

FIFTH JOINT MEETING
of the Members of
THE CONSULTATIVE ASSEMBLY
OF THE COUNCIL OF EUROPE
and of the Members of
THE COMMON ASSEMBLY
OF THE EUROPEAN COAL AND STEEL COMMUNITY
(Saturday, 19th October 1957)

OFFICIAL REPORT OF THE DEBATE

STRASBOURG

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NOTE

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

The latter are denoted by letters as follows:

(G) = speech delivered in German.

(I) = speech delivered in Italian.

(N) = speech delivered in Dutch.

(F) = speech delivered in French.

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

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FIRST SITTING
SATURDAY, 19th OCTOBER 1957

IN THE CHAIR, M. FURLER,
President of the Common Assembly
of the European Coal and Steel Community

The Sitting was opened at 10.45 a.m.

The Chairman. — (F) Ladies and Gentlemen, I declare open the Fifth Joint Meeting of the members of the Consultative Assembly of the Council of Europe and of the members of the Common Assembly of the European Coal and Steel Community.

1. Opening address by the Chairman

The Chairman. — (G) In accordance with the suggestion the President of the Consultative Assembly has made to me, I shall be in the Chair this morning, and M. Dehousse will take the Chair at the Sitting this afternoon.

To mark the fact that the discussion is to be a free one, no Orders of the Day have been circulated. Allow me to remind you that no vote will be taken—the purpose of this Joint Meeting is to give members of the two Assemblies an opportunity for a free exchange of views. This exchange of views is designed, in

accordance with the custom that has been established over the past four years, to enable the members of each Assembly to become acquainted with the ideas prevailing in the other body, so that, when they return to their respective Assemblies, they can reach their respective decisions in the light of what has been learnt here.

Before I call the President of the High Authority, permit me to draw your attention to the special significance of this Fifth Joint Meeting. It is the last Joint Meeting before the transitional period provided for by the Treaty establishing the European Coal and Steel Community expires, on 10th February 1958. It is also the last before, under the new European treaties, the Common Assembly of the European Coal and Steel Community is absorbed into the new Assembly of the three European Economic Communities.

Right from the start—in June 1953—the existence of this Joint Meeting showed that the European Coal and Steel Community meant to be and to remain an outward-looking Community.

Since then the executive powers permitting the Community to establish relations with non-member countries have been reinforced : they have been exercised in the Community's negotiations with G. A. T. T., its co-operation with O. E. E. C., the negotiation of agreements concluded with the United States of America, Switzerland and Austria and, above all, the conclusion of the Agreement of Association with the United Kingdom.

These activities have invariably excited great interest in our Joint Meeting, which has consistently encouraged them and given them its approval. The discussions held within this wider framework have shown that the Six represent but a first stage towards a more comprehensive unification of Europe. The Joint Meeting has thus, at the parliamentary level, been the living embodiment of the clauses fixing the relationship between the Council of Europe and our own Assembly.

In view of the developments now imminent, I think it would

be useful to remind you of the origins of this Joint Meeting. At the first Sitting of the Common Assembly certain Representatives, including M. Guy Mollet—who was then a member—expressed the wish that the Common Assembly of the European Coal and Steel Community should admit British Members of Parliament as observers. The two Presidents of the time, M. Spaak of the Common Assembly and M. de Menthon of the Consultative Assembly, looked into the question and asked three independent jurists—M. Dehousse, now President of the Consultative Assembly, M. Rossi and M. Ophuels—to consider whether it was permissible to invite observers. The three jurists came to the conclusion that, in view of the parliamentary character of the Common Assembly, the attendance of observers was legally inadmissible. Thereupon a decisive move was made. The Presidents talked matters over, and M. Monnet and Lord Layton proposed that the legal difficulties should be overcome by instituting our Joint Meeting. This proposal was accepted by the Bureaux of the two Assemblies, and so this twin Assembly, which has been successfully at work now for over five years, was born.

I particularly wished to recall this to your minds because it shows how legal difficulties can be overcome, through usage and successful collaboration between the two Assemblies; it also shows that the conclusion of treaties is not the only way of creating harmonious relations.

Looking back now over our five years of effective work we see that the provisions of the Protocol on relations between the Council of Europe and the Common Assembly have been observed to the letter, to our mutual profit. The High Authority submits its general Report to the Council of Europe, discussing it when necessary with the Council's committees. Recommendations addressed by the Consultative Assembly to the Common Assembly and the High Authority are always carefully considered by the competent committees of the latter. The Annual Report of the Common Assembly to the Consultative Assembly of the Council of Europe is drafted with a great deal of thought, as the document now before you shows, and the members of the Consultative Assembly invariably receive it with marked interest.

A final point: the Joint Meeting gives representatives of countries which are not members of the European Coal and Steel Community an opportunity to make suggestions and proposals on our Community's work and objectives.

I have run over the facts because I feel that this wise tradition of ours, established by custom, ought to survive the Common Assembly as we now know it and shall soon know it no longer. I consider that the Consultative Assembly of the Council of Europe and the new parliament which is to replace our own Assembly ought to carry on this tradition we have established here—and not only carry it on, but improve upon it.

That is what I wanted to say by way of an opening address at this, the last, Joint Meeting of our own parliamentary body and the Consultative Assembly of the Council of Europe.

I now call the President of the High Authority.

2. Statement by M. René Mayer, President of the High Authority

M. René Mayer.—(F) Mr. Chairman, Ladies and Gentlemen, a year ago, almost to the day, the High Authority was represented at the Joint Meeting of the Consultative Assembly of the Council of Europe and the Common Assembly. Then I spoke, on its behalf, of the serious supply problems with which the whole of Europe would undoubtedly be faced in connection with energy and expressed the strong hope that we should soon see the adoption, at international level, of basic decisions regarding the continued development of European institutions.

Today, we have surmounted the grave crisis in respect of supplies of energy with which Europe was threatened as a result of Suez, although it involved heavy imports of solid fuels, and the United States of America has now become one of Europe's permanent sources of supply. Recognising this fact, importers, with the support of their Governments, have begun to conclude long-term contracts both for supplies and for maritime transport. Charges in respect of the latter, after an abrupt rise, dropped again as suddenly—and are today at the lowest level known for a long time.

This situation could not fail to bring about serious tensions in the markets and to constitute a threat to supplies. If our difficulties have been overcome, it has been due to the close co-operation between our Governments and the High Authority which—it can today be said without fear of contradiction—has shown that it does not lose its head in the face of possible shortages.

I should also like to stress the extent to which our co-operation with O. E. E. C., the body controlling supplies of liquid fuel, contributed towards the solving of short-term difficulties connected with transport and the use of substitutes.

The crisis which marked the period that has elapsed since our last meeting has been overcome. It has proved the worth of our policies and institutions—but it has also awoken us to the fact that we depend on others for our supplies of energy and made us realise the precarious nature of some of the sources of those supplies, the incidence on the price of imported fuel of alterations in freight charges, and hence also the need for new investment in the coal and liquid fuel sectors. The dangers that were so plainly brought home to us a year ago have given an impetus to our projects and our research. That is one of the basic facts of European history in 1957.

The second, I need hardly remind you, is the decisions taken in Rome through the signature of the Euratom and Common Market Treaties which several members of the Community have since ratified.

When signing the Treaties, the Foreign Ministers also implemented the proposals in the report prepared by the inter-governmental experts urgently convened by the High Authority, by instructing the latter to submit proposals to the ECSC Council of Ministers enabling a co-ordinated policy on supplies of energy to be adopted.

Today, this is an accomplished fact. At its recent meeting, on 8th October, the Council of Ministers settled the arrangements whereby the Joint Committee and the High Authority would undertake the necessary studies and prepare proposals for sub-

mission to Governments. The Joint Committee has already completed some useful preparatory work by drawing up a comparative table of the Community's resources and requirements in the matter of energy.

What I have just said about increased fuel imports, their cost in foreign currency, our future requirements, as brought out by so many joint studies, and the extremely high level of investment required to satisfy them, all this means that it is essential that Europe should adopt a co-ordinated policy if she wishes to ensure the public order, the social stability and the satisfactory economic conditions that the future demands.

This new mission, I think, requires stressing, and I am certain that force of circumstances will oblige certain non-member countries of undoubted importance in the field of energy to take an interest in it also.

After this somewhat cursory review of the last twelve months, I should like to lay before you a few considerations which I think will serve as an introduction to the valuable debate which will take place during this Joint Meeting.

This year, you cannot complain of being insufficiently documented. The High Authority has listed in its annual progress Report which, for this reason, is rather longer than usual, the general objectives of the Community and the success in achieving them up to April last. This required long and conscientious work by the experts, whose conclusions the High Authority has endorsed, thus giving the Common Assembly, the Governments, the trade unions and employers' federations and the manufacturers a reasoned estimate of the significance and extent of the task still lying ahead.

M. Gozard's admirable Report, on which the High Authority is glad to take this opportunity of congratulating him, gives a vivid account of the overall activities of the Community, especially in their parliamentary aspect. There is no subject dealt with in the Report that does not provide proof of the vigilance exercised by the Common Assembly and its Committees and of the substantial quality both of their information and of their debates with the High Authority.

Your Rapporteur was quite right to draw your attention to the fact that the Assembly and the High Authority have agreed that the Community shall remain an open one and seek any and every means of associating "third countries with its work, so as gradually to build up a complete Europe."

Taking this Report as my basis, I should now like to pick out one or two questions that are of fundamental interest to "third countries", questions, that is, connected with the coal and steel trade, which affect those countries' sales and purchases as well as the prices at which these transactions take place in either direction. Lastly, this meeting is being held at a moment which makes it appropriate for me to tell you of the progress, from some aspects the decisive progress, that has been made towards freedom of trade and the lowering of tariff barriers.

I will begin by reminding you that, under Article 3 of the Treaty, the institutions of the Community are bound to see that the common market is regularly supplied, taking account of the needs of non-member countries. I had an opportunity of speaking to you last year at considerable length on trade developments between the Community and the other countries of Europe. Today, I should like to bring that picture up to date.

Exports of fuel to "third countries" fell slightly in 1957. Exports of hard coal reached their peak in 1955; they had already begun to drop in 1956, and the same trend continued in the first half of 1957. I must point out, however, that the fact that exports in the beginning of 1957 followed the downward trend already noticeable in 1956 as compared with 1955 does not reflect the same sort of market situation, but rather the reverse. In 1956, the producers of the Community were unable to satisfy all demands for imports from non-member countries, but of recent months a large number of the importers in those countries appear to have been restricting their orders, some of them even going so far as not to take delivery of the full amounts reserved for them by the Community's mines.

With regard to coke, exports fell by 6.5 % in 1956 compared with 1955 and continued to fall during the first six months of

this year. Whereas the fall in 1956 principally affected casual sales and not deliveries to the Community's traditional clients, which are the Scandinavian countries, Switzerland and Austria, the fall in exports during the half of 1957 principally affected sales to Scandinavia, exports to Switzerland and Austria remaining at about the same level. As in the case of hard coal, this fall in exports is due to the fact that the Scandinavian importers have been holding back and not always even taking delivery of their usual amounts. A partial explanation of their attitude can be found in their present level of stocks owing to the mild weather last winter, but there can be no doubt that we are also faced by an increase in sales of American coal to these countries due partly to the present low level of freight charges and the favourable prices offered in some of the contracts.

What does the future hold? I do not want to prophesy, but I observe that, apart from deliveries to the United Kingdom, exports of coke and hard coal this year have dropped back to the levels of 1952 and 1953; in other words, they have not remained at the peak levels of the years 1954 and 1955.

Lastly, and most important, I wish to emphasise that the Community's attitude to non-member countries has not varied. The Community's intention is to remain an exporter although, during the same period, her own net imports have risen from 5 % to 10 % of her apparent overall consumption so that her share of the total imports of OEEC countries from the United States is now more than 80 %.

This attitude on the part of the Community makes it reasonable to suppose that there is not likely to be any serious change in her pattern of exports of coal products.

The Community remains a significant exporter of steel products. As in 1952, her exports to "third countries" in 1956 were about twice those of the United States and three times those of the United Kingdom, in spite of the fact that she was faced, at the same time, with a sudden expansion in internal demand for steel products, an expansion which has so far been at a rate surpassing that in the United States or even the United Kingdom.

It is to some extent connected with the sudden increase in indirect exports of steel in the form of machinery.

During 1956 and the first quarter of 1957, steel exports were running at a monthly average not far short of a million tons, that is, 35.7 % higher than that in the years 1952 and 1953. The expansion of exports between 1955 and 1956 was of the order of 13 %. Exports during the first quarter of 1957 were about 25 % higher than for the same period in 1956.

