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for coal and steel

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PARLIAMENT FOR NEW EUROPE

Common Assembly Emerges as Political Body

The cause of European unity frequently has been identified with the creation of a democratic European parliament whose popularly-elected members would be the legislators of the new Europe. But with the collapse of the EDC and stillbirth of the European Political Community, the concept of a European parliament remained unrealized except in the embryonic form of the Coal and Steel Community's Common Assembly. Today that body shows signs of growing beyond the minor role assigned to it by the Schuman Plan Treaty and of becoming a political institution in its own right. Should the current Euratom and Common Market schemes be realized, the Common Assembly would immediately inherit vastly greater powers and could properly be considered Europe's first "economic parliament".

In the light of these developments and of future plans, the following article deals with some of the problems and aspects of the Common Assembly as it functions today.

In the winter of 1951-52, when ratification of the European Coal and Steel Community Treaty was debated in six European parliaments, even the staunchest supporters of united Europe were hard put to find merit in the proposed parliament or Common Assembly of the Community. Where critics viewed the High Authority as having "near dictatorial powers," they found the Assembly too weak, wanting in both function and power. Pro-Europeans had centered their hopes largely upon the creation of a strong legislative branch that eventually would grow into a full-fledged European parliament. Yet, in its given role, the Community's Assembly appeared to some to represent a "backward revolution" whereby sovereignty would be surrendered by national parliaments without being awarded to a supranational parliament.

The Common Assembly came into being lacking not only legislative powers, but most of the other traditional forms of authority vested in democratic parliaments. Eu-

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DATE FOR TREATY-DRAFTING CONFERENCE SET

Euratom and Common Market Pass First Test

A communiqué issued May 30th, ending a two-day meeting in Venice, said that the Foreign Ministers of the six Community countries have agreed to convene a treaty-drafting conference in Brussels on June 26th to implement the Euratom and Common Market proposals.

The first hurdle for the Brussels proposals was cleared with an ease that surprised veteran foreign ministry officials. Although the military use of the atom and the participation by overseas territories of France came up for discussion, it was agreed to leave both questions for decision at a later date.

Belgium's Foreign Minister Paul-Henri Spaak, chief of the Intergovernmental Committee of experts which drafted the original proposals, will serve as chairman of the Brussels treaty conference later this month. The communiqué said that Euratom and the Common Market would be drafted as separate agreements and that other member nations of the Organization for European Economic Co-operation (OEEC) would be invited to join the treaties.

IN THIS ISSUE

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THE VENICE COMMUNIQUE TEXT

1) A conference of the Foreign Ministers of the countries which signed the Messina resolution was held in Venice on May 29th and 30th, 1956, under the presidency of M. Christian Pineau, French Foreign Minister.

Taking part in the conference were the following: for Germany, M. Walter Hallstein; for Belgium, M. Paul-Henri Spaak; for France, M. Christian Pineau and M. Maurice Faure; for Italy, M. Gaetano Martino; for Luxembourg, M. Joseph Bech, and for the Netherlands, M. J. W. Beyen.

The Ministers put forward the opinions of their respective governments on the proposals made by the report of the heads of the delegations of the Intergovernmental Committee, set up at the Messina Conference, and which has been sitting in Brussels under the presidency of M. Spaak.

2) The Ministers expressed the agreement of the six Governments to adopt the proposals of the Report as the basis for negotiations intended to work out a treaty setting up a general common market and a treaty to create a European organization for nuclear energy (EURATOM).

3) In view of these negotiations, they decided to call a conference to meet in Brussels on June 26, 1956 under the Presidency of M. Spaak. At the request of his colleagues, M. Spaak agreed to continue the task of coordination which he had undertaken before.

4) Outside the proposals contained in the Brussels report, the attention of the Ministers was particularly held by the question of the inclusion in the Common Market of territories and countries overseas. At the suggestion of France, it was decided, in view of the complexity of the question and the diversity of the individual laws of these territories, that after study by the interested parties, the Foreign Ministers should shortly be called to give an opinion on the problem.

