but I cannot help making one criticism.

M. Furler writes in paragraph 59 of his Report:

“The Assembly itself followed the course of the ratification proceedings with great attention but deliberately refrained from comment on the new treaty system in whose creation it had played so active a part.”

The Rapporteur adds, and this morning he repeated it in this hall, in the course of his very valuable speech, that the Assembly wished to avoid bringing any kind of influence to bear on the work of the national Parliaments, for this might have had a disturbing affect.

Mr. President, if it were just a question of expressing an opinion on what happened in the past, I would certainly not have asked to speak; but seeing that the same case might arise afresh, I venture to state that I do not approve of such an interpretation and of such a line of action.

I do not agree with those who say that national parliaments are from henceforth to have the last word and that we must prove our political wisdom by keeping silence. Seeing that legislation, treaties or decisions which ought to see us along the road to European unity are in question, I think that we cannot be content with the role of helpless spectators. No parliamentary assembly seems to me better qualified than ours to take the initiative in accomplishing the task of building up the new Europe.

Our duty is to bring pressure to bear on national parliaments so that the necessary decisions are taken at the right moment and in conditions in which they will carry weight. We must not let the Assembly show signs of weakness through an excessive desire for prudence; it can address Governments by submitting resolutions to them; it can and it ought so to address national parliaments.

I think that without the well-disposed and convinced co-operation of national parliaments a united Europe cannot so soon come into being.

It is the national parliaments who, better than we, can control the action of the Ministers at the Council of Ministers of the Assembly of the Communities; it is the national parliaments who can urge Governments and their Ministers in session at the Council of Ministers of the Communities to take certain decisions at the right moment and to take them in one direction rather than in other.

I certainly acknowledge the very important role played by national parliaments but I consider that we must endeavour to influence their decisions.

Direct relations already exist at the present time between the secretariats of national parliaments and those of the European assemblies; direct relations also exist between the Bureaux of national parliaments and those of European assemblies. But I should like to see these direct relations taking on a more official form, that is to say that we should reach the point of establishing a principle by some written agreement so that the links thus set up might be better defined, more solid, more continuous and irrevocable.

To this end provision should be made for meetings of the Secretaries-General of national parliaments and of European assemblies, as well as meetings of the presidents of national legislative chambers and of our assemblies.

If I say this, it is because in the near future it will be really necessary to establish very close relations between all these organisations; it will be necessary at the precise moment when parliamentary mandates, national and European, supra-national or international—however you wish to call them—can no longer be assumed by the same persons. In fact I think that we are now all convinced that it is too difficult, if not impossible, for us to carry out our tasks efficiently and thoroughly at the same time in a national parliament and in European assemblies.

The action taken by various Representatives, and that means what each of us does in his own national parliament, is at present of the greatest service in ensuring these relations. A working party has recently been set up in the Consultative Assembly on relations between that Assembly and national parliaments; it might be well to follow this example and set up a similar working party for the European Parliamentary Assembly. But this system is based on the physical identity of the national parliaments and the European Parliament; it will become obsolete on the day when it is finally decided to separate the two mandates. That is why I should like to see the relations between the national parliamentary assemblies and the European assemblies placed on a firm footing independently of our personalities.

Mr. President, as regards relations between the Consultative Assembly, the European Parliamentary Assembly and the Community of the six countries, I consider that these joint meetings serve a real purpose and enable discussions to be held in a calm atmosphere, as was demonstrated by the Sittings of yesterday and this morning. But I think that this link is not yet sufficiently strong and that at least a certain number of members of one of the assemblies ought also to participate in the other. This identity of persons would make us proof, at least in part, against some misunderstandings—which are always prejudicial to the European idea.

That is why, although some people today consider the question is not yet ripe, I propose that provision be made from henceforth for the parliamentary representation of the six countries of

the Community within the Consultative Assembly no longer to be divided nation by nation, but for it to be a collective representation of the Community itself. This provision would certainly reinforce the integration of the six countries of the Community and at the same time would prevent that element of misunderstanding between the two Assemblies which, as I have just said, is likely to be really harmful.