Compared with 1955, exports to North America in 1956 and the first quarter of 1957 rose from a monthly average of 58,770 tons to one of 114,580 tons; those to the Middle East rose from 27,570 to 60,330 tons and those to the Far East from 29,470 to 59,550 tons, the increase in exports to India being particularly striking. Exports to Russia and Eastern Europe rose from 4,110 to 63,240 tons.

There has been a fall in exports to the Near East and Australia, while those to the other countries of Western Europe have remained more or less at the 1955 level—in other words at an average monthly figure of some 339,000 tons. At the head of the list of European importers comes Switzerland with 70,200 tons a month, closely followed by the United Kingdom with 68,500 tons and then by Sweden with 49,700 tons.

These figures give some idea of the vigorous way in which the Community's steel industry has expanded during the past year.

At the moment, there is a certain slackening in the demand for steel in non-member countries. Orders received recently are not up to the exceptionally high level reached in 1956, which means that we can look forward to a reduction in deliveries to these countries where American and British competition is becoming more active. Demand inside the Community has so far remained stable.

If we turn now to the opposite side of the picture and look at the Community's imports we see at once that the expansion

that I have mentioned in the steel industry is counterbalanced by a considerable increase in net imports of raw materials from "third countries".

Imports of hard coal, which were running at a monthly level of 1,929,000 tons in 1955, rose to 3,171,000 tons in 1956, an increase of 65 %. During the first six months of 1957 they continued to rise and represent at the moment a monthly average of some 3,700,000 tons.

As I said at the beginning of my statement, this increasing tendency towards importing fuel seems now to have become a basic characteristic of the trade of the Members of E. C. S. C. Most of their imports come from the United States which, in the first half of 1957, provided 86 % of our total supplies from abroad, the actual figure being 19,000,000 tons. Imports from the United Kingdom are about 4,000,000 tons a year, from Poland we import some 2,000,000 tons and from the U. S. S. R. about one million. Imports from other countries represent less than a million tons.

I have no need to tell you that our imports of steel products have always been relatively small—and restricted to certain special products. When the Common Market was first formed they rose rapidly and during 1956 reached a monthly average of 150,000 tons. They would appear now to have steadied at that level. Deliveries from the United Kingdom and Austria show a certain increase and those from the United States have fallen, while those from Sweden and Norway show little or no change.

The rapid expansion of steel production has led to a growing need for scrap. The High Authority has made every effort to improve the Community's position in this respect, since, given certain circumstances, it could easily become critical. In face of the difficulties created by American restrictions on the export of scrap, the steel industry has been obliged to submit to reducing its purchases. By persistent negotiation with the United States Administration, the High Authority is doing its best to remedy this situation.

It is also directing investment policy towards increased production of pig-iron, both through the opinions, whether general

or specific, which it gives on investment programmes in accordance with Article 54 of the Treaty, and through the financial assistance that it has, on occasion, given to these programmes. By continuing along the same lines it should, at the end of a few years, have brought about a more balanced composition in the blast furnace charges and thus freed the Community's steel industry from over-large imports of scrap, supplies of which might at any moment again become precarious.

This, however, is for the future. Although the present level of recuperation is rather more satisfactory than it was, this has not prevented imports from rising by something like 25 % during the first five months of this year, compared with the same period in 1956. The United States is still our chief supplier, providing some 75 % of our total imports.

With regard to iron ore, the monthly level of imports has risen from 1,545,000 tons in 1955 to 1,903,000 tons in 1956. The figures fell slightly in the first quarter of 1957, but this appears to be largely the result of seasonal factors.

Imports from Algeria, Tunisia and India remain at substantially the same level but those from the rest of the Community's traditional suppliers are increasing. Of these, Sweden remains by far the largest outside source of iron ore, but imports from Spain doubled between 1955 and the first quarter of 1957.

The High Authority has on several occasions emphasised the problems that exist in connection with supplies of iron ore for the steel industry. One of these comes from the shortage of scrap, which obliges the industry to use more and more pig-iron, and hence iron ore, for the production of steel. Every increase in steel production, therefore, entails a rapid increase in the consumption of iron ore.

Today, the steel industry in the Community is obliged to plan its supplies well ahead, as it is more dependent than ever before on foreign imports of iron ore, the Community's own deposits, however large, being unable to satisfy what will probably be a growing demand.

The consumption of coke, on the other hand, may be expected to drop owing to certain new technical processes enabling the direct reduction of ordinary quality ores. The result of this will naturally be to direct the Community's attention to the deposits that have been prospected in various parts of America and Africa.

Here is a useful opportunity for us to co-operate by adopting a policy of joint investment in the most economic of these deposits. You are aware that this is already being done in Africa with, let me emphasise, the help of non-member countries as well as of Members of the Community, all of which are taking the large, European view in respect of supply requirements of the immediate future.

Mr. Chairman, Ladies and Gentlemen, I shall now turn to the second question which this meeting is to study, that of the price trends of Community products.

Some of the countries represented here have, on more than one occasion, queried the fairness of our export prices. We have always tried, at G. A. T. T., here and elsewhere, to give an honest answer to any question put to us on this subject. The Consultative Assembly's Economic Committee has found that since 1954 the steel export prices quoted by the Community have risen more rapidly than those on the home market, and has accordingly asked us whether the difference between home and export prices has increased during the past year and also what it is today. If I may, I will give you the gist of the High Authority's reply.

It is true that, since 1954, the prices quoted to "third countries" by the Community's exporters have risen more quickly than home prices and that in many cases they are higher today than the latter. If, however, we are to assess the real meaning of this difference between home and export prices, we must look at it in the light of certain special circumstances. In 1954, as a result of the weakness of the steel market at that time, export prices were lower than home prices. To take a few examples, on 1st April 1954 the price of commercial steel on the home market varied between 86.90 and 93.15 dollars a ton f. o. b.

Antwerp while the export price was no more than 80 dollars. The price of machine-drawn wire on the home market varied between 84/85 and 91 dollars while the export price was 84 dollars. Looking at thick plate, we see that while the home price varied from 95.75 and 108.35 dollars the export price was 98 dollars.

When the trend of the economic situation was reversed in the first half of 1954, steel prices naturally showed a tendency to rise. At first the rise in export prices was more rapid and more palpable than was the case of prices on the home market. Export prices have thus caught up with, and even gone slightly beyond, prices within the common market. Since last year, prices as a whole have continued to rise but in other proportions than the year before. At the present time, export prices are situated either half-way between the extremes of prices on the home market or in the neighbourhood of the highest prices on these markets. The gap between prices on the home market and export prices is, consequently, either non-existent or very small.

To take the three examples which I mentioned before: the home price for commercial steel in August 1957 varied between 99.10 and 117.10 dollars and the export price between 112 and 118 dollars.

For machine-drawn wire, the home price fluctuated between 101.15 and 117.25 dollars and the export price was 212 dollars.

Finally, the home price for thick plate varied between 108 and 133 dollars and the export price was 135 dollars.

On the whole, and as far as one can compare products, the export prices of undertakings within the Community continued to be lower than those of British and American exporters, except in the case of flat-iron and broad-flanged girders.

If one compares the trend of export prices during last year when economic trends were particularly favourable, with what happened, at other critical periods on the market, I think one can say that the common market has exercised a definitely moderating influence on export prices. Certain rises in coal prices

occurred, although these were comparatively slight, but the prices of exporters within the Community have, in the course of the last year, been essentially stable.

Over against this situation, the continued rise in home prices led in some cases to a lessening of the gap between them and export prices. Belgian coke is a case in point where home prices came up to export prices.

Transactions in French coal were made at prices which remained very near to the normal. In some cases even, for secondary products, the French coal industry exported at prices lower than those in force within the Community.

I should like to speak now about what is, in my opinion, one of the most remarkable achievements of the Treaty towards the abolishing of obstacles to trade.

As you know, the Governments of the Six have undertaken, by the Treaty instituting the E. C. S. C., to harmonise their duties on imports from outside countries on the basis of the lowest protective duties, instead of applying the average of their duties. In this they have gone beyond the conditions laid down by G. A. T. T. for the setting up of a customs union.

This harmonisation of duties on imports from outside countries should take effect at the end of the period of transition, that is to say, by 10th February, 1958. It could be anticipated on the basis of agreements between the Community and non-member countries.

Since the opening of the Common Market two types of action have favoured an initial reduction of certain import duties in the Community. On the one hand, unilateral action on the part of Member States led France and Germany to adopt, soon after the application of the Treaty, the lowest of their respective tariffs in every case. Later France and Italy proceeded to a new reduction of their duties for certain cases of special steels. On the other hand, negotiation at the Tariff Conference at Geneva in 1956 resulted in the conclusion of agreements for the reduction of

tariffs between the United States and Austria. These agreements represented a new step towards harmonisation on the basis of the lowest duties.

At the same session of G. A. T. T., the High Authority and the Member Governments declared themselves ready to negotiate with any other country wishing to do so, but no country other than those I have just mentioned responded to their invitation.

However, as I was already able to announce a year ago, discussions are under way and have been continued throughout the year in the Council of Association with the United Kingdom in order to work out proposals with a view to the conclusion of a tariff agreement between the British Government, the Governments of our six countries and the High Authority. The final difficulties have been eliminated, and I now have high hopes that such an agreement will soon be realised, thus constituting a new step towards greater freedom of trade.

The Council of Association will, at its next session, put forward proposals which will, I think, be accepted by the Council of Ministers and by the British Government.

If I cannot at the present time give you a final picture of the duties which will be applied by each country within the Community after harmonisation, I can define the principles on which it will be based. The Benelux rates plus 2 % are to be the basis of the harmonisation. The High Authority, by reason of the right which it can exercise, according to the Convention, on temporary measures, did, in fact, consider that this increase was necessary in order to facilitate harmonisation, in view of the considerable tariff protection remaining in force up to this day in the three other countries of the Community.

The actual level of duties in each country will result from their natural geographical protection *vis-à-vis* the Benelux countries. This means that rates may vary from one country to another in a proportion equal or nearly equal to those of the cost

of additional transport required for indirect importation as compared with direct importation. This protection, which is called "geographical", varies with the distance and the cost of freight in relation to the value of the goods transported. It is considerable for Italy; it is negligible for Germany while France occupies a mid-way position.

Lastly, certain exceptions can be made, according to the Convention on temporary measures, in favour of certain Member States in cases where it is justified, for certain given products, and for a maximum time of two years. This has been accepted by the Consultative Committee of the Community but must still be ratified by the Council of Ministers at its next meeting.

Mr. Chairman, Ladies and Gentlemen, I need not insist upon the importance of this double aim—harmonisation of existing tariffs and tariff agreements with Great Britain—insofar as it gives effect to the fundamental provisions, in connection with steel trade, of the Treaty instituting the E. C. S. C. and the Association Agreement. This step shows that the Community will keep to the promise made to non-member countries considerably to reduce its protective tariffs. The Community gives the maximum value to the notion of association which forms the basis of the agreement with Great Britain. As I said two years ago, the High Authority was determined to take all action within its power to animate this agreement, explore all its possibilities and prepare further progress along these lines. Such progress will be achieved when an agreement can be reached on the setting up of a Free Trade Area, grouping the member countries, Great Britain and other countries which might wish to be associated with it.

This problem, which, as you know, is a difficult one, consists in combining to the best advantage of the participants the British economy and the European Common Market, together with the markets of other European countries, in such a manner as to take into account, in particular, the existence of the Commonwealth.

The Member Governments of the Community have declared that they are ready to accept such a proposal, since they are con-

vinced that the mission of the general Common Market is to form an association with other countries and not to establish among its six Members a self-sufficient preferential area.

The scope of the area—that is to say, what products should be included—is open to discussion. But the High Authority believes that the Free Trade Area should in any case include coal and steel.

In his report M. Gozard has recalled the political conclusions reached by the Assembly of E. C. S. C. on this question of the inclusion of coal and steel in a Free Trade Area. For instance, in the course of its last Session, it adopted the report submitted by M. Pleven, which concludes with an invitation to the High Authority to refer to the Governments a proposal tending:

(a) towards the negotiation of free trade agreements, which could, in any case, be put into effect in the shortest possible time, between the countries of the Community and the United Kingdom, as far as coal, iron and steel are concerned;

(b) towards the negotiation of free trade agreements of the same type and covering the same field with other member countries of O. E. E. C.

The High Authority, which had already begun to consider the problem of the setting up of a Free Trade Area for coal and steel, and which had obtained the approval of the Council of Ministers for discussions on this subject between representatives of the Governments and of the High Authority, had been very much encouraged by the unanimity of the Assembly and has continued its work parallel to that which is being done in Brussels.

The experience acquired in Luxembourg over five years and the contacts within the Council of Association since 1956 have been positive elements in the search for solutions applicable to a Free Trade Area including the products covered by our Treaty.

The common market of E. C. S. C. is essentially based on the idea of free circulation of goods. The Free Trade Area has

the same aim in view without, however, proposing the integration which is fundamental to the aims of the six member countries. This is the underlying cause of present problems for which a solution can only be found if they are first stated correctly.