5) They are also to give an opinion on the problem of possible military use of nuclear energy.

6) The Ministers agreed to meet periodically to hear the reports of the heads of delegations and to take necessary political decisions.

7) To follow up the Messina resolution, it was decided that the treaties to be drawn up should include provisions for the adhesion or association of third countries.

8) The six Ministers reaffirm their welcome to countries ready to collaborate in their efforts on an equal footing. They charge the President of the conference to give regular information on the progress of their work to the *OEEC*, the *ECSC*, the Council of Europe, and the European Conference of Transport Ministers, and to send to the member countries of the Organization for European Economic Co-operation (*OEEC*) all the necessary invitations to obtain their participation in or their association with the treaties to be concluded.

HIGH AUTHORITY NEGOTIATES TARIFF AGREEMENTS

Community's Executive Assumes Supranational Role at GATT Conference Two Years Ahead of Treaty Mandate

At the recent tariff conference in Geneva of the General Agreement on Tariffs and Trade (GATT), the High Authority of the European Community for Coal and Steel represented France, Germany, and Italy in negotiating tariff concessions with the United States and Austria for trade in steel and special steels. The action by the High Authority marked the first time the Comunity's executive has acted on behalf of member nations in tariff negotiations with countries outside the Community.

Following is the text of the High Authority communique issued from Luxembourg on June 6, 1956:

THE HIGH AUTHORITY of the European Community for Coal and Steel has successfully negotiated tariff concessions for trade in steel and special steels with the United States and Austria, acting on behalf of France, Germany and Italy, three Community countries.

The tariff agreements were reached at the Geneva Tariff Conference of GATT and are to be ratified by national parliaments during the summer and autumn.

CONCESSIONS BY COMMUNITY COUNTRIES include:

—On French and German imports of special steels, reductions in the legal tariff of from 1 to 3 points on bars and 7 to 12 points on plates. These concessions bring the tariff to rates of between 8% and 10%.

—On Italian steel and special steel imports, tariffs are to be reduced by stages from 22% or 23% to between 13.5% and 15%, with corresponding reductions for semi-finished products, on which the tariff was already lower.

CONCESSIONS BY THE UNITED STATES will bring its steel tariff from 10% or 12.5% down to a range of from 8.5% to 10.5%. These concessions, which affect bars, steel piling, wire rods, and strips, amount to a reduction of 15% on the present tariff, to be reduced by 5% per year over three years.

CONCESSIONS BY AUSTRIA on special steels balance the concessions on special steels made by Germany and France. The reduction varies between 4 and 6 points and affects all special steel alloys and certain fine carbon steels. On ordinary steel, Austrian concessions vary between 2 and 5 points.

Last year the Community exported 580,700 metric tons of steel products to the United States and 73,900 metric tons to Austria. The Community imported 584,500 metric tons of steel products from the United States and 440,200 from Austria.

The High Authority was empowered to negotiate on behalf of France, Germany and Italy by a special decision of the Community's Council of Ministers, acting under Section 14 of the transitional provisions of the Coal and Steel Community's Treaty. These provide for the reduction of steel tariffs to third countries, at the end of the first five years of the Community's existence, to a level of not more than 2 points above those of the Benelux Union. The High Authority has thus obtained mutual concessions before the transition period ends in 1958.

$100 MILLION IS GUARANT E FU 'D GOAL

High Authority's First Financial Report Views Investment and Finance Activities over Three-Year Period

The High Authority's loan guarantee fund is expected to reach the $100 million mark this summer as a result of tax proceeds, it was reported in the Community's first Financial Report issued last month.

The Report, covering the period from 1953 through 1955, said that the guarantee fund would not be increased beyond the level of $100 million and that it would constitute a powerful financial lever for the High Authority's loan operations.

Tax Income $140 Million

The Report disclosed that the High Authority's tax income over the three-year period was $140.3 million as a result of the levy on a percentage of the value of coal and steel production by Community firms. Of this first European tax, Germany provided 47%, France 29%, Belgium 11%, Italy 6%, the Netherlands 4%, and Luxembourg 3%. The tax stood at 0.9% until last June, when it was cut to 0.7%. On the first of this year it was further reduced to 0.45%.