Mr. President, seeing that my speech has almost taken on the character of a summing-up, I consider that I ought to add that I entirely endorse M. Furler's general approach as reflected in the last paragraph of his excellent report. In these paragraphs M. Furler very rightly recognises the necessity for relations between the Consultative Assembly and the European Parliamentary Assembly; but he immediately adds that these relations, which ought to be as far as possible organic, must not lead to any confusion, either in fact or in public opinion, between the two Assemblies and between the respective competences and tasks of each of them.

I am absolutely of the same opinion. The life of the two Assemblies must remain autonomous, and the competences and the attributions of each of them defined with the greatest possible precision; it is, in fact, by eliminating all possible interference and confusion that the maximum efficiency and maximum authority will be conferred on the two institutions.

Mr. Chairman, rationalising the relations between the two Assemblies does not mean merging them into a single assembly; it means defining with the greatest possible precision the tasks of them of both, indicating their differences in order that each of them may attain the maximum of its potentialities for the purpose of creating a freely united and, consequently, really independent Europe.

The Chairman. — (*F*) Thank you, M. Santero.

I call M. Sener.

M. Sener (Turkey). — I had intended to say yesterday, in the first part of our debate on the affairs of the Common Market and the proposed European Economic Association, what I should like to say this morning, since my subject—the effects of the Common Market of the Six on the Turkish economy—might have been thought most naturally to fall into the pattern of yesterday afternoon's debate. It seemed to me on reflection, however, that the facts and figures to which I particularly wished to draw attention must certainly be as well known to the able officials of the European Commission as they are to us in Turkey.

The matter is of such grave importance for us that it seemed best to place my statement in the context of our discussion on Professor Furler's able Report on the work of the European Parliamentary Assembly. Only Members of Parliament, I think, can bring home with full force to public opinion in their own countries the feelings of public opinion in other countries on matters of common concern. That is why I wish to speak today on the Common Market in relation to Turkey, and I hope that members of the European Parliament, in particular, may be willing to pay careful attention to the facts I should like to put before them.

My subject is the economic problems which the establishment of the Common Market of the Six will create for my country, Turkey.

I have no intention whatever of embarking on what I must confess has often seemed to me to be a somewhat sterile discussion on whether what the members of the Six are doing in reorganising their economies is discrimination or not, but I think that members of the European Parliament may find it useful if I put before them what I believe are the quite dramatic figures of Turkey's trade relations with the Six. I am sure you will agree that these figures speak for themselves.

In the first place, no less than 87 per cent of Turkey's exports are agricultural products. We depend, in other words, at least for the present, almost entirely on agriculture for the maintenance of our export trade.

How much of these agricultural products do we export to the six countries of the Common Market? Let me give you percentages for seven products which represent 75 to 80 per cent of the total exports of Turkey. For tobacco and dried figs the figures are 20 per cent and 38 per cent respectively; for raisins and hazel nuts the figures are 40 per cent and 52 per cent respectively; the figure for wheat is 41 per cent, for cotton 62 per cent and for barley no less than 82 per cent. When I tell you, in addition to these startling figures, that of Turkey's total income from exports—around 300 million dollars—over one-third is earned from exports to the Six, it is clear that the people of my country are very gravely concerned at the extent to which the six countries' purchases of the goods which we should like to sell to them may be transferred to other sources of supply within the Community or within their overseas territories.

I fully realise that some transfers are necessary and, indeed, that is one of the objects and purposes of the Community itself. I know perfectly well that the agricultural exporters in the six countries and the overseas territories associated with them have only agreed to accept greater industrial imports from the other countries of the Six in return for the assurance that they will be able to sell more of their agricultural products. But you will all see that a switch in the purchases of the Six in this way, which might be very small so far as the trading figures of the Community as a whole are concerned, could very easily be—and I mean this quite seriously—a matter of life and death for us. It is not easy to find new markets, particularly for some of the products I have mentioned as figuring very largely in Turkey's exports. But I feel sure that problems such as these will be viewed sympathetically by the leaders of Parliamentary opinion in the six countries, and by those in the European Commission whose task it is to advise on external economic policy.