It has become clear by now that the idea of a Free Trade Area has given rise to two schools of thought of rather widely differing views. For some, it would be sufficient to abolish quotas and customs duties; for others, obstacles to trade could only be eliminated with safety once complete economic harmonisation had been achieved.

A year's negotiations in O. E. E. C. have already shown experts that a solution must, first, be found to the dilemma caused by these two extreme conceptions.

For our part we believe that if these two conceptions retain all their original rigidity it will be impossible to find a concrete solution, for neither is based on reality.

One cannot expect a "third country", Great Britain in particular, to demolish the whole of its economic system relying to a large extent on a complex arrangement of aid, subsidies and fixed prices in order to enter a Free Trade Area. That is doubtless one of the reasons why Great Britain cannot adhere to the rules of a Common Market which would amount to economic integration. It would be unrealistic to expect her to do so in the future.

But, on the other hand, as views expressed by certain industries in member countries prove, one cannot expect States which have given their adherence to the idea of the Common Market and which have subordinated their coal and steel industries to its rules to accept without any other formality the setting up of a Free Trade Area with uncontrolled competition and without the compensatory aid or subsidies that might perturb trade.

Nor could the member countries give up completely the powers they have delegated, as far as coal and steel are con-

cerned, to the High Authority, providing for a re-distribution of resources in case of shortage—a re-distribution whose consequences might also affect the Community's exports.

Mr. Chairman, Ladies and Gentlemen, I believe that it is a good thing to state these problems clearly. It may thus be possible, as in the case of the Treaty of Association between the E. C. S. C. and Great Britain, to seek out the lines along which the lack of economic harmonisation could be remedied through compensatory aid and mutual consultation in the event of serious and grave difficulty.

I will not go further and seek to define here the rigidity of the rules of competition which must be established. That is, in fact, the subject of the negotiations at present under way.

With its competence in the matter of the problems involved in the inclusion of coal and steel in the Free Trade Area, the High Authority will try to contribute towards the creation of a system which, whatever its name, must aim at increasing the volume of exchanges between the Community and other countries of O. E. E. C. with a view to more rational production, greater productivity and therefore the improvement of the standard of living in Europe.

Before concluding my remarks I should like to say a few words about the Community's relations with outside countries.

A railway-rates Agreement between the six member countries and Switzerland which was signed on 28th July 1956, and of which I spoke last year, came into force on 1st July 1957. A similar agreement has been signed with the Austrian Government on 26th July 1957 and will come into force very shortly.

Apart from the working out of proposals for customs agreements, which I have already mentioned, the Council of Association has continued its work on problems common to the industries of the United Kingdom and the Community. Its second report will be published at the beginning of 1958.

As usual, the yearly session of G. A. T. T. opened at Geneva a few days ago. The Community has presented the annual report which it is required to draw up during the period of transition concerning the measures taken by Member States in view of the final application of the Treaty.

As in the past, the High Authority has continued to co-operate with international organisations, especially with the International Labour Organisation, which has given its advice and active assistance in the drawing up of the agreement on the social security of migrating workers.

We congratulate ourselves on the close contact we have had with accredited delegations from non-member countries to the High Authority. The High Authority has associated experts from other countries as widely as possible with its work on safety in the mines, health and medical work in industry. In this way, the High Authority has tried to bring as much good will and competence as possible to bear upon the common task of improving working conditions in the coal industry.

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Mr. Chairman, Ladies and Gentlemen, this meeting is the last to be held before the end of the period of transition of the Treaty instituting E. C. S. C. and the coming into force of the Treaties of Rome. A fundamental stage in the history of the building of Europe will have been completed.

As we look back over the five years which have gone by, I should like to thank the Consultative Assembly of the Council of Europe for the interest it has shown in the achievements of the High Authority, supported by the Common Assembly.

Fortified by the convictions we have acquired, and stripped of some illusions, we have been able, I think, to clear to some purpose the terrain on which we may now build.

The Coal and Steel Community will not merely have brought new facts into the economic, juridical and political life of Europe.

It has been sufficiently successful to be able to read or hear at the present time many appreciations of the Common Market and the necessity of its rules which are all the more valuable when they come from the very circles which have long been reserved in their attitude towards the coal and steel industry.

This is a fine reward for the High Authority's efforts. Fervent Europeans as you are, all of you here, you may share in the same satisfaction and continue in the same effort within the wider horizons which now lie before us.

The Chairman. — (*F*) I thank the President of the High Authority for his interesting statement, the text of which will be distributed very shortly.

3. Report on the work of the Common Assembly

The Chairman. — (*F*) I call the Rapporteur of the Common Assembly, M. Gozard.

M. Gilles Gozard (France). — (*F*) Mr. President, Ladies and Gentlemen, for the fourth time since the Treaty establishing the European Coal and Steel Community came into force, the Common Assembly is presenting a report on its work to the Consultative Assembly of the Council of Europe, this time for the period from 1st July 1956 to 30th June 1957.

My three distinguished predecessors in this rôle of Rapporteur all commented on the various institutional aspects of their respective reports in such masterly fashion that there is no need for me to dwell on them today. The first part of the Report defines the Common Assembly's achievement during the period under review, in its capacity as the parliamentary assembly of the European Coal and Steel Community exercising its prerogatives under the Treaty.

During the past year the Common Assembly has felt constrained to take a special interest in the state of the coal market. In the autumn of 1956, as the President of the High Authority

has just remarked, difficulties arose in providing supplies of coal for domestic consumption. An analysis of the situation, culminating in a report presented on behalf of the Common Market Committee by its Chairman, revealed the existence in the Community of an organic shortage of coal and a constant increase in demand. At the same time, it became clear that the existence of two sources of supply—coal from the Community, on the one hand, and from America on the other—the price of the latter being augmented by the extra cost of freight—was resulting in inequality of treatment for the consumers.

This state of affairs—a point it is well to emphasise—provided an opportunity for a display of Community spirit. Certain ECSC countries actually bought coal from America but continued to supply their own coal at a cheaper price to other countries in the Community.

A certain shortage, however, still prevailed, and this led Governments and marketing organisations to take steps to regulate and direct production. It was even thought at one stage that the situation might be regarded as constituting the state of “serious shortage”, referred to in Article 59 of the Treaty, which entails the exercise of certain powers by the High Authority. It was decided eventually, however, that this was not the case.

Since then, as the result of a relatively mild winter, the position has been completely reversed. Instead of the beginnings of a serious shortage, there is now a certain amount of over-production, the change in the trend being accentuated by a considerable drop in shipping freights.

These occurrences demonstrated the lack of flexibility in the coal market, and, as a result the Common Assembly was quite naturally led to consider the problem of stock-piling, referred to by the High Authority in its Fifth General Report of April, 1957.

It seems clear, indeed, that only a policy of stock-piling can act as an effective regulating factor, one, too, that will have a number of effects. It must, at one and the same time, ensure that supplies are adjusted as frequently and as closely as possible to

the fluctuations of demand; then, it must keep freights regulated, by avoiding, on the one hand, rises due to increased demand for immediate shipments to meet urgent needs, and, on the other, abrupt falls due to a scarcity of long-term contracts and a sudden stoppage of imports. Such abrupt movements in freight rates inevitably lead to an increase in the average long-term rates, since their instability makes it impossible either to maintain a permanent fleet of an optimum size, or to keep manpower permanently employed in the Community's coalmines—an extremely important matter for us. Security of employment is, indeed, essential, first, from the purely human point of view, since regular full employment must be maintained to the utmost possible extent not only in order to keep up the miners' standard of living, but also to prevent it from falling, as it would if there are no stock-piling facilities to absorb the temporary surpluses which accumulate at the pithead and if short-time working has to be introduced. The social consequences are unfortunate, for it means that the workers' total wages are reduced.

A drop in production in the face of a temporary fall in consumption may indeed mean miners having to be discharged. These men may be lost for good and all to the coalmines. They take up other jobs and have no desire to return to their former occupation when the economic situation improves again. And we all know how difficult it is to recruit miners. And, need I add, if a cut in production finally leads to a mine having to stop work and close down, with conditions in Western Europe as they are such a mine may be lost for ever.

It seems, though, that, with the general demand for power, the European Community will, even allowing for the prospects opened up by new sources of energy, need more and more power, and therefore more coal, for many years to come. We cannot afford, therefore, to allow a temporary emergency to bring about a long-term decline in the quantities of coal and power available.

There are many reasons, therefore, to justify adopting a policy of stock-piling, the need for which has so far merely been affirmed, but which must now be made absolutely clear and definite.

At the Common Assembly's Session last May the President of the High Authority stated, in reply to members who had raised the subject, that the High Authority was continuing its study of this matter. I felt I should let you know today that this problem is very much in our thoughts.

The terrible disaster at Marcinelle in the summer of 1956 led the European Coal and Steel Community, and more especially the Common Assembly, to consider the problem of safety in mines. A specialised Committee on safety and rescue work in coalmines was set up. Following M. Bertrand's report, the Assembly has invited the Special Council of Ministers to attend an extraordinary session in Rome this coming November to supply detailed information on this matter. At the same time it asked for the permanent body whose creation was recommended by the Conference on Safety in Coalmines to be set up promptly.

The Assembly also said it would like to receive the annual report of this permanent body, and it further requested Governments to take the steps advocated by the Conference on Safety in Coalmines even before the permanent body was set up.

I shall pass over the other matters considered by the Common Assembly in the past year, as they are dealt with in my written report.

The Common Assembly has, of course, given special thought to the requests expressed either in the resolutions of the Consultative Assembly or in the speeches made by individual members.

Since the summer four Committees of the Assembly have been specially active. The Social Affairs Committee has studied the human aspects of safety in coalmines, the reduction of working hours in the Community industries and the migration and free movement of workers.

On the two latter points representatives both of trade unions and of employers' associations were consulted. On the subject of the free movement of workers, these bodies claimed that the provisions of Article 69 of the Treaty were inadequate and that

it would be a good thing to interpret and implement them more liberally.

The Committee has also proceeded with the revision of the social aspects of the ECSC Treaty. The Committee on Safety and Rescue Work in Mines has continued its study of the problem of safety and rescue work, from the legal and political, as well as the technical, points of view. It has taken particular interest in the permanent body for safety and rescue work in coalmines recently set up.

The Committee felt it regrettable, in this connection, that the Governments had drawn up by themselves the rules of procedure of this body, that the special working party responsible for administrative matters and external relations consisted entirely of Government representatives and also that the new body's terms of reference had been curtailed—and were thus now not entirely consistent with the recommendations of the Conference on Safety in Coalmines.

The Investments, Finance and Production Committee has discussed with the High Authority the matter of defining a policy for iron and steel production, as also the implementation of the coal policy, stress being laid on the importance of a general power policy, the urgent need to open up new coalmines, the advisability of agreeing on a policy for coal imports, and the absolute necessity for a stock-piling policy, of which I spoke just now.

The Transport Committee, again, with the assistance of experts has gone on studying the problem of the general co-ordination of European transport.

Lastly, a sub-committee on commercial policy has been set up. It will be submitting to the extraordinary session in Rome in November a report by M. Pleven, whose comments on the commercial policy of the European Coal and Steel Community are, if I may say so, very much to the point and give an admirably clear picture of the position. I am convinced that this Report

will generate an exceedingly fruitful and valuable discussion in the Assembly.

When I was preparing this report, I felt that it was impossible, at a time when we were having to present to the Consultative Assembly of the Council of Europe this fourth report on the work of the Common Assembly, not to mention the special circumstances in which it is being made and so to deviate rather widely from the more or less standard pattern laid down.

We are at what may be deemed a turning-point in the history of the European idea—unless you prefer to call it a cross-roads. It is, in any case, a moment marked by a concatenation of events which are all bound to affect the destiny of Europe.

The transitional period of the European Coal and Steel Community will be coming to an end in a few months, and the amendments to be made to the Treaty establishing it can already be considered in the knowledge that there is likely to be soon a process of revision.

The Treaties signed in Rome on 25th March last, instituting the European Economic Community and the European Atomic Energy Community, are in course of being ratified by the Parliaments of six countries. Three of these have already voted in favour of ratification. It will soon be time for the Treaties to come into force and the new institutions to be set up. It is no exaggeration to say that great strides are being made in building Europe, not only in laying the foundations of new institutions but also in convincing more and more people of the need for a new Europe.

The Common Assembly is to give way to a single assembly for the three European Communities, which will thus be not a new assembly but a continuation of the present Common Assembly. Special attention is centred on the twofold problem of re-grouping the institutions and rationalising the European parliamentary assemblies.

At the same time, some people still voice the fear that the development of the Europe of the Six may harm the cause of

European unification on a more truly geographical basis, while others, or perhaps the same people, are afraid that the European Economic Community may develop autarkic tendencies which would sever it from the rest of the world and deal a mortal blow to international trade.