Allocation of Tax Funds

At the end of 1955, $95 million of the Community's total tax income had gone into the High Authority's loan guarantee fund, $15.9 million were allocated for the retraining and resettlement (readaptation) of workers put out of work by increased competition on the single market, $3.6 million went into the financing of research work, and $4.5 million covered administrative expenses and amounts not yet allocated. Non-tax revenues of the High Authority totaled $3.25 million over the three-year period, and the total expenditures for administering the institutions of the Community amounted to $24.55 million.

Loans and Investments

The Report emphasized that the $100 million guarantee fund was regarded as "sufficient for permitting much larger loan and guarantee operations" for coal and steel industries. It predicted that coal and steel firms would continue asking for guarantees of bank credits and capital issues on an increasing scale due to the established and widely-known credit position of the High Authority.

Between $3,000 and $3,300 millions were invested in the Community's coal and steel industries in the period 1953-55, the Report said. It was predicted that the year 1956 would see the investment of another $1,000 million.

Although 1955 was singled out as a peak year for capital investments, the Report forecast continued substantial demands on the High Authority for financing capital improvements.

The main barrier to increased financing by the High Authority was seen in restrictions surrounding the capital markets of the Community countries. These controls, according to the Report, prevented the High Authority from borrowing long-term funds and re-lending them at low interest rates to coal and steel firms. The Report urged the introduction by the six Governments of "automatic freedom" for capital transfers within the Community.

Since establishing its loan guarantee fund, the High Authority had borrowed a total of $117.4 million (including $100 million from the United States Export-Import Bank) all of which it has re-lent to Community firms, chiefly for modernization of coal mines, coking plants, and iron ore mining and processing plants, and for the construction of pithead power stations for utilization of low-grade coal. In addition, banks with which it had lodged its funds made available "entirely at their own risk" a further $42 million of medium term credits at interest rates ranging from 4½% in France, Belgium, and Luxembourg, to 5¼% in Italy. These rates were much lower than usual rates of six to eight per cent generally applied to such loans in the Community nations.

Disposition of $100 Million U. S. Loan

ALLOCATIONS BY COUNTRIES

Amounts Received by Firms in:	
Belgium	$ 14 000 000
France	21 800,000
Germany	47,600,000
Italy	5,200,000
Luxembourg	1,000,000
Saar	10,400,000
TOTAL	$100,000,000

NATURE OF INVESTMENTS

Modernization of coal-mining installations including coking plants	$ 35,140,000
Pithead power stations for the consumption of low-grade coal	46,310,000
Expansion of facilities for the production and dressing of iron ore	18,550,000
TOTAL	$100,000,000

Swiss Lend Nearly $12 Million to High Authority

Early in June, the High Authority concluded negotiations with a group of Swiss banks for a loan of 50 million Swiss francs ($11,700,000). The loan is for an 18-year period at 4.25 per cent interest.

This is the first private loan concluded by the Community's executive outside the Community. In April, 1954, the High Authority borrowed $100 million from the U. S. Export-Import Bank for 25 years at three and seven-eights per cent interest.

Like the American loan, the Swiss loan will be relent to coal and steel enterprises within the Community at low rates of interest for plant modernization and improvement to increase productivity in the six-nation single market.

SPAAK DEF NDS NEW PL NS AGAINST ASSEMBLY CRITICS

Common Assembly Debate Session Marked by Sharp Exchanges

Two French delegates to the Common Assembly, who attacked the Eruatom and Common Market proposals as "a fairy-tale promising the golden age", came under heavy fire from Belgium's Foreign Minister Paul-Henri Spaak during a meeting of the Assembly in Strasbourg on May 11.