I therefore express the hope that these problems will be borne very much in mind in the deliberations of the leaders of the Six, and if those of my friends who are here as members of the European Parliament could give us some assurance today that

these problems will be sympathetically considered, we shall be most grateful.

The Chairman. — (*F*) I wish to point out to members of the Joint Meeting that the subject under discussion is M. Furler's report on the work of the European Parliamentary Assembly.

Speakers have twice wandered from the subject. This is not of serious consequence, since there are not many speakers; I should, however, be glad if there is no more straying.

I call M. Basile.

M. Basile (Italy). — (*I*) Mr. President, several speakers this morning have referred to the present over-production of coal. What I would like to ask is why this extra coal cannot be used for productive development instead of the miners being put out of work. I should like to spend a few minutes on this subject.

There is one serious problem requiring attention in Europe, and that is the need to reduce food prices. This involves raising agricultural and industrial production to the point where we can do without our present yearly imports of foodstuffs from the United States. If we increased our own agricultural production, we could save the vast amounts of foreign currency at present being spent on these imports, and part of the sums saved could be used to help agriculture.

May I remind you what a substantial element transport costs are in the price of food? Very often, indeed, the existence of numerous middlemen, not all of whom are by any means necessary to the economy, adds considerably to the cost of agricultural products, with the result that there is a wide gap between the cost of production and the price charged to the consumer, which is just as harmful to the interests of the farmers themselves as it is to those of the consumers. It is also a fact, however, that if the heavy transport charges could be reduced, it would bring about a fall in retail prices which in itself would increase demand and so also, in the long run, production.

If no one sees any objection I would suggest that this Assembly adopt the motion that I will read out in a moment. Its object is to recommend that the excess quantities of coal at present being produced should be used to reduce the cost of transport or agricultural products with a view to a subsequent reduction in retail prices. This is the text:

“The Assembly,

Reaffirming its profound conviction that there is no insuperable obstacle to taking new measures which aim at closer co-operation among European countries, instructs the appropriate Commissions to undertake, within their terms of reference, preparatory work with a view to arranging:

1. that the European Coal and Steel Community should deliver to each of the six member countries a part of its excess coal production, so as to reduce the costs of transport between the Six, the cost of this excess coal to be borne by them as representing a contribution to a European assistance fund for unemployed;
2. that the European Economic Community should make a contribution to each of the Six with a view to reducing the price of chemical fertilisers and agricultural machinery, as representing a contribution to a European assistance fund for consumers.”

There is no need for me to remind anyone, Mr. Chairman, of the disquieting movement of workers away from agriculture, as a result of wages in industry being, on the whole, higher than those on the land. The ex-farm labourer does not, however, always find work in the town and, if he does not, he goes to swell the ranks of the town unemployed, who represent a real social danger and whose existence aggravates the existing poverty and unrest. In the fight against unemployment we must use every weapon we have and all stand shoulder to shoulder in a spirit of true European solidarity. As men who are out of work are in any case entitled to assistance, would it not be better, instead of paying the miners not to work, to pay them to produce

coal, a valuable product that could be used for the benefit of the community as a whole?

As I have already said, Europe every year imports essential foodstuffs from the United States, a country which counts about the same number of inhabitants as Europe itself and yet manages to produce enough food not only for itself but for others as well. If only, as I have suggested, we were to use our excess coal production to bring down the cost of transport and, at the same time, we encouraged the regular expansion of agricultural production by enabling farmers to make adequate profits, we should none of us require these expensive food imports any more. It is easy to see what an advantage this would be for our economies in general, and for the farmers and consumers, in particular. We could then use the foreign currency now spent on imports of foodstuffs to bring down the price of agricultural machinery, chemical fertilisers and fungicides, which now provide the most effective means of modernising our economy and promoting agricultural production.

The Chairman. — (*F*) M. Schuman pointed out yesterday morning, as I did yesterday afternoon, that the Joint Meeting of the two Assemblies does not, by definition, allow a vote to be taken. This has always been the case and it is perfectly normal. I cannot, therefore, declare the Motion which M. Basile has just read out to be admissible.

I call M. Furler to reply to points raised by the various speakers.