Against this highly intricate background, we must grasp the essential fact that the Assembly of tomorrow is the heir to the Common Assembly of today. I felt therefore that it might be worth while defining exactly what this legacy will be. It was with these thoughts in mind that I drafted the last two sections of the Report I am submitting to you today.

In the first place, I have tried to define the stage of development reached by the parliamentary machinery of E. C. S. C. Then I have tried to describe what the Common Assembly has done towards setting up new Communities, while ensuring that their development would not hinder the unification of Europe as a whole.

The parliamentary machinery of E. C. S. C. has not yet reached the stage of development achieved by the national parliaments of the six Community countries.

The executive, as represented by the High Authority, is not an emanation of the Assembly; it is not formed by a majority of that body. Its members are appointed by Governments, so that it may be said to be imposed from without. This situation might have given rise to clashes and even obstructed the whole system, if the High Authority had not displayed a spirit of confident co-operation. Differences of opinion have, of course, occurred, and there have even been clashes between the High Authority and the Common Assembly. Such incidents cannot be avoided and frequently occur in a parliamentary system when the executive is not appointed by Parliament. However, the co-operation which has grown up between the High Authority and the Assembly has made it possible to frame a code of unwritten parliamentary law.

This was needed. The Treaty setting up the European Coal and Steel Community has very few clauses dealing with the Assembly. A narrow or too strict interpretation of their provisions might have resulted in the part played by the Assembly being restricted to the right to exercise control, *a posteriori*, over the action of the High Authority, once a year, when it presented its report.

Fortunately, as we know, this has never been the case. The influence exerted by the Common Assembly on the views and decisions of the High Authority has become steadily more and more marked, though not because the Assembly has encroached unduly on the High Authority's prerogatives. On the contrary, the Assembly's growing influence is legitimate, since it represents the people of the member countries of the Community and speaks in the name of public opinion in those countries.

This function of acting as a representative of public opinion has, as it were, been strengthened by the increasing influence exerted in the Assembly by the political groups into which it has split, irrespective of differences of nationality, as my predecessor M. Paul Struye pointed out last year.

It is now for all practical purposes the rule for members to speak on behalf of political groups and, in addition, these groups have frequently had occasion to define their respective attitudes on particular problems. In this way they have gradually evolved truly European policies.

The Common Assembly's initial contribution to the building of Europe has taken the form of a constant interest manifested both by the Assembly itself and, more especially, by its Working Party, in the drafting of the Euratom and Common Market Treaties. At various stages in the negotiations the Common Assembly did not hesitate to take a stand on these matters and to make its views known in due course to the negotiators.

In this respect, the President and the Bureau have been particularly active, and, it must be said, with excellent results.

Although these results may not have represented exactly what was aimed at, they come fairly close to doing so.

The Assembly, the President and the Bureau do not consider that their task in this sphere is at an end. No doubt, when the Rome Treaties come into force, and after the first phase has been completed, fresh vigilance will be required to ensure that the building of Europe proceeds in the right direction.

Surely the problem of expanding the Europe of the Six to the Europe of the Sixteen assumes a new aspect when we consider the increasing likelihood of the establishment of a Free Trade Area, as brought out by the President of the High Authority a moment ago.

In this connection we cannot but welcome the recent decision of O. E. E. C. to ask the European Coal and Steel Community to be represented on the Special Committee which has been set up to work out the prospects and plans for this Free Trade Area.

We should all be gratified by that decision. But we must not blind ourselves to the fact that, in the future as in the past, we shall have many obstacles to overcome, sometimes seemingly contradictory of one another, since the excessive haste of some can be as harmful as the deliberate dilatoriness of others.

We are determined to go on making the ties between the various European organisations ever stronger. This may be said to be the principle guiding all our action.

This is the thought I have tried to express on behalf of the Common Assembly in the Report submitted to you today. I hope that you will agree with me that a report of this kind should never be a document cast in a rigid and permanent mould, which is repeated from one year to another, devoid of all life and interest. On the contrary, it should reflect the current political situation at any given time. While setting out what we have sought to do and what we have accomplished, it should help to strengthen still further the ties between the Common Assembly and the other European Assemblies, and create an atmosphere of ever greater mutual confidence.

Europe represents a philosophy, an attitude of mind which it is our duty, wherever and whenever we have the opportunity, to make manifest and to propagate. (*Applause.*)

4. Statement by the Rapporteur of the Economic Committee of the Consultative Assembly

The Chairman. — (*F*) I call M. Czernetz, Rapporteur of the Economic Committee of the Consultative Assembly.

M. Czernetz (Austria). — (*G*) When you opened this meeting, Mr. Chairman, you remarked that this would be the last time the Assemblies of the European Coal and Steel Community and of the Council of Europe would meet together in their present shape and form. I venture to take this opportunity of telling both you and your Assembly how much we have appreciated the opportunity of holding these debates, which form a link between the European Coal and Steel Community and the Council of Europe. At the same time I would express the hope that the new European institutions will, in their turn, discover some way of holding joint discussions with the Council.

At previous Joint Meetings we have been able to engage in very free and friendly discussions, and, in spite of the critical note which was sometimes heard, I can say that our exchanges have always been prompted by concern for this Europe which is common to us all, whether we are members of the restricted Community of the Six or belong to those of the Council of Europe countries which are unable to co-operate in this close manner or cannot yet make up their minds to do so.

Before embarking on the main subject of my statement, I may perhaps first make one personal remark. As an Austrian Member of Parliament, I have the privilege of representing a country imbued with the spirit of European co-operation, desirous of collaborating as closely as possible with the other members of the community of European States, but obliged for obvious reasons to bear in mind certain political characteristics of the times we live in.

I speak today as Rapporteur of the Economic Committee of the Council of Europe. May I, however, say a few words to those of my colleagues in the Council who are mostly concerned with political problems and have a tendency to regard economic matters as being of secondary importance? The fact is that, as things stand at present, we can see how pressing are these economic questions. After the setbacks suffered by so many great political ideas and projects, it is primarily in the economic field that we must find the way to European unity.

This last Report of the European Coal and Steel Community, which the President of the High Authority has presented to the Common Assembly just before the end of the five-year transitional period, enables us, as it were, to do a bit of stocktaking. All the Members of the Council of Europe, particularly those who have not joined the Community of the Six, follow the development of the E. C. S. C. with the greatest interest, and not only from their own economic point of view. However impatiently we may now be following the course of events that should lead to a broader form of European union—the establishment of the Free Trade Area—we may also derive valuable knowledge, particularly at this stage, from the experiments in coal and steel matters carried out by the Community of the Six

Even though the Free Trade Area is to differ in structure from what has so far been planned, the experiments made and methods tried out in the European Coal and Steel Community are bound to be studied and assessed with close interest.

In attempting such an assessment, Mr. Chairman, I should, first of all, say that we of the Economic Committee of the Council of Europe are well aware that something entirely new has been created here. As an attempt to create a supranational economic organisation in two specific industrial sectors by delegating national sovereignties, the ECSC was a strange and revolutionary undertaking which was bound to excite intense interest and arouse great expectations. Now that five years have elapsed, and we have reached the end of the first transitional period, I think it may be said that this important and absorbing experiment has been remarkably successful.

I think that those Member States of the Council of Europe which are not Members of the Community of the Six but are watching this experiment with the keenest interest and fellow-feeling may be permitted to congratulate the six countries and the High Authority of the ECSC on their outstanding achievement.

The statistical report which has been distributed to you shows no more than the changes that have taken place in the last year or two. But I am sure you will allow me to say, Mr. Chairman, that this is the very moment for us to form an overall picture of the whole five-year transitional period.

The fact that from 1952 to 1956 the output of iron ore rose by 23.6 %, that of pig-iron by 25.3 %, and that of crude steel by 35.6 % is undoubtedly a feather in the cap of the six Community countries and the High Authority.

The President of the High Authority repeated today what was already to be found in the Authority's Report, namely that the trend of coal production has not been equally favourable. The 4.2 % increase in coal mined over the five years under review is clearly less impressive than the progress made in the iron and steel sector.

The trade figures are of the greatest interest and reflect a situation of tremendous importance. Trade within the Community has increased within the last five years by 20.8 % in the case of coal and 138 % in the case of iron and steel,—a truly impressive rate of expansion.

It is interesting to note that trade with non-member countries presents a somewhat different picture—or, at any rate, that there is some degree of inconsistency here. The President of the High Authority said all that was necessary on the subject today. Yet trade with "third countries" has also shown a considerable increase. Exports of iron and steel have risen by 37 %, of coal by rather less, namely 29.5 %; on the other hand, there has been a slight fall of 4.6 % in coke exports since 1952.

In this connection, Mr. Chairman, I may perhaps mention that, after hearing the very detailed explanations of the President of the High Authority and even going back to the General Report, I am still not very clear about the general trend of coal production and trade. If I may say so, the position has not been explained quite convincingly enough for a layman. One has the impression that a number of points need further clarification. There can be no doubt that coal production has failed to keep pace with demand. Furthermore, a certain falling-off in coal trade was noticeable last year. We are told that the mildness of last winter was a reason for this fall in exports, particularly to the United Kingdom. I still think, however, that a number of things remain obscure to the "outsiders" of the Council of Europe. The coal situation is certainly neither as satisfactory nor as clear as trends in other sectors. I want to place particular emphasis on this, Mr. Chairman, because the Fifth General Report of the High Authority contains a fair number of predictions for the future. We find there, for instance, certain value-judgments and hypotheses. Thus, having noted the growth of demand for coal, it goes on to express the hope that the six countries will be able to raise coal production by 33 % within the next twenty years and thus meet the growth of demand.

It is difficult for those outside the Coal and Steel Community to judge whether experience during the five-year transitional period seriously justifies this very optimistic forecast. Attainment of this target depends, of course, upon the solution of a whole series of problems which must be familiar to the High Authority but have not been made sufficiently clear, either by accident or because it was impossible as things are today. To what extent will these estimates have to be revised owing to the effect of non-traditional sources of energy, particularly nuclear energy? It may be asked how costs will move, whether coal production will become more or less profitable and how far coal will be able to stand up to competition? I say all this, Mr. Chairman, merely because it is a matter of general concern. We should at all events be glad of more information on the coal industry.

The Report rightly stresses the social progress made by the Coal and Steel Community during the transitional period. Full

employment is an established fact in the six Community countries. We note the success of efforts to readapt workers who have had to change their employment, particularly in France, Belgium and Italy. The Report tells us that remarkable social progress has been achieved particularly as regards social welfare and security. May I be allowed to point out in this connection that social improvements are not peculiar to the Community of the Six; the period of intense economic activity through which we have been passing for a number of years has enabled us to make considerable social progress throughout Europe. We are glad, at any rate, to see that this wave of social improvement has swept through all the countries of the Community of the Six.

There can be no doubt, Mr. Chairman, that one of the main problems within the Community is the disparity between social conditions in the various member countries, for instance between the countries of Western and Southern Europe. I believe it is a fact that there is an enormous gap between rates of pay in Italy and those in Luxembourg, Germany, Belgium, France and the Netherlands. This is much more than a mere wage problem, it is a vital issue on which depends the future development of the European community in a broader sense. The reason why I am dwelling on this point is that this burning problem of unequal social conditions, familiar to all European countries, is one of the most serious which the Seventeen have to contend with within the framework of O. E. E. C. The experience acquired by the ECSC during the five-year transitional period is certainly of great interest to the larger Europe and to all member countries of the Council of Europe and O. E. E. C. May I recall what was said in this connection in the High Authority's Fourth General Report last year? This informed us that, according to certain information which had not as yet been completely sifted, social inequalities and the gap between the real income of miners and steel workers in the Community countries had apparently decreased between 1953 and 1955.

I regret, Mr. Chairman, that the Fifth General Report contains no parallel section giving us clear and easily digested facts on this subject. May I once more ask you this question, which I hope you will regard not as cavilling criticism, but as the expres-

sion of a deeply felt concern of the larger Europe? The question is this: is it possible to reduce or to eliminate these social inequalities? Is one in a position to do so? If so, how can one set about it and at what pace can one proceed?

Unfortunately, the Fifth General Report has nothing more definite to say on the subject. What it does show, however, is that wage trends since 1953 have varied from country to country. It indicates quite clearly that wage adjustments and increases have not proceeded at the same rate in all the countries of the Community. For instance, if we take the iron and steel industry we note that wages have risen much less in Italy than in the Saar, Germany, France, Luxembourg, the Netherlands and Belgium. I mention Italy because of the fact that the smaller rise in wages in that country aggravates rather than attenuates the disparity in social conditions. Unfortunately, I repeat, the Fifth General Report does not contain a comprehensive and clear table based on absolute figures, such as would give an accurate picture of the situation. The statistical bulletin of the High Authority for May 1957 shows that there are certain anomalies. The average hourly wage in the iron and steel industry, expressed in terms of national currency, increased between January 1954 and June 1957 by 44 % in Germany, 31 % in the Netherlands and 20 % in Italy.