The exchange occurred as the Assembly wound up debate on the two proposals which had begun at the Assembly's extraordinary March session in Brussels (see ECC&S Bulletin No. 15 for May, 1956). One of the two right-wing French parliamentarians who attacked the Brussels Report was Senator Michel Debré, member of French Social Republican Party. "Put on one side of the balance", he said, "all of the experts' reports, all the Ministers' meetings, all our deliberations, and on the other side an hour's fighting in Algeria by a single European or Moslem soldier, and judge who is doing more for Europe and freedom".

M. Spaak retorted to the Assembly: "If these two French voices represent the majority of the French Parliament, then we once again face the danger of a very grave and bitter defeat".

The Belgian statesman went on to deny claims that the proposals constituted a revival of the European Political Assembly or an economic version of the European Defense Community. The plans, he declared, were drawn up without *a priori* views on the institutional framework. The danger of a third world war, M. Spaak continued, had receded, but the challenge of the Communist countries was now an economic one to which no European country alone could hope to reply. Both the Euratom Plan and the Common Market, he said, were essential to make up the economic time lag which separated Europe from the United States, the Soviet Union, and the United Kingdom, "a time lag which Europeans must recognize with sadness and shame".

"Russia", M. Spaak went on to warn, "is said to be training one million atomic technicians, a figure which even the Americans would not be sure of attaining." He added that his own country could never hope to catch up and that the same held true for the other European nations.

In reply to M. Debré's criticism that the general Common Market would damage the economies of its weaker members, especially those with overseas commitments for whom investments would not be forthcoming, M. Spaak said: "There is not one word of truth in what you have asserted . . . it seems to me that, in your conception of your country's future in Europe, there is a curious mixture of grandeur and nationalism on one hand, and on the other, a tremendous inferiority complex".

M. Spaak concluded by voicing his dismay that a Frenchman should express such fears when Belgium, Holland, and Italy had shown that they were prepared to face competition in the future. France, he said, had merely to submit her special problems to the proposed Community, and he was confident that aid would be forthcoming. "Only in the framework of this bold and generous plan can the future of Europe be assured", he said.

GERMAN COAL PRICES FREED FOR FIRST TIME IN 50 YEARS

A recent decision by the High Authority has brought complete freedom from price control to German coal for the first time in more than 50 years. The decision was taken on the theory that a lower price level could be reached through complete freedom rather than by setting maximum prices.

The final verdict was taken by the High Authority following a divided vote in the Council of Ministers. The action by the executive branch was unanimously supported by the Consultative Committee. In making its decision, the High Authority exercised its supranational powers (a majority of the Community governments opposed freeing the prices) by acting in what it considered to be the general interest of the Community.

Having abolished the Ruhr coal sales cartel GEORG, the High Authority could no longer argue that it retained controls on Ruhr coal lest the cartel fixed the price. Therefore, it had either to abolish German coal price control or extend it to the rest of the Community. One factor that influenced the decision was the need to avoid discouragement of investments in Community industries.

Meanwhile, the High Authority declared as incompatible with the Treaty a Government measure to avoid higher coal prices by paying German miners a shift bonus out of Government funds—thus modifying social payments normally borne by the producers. The effect of the bonus was to subsidize German coal prices by 38 cents per ton. However, the High Authority expressed no objection to other German Government concessions on social security payments and depreciation allowances which cut coal mining expenses by some 58 cents per ton.

In view of a general desire to keep coal prices down through measures compatible with the Treaty, the High Authority and the Council of Ministers have set up a Joint Committee to formulate proposals for furthering the recruitment of miners and for raising coal output while maintaining price stability in the present boom conditions.

HIGH AUTHORITY SIGNS TREATY WITH SWITZERLAND

The High Authority of the Coal and Steel Community has concluded a Treaty of Consultation with Switzerland. Signed on May 8, 1956, the Treaty will run until the end of the Community's five-year transition period—February 10, 1958—and will be automatically renewed for five-year periods, unless formally terminated by either side.

The Treaty is the first formal agreement to be signed only by the High Authority with a national government; when the Agreement of Association with Great Britain was concluded, it required the signatures of all of the Community's member states.