M. Furler (Federal Republic of Germany). — (*G*) Mr. Chairman, Ladies and Gentlemen, as Rapporteur of the European Parliamentary Assembly I am in a situation which is in a measure gratifying, but also, in a measure slightly difficult; in the course of these days' debates the report which I have submitted has scarcely been subjected to any criticism. I have no wish to put down this absence of criticism to the quality of my report; I prefer to attribute it to another fact of a political character, which I will refer to later on.

The only really critical remark was made by M. Santero, but I think it is based on a misapprehension.

In my report I said that during the second half of 1957, up till its merging with the new Assembly, the Common Assembly was no longer directly concerned with the new treaties by means of Resolutions. This can be explained very simply.

The Common Assembly took considerable pains about working out and shaping the treaties instituting the European Economic Community and the European Atomic Energy Community. Allow me to remind you that these treaties were due to the initiative of the Common Assembly. In fact, after the breakdown which the rejection of E.D.C. meant for European policy, the Common Assembly was the first to say that, since we were unable to go forward towards a political integration, we should seek a more vigorous economic integration. It was, actually, as the result of a Resolution voted by the Assembly on its own initiative that the Messina Conference took place. The Common Assembly subsequently made constant endeavours to ensure the conclusion of the new treaties.

But I should like to mention yet another fact which, in my opinion, interests not only the new Parliamentary Assembly, but also perhaps the Consultative Assembly of the Council of Europe. As I have said, we took the initiative and we went to some trouble about shaping the treaties. But, once the treaties were concluded and the ratification procedure before the national parliaments begun, the Common Assembly, which was then the Parliament of the new Europe—I have said so in my Report—considered that it was not its role to insist on obtaining that ratification. You will certainly still remember the very difficult situation in which certain States found themselves at that time. Our influence was only exercised in an indirect form, when members of the Common Assembly intervened in the course of debates in their national parliaments.

Perhaps you will remember that in the course of an important preliminary debate on the Treaties in the French

Parliament—and I should say that at that time particular discretion had to be shown with regard to the French Parliament—the initiative taken by members of the Consultative Assembly and the Common Assembly enabled us to overcome a very difficult situation.

We thought, then, that our tactics ought to consist of making proposals and collaborating up till the time when the Treaties were concluded, but afterwards, at the time of their ratification, it was our duty to abstain and only to exercise an indirect and personal influence, since members of the Common Assembly as well as members of the Consultative Assembly are at the same time members of their own national parliaments.

Now we are once again in a similar situation as regards the European Economic Association project. Our Assemblies have been very actively engaged on this question and they wish to continue to be so until the conclusion of the treaty. In fact, we have not yet a treaty relating to the Free Trade Area, and we are waiting until such a treaty is concluded.

I think that the debates and the reports have shown that both the European Parliamentary Assembly and the Consultative Assembly of the Council of Europe have gone to considerable pains to push forward this question and, as I have said, they will persevere in their efforts.

We have reason to note with satisfaction that on the fundamental questions of European integration, the European Parliamentary Assembly—as formerly the Common Assembly—and the Consultative Assembly of the Council of Europe are in agreement.

So I think, M. Santero, that if you differentiate between the two periods, as I have explained, you will understand the justification for the remark which I made in the report and which, in reality, only illustrates an attitude that has since passed into the history of the Common Assembly.

I now turn to the statements made by M. Strasser in his capacity as Rapporteur, and I thank him for having appreciated, as he did, the efforts made by the European Parliamentary Assembly. Two points particularly attracted his attention.

M. Strasser asked what we mean by the formation of a parliamentary tradition. I can answer that question—which has already been the subject of discussions in your Assembly, Mr. President—by saying that the Common Assembly was very anxious to become an efficient parliamentary forum. We had a good starting-point for that, which was the right of control over our “Government”. We were very anxious to extend our parliamentary position. When the Common Assembly was merged into the new Parliamentary Assembly, we had reached a situation which was far better than that which originally derived from the text of the Treaty. The stipulations of the Treaty instituting the E.C.S.C. did not say much in reality on the subject of the rights of the parliamentary body, but it was possible to extend them.