The least that can be said is that the already existing gap between wages in Italy and those in other Western European countries has not become any narrower. If anything it is tending to widen. I wanted to bring out this less satisfactory aspect of the problem, which is of the greatest importance to us countries of "greater" Europe. I wonder, therefore, whether we could not have some detailed information which would enable us to learn from the successes or failures of the High Authority and to determine the causes thereof. The experience gained by the High Authority in this connection is of the greatest interest to us all.

I should also like to raise a question which the Economic Committee of the Council of Europe has had the opportunity of discussing at greater length and on which we lack detailed information. I am referring to the question of combines and concentrations. It is encouraging to note that the High Authority

has made considerable efforts to solve the problem of cartels. However, Sir, if I look at the Report presented in May 1957 in the Common Assembly of the European Coal and Steel Community by its Common Market Committee, I see that the Committee expressed therein its concern regarding this question of combines. According to this Report, only a relatively small proportion of the coal produced in the Ruhr comes from undertakings outside these concentrations. Furthermore, although after the end of the last war, the victorious Powers carried out a far-reaching de-cartelisation of industry in Western Germany, powerful industrial groups are now beginning to re-emerge. We know very little about concentrations in other member countries of the Community, but, judging from the report of the Committee, concentration in the coal and steel sector has been carried out to an appreciable extent by the Belgian and Netherlands mining industries. Unfortunately, no figures are given. The Committee merely mentions some of the drawbacks of such concentrations. The Report goes on to say that concentration is, to some extent, hampering the normal development of the coal industry and that, for instance, it is slowing down the development of the use of coal in the chemical industry.

It is extremely interesting to note the Committee's statement that there is a size limit for an undertaking, beyond which production costs cannot be further reduced, and that in fact there is a danger in this case that the administration may become cumbersome and top-heavy. In addition, the Committee, in its Report, expressed the fear that horizontal and vertical concentrations might lead to the growth of giant industrial groups which, far from improving the conditions of production or consumption, might acquire a monopoly capable of disturbing the market.

I think, Sir, that these developments, these warning signs, are so serious a matter that they should be discussed outside the Community of the Six, *i.e.* in the Council of Europe and O. E. E. C. Indeed, your Committee considers that the High Authority should rapidly set about working out a policy in the matter of concentrations, at least in broad outline.

I wonder whether the High Authority has actually tackled this problem and, if so, what conclusions it has reached.

I venture to ask M. René Mayer whether he considers it proper to accept this situation and whether he can tell our Assembly what are the intentions of the High Authority as regards concentrations and the trend towards monopolies.

All these questions have assumed special significance following the recent increase in the price of Ruhr coal. Pardon this plain speaking, but this is a far-reaching question extending beyond the economic milieux directly involved, which are the first to be affected by this increase; this is a question of interest to us all and indeed to the whole of Europe. In our efforts to bring about European unity we meet on all sides with resistance based on purely national interests. We are subjected to the clamour of outmoded nationalist ideas. The circles which entertain these ideas are now telling Europe, as it moves towards unification, that European integration is a factor making for a higher cost of living. Why has the High Authority tolerated the increase in coal prices and why did it even prevent the German Government from trying to oppose it?

I am not saying this on behalf of my German colleagues of the different political parties, whatever may be their opinions on this matter. But this question is one to which public opinion in my country, Austria, attaches some importance. I wonder whether the President of the High Authority could tell us whether the High Authority realises that such acts, which, for all I know, may be justified—I, personally, am not in a position to judge—have harmful consequences and are damaging to the cause of European co-operation. In such circumstances the political climate may easily change—and the necessary good will may be lacking.

There are other questions which suggest themselves in this connection. For instance, is it not possible for the High Authority to prevent harmful and dangerous price-agreements? Does it lack the necessary machinery? Is it true, as is being said outside the six countries, that only one-third of the increase in the

price of Ruhr coal is due to higher wages, and that the remaining two-thirds are unjustified? I would like to know whether the High Authority is certain that there has been no sharp practice.

I am not asking these questions because I want to be disagreeable, but only because I consider that these facts are of interest to us all. European integration must not be discredited in the eyes of European public opinion by acts which might perhaps have been prevented. At all events, I should like a little more information on this point.

I have referred to the remarkable achievements as regards the increase in production and in commercial expansion, as also to other brilliant successes of the Community of the Six and the High Authority. The report, of course, mentions the strict limitations inherent in a partial integration. It is over a year since M. Spaak emphasised the problems raised by such integration. Moreover, I would remind you, it is because of the limitations of partial integration that the Messina Conference was held and that the decision was taken to set up the European Economic Community.

Apart from this question of integration limited to two industries, there is also a question which is of interest to non-member countries, the so-called "third countries": has the Treaty instituting the European Coal and Steel Community given the High Authority sufficient powers to influence the course of events? Here I am referring, in particular, to coal. Further, has the High Authority adequate means to make such investments as it deems necessary? For, as we say in our report, enormous investment will be required to increase coal production to the extent required over the next twenty years. Could the President tell us whether the High Authority has adequate powers and means in this respect and whether it is capable of initiating, guiding and expediting the necessary process?

Housing is another social and economic task facing the Community. Special mention is made in the report of the construction of workers' dwellings in the countries of the Community, with the assistance of the High Authority, as one of the

High Authority's successful efforts in the social field. It is undoubtedly a matter of satisfaction that this sector should have been taken in hand, and this is worth emphasising. Nevertheless, I wonder whether what has been done is enough? If there has been too little building, this may have been due to the limits of partial integration imposed upon the High Authority. I see from the reports that in the space of five years 38,000 workers' dwellings have been built under the financing and experimental programmes. But it must be realised that there are 1 1/2 million coal and steel workers, that is 4 1/2 million persons, if their families are included, living in the six countries of the Community. We have heard in the Economic Committee of the Council of Europe that the most poorly-housed workers are the miners. Indeed, in certain cases, it has proved almost impossible to replace the unsatisfactory hutments by new buildings. Is not too little being done? We should like to know whether it might not have been possible to build a good deal more and, if not, what difficulties were encountered.

The representatives of the local authorities have told us that there has not been enough contact and co-operation between local administrations and the High Authority in the matter of building workers' dwelling or housing estates. We should like to know whether this is due to the limitations of partial integration or to the lack of adequate powers or to other reasons.

Such, Sir, are the few comments I had to make concerning the Report which, as a whole, is admirable and deserves a favourable reception. I should like to make it quite clear that my remarks, my requests for more detailed information and my questions have not been in the least intended to disparage or decry the actual achievements of the Community.

We are all conscious of the need to achieve European unity. Yet, at the same time, I do not think it an exaggeration to say that we find it quite natural that Europe should be divided up as it is. We have become accustomed to consider ourselves poor relations of the rest of the world, particularly of the Americans: one might almost think that we have forgotten how strong and rich Europe still is. Of course, the experts, the members of

the High Authority and, I think, also, the members of the Consultative Assembly of the Council of Europe know, even if they are not economists, that in Europe productivity is much lower than in the United States where the *per capita* income is over three times that of the countries of Western Europe. These facts are known to everyone.

Now, without wishing to set up as an authority in the matter, I should like to ask the following question: are we always clearly aware of the vital importance of these facts? It remains true that the situation of Europe is by no means without remedy. We Europeans are not predestined to be poor relations. On the contrary, we have everything in our favour, and we shall make progress, provided we pool our efforts and endeavour to put an end, particularly in the economic field, to divisions that may prove fatal.

Hence the historic importance of the decision whereby the Powers which met at Messina affirmed their will to establish a customs union and an economic community.

The President of the High Authority and M. Gozard, Rapporteur of the Common Assembly of the European Coal and Steel Community, told us a little while ago that it had not been intended that the six countries should form a new protectionist and autarkic system but that, on the contrary, the High Authority and the six countries wanted to see this area extended and to secure the co-operation of other countries—and were accordingly prepared to help towards the establishment of a European Free Trade Area within the framework of O. E. E. C. That is a most welcome notice of intention.

From what the President of the High Authority has said I take it that he firmly supports anything in the way of a compromise, and I am glad that this should be his attitude. According to an article in today's *Neue Zürcher Zeitung* the first decisions of the OEEC Special Council of Ministers, in Paris amounted to a compromise. The article in question goes on to say that only the facts will show how far the desire for compromise is genuine. In this connection the words of the Pre-

sident of the High Authority contain a warning which, I think, is addressed to us all.

The situation of Austria is perhaps a rather special one. We are keenly in favour of the establishment of a Free Trade Area, for our very existence is at stake. And we are not among those whose special interests might conflict with the setting up of such an area. True we have a few, relatively modest, requirements, but these are not likely to prove an obstacle.

However, there exist other requirements, interests, reservations and objections which might endanger this scheme and the future of Europe. As everyone realises, the United Kingdom will have to show a great deal of understanding. But what it is perhaps less fully realised is that on many issues the Six, too, will have to show a great deal of understanding and a willingness to accept a genuine compromise. If a Free Trade Area is not set up it would, in my opinion, be a mistake for the six Messina Powers to consider themselves to be safe from any danger, merely because they form a Community. If this were to be their attitude, then all we have been hearing to the effect that "we do not wish to cut ourselves off or go in for protectionism" would amount to little more than a pious hope. A fatal train of events would then be set in motion which would automatically result in new and dangerous divisions in Europe.

I am fully aware, Mr. Chairman, that here I am touching upon the political controversy concerning "little" or "greater" Europe. I must confess that as I see it, and as my country, Austria, sees it, the problem of a little or a greater Europe or indeed of Europe as a whole, *i.e.* pan-Europeanism, is the statement of a paradox or, shall we say, a factitious problem. A united free Europe must be viewed in as broad a framework as possible. It would be wrong to discourage those who seek unity by criticising them for forming a "little Europe". It would be equally mistaken to say that it is a question of all or nothing, that is total European unity or no unity at all. Every effort must be made effectively to unite free Europe whose component parts are inseparable and are already living a common life.

We have had an opportunity here, today, of discussing objectively and dispassionately the report of the High Authority. We have not been sparing with our praise, and indeed our attitude has been sympathetic. We have asked for detailed information on many points and we have made a number of criticisms but, Sir, we are all convinced that European unity is a vital necessity to us. It is not just one problem among others we must solve. The establishment of the territorial unity of Europe goes beyond the traditional framework of a simple agreement between States. Indeed, European unity is the fulfilment of our common historic destiny. Let us remember the warning M. Paul-Henri Spaak uttered here when he said that if Europe does not progress towards unity, as it can and should do, it will soon become an under-developed area. I cannot throw off my anxiety at the idea of the economic and political disaster that might follow the failure to establish a Free Trade Area, for this would mean the failure of the next decisive step towards European integration and would, indeed, mean the frustration of the immense undertaking of which the new Community of the Six could form the central nucleus and, as it were, the experimental laboratory. Within a matter of months, or even weeks, we shall know the decision.

The anxiety to which I refer is the kind we feel when we see the ruins of great masterpieces such as those of the Acropolis in Athens, the glorious witnesses of an illustrious past. We shake our heads with wonder that such things could have happened. How can that great Greek civilisation have perished? We do not ask how the civilisation of Athens, Sparta, Corinth or Lacedaemon could have perished; we think only of Greek civilisation as a whole.

If we do not strive for European unity along the lines of the Community of the Six, supplemented by the Free Trade Area of the Seventeen, I fear that, a few decades from now, visitors from overseas looking at the ruins of the Cathedral of Strasbourg or the Cathedral of Vienna or Notre-Dame of Paris will shake their heads and wonder how our great European civilisation could have perished. They will not speak of British, German, Italian or French civilisation but of *European* civilisation as a whole.

I should like, therefore, to end with the following exhortation. Whatever our personal position or sphere of influence, whether within the framework of the Six or the broader framework of the Fifteen, let us see to it that Europe becomes not a community in decline but one showing fruitful development. (*Applause*).

5. Statement by the Rapporteur of the Political Committee of the Consultative Assembly

The Chairman. — (*F*) I now call Mr. Younger, Rapporteur of the Political Committee of the Consultative Assembly.

Mr. Younger (United Kingdom), *Rapporteur of the Political Committee of the Consultative Assembly.* — I should like to join with my colleagues from the Economic Committee in thanking the Common Assembly and its Rapporteur, M. Gozard, for their very interesting and detailed Report, which I know is much appreciated in the Consultative Assembly. I think that we have appreciated particularly the trouble which has clearly been taken by the Common Assembly to be sure to include in its Report information on all the points in which we here had previously expressed an interest or on which we had made suggestions. I am sure that our colleagues of the Common Assembly will understand, and indeed I expect that they will applaud, my attitude if I refrain from commenting on all the aspects of the comprehensive Report which they have given us. I wish to refer only to two main matters which are of special interest to the Consultative Assembly.