Under the new Treaty, the High Authority agrees to consult with the Swiss Government before:

1) adopting any allocation system for the distribution of Community coal, steel, iron ore, or scrap, under its powers to deal with a serious shortage (Article 59 of the Treaty);
2) introducing export restrictions under the same powers; or
3) imposing minimum or maximum export prices on Community coal or steel, for which Switzerland is a traditional customer.

Switzerland likewise agrees to consult the High Authority before taking any measures which might affect trade between Switzerland and the Community.

The Treaty sets up a permanent Joint Commission which will comprise representatives of the Swiss Government and of the High Authority in equal numbers. The Commission will meet regularly in Luxembourg and Berne.

The Treaty, which also covers Liechtenstein, must be ratified by the Swiss Parliament before coming into force, although for the Community the High Authority's signature suffices. It was signed for Switzerland by M. Gérard Bauer, chief of the Swiss Delegation to the High Authority, and, for the Community, by M. Dirk Spierenburg, Member of the High Authority.

A Community spokesman declared that the Treaty talks demonstrated that both the High Authority and Switzerland seek the free exchange of goods and are ready to consult each other before taking any measures running counter to this precept.

Simultaneously with the negotiations on the Treaty of Consultation, transport experts of the Community and Switzerland began working out details of through-transport rates over Swiss territory for coal and steel traveling by rail from one part of the Community to another. It was expected that an agreement on transport would be concluded this summer.

COMMON ASSEMBLY EMERGES

(continued from page 1)

ropeans who harbored misgivings were scarcely mollified by assurances that it was merely a temporary and transitional institution.

The Absence of Power

The Schuman Plan Treaty gives the Common Assembly no *specific* power other than that of removing the High Authority by a two-thirds majority vote of censure. Its consent is required, again by a two-thirds majority, to any proposal made by the High Authority or the Council of Ministers for revision of the Treaty.

Because the Treaty is a body of ready-made constitutional legislation defining the High Authority's powers, it automatically deprives the Assembly of legislative functions. Further, the role of interpreting the Treaty's "legislation" in the event of dispute is entrusted to the Court of Justice, and the power to amend the Treaty-Constitution is limited to joint action by the High Authority and the Council of Ministers with the Assembly's consent. Thus, the only continuing role left to the Assembly is fundamentally one of control and supervision.

The dilemma in which the original Assembly members found themselves was apparent. Shackled by the Treaty, they were nonetheless in the special position of being the parliamentary pioneers of the new Europe. Their expected task was to nurture the infant federation whose fate they controlled; but they were hardly content to see their position in the new Europe merely limited to that of a rubber stamp parliament to the High Authority's policy.

Silent Powers

The Common Assembly of today is a vastly more important and powerful body than the Assembly that first met on September 10, 1952, although it has not been vested with new authority by amendments to the Treaty since that date. Its growth, instead, has been due to consistent efforts by its 78 members, elected from and by the parliaments of member nations, to broaden its powers of control and to create a body of precedent wherever the Treaty was silent on the question of its authority.

To wield its "silent powers", the Assembly found a major weapon in its standing committees. There are seven which deal with: the common market; investments, finance, and production; labor policy; political affairs and foreign relations; transport; accounting and finance; and legal questions. Sessions of each standing committee are held regularly and today meetings are rarely held without the presence of at least one member of the High Authority to hear criticism and recommendations, and to explain points at issue in detail.

Political Growth

The Assembly has also extended itself as widely as possible in the direction of its natural bent, the political field. Despite the difficulty of becoming a political institution on the basis of coal and steel, the Assembly has developed into an embryo European political body that has won the attention of the national parliaments of Europe. The first step was the realignment of political parties. In early sessions, Assembly members tended to take action along national rather than international party lines. Today the process has been reversed: Belgian, German, Luxembourg, Italian, Dutch, and French Christian Democrats vote *en bloc* and frequently opposite Social Democrats or Liberals from the same countries. Conscious of its supranational status in European politics, the Assembly has also capitalized upon certain current issues as a means for advancing its prestige. Thus, it took the initiative in debating and thereby publicizing the plans for the Intergovernmental Committee in Brussels. It was to the Assembly that Paul-Henri Spaak gave the first detailed report (see ECC&S Bulletin #15, May, 1956) of the plans for a general common market last March. He subsequently defended the Committee's Euratom and Common Market recommendations at an Assembly meeting in Strasbourg a few weeks ago.