In the voluminous report which he submitted at the time when the Common Assembly ceased its activities and was merged into the European Parliament, M. Wigny gave an exposition of all that had come about in the matter of parliamentary tradition.

This exposition of parliamentary tradition had also a political motive. We were pursuing an objective—and I think I can say that we have now attained it—which was to bring to bear our own parliamentary tradition, as it had been formed up till then, on the new European Assembly so that the latter, as our successor, would not be obliged to start from zero. In short, from the moment it began its work, we wanted the European Parliamentary Assembly to enjoy the extended rights which the Common Assembly had acquired in the course of the four years of its activity.

Similarly, it seemed to us important to stress this tradition which we had created in order to consolidate the results obtained through our own political initiative, that is to say, our quality of a single parliamentary authority. At the beginning we were

faced with certain legal theories, certain theses of international law, which tended to consider the parliamentary assembly as if it were formed of three sections rather than being a single parliament. This was not in accordance with our purpose. I think that we have finally avoided such a division, since in the new Assembly we treat each problem against the background common to all the three communities.

This is the answer that I would give on the subject of parliamentary tradition. Naturally, the formation of political groups is part of that tradition—and I am glad that this has been stressed. In parliamentary work we wanted to give the first place to three groups, the Christian-Democrat group, the Socialist group and the Liberal group. We did not do so in order to restrain the freedom of speech and of thought of individual members; we wanted a distribution of political forces in line with the main general political tendencies of our era, in order to prevent the Assembly from splitting up into national groups. That was the guiding idea. This development of groups is also a factor in the parliamentary tradition of which I have spoken. I would point out, too, that in the European Parliamentary Assembly the groups are more closely knit than in the Consultative Assembly of the Council of Europe; that has considerably helped us not only from the political point of view, but also from the technical point of view, if one may so put it, especially at such a critical moment for the European parliamentary system as when the Common Assembly was absorbed by the new Parliamentary Assembly. The groups were then real factors in the process of evolution, and I must say that agreement between them was complete.

My report has also been criticised for not having set out sufficiently clearly the discussions which took place between the groups; this criticism referred to a previous stage. It has been said that the report described so fully the work done in common that it was easy to forget or overlook the political divergences which, by the force of circumstances, appeared in the European Parliamentary Assembly.

Assuredly on certain points there are differences of opinion. Think, for instance, of the problems of the coal industry, the question of State-controlled economic systems, or investment policy. It is quite evident that the formation of groups in no way excludes discussions between persons holding different opinions. I would say, indeed, that questions of principle ought to be treated likewise from the political point of view and that, consequently, they should reveal opposing points of view. In fact, we do not want a tedious and conformist European Parliamentary Assembly where only one and the same opinion is expressed; we accept and indeed we welcome the fact that, if within the groups national oppositions and divergences are levelled out, great questions of principle, on the other hand, become the subject of a real discussion in the Assembly.

Then there arose a very important question: the Assembly was reminded of its responsibilities as regards the relations between the European Economic Community and the Associated Overseas Territories and, in a general way, the under-developed regions of Africa and Asia. I recognise that hesitations and objections were expressed here, but the discussions on this subject took place before the conclusion of the treaties and their coming into effect. None of the parties wish to consider the association of overseas territories which had particular relations with various countries of the Community from the point of view of a latterday colonialism. We do not wish to continue—the Parliamentary Assembly has stated this unequivocally—a system which is out of date throughout the world. You have mentioned, M. Strasser, the danger of a collective colonialism. I should like to say that we have linked up these territories with our own countries—and this has constantly been repeated in the course of the Assembly's discussions—because there was no other solution from the moment when their mother countries became members of the Economic Community, and because, in virtue of our general policy, we wished to offer help to these territories by cultural, social, economic and financial means so that they might attain a growing independence and ultimately that complete freedom which they desire.

The treaties have expressly inserted this policy within the

framework of the United Nations Declaration which all States of the world have accepted. This constitutes the basis for a progressive régime applicable to these territories.