First, it has been made clear at many points in M. Gozard's Report that the Common Assembly, while it is undoubtedly developing its own activity amongst the Six at a most impressive speed, is also at the same time large-minded in its sense of the Coal and Steel Community's obligations to the rest of Europe and, in particular, in its desire to offer to other European Parliamentary bodies, including our own, the benefits of its experience.

I was very glad to have this attitude of mind so fully confirmed in the speech which we have heard this morning from the President of the High Authority also.

This is especially encouraging to us at a time when the wider European Economic Community, with its own Parliamentary authority, is just about to be born, and when it seems likely that that new Assembly will be built very largely on the foundations of the traditions already established by the Common Assembly. In future years it is to the new Assembly that we shall be looking for co-operation, and, of course, not only in respect of coal and steel but in respect of a far more extensive range of economic problems than those with which we have previously dealt in our relations with the Common Assembly.

I think it is inevitable that the settlement of our future relations must be left for discussion with the future Assembly itself; nevertheless, knowing how important the advice of the Common Assembly is bound to be on this topic, I am encouraged to suggest that it might be possible at a very early date for some consultation to take place, perhaps between the Bureaux of our two Assemblies, on the best ways in which the new relationship might be given effect. For instance, such topics as the furnishing of reports to one another, the holding of joint meetings, the relationship of each Assembly with national Parliaments, and no doubt a number of other important topics, might be considered.

The second point to which I wish to call attention is the great satisfaction which it gives to the Consultative Assembly to know the very real progress which has been made by the Common Assembly towards the elaboration of Parliamentary techniques on the international plane. In particular, we know—and M. Gozard mentioned it this morning—something of the development of European political doctrines and of Political Groups within the Common Assembly. We in the Consultative Assembly, of course, are also familiar with such groups, and in our view they do a great deal to help to replace purely national conceptions of European affairs by European conceptions which cut across the

national frontiers. At the same time, they help the Assembly to reflect more closely the genuine division which exist within public opinion in all our countries.

It is, I think, important for us all to remember what is the essence of a Parliamentary body. It is a place where a clash of views occurs and is expected to occur; and in that clash public opinion is not only reflected but also created. The Parliamentary method is in fact a civilised method of resolving genuine conflicts and must not in any circumstances become a mere device for concealing them. This has to become true of our European Parliamentary Assemblies, just as it has long been true of our national Parliaments, if we are to have that impact on public opinion which is essential to any democratic system of government. We should therefore be grateful to M. Gozard if he could elaborate his Report a little further by telling us what, in fact, has been the development of different doctrines and the development as between the different Political Groups in the Common Assembly.

There is one aspect of the Common Assembly's achievement in Parliamentary technique which I think is likely to arouse some jealousy in the breasts of members of the Consultative Assembly, for it appears that the Common Assembly enjoys friendly and productive relationships with an executive body, in its case the High Authority. Apparently—and this has been confirmed to us this morning—there is a genuine exchange of views between the Assembly and the High Authority, and there is full recognition by the High Authority that the Common Assembly is engaged upon a common task with it and has a useful rôle to play.

We, in the Consultative Assembly, have, of course, no body corresponding to the High Authority. We have—or so I am informed—a Committee of Ministers, but there is a growing belief, which I share, that this body does not really exist at all. It is true that we occasionally receive a document said to emanate from the Committee, indicating to us that our latest request or Recommendation was misconceived. Very occasionally, we may even see a well-dressed individual in the delegates' bar who is alleged to be either a Minister or, at the very least, an adviser

to a Minister. But when we seek effective contact with the Committee as such, we tend to find ourselves very much in the position of the little girl in the English children's story who caught a glimpse of a large cat smiling down at her from a tree but who, as soon as she tried to examine it more closely, found that the mysterious creature immediately vanished from sight.

If I have presented this point in what may appear to be a somewhat lighthearted manner, I hope that the point itself will, nevertheless, be taken seriously. No Parliamentary body can flourish for long unless it has reasonably intimate contact with some executive body which is engaged upon work of common interest. We here, quite frankly, have not got a satisfactory contact of this kind, although many of us believe that we could be provided with it relatively easily, simply by an adjustment of our relations with the O. E. E. C.; but that is an argument for another occasion. Clearly, the Common Assembly has such a relationship with the High Authority. I notice that in the Report and in M. Gozard's speech there is not much mention of relations between the Common Assembly and the Council of Ministers. I should like to think that the relationship there is as satisfactory as it is with the High Authority, and perhaps we may be told something more about that matter later in the debate.

I feel that the Consultative Assembly would wish me to join in marking the end of what is undoubtedly an important phase of European development by expressing the Consultative Assembly's sense of the great contribution which has been made by the Common Assembly to the evolution of Parliamentary democracy on an international plane. It has been said that it is the first step which counts. The Common Assembly can claim to have taken its first step well. I believe that M. Gozard is making no empty boast when, at the end of his Report, he says that the Common Assembly will "in disappearing... leave its stamp on the Europe of tomorrow."

6. Announcement by the Chairman

The Chairman. — (F) I thank the Rapporteur of the Political Committee of the Consultative Assembly for his statement.

I propose that, in view of the length of the list of speakers, the Sitting be suspended and the General Debate be opened at 3 p.m.

Are there any objections?...

The Sitting is suspended.

(The Sitting was suspended at 12.45 p.m. and was resumed at 3.20 p.m., with M. Dehousse, President of the Consultative Assembly, in the Chair.)

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

I am going to call one after the other the speakers whose names are down on the register, to take part in the exchange of views between the members of the two Assemblies which is the purpose of this Meeting.

Members of the Common Assembly and members of the Consultative Assembly of the Council of Europe who wish to speak are invited to enter their names as soon as possible, and not later than 4 p.m. in the register kept by the Clerk of the Consultative Assembly, M. Schloesser.

Speakers are asked to try to be concise. M. René Mayer will have to reply to various speakers at the end of the debate, and he tells me he must catch the 6.20 train without fail, which means that I shall have to call him at 5.30 at the latest. So I ask you all, in your speeches, to be models of brevity.

7. General Debate

The Chairman. — (F) I call M. Radius.

M. Radius (France). — (F) Mr. Chairman, members of the Consultative Assembly like myself may view our opposite numbers in the Assembly of the Coal and Steel Community with a certain envy, for we have the impression—anyway in the Committee on Local Authorities—that the recommendations made by that Assembly get a better reception from the High Authority than ours do from the Committee of Ministers.

Thus the Supplementary Report of our Committee of Ministers gives local affairs a scant half-page, and a couple of the points raised get no more than a few words. The relevant words are, in one case : “has been unable to give effect”, and in the other—the point I am now speaking on, namely effects on local government administration of the activities of the E. C. S. C.—“still under consideration”. What is still under consideration? It is a question of our Recommendation 141, which is itself a repetition of our Recommendation 76 of 9th July 1955.

This almost complete silence of the Committee of Ministers about our proposals cannot be accepted. I say this because there is proof that our suggestions are well-advised—I think I am entitled to speak of the success of our work, that is to say, of the joint labours of our own Committee on Local Authorities and the Common Assembly’s Social Affairs Committee. The Council of Europe Committee on Local Authorities has now appointed your humble servant to lay before you our identical views on the points at issue.

Allow me to compare our proposals with those given in the Opinion of the Common Assembly’s Social Affairs Committee. The latter is convinced that certain social measures provided for in the ECSC Treaty can only be carried out with the co-operation of local authorities. It recognises the importance of approaches made by local authorities and agrees that our proposals are calculated to make the Community’s measures more consistent with their needs and wishes and more appropriate to the concrete problems confronting them.

It goes on to say that it hopes we shall be able to hold more joint meetings—and that is what we want, too. This is most important. The two Committees are completely of one mind as to aims and policy. How far, then, are the means we are proposing practicable?

Regarding the powers of local authorities, the Social Affairs Committee recognises the desirability of local authorities approaching the High Authority directly, but points out that their legal position with regard to the central power might be a serious obstacle to the acceptance of a system of the kind which would result from the amendments to the ECSC Treaty. This is a difficulty, we realise. And that is why we are trying, from a different angle of approach, to defend and extend local authorities' independence.

This obstacle, however, should not be a permanent one. It is quite possible to reconcile the measures proposed with the requirements of the various national legislative systems. Procedure would, of course, vary from country to country, but the relinquishment of sovereignty agreed to by the Governments of the Six ought to make it possible for local authorities to apply directly to the body upon which that authority has been bestowed.

Let me turn now to the question of financial assistance from the High Authority. Exercise of the right just referred to ought to make it possible for financial assistance to be obtained from the High Authority. The Common Assembly's Committee on social problems very aptly calls attention, in this connection, to Article 56 of the Treaty and to Article 23 of the Convention. It has been considering ways and means of implementing the procedure we are proposing, by which financial aid from municipalities would take the place of aid from Governments when such aid is required.

The Committee wonders, indeed, whether it might not be advisable to consider new disbursements by the E. C. S. C. Here, then, there is a very thorough study of ways of giving local authorities the funds they must have, to be made by the compe-

tent bodies. Despite the fact that application of the measures thus suggested raises various problems, our Committee's proposals have clearly been received favourably by the Commission of the Common Assembly.

It is clear that the High Authority is steadily shouldering more responsibility for the regions in which it is working directly and without intermediary and that it is high time that the local and regional authorities concerned were provided with means of protecting their own interests, means appropriate to the new status to which they are, sometimes very quickly, having to adjust themselves.

In what fields would local authorities have the right to appeal to the High Authority? First comes the question of finding alternative employment for workers. The Social Affairs Committee recognizes the importance of the part played by local authorities, but says that this question is sometimes not exclusively a local matter and that in such cases proposals from local authorities should be forwarded through the Governments concerned. A procedure requiring local authorities to apply to the High Authority through their Governments would not, however, cater adequately for cases of that kind.

We know well enough from experience that the central power is far from being an effective intermediary—and is more inclined permanently to bar the way for local authorities. Requests made by local authorities get lost in the labyrinths of the over-elaborate and complicated machinery of Government departments, and, if by good luck some of them eventually get through, the actual situation out of which they arose has usually reached by then a further stage sometimes changed beyond recognition.

Observe that in our Recommendation 141 we are proposing a different solution for the two aspects of this question. Where the labour to be re-trained remains on the spot, the local authorities are to be empowered to apply to the High Authority with a request for the creation of new activities; but where the labour has to move to another region, so that it is no longer a local matter, we ask that it should be given special aid.

The humanitarian reasons for our suggestions are fundamental. In no way is there any encroachment upon the competence of another region. And the whole question comes well within the framework of local interests and of what is and should be the responsibility of the local authorities concerned.

Aware as we are of problems which sometimes go beyond the strictly local field, we have therefore suggested that the municipalities should form inter-municipal groups or even regional planning committees specifically set up for the purpose. These groups need not necessarily be on a purely national scale. The value of such a suggestion is quite clear.

Certain misgivings which had been expressed seem to have been allayed in this way, and this bears out our opinion that, as I have said, our views and those of the Social Affairs Committee of the E. C. S. C. are completely identical.

Secondly, there is the question of the re-training of workers. The Social Affairs Committee, while making some observations on this subject, suggests giving the municipalities the right to make proposals as to the application of provisions concerning re-training.

I wish to make the point that the municipalities and the regional councils are in the best position to realise the extent of this re-training and to assume responsibility for it since, in fact, they are responsible for local labour obliged to seek other employment. Financial help from the High Authority is, of course, indispensable for the running of regional re-training centres. Once we have made this clear, the views of the two Committees, we see, still coincide.

As for the question of the construction of workers' dwellings, the remarks made by the Committee show that our suggestions could be put into effect straightaway and I congratulate M. Gilles Gozard whose report dealt extensively with this problem—which is also dealt with in the reply to a written question from M. Netherhorst. Stress is laid on the necessity of doing away with temporary hutments as quickly as possible, for the displaced

workers need, above all, a decent home in a solid house, built to last.

As for the other questions: professional guidance and training of young people, organization of cultural relations and exchanges between emigrating workers, the Social Affairs Committee of the Common Assembly goes on to point out that these measures could be put into effect immediately.

Then, coming to the question of the guarantee fund, may I recall the terms of our Recommendation no. 141:

“...Invites the High Authority to set up a general guarantee fund, maintained, according to requirements, in the currencies of all the member countries and foreign currencies obtained from loans raised by the High Authority, for the purpose of guaranteeing the loans which the local authorities concerned may be called upon to raise in order to provide the financial aid which is essential to the implementation of the programme set out in Paragraph 1.”...