Evidence of the Assembly's growing political prestige was also seen in the appearance of Belgium's Minister of Economics, Jean Rey, before the 78-man body last November. The Belgian Cabinet Minister took the floor to explain his country's policy in urging the High Authority to intervene with other Community members for harmonization of working hours in the steel industry. M. Rey asked support by other nations for a Belgian move to cut the steelworkers' work week to 44 hours.

Another Belgian, M. Pierre Wigny, a leader of the Belgian Social Christian Party and member of the Assembly, told the Assembly in Strasbourg last year that the right to be informed of and to influence High Authority plans in advance had replaced control after the event. Admitting that the Assembly was originally "muzzled in its relations with the High Authority", M. Wigny declared that as sessions had become more frequent and committees permanent, the Assembly had become a driving force behind High Authority moves. He cited the Executive's cartel decision and its moves against price agreements as examples of actions aided by Assembly support. "The political reason for the strength of the Assembly is not merely its power to overthrow the High Authority, but the latter's need of the Assembly's confidence", he said.

The Poher Report: Increasing the Assembly's Effectiveness

Although the Assembly today is making full use of its powers, members are determined to make their influence even more strongly felt. Consequently, a Report drawn up by a special working committee under the direction of French MRP deputy Alain Poher recommends new responsibilities.

The Report starts from three observations: that the Council of Ministers has no responsibility to the Common Assembly; that national parliamentary control should start where Common Assembly control ends, and that Common Assembly members should be guardians of the European policies of their governments ensuring that they conform to pledges made under the Schuman Plan Treaty.

GUISEPPI PELLA, *President of the Common Assembly, with former High Authority chief, Jean Monnet. M. Pella, former Italian Premier, succeeded the late Alcide DeGaspari as Assembly leader.*

The Poher Report urged the following specific measures:

NON-COMMUNITY COUNTRIES

The formation of a joint interparliamentary group between the Common Assembly and the United Kingdom is proposed to balance, at the parliamentary level, the Council of Association.

THE HIGH AUTHORITY

It is recommended that the High Authority's Annual Report should include an outline of action taken on Common Assembly resolutions and review activities of other Community bodies, including the Court of Justice and the Consultative Committee. It should also contain a full picture of the High Authority's program to enable the Assembly to formulate its views in good time. The Report urged further that the Assembly's control of the High Authority be extended by the development of a body of precedent, apart from its specific powers under the Treaty; the Assembly's motion of last June, cutting the tax rate on coal and steel production, was cited as an example of precedent-setting action.

COUNCIL OF MINISTERS

The Poher Committee called for:

1) An annual report by the Council of Ministers to the Assembly on its efforts to bring the general economic policy of member countries into line with High Authority action;
2) Participation by the Council of Ministers in Common Assembly sessions;
3) A procedure for written questions to be put by Assembly members to the Council of Ministers;
4) Joint meetings of the Council of Ministers with Assembly committees at least once a year; and
5) More publicity for the Council of Ministers' work.

MEMBER GOVERNMENTS

A report on intergovernmental conferences, such as held by the six countries in Brussels, should be presented to the Assembly, the Poher Report said. The Assembly should also be consulted in choosing the President and Vice-Presidents of the High Authority (steps have already been taken in this direction without altering the Treaty) and should be notified of any failure by member states to carry out their obligations under the Schuman Treaty.

NATIONAL PARLIAMENTS

So that national parliaments could impose their will where the Assembly's control ended, the Poher Report urged the drawing up of parallel programs of activity through a joint conference of the Common Assembly bureaus and the six national parliaments. There should be an annual debate on the Community in each national parliament, wherein the Assembly's Deputies would do all in their power to press home the European cause with their colleagues in national parliaments. Thus, while the Common Assembly urged its views on the High Authority, national deputies could urge similar measures on the Council of Ministers.