If my report was somewhat brief on this point it is because I did not wish to deal with this question exhaustively, preferring simply to explain what had been done in this regard within the framework of the Community of the Six. The Executive Commission of the E.E.C. has already begun its work. The Council of Ministers has already approved a first programme of investments. The Parliamentary Assembly constantly and insistently asks that the work of development shall be carried through. By means of its competent Committees the Assembly also wishes to discuss the question as to whether the policy followed by the Executive Commission of the E.E.C. and by the Council of Ministers is judicious and if it corresponds with the objective set out in the Treaties or whether new suggestions ought to be made.

I admit, however, that the Commission of the European Economic Community ought to proceed to an even more thorough study of the nature and the objectives of the policy of European integration.

Certain misunderstandings, have, in fact, appeared. An economic isolation of the non-associated territories is feared. These fears are unfounded. No wish for such an isolation occurs in the Treaty—nor will it occur in practice, at least not if we start from the idea that the Common Market will be in a state of constant development and that it will have to import more raw materials than the associated territories can supply.

I would remind you that at the time of the conclusion of the treaties special quotas were fixed for bananas, coffee and other commodities, in order to avoid the exclusion of former supplier countries who were not members of the Community. There was the desire to maintain these former commercial relations and indeed to develop them further. Experience has meanwhile shown that the fears expressed were not justified.

Some time ago I made the suggestion that the President of the Commission of the European Economic Community, M. Hallstein, might set about enlightening the countries of Asia, Africa and South America with the same success which he obtained in the six European countries where he gave lectures. He could explain modern developments to the people of these continents and help them to understand what is at stake in Europe. In this sphere there are misapprehensions everywhere. We really do not want to divide the world; we wish to acquire, by means of a closer union, greater strength enabling us to assist the associated territories and also the other countries, those who are not part of our Community.

The liberal policy of which M. Hallstein has spoken and to which the Parliamentary Assembly attaches so much importance ought to govern not only our relations with other European States but also our relations with the whole of the free world with which the Community of the Six co-operates.

I wish to stress once again the fact that the Parliamentary Assembly is devoting particular attention to this problem, and you can be assured that in the report that will be submitted next year to this forum of Greater Europe, as it is called, these questions will be still more closely studied. In saying that I am thinking especially of the desire of our Parliamentary Assembly to see people from the overseas territories co-operating with us. We wish to show in this way that we consider any other conception as out-of-date and that we wish to collaborate with these territories on an equal footing.

Ladies and Gentlemen, it is a most interesting state of affairs when the Rapporteur of the European Parliamentary Assembly is immune from criticism here. The debates have taken quite a different direction. That is a fact that I wish to examine still more closely.

In submitting my report I set out to supply a basis for discussion. But, in point of fact, the discussions to which the report has given rise have not taken place between members of the European Parliamentary Assembly and those of the Con-

sultative Assembly of the Council of Europe; they have taken place between the "Governments" who were represented here on the benches in front of us and the members of the two Assemblies. The questions have been addressed to the High Authority and to the European Commissions, and discussions have taken place principally with the latter.

Here I touch on a fundamental problem. A real parliamentary discussion, whatever one may say, presupposes the existence of a Government, even in the case where the latter is not endowed with the same competence as national Governments. Parliamentary debate calls for a non-parliamentary opponent. In the absence of a Government it is quite impossible to develop the fundamental idea of a Parliament.

If I may still be permitted to say a few words on the subject of the general discussion, I should like to say that it has been very fruitful. It has dealt mainly with acute problems, in particular, the further development of European economic integration, the next steps to be taken in this direction, in other words creation of the European Economic Association.

This discussion has demonstrated that the two Assemblies have taken up entirely harmonious positions. If they wish to see the project of a European Economic Association becoming a reality, it is not in order to do harm to the European Economic Community nor to destroy it—that is out of the question; it is to complete it. If we have not yet finally found the way leading to an association, we have at least already passed the critical point.

We are not yet at the end of our difficulties—that I realise full well. I also know that to reach a final solution there must still be the political will to create this Economic Association. But I admit that the elimination of some serious obstacles will strengthen the political will, which is not yet perhaps in evidence everywhere.