The Chairman. — (*F*) I would ask you, M. Radius, to respect your own time-limit.

M. Radius. — (*F*) I am sorry, Sir, I have almost finished.

I just want to refer to the letter from M. Nederhorst, Chairman of the Social Affairs Committee, replying to Mr. Jones, then Chairman of the Sub-committee on the effects on local government administration of the work of the E. C. S. C. He says:

“It should be noted that the discussions which took place at the joint meeting have not revealed the existence of legal difficulties preventing the High Authority from setting up this fund.”

The terms are admittedly cautious, and we know that difficulties exist, but at the same time, it is clear that they are far from insuperable.

Finally, may I emphasise that our suggestions are concrete suggestions and that they are all workable, some immediately so.

The attitude of our Committee of Ministers is just not understandable. The role of the Council of Europe *vis-à-vis* the European communities is indeed that of its Committee on Local Authorities; we are all responsible. At the present time, the European Coal and Steel Community only affects local areas of the six member countries. Shortly, with the coming of the Free Trade Area, our field of study will widen.

We are not acting today as members of the Six. That is not the question. We are speaking for the local communities and we are alone in assuming this task. No European organization has a committee with a mandate like our own. We have a duty to fulfil and we must fulfil it.

The hopes which the local authorities put in us should be sufficient in themselves to persuade us to take whatever action lies within our means. We hope, with the approval of this joint Assembly, to gain the sympathy of all the Ministerial organs. We hope that instead of putting a brake on our activities, indeed bringing us to a standstill, they will support us and help us in our mission. (*Applause.*)

The Chairman. — (*F*) Gentlemen, ours is a broadminded Assembly, and every speaker fixes his own time-limit.

This remark is quite impersonal, since I have decided, for the reasons I mentioned before, that the speakers should keep strictly to their allotted time.

The Chairman. — I call Mr. Finch.

Mr. Finch (United Kingdom). — One cannot but feel impressed by the Reports which have been presented and the speeches which have been delivered today, and particularly by the speeches of M. Mayer, the President of the High Authority, M. Gozard, the Rapporteur of the Common Assembly, and M. Czernetz, for the Consultative Assembly. I take this opportunity, as one who represents at home a mining constituency and who has some knowledge of the working of the whole coal-mining industry, to place on record my appreciation of the

achievements of the European Coal and Steel Community. In spite of many difficulties, it has made considerable progress, and I feel that its success has greatly influenced the Treaties for the establishment of the Common Market and Euratom, and also the consideration of a Free Trade Area.

Steel production in the Community has risen, as has been pointed out in the Report, over a period of four years by 36 per cent. This is no mean achievement. If the production of coal has not been as satisfactory, the fact that integration is nearing completion and that the difficulties of transition have been overcome should give encouragement both to the Common Assembly and to the High Authority. The Community, however, must be conscious that its main task is to increase coal production, and this can be done only by increased capital investment and additional manpower.

In the sphere of capital investment, the sinking of new pits and the introduction of up-to-date plant and machinery and additional mechanisation, with improved social conditions, are all essential. The Common Assembly is conscious of this. The mining industry is very different from any other enterprise. The sinking of a pit invariably takes a number of years, and as soon as coal begins to be extracted the life of the pit depends a great deal on development, very often on a considerable scale. The management, therefore, has a two-fold task in mining: constantly to develop the colliery, and at the same time to increase output.

In the second place, there are manpower difficulties. Not sufficient men are entering the mining industry. There is a terrific wastage due to accident and disease as well as to retirement. We are faced with similar problems in my own country of Britain. In these circumstances, coal mining must be made more attractive. Wages must be reasonably high; indeed, I would venture to say that they should be higher than most. Today mining is becoming more and more mechanised and requires training and skill. It is a hazardous and dangerous calling, and I hope that the High Authority will give special attention to the problem of wages. I know that this has been referred to in various Reports. I hold the view that the High

Authority should embark upon a wages policy. I know that, as has been pointed out in this Report, there are various standards of living in the six countries and that the cost of living varies. These factors have to be taken into consideration, but the problem is not insurmountable.

I see from the Report that there are prospects of getting additional information on the standards and cost of living in the various countries concerned, but I would emphasise that it is essential, if we are to get the manpower that we need in the coal mining industry, to have a sound wages policy. That is true also of my own country. I look forward to the time when we shall have some additional information about the various standards of living in the six countries in relation to the wages situation.

I am glad to see that the Report of the High Authority refers to consultations with trade union representatives, and to the fact that there are schemes for holidays with pay, that rehabilitation has been embarked upon, and, above all, that consideration is being given to improved safety precautions. The miners in every country in the world are particularly concerned with safety and health. The lower the accident rate and the better the health conditions, the greater the guarantee that men will be attracted to the industry.

We were all very grieved to hear of the Belgian colliery disaster. We have a saying in Britain that there is blood on the coal. I am glad to see that the High Authority is holding a special inquiry into the causes of this disaster, because out of such an inquiry will come, I am sure, further information which will add to the knowledge of those concerned with coal mining in every country in which it is carried on.

It is, however, in the field of scientific inquiry and in the spheres of research and the exchange of information that a still greater desire for European unity will arise. It is gratifying to see from the Report of the High Authority that considerable research is being undertaken into the disabling disease of silicosis. In Great Britain the diagnosis is somewhat wider, and

it is termed pneumoconiosis, a disability due to the inhalation of dust underground or on the surface of collieries. Mother Earth is reluctant to give up her possessions.

The accident rate and disease rate show that the risks which the miner has to undergo in getting coal for his country are very great, but miners throughout the world do not fear the risk of accident so much as they fear disease. In the South Wales coal field, from which I come, 20,000 men have been certified as suffering from this disease in the past 12 years, to say nothing of some hundreds who have died from it. This lung disability, when in an acute form, seriously impairs the functioning of the lungs, and leads to a shortage of breath and to pain and suffering relieved only by death. I would, with great respect, warn the High Authority that unless special measures are taken to combat this disability it will retard recruitment. It has done so in the South Wales coalfield, though I am pleased to say that now the number of certified cases is on the decline, because the National Coal Board, by methods of wet cutting, spraying, water infusion and so on is getting to grips with this disability. Thousands of men are X-rayed each year, and if they show an early sign of this disease, this need not lead to deterioration or acute disability, if their health condition is watched and treatment is undertaken, and they are given work in suitable conditions. Tests are constantly made of the dust content in every pit.

At the same time, I think it will be agreed by this Assembly that those who are disabled should be adequately compensated. I am not quite clear as to the social security measures which are in operation in the various countries in the Community, but it is quite evident that there should be measures guaranteeing such security so that, quite apart from the human aspect, there would be given to those who enter the industry an assurance that they and their families will not suffer serious loss and that suitable light work will be provided.

When all is said and done, the essence of life in any industry, particularly the mining industry, is the men who work in it, the engineers, technicians, managers and miners at the coal face. These are the foundation of any community and upon them rests

the responsibility of working the industry; they are the basis of the undertaking. Much has been done in my own country by the National Coal Board, and I know that much has been done by the High Authority. Nevertheless, when further integration is considered in my own country, the first question which must inevitably arise is: What about wages and social security? What are the prospects? Greater effort made by the High Authority on the subject of wages and social security will lead to a greater integration between the High Authority and those who, for the time being, are outside it. In any event, there is an obligation on the industry to see that those who are disabled as a result of their work are given suitable employment.

Rehabilitation is an important aspect of the problem. Help must be given to those who have been injured to regain their confidence, and, in many cases, to take up new skills or employments. I am fully aware that the High Authority has had investigations, inquiries and committees considering this matter, and I look forward with considerable optimism, which I hope will prove justified, to the steps which the High Authority will take. I know that the Authority has the powers *vis-à-vis* the employers, but the question arises as to how these powers are exercised. What influence is brought to bear upon the employers in all circumstances?

One of the outstanding features of the Reports of the High Authority is the constant reference to the effort to plan for the future and to measure future trends. I believe in planning, and I am glad to notice that the Report of the High Authority and that of the Common Assembly are full of plans for the future. This is all to the good. It is vital that future trends in the demand for coal, in relation to oil supplies and atomic energy, should be studied. This is extremely difficult, but, with the establishment of Euratom, the task of the Common Assembly will surely be facilitated. In any event, it is quite evident that coal will, for some years, be in ever increasing demand. It must be the endeavour of the Coal and Steel Community and of the National Coal Board in the United Kingdom to increase output, to institute measures for the saving of coal, much of which is wasted

today, to improve fuel efficiency, and thus make us less dependent for our essential fuel upon the United States.

What has impressed me, perhaps more than anything else, on my several visits to Luxembourg has been the way in which the men and, indeed, the women, on the staff, with their different nationalities and languages, work together. In this Community they are working together for a common cause, for one purpose. They inspire a feeling of confidence, and I am sure that that inspiration will, in my own country, be remembered when further consideration is being given to the development of the Coal and Steel Community.

The Chairman. — Thank you, Mr. Finch, I call Mr. Hay.

Mr. Hay (United Kingdom). — This Joint Meeting of the Common Assembly and the Consultative Assembly is about the only occasion which arises during the course of the year when those of us who belong to countries which themselves do not belong to the Coal and Steel Community have the opportunity of commenting upon its activities. We have just listened to a speech from one of my colleagues, Mr. Finch, himself a coal-miner, as he said, who spoke from a great many years' experience, commenting on the Report of the High Authority from the depth of his own practical knowledge. I cannot pretend for a moment to have the same knowledge as he has, but I should like to turn the attention of the meeting to some of the other problems which face the Community in its relationships with the United Kingdom.

Before I do that, I wish to make a personal reference, which I hope he will not object to, and say how sorry I was to hear that M. René Mayer is to leave his present post. It is some years now since I had the opportunity of going to Luxembourg and meeting him for the first time. When the history of the last decade comes to be written, particularly the story of European integration, any unbiased historian will have to give one of the highest possible places in his account to René Mayer. We all owe him a great debt, both on the Continent and in the rest of Europe. We shall witness his departure from his important position with

navian consumers that they were irregular in their purchases. There was some excuse offered, that last year there was a very mild winter, and there might be other reasons, such as high stocks at the beginning of the year, why purchases were less. I should like to put what I regard as a fair question to M. René Mayer: is not exactly the same thing happening inside the six countries? Do not the figures show that in that same year there has been a reduction in the general turnover of coal and steel within the Community? How, then, can you blame the external consumers for following exactly the same trends as are observed within the Community?

In M. Gozard's Report there is another point which should not be left unanswered. It is stated that certain countries, and more especially the Scandinavian countries, have complained of high prices, and then he calls attention to the fact that these countries cannot ask for the same advantages as countries within the Six because they are not carrying the same burdens which would arise in times of hardship and difficulty. Since 1952 there has been a rising demand for coal and steel. I am not concerned here with small fluctuations. There is no possible chance that this demand will slacken in the years to come. This morning my friend M. Czernetz called attention to the growing requirements for energy and to the differences in the social product in the United States and in Europe. The figures correspond exactly to the consumption of energy per labour unit. In America about three and a half times as much electrical and other energy is put behind the workman as is done here. If we are to achieve the higher standard of living, I think it is largely a question of meeting the energy requirements. That means that the problem of the future is not one, as the Report says, of penury but of finding ways and means of speeding up production and producing more every year.

There are difficulties, and we know that the coal industry is not developing at the rate which it should. I am not going to enter into these problems, because that falls outside the scope of my remarks; but, as I see it, there is no earthly danger that in the years to come the consuming countries will, so to speak, have to be called on to pay the price of not being members of the

Community. I am not speaking of whether they should be or should not be; I am merely dealing with the suggestion that these countries must pay higher prices because they are not members of the Community. That is definitely contrary to the spirit of the Coal and Steel Treaty.

You will note, Mr. Chairman, on the subject of policy and prices, that the High Authority, in its Report, says that it can do no more than put this matter before the Council of Ministers, the Council of Ministers which will be identical with the Council of Ministers of the six countries of the Common Market.

M. Kapteijn (Netherlands). — But not with the same powers.

M. Federspiel (Denmark). — Not, perhaps, with the same powers, but I rather think that the Common Market Ministerial Council will have even more powers.

Whether this conflict between the High Authority and the various Ministerial Councils will end one way or another will very largely depend upon the policy advocated by the High Authority. I think that we were all refreshed by the realism and sober optimism of M. René Mayer's speech. Very important questions will devolve upon the High Authority in the months and years to come in connection with the development of the European markets.

The final question I wish to ask is this. Will the High Authority, in the independent position which the Coal and Steel Community must necessarily adopt, at least for a time, within the European markets, pursue a policy tending to equalise prices within the whole of Europe or will it maintain the present position where there is a disparity which it is difficult to assess because many factors enter into it but which, I think, approaches between 15 and 20 per cent., thus putting a very heavy burden on the countries outside the Six?