An Expanded Assembly: Aim of Brussels Proposals

Along with the proposal by the Intergovernmental Committee that the Common Assembly be enlarged to serve as parliament to Euratom and the Common Market, the Brussels group also proposed significant extensions of the Assembly's powers.

The Assembly would be granted power to censure the European Commission governing the Common Market by a simple majority, and, parallel to its present power of ousting the High Authority by a two-thirds vote of censure, it could remove either the Euratom Commission or the European Commission. In addition, the Assembly would vote the annual budgets of the new institutions and be empowered to take all measures "necessary for strict financial control of expanded European economic operations."

In its relations to the Council of Ministers, the Assembly would have the power to vote on proposals by the Council to abolish restrictions on services, agricultural markets, and capital movements within the Community. It would also vote upon certain measures proposed by the European Commission relating to fair-trading and antitrust rulings and to the retraining and relocation of workers.

Finally, the Assembly would be able to demand explanations by the European Commission and the Council of Ministers of actions they had taken or proposed to take. In turn, it could be summoned at any time in full session or in committee to hear a statement by the European Commission, the Council of Ministers, or any of its member.

The Assembly's Reaction to the New Proposals

Common Assembly delegates have welcomed the Brussels proposals, particularly insofar as they would enlarge the Assembly's control over the new European institutions. But, strong criticism still exists of the Assembly's lack of control over the Council of Ministers. In Strasbourg last month, M. Gozard, spokesman for the Assembly's subcommittee on institutions, told members that he saw no excuse for a Common Assembly that could censure only the European Commission, especially when the policy-making role of the Commission was fulfilled by the Council of Ministers. It meant, he stressed, that the Assembly's right of censure was restricted to a body, the European Commission, which had no free will of its own, but was merely an executive group. M. Gozard declared that if the Council was to have no responsibility to the Assembly, then the latter would be deprived of all possibility of positive action.

Assembly critics also complained that the right to vote on budgets was inadequate, since the Assembly would be able to vote or reject budgets only *en bloc*. The subcommittee demanded the right of clause-by-clause examination and amendment of budget proposals.

Other proposed modifications included the following:

—The Assembly should have the right to confirm nomination of the members and the President of the European commission;

—That the Assembly should have the power to initiate a general economic debate and to debate subjects of its own choice, as well as projects submitted to it by the European Commission and the Council of Ministers;

—It should be possible to choose members from outside as well as from within the national parliaments. This would enable some members to devote all their time to the expanded and increasingly technical tasks imposed upon the Assembly, and

—The vote of censure should be by absolute majority of the Assembly, and not by simple majority.

* * * * *

The temper of the Assembly, as demonstrated in its actions and resolutions, has been gradualist. One characteristic feeling that can be ascribed to the Assembly as a whole, is that a policy-making body should be responsible to a parliament. Therefore, the Assembly is determined to exert influence before rather than after decisions have been made.

The chief obstacle to Assembly growth as a political institution is the method by which members are selected. The Treaty specifies that members may be elected to the Assembly by universal suffrage or, alternatively, through selection by national parliaments. Until the former procedure is adopted, it is unlikely that the Assembly will succeed in obtaining true parliamentary control over policy-making bodies such as the Council of Ministers or the High Authority.

HOW EFFECTIVE IS THE COMMON MARKET?