I was very glad to hear a responsible spokesman from Great Britain tell us that his country did not claim to be placed on

an entirely equal footing with the Six. Likewise the discussion on the supposed discrimination has lost a great deal of its edge; in fact, we now realise that we were getting nowhere.

On the other hand, France has, thanks to very radical and very speedy measures, helped in overcoming certain obstacles both as regards the freeing of trade and the solving of monetary problems. That will ensure, on the one hand, better working of the Common Market and, on the other hand, it will diminish some of the obstacles to the creation of the Economic Association.

It is beyond a doubt that we have made a certain amount of progress. After E.C.S.C. we set up E.E.C. I realise that M. Czernetz is right: E.C.S.C. was a courageous enterprise. I do not wish to say that it was an adventure; but, in any case, it needed courage to create it. It has been greatly criticised, almost as much as the Common Market. But experience has shown that courage has been rewarded. Courage has also been rewarded because it is on the basis of the experiences of E.C.S.C. that the Common Market was created.

I think that we shall also find the courage to add to our achievements the Economic Association which, in a certain sense, can be considered as the culminating point of a certain process of evolution. Anyone comparing, from the economic point of view, present-day Europe with that of the year 1930, for instance, will notice, if he judges the matter objectively, that considerable progress has been made thanks to our positive action. Our Assemblies can only hope that existing differences may be eliminated and that a reasonable solution may be found, after having examined all the possibilities that M. Hallstein has set out and which are the subject of our discussions.

To conclude, I want to say a few words with regard to the relations between the two Assemblies. I am glad that the conclusions of my reports on this subject have been well received here. I do not think that we could do without either one or the other of our Assemblies; we are not working against each other; we are working together. We have certain common goals. It goes without saying, that, here and there, some differences of

opinion may arise on questions of competence. It is precisely in the course of these last few years that the relations between the two Assemblies have become closer. The work of our Joint Meeting takes up two days, whereas formerly we only needed one day. Another link is ensured by the submission of reports and by relations with the European Commissions, *etc.*

But, whereas the Consultative Assembly of the Council of Europe deals with problems of general policy—a debate on Berlin and on all the German problems will begin next Monday—in the European Parliamentary Assembly we limit our attention to certain spheres which are assigned to us by the Treaties. But this does not prevent us from dealing also with the political unity of Europe. If the Consultative Assembly of the Council of Europe is frequently invited to set up a committee to co-ordinate the foreign policies of European States, in the European Parliamentary Assembly we are seeking, within the framework of the Treaties and by means of Resolutions upon which we vote, to co-ordinate the economic policies of Member States so as to achieve at length a common economic policy. We shall be working out a common policy for foreign trade. As you see we also tackle political problems. To begin with we shall endeavour to solve problems which are common to us all on the economic plane. Now, the fact is that the economic union set up within E.E.C. and within the future European Economic Association constitutes the most solid basis for the political union which we all hope to see. But we must be patient. We cannot get everything at once. When the situation is looked at in a critical spirit, what has already been achieved must not be overlooked.

This important discussion, which has taken place among ourselves and with the European Commissions and the High Authority, has demonstrated the progress which we have accomplished and the contribution that the two Assemblies have made to the progress of Europe.

The Chairman. — (*F*) Ladies and Gentlemen, I am sure you will wish me to congratulate M. Furler, as well as to thank

him for the excellent report he presented yesterday and for the brilliant way in which he has replied to speakers this morning.

Does anyone else wish to speak ? . . .

In that case, we have reached the end of the proceedings of the Joint Meeting. It seems to me that we have every reason to be satisfied with both their quality and their usefulness.

On the other hand, attendance this morning was smaller than expected. Perhaps the date was an unfortunate choice, and in future such joint meetings should not be held between sessions of our two Assemblies, since they appear to have the disadvantage of taking place after some members have left, and before others have arrived. (*Laughter.*)

As I say, I think we should not repeat the experiment.

Meanwhile, I should like to thank those members still present, *rari nantes in gurgite vasto*.

6. Closure of the Joint Meeting

The Chairman. — (*F*) I declare the Joint Meeting of the European Parliamentary Assembly and of the Consultative Assembly of the Council of Europe closed.

(*The Sitting was closed at 12.40 p.m.*)