New Data on Intra-Community Trade

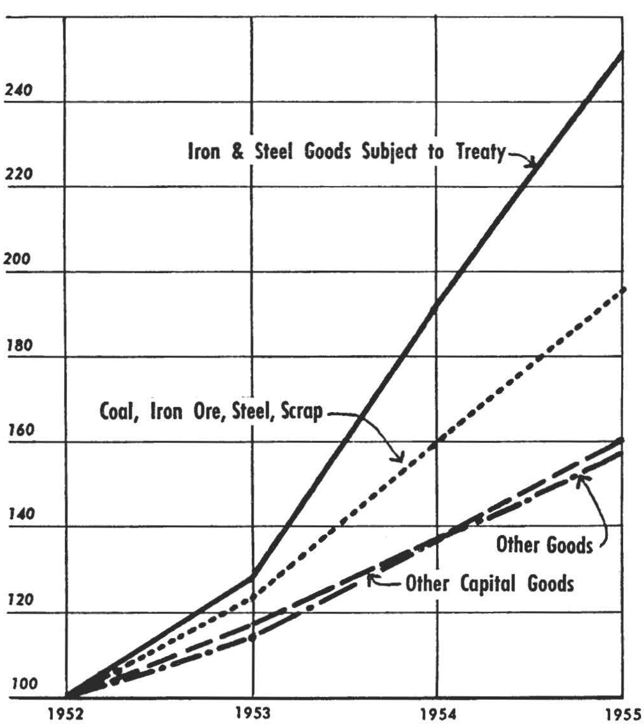
By the end of 1955, trade in Community products between the six Schuman Plan nations had increased over 1952 (the year before the introduction of the common market) to the following extent: steel, 151%; scrap 357%; iron ore, 37%, and coal, 40%.

How much of this increase has been due to the existence of the common market? During the three-year period, other important influences were at work. Not only has Europe enjoyed a general industrial boom, but the liberalizing measures of the OEEC and the easing of currency restrictions through the existence of the EPU have helped stimulate the economy.

High Authority statisticians have just come up with some new figures showing the increase in trade in products of the Community in relation to the increase in trade for non-Community products. These yield at least a partial answer to the question, for they show that the increase of trade in the Community products has been much greater than the increase in trade as a whole between Community countries. For instance, from 1952 to 1955, trade between Community countries increased by 93% for products subject to the Common Market, while the general increase for all goods was 59%. Comparing, for the same period, trade in steel, iron ore, and scrap with trade in other *capital goods,* the increase was 153% to 59% or 2.6 times as much. (See graph below.)

TRADE BETWEEN COMMUNITY COUNTRIES

Volume index at 1952 prices



NEWSBRIEFS

Community Investments Growing

Total Community investments in coal and steel rose by more than 25% from 1954 to 1955, according to the provisional results of the High Authority's annual retrospective survey. For 1955 the final total is expected to reach $1,232 million, made up as follows: steel, $654 million; coal, $523 million; lignite, $9 million, and iron ore mines, $46 million. Figures for 1954 were: total, $978 million; steel, $441 million; coal, $501 million; lignite, $7 million, and iron ore mines, $29 million.

Greater Freedom for High Authority's Financial Operations

The High Authority and the Bank for International Settlements (BIS) have signed an agreement giving the High Authority wider freedom in its borrowing and lending operations. It amends the Act of Pledge, drawn up between the High Authority and the BIS in November, 1954, which lays down the conditions for use of loans raised by the High Authority.

The chief aim of the amendment is to extend the types of guarantees which firms will henceforth be able to offer to the High Authority on funds re-lent by the latter. The new text permits unlimited government guarantees, bank guarantees, guarantees by affiliated or associated enterprises, and mortgages on assets within the Community. In addition, the High Authority will be able to make bond issues below par and is granted wider freedom in placing funds it has lodged with the BIS.

Trade Unionists Report on U. S. Visit

The High Authority has issued a 149-page report on workers' readaptation drawn up by a party of Community tradeunionists following a four-week visit to the U.S. at the end of 1954. The visit was organized through the International Cooperation Administration.

A full account of the Report, with comments and interviews, will be given in next month's issue of the Bulletin, which will be devoted to readaptation.

New Publications Available

English copies of the High Authority's first *Financial Report* as reviewed in this issue are now available here without charge. Also newly available in unofficial translation is Part I of the Intergovernmental Committee's "Brussels Report" containing the general Common Market proposal. Price: $0.25. Copies may be obtained by writing to:

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