The Chairman. — Thank you, M. Federspiel. I call Mr. Wilkins.

Mr. Wilkins (United Kingdom). — I suppose that it is inevitable, in the nature of things, when we are discussing a Report of the magnitude of the one before us now, that our attention must be diverted from one subject to another in rapid succession.

I rise for two reasons, first, because I am very interested in the humanitarian consideration which this Report brings before us, and secondly, because I want to say a word in support of the observations made to the Common Assembly earlier by my colleague, M. Radius, who is the chairman of a sub-committee of which I am a member. My observations are directed principally to Recommendation 141 of the Consultative Assembly, which has come under our consideration now on a number of occasions.

Our complaint, or, shall I say, our protest, is against what I would characterise as the gross dilatoriness of the Committee of Ministers. If anyone wants evidence of this, he has but to look at the first paragraph of Recommendation 141, where he will see the words:

“Noting that the Governments concerned have so far taken no action to give effect to its Recommendation 76 of 9th July, 1955.”

That is a rather long time ago—more than two years now. I have been astonished, sitting in the Consultative Assembly, to hear the number of complaints made about the Committee of Ministers refusing to give conclusions or observations on matters which have been referred to them.

The second paragraph of the Recommendation says:

“Regretting the lack of concern shown by the Governments...”

We could strengthen the protest which, I feel, we are trying to make in this Recommendation by using the word “urgency” and saying that we regret the lack of urgency which has been shown by the Governments concerned in this connection.

I have taken the precaution of refreshing my memory on the matters which were referred to the Committee of Ministers, upon which their opinions and assistance were sought. I cannot find anything there which would have required a delay of more than two years before some expression of opinion could have been given by them.

In the first place, they were asked to draw up programmes for the transformation or creation of industries capable of assuring re-employment of workers. Secondly, they were asked to delegate, by preference to the local authorities, the responsibility of organising vocational training centres. Thirdly, they were asked to make provision for houses for the workers employed in the coal and steel industry. Fourthly, they were asked to facilitate the transfer of workers. In response to your appeal, Sir, I have very considerably reduced the actual contents of the statement which we have before us in order to be brief, but I am sure that you will agree—indeed, I fancy that you do—that there seems to be nothing in that request which we sent to the Ministers that would justify the delay to which we have been subjected.

It is quite true that Recommendation 141 contains certain extremely important proposals—the conversion of industry or creation of new industries, the re-training of workers, provision of vocational guidance and training, construction of dwellings, assistance to workers, and so on. I do not for one moment say that this is not a tremendous programme in the development of industry and the creation of new industry on the Continent. I appreciate that it will call for the recruitment or redeployment of substantial numbers of workers. Of course, it will place upon local authorities heavy obligations.

It is not beyond our power to grasp the magnitude of the problems, especially the financial ones, which will face the local authorities and which will have to be solved if they are to meet the demands made upon them. We appreciate these things because we have experienced them in our own countries. In Britain, before the war, we used to talk of what were called “distressed areas”. Now they are called the “development areas”.

They are the counterpart of the proposals in Recommendation 141. We appreciate the problems which will flow, problems of housing, health, schooling, medical facilities, hospitals, and so on. But we have, I believe, the right to ask the Committee of Ministers to expedite their findings on this Recommendation and give some sort of encouragement to the developments which we seek on the Continent of Europe.

Although it might, perhaps, seem a somewhat extravagant thing to say in a meeting of this kind, I would suggest that, if the Committee of Ministers want to strangle these organisations, both the Common Assembly and the Assembly of the Council of Europe, and feel that the work of these organisations should not be encouraged, then they ought to have the courage to say so. On the other hand, if they believe that we are endeavouring to do not merely a useful job but a job which is vital, as I think it is, to the European community, then they should come to a decision and come to it quickly. I suggest to the Consultative Assembly, the Common Assembly and the Committee of Ministers that the decision must be one to recommend to the Governments concerned to make possible the financial aid—as I read the Report, that is the stumbling-block—through guaranteed loans to enable the local authorities to get on with these vital tasks.

I believe that I have exhausted the time which I advised you, Sir, I would require. I hope, however, that the Joint Meeting will not feel that, because we have endeavoured to comply with the request of our Chairman to be brief in our observations, we in any way minimise the importance of this Recommendation 141. I trust that we shall leave the Committee of Ministers in no doubt whatever that we believe that they must, at a very early date, communicate to us their decision on this subject, whatever that decision may be.

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

Let me say that the Rapporteur is always entitled to intervene at any point in the debate. And, since M. Gozard has asked permission to speak, he may do so.

M. Gilles Gozard (France). — (*F*) Thank you, Mr. President. I have no wish to drag out the debate, since you yourself have observed that our time is limited, but I should particularly like to thank Mr. Kenneth Younger, Rapporteur of the Political Committee of the Consultative Assembly of the Council of Europe, for his kind reception of the Report I presented and for his observations.

I should also like to put forward a plan. I have been told that there has been a meeting between the Economic Committee of the Consultative Assembly and the High Authority. I am glad that there should be such contacts between these two bodies but, might I, for the sake of my successors, recommend or express the wish that the Rapporteur of the Common Assembly should be invited to attend any future meetings of this kind. This would be useful from the standpoint not only of harmonious relations but also of reciprocal information.

With regard to the information already given, and especially that concerning the establishment of relations between the Assembly of the three Communities which is to supersede or grow out of our present one and the Consultative Assembly, I should like to state a personal view which, I think, is broadly shared by members of the Assembly. I should be glad if an annual report could be prepared and close contacts be established between the new Assembly and the Consultative Assembly of the Council of Europe. Such relations would, I feel sure, lead to valuable results.

There is one last point I should like to mention. It was put to me this morning, particularly by Mr. Younger, who asked me to go over my report and add details concerning the role of the political groups in the Assembly.

I had the honour to point out in my report, as M. Struye did last year, that the political groups had assumed a great importance in the Common Assembly and had eventually come to adopt certain positions which reflected their particular European doctrines. Mr. Younger asked me this morning to give further particulars of this. I think that it would be better form, as well as

more informative for the Consultative Assembly, if representatives of the various political groups themselves defined the attitudes and doctrines adopted in this respect. Indeed, certain members have already put themselves down to speak on the subject.

This is somewhat outside the role of a General Rapporteur of the Common Assembly, since matters of judgment are involved.

That is all I wished to say at this juncture. Thank you, Mr. Chairman, for allowing me to speak. (*Applause.*)

The Chairman. — (*F*) Thank you, Monsieur Gozard.

There are still four members down to speak, and their predecessors have used up much less than their stated time. These four are entitled to thirty minutes speaking time between them. It is now five minutes past five, so that, as long as they make an effort to be brief, we can hear them all before the President of the High Authority makes his general reply to the debate.

I call M. Lapie.

M. Lapie (France). — (*F*) Mr. President, may I, on behalf of my group, ask the President of the High Authority to be so good as to co-operate in ensuring that our debate does not end in an unseemly rush. He could, for instance, perhaps extend his own speech by a few minutes.

I feel sure the courtesy and good relations that have existed between us for so long will enable us to come to a satisfactory understanding.

The Chairman. — (*F*) I call the President of the High Authority.

The President of the High Authority (M. Mayer), — (*F*) I can assure M. Lapie that the High Authority will be represented here right up to the end of the debate. M. Spierenburg will reply to any speeches made in my absence.

The Chairman. — (*F*) You are right in so deciding, Mr. President. That is the correct parliamentary procedure.

I call M. Lapie.

M. Lapie. — (*F*) The reply to my request was not quite what I had hoped, but I do not wish to pursue the matter further.

I wish to answer this morning's question by Mr. Younger to which M. Gozard has just referred.

The Rapporteur of the Political Committee of the Consultative Assembly referred this morning to the development—so interesting from the parliamentary point of view—of the Common Assembly and of its relations with the High Authority. Quite rightly so. M. Gozard also states in his report that a sort of parliamentary tradition has been born and is now in process of taking shape.

What has been brought into being is an unwritten law which, shaped on the test-bench of the Coal and Steel Community, might serve as a precedent for the Assembly here and also, I hope, for the future European Assembly. We are in fact witnessing and contributing to the emergence of a European parliamentary law.

Far be it from me, therefore, to repeat what has been said in such masterly terms by our Rapporteur, M. Gozard. All I should like to do is to answer Mr. Younger on one specific point: the action of the political parties in the Common Assembly.

Since, however, I should hate to appear to be indulging in polemics by stressing the only too obvious divergences between the groups, I will steer clear of invidious comparisons between the positions of the three parties—Liberal, Christian-Democrat and Socialist. On the other hand, without contrasting one attitude with another, I shall attempt to cast light on the socialist position in the Common Assembly with regard to certain questions.

In so doing, I shall take as my examples the question of modernisation, coal supplies, cartels and prices and the imposition of a levy.

Our general outlook as revealed in recent debates —and this will be the thread of this brief speech, is that the High Authority should be given greater powers in relation to the national Governments and what might be termed business groups. I do not know whether that is what some circles would describe as central control, but that is what we are after.

In 1956, M. Duynstee said that from the socialist standpoint, the Community was the servant, not of the coal and steel industries, but of the economy of the Member States.

This brings us to another concept which is connected with the first: it must be borne in mind that a European Authority must be influenced much less by individual, national or private considerations than by the general interest of the populations and economies within the orbit of the Treaty.

That is the highest socialist ideal—which we pursue unceasingly and for which the Socialist Party has been struggling for a number of years.

With your permission, Ladies and Gentlemen, let us now glance at the few examples I mentioned a minute ago.

During the debate held in November 1956 on the coal situation, M. Duynstee and other socialists such as M. Charlot said that the question of coal supplies was to their mind a test case, a special and specific case by which the activities of the High Authority will be judged.

The High Authority must therefore take all the opportunities offered by the Treaty for carrying out this task by political initiative and political activity. It must be the mainspring, the motive force of integration at difficult moments; it should appeal to the Assembly and inform public opinion when it is unable to

fulfil its mission owing to delaying tactics on the part of Member States or to the limitations imposed by the Treaty.

The Socialist Group also came to the conclusion that coal supplies were not allocated in a satisfactory manner. It then urged that new supranational and democratic methods of planning should be worked out. Moreover, we did not feel that the accredited Ruhr organisations were adapted to this purpose.

Taking the coal problem as a whole, the Socialist Group does not feel that it has been solved in accordance with the Treaty, and this holds good for domestic supplies, coal prices, the planning of distribution, stocking, the problem of imported coal, the recruitment of labour and investments. To our minds, the problem has been tackled in a piecemeal fashion, and solutions have often been contradictory when one compares one country with another. That shows that a purely national approach has been retained, and that is why we want the High Authority to have greater power *vis-à-vis* the States.

It is on a somewhat similar idea that we base our attitude to cartels and prices. We socialists consider that the falling off of trade within the Community is due to the fact that the High Authority does not interfere enough and leaves too much freedom of manoeuvre to the national Governments. It should intervene in fixing not only coal, but also steel prices.

So far as cartels are concerned, the High Authority's policy has been inadequate,—the old practices persist and patterns of trade have remained unaltered.

Likewise, to our socialist way of thinking, the High Authority has had no constructive policy of its own with regard to cartels.

We feel, too, that there is no real safeguard against undesirable concentrations of power. There has been little effective control over countries, and what rationalisation has been achieved by means of concentration, has not resulted in lower prices or benefited consumers. This point was made by M. Kreyssig, in particular, at a previous Session.

Now let us move on to the question of modernisation. During the debate of 14th February 1957 on M. André Mutter's report on behalf of the Social Affairs Committee on the social aspects of the Community's general objectives, we socialists made it clear that the important thing about modernisation, in our view, was much less to create more wealth, in particular by improving the lot of the workers, than to give the workers a moral and individual status, for they spend eight hours a day, and therefore a large part of their lives, in the same surroundings. This must be done, moreover, without excessive paternalism. Both M. Birkelbach and M. Nederhorst stressed this point very well in the debate on modernisation.

Lastly, I may perhaps remind members of the Common Assembly of what we said on behalf of the Socialist Party concerning the decision to reduce the levy.

Members of the Consultative Assembly will be aware that this levy is the main source of income of the Coal and Steel Community. It was reduced, and the Socialist Group expressed concern lest this might compromise scientific research and deprive the re-adaptation Fund of the necessary means to finance large-scale social programmes.

Those, then, are a few illustrations of the guiding principles behind the action of the Socialist Group. And not only the Socialist Group, Ladies and Gentlemen, for we have found sympathy and substantial support in every group of the Common Assembly.

I am not, of course, ignoring the broad field of social policy. That is precisely one of the subjects with regard to which the Treaty has virtually nothing to say, and parliamentary action has here been of great importance, whether in the matter of economic expansion, the development of employment, or the improvement of the standard of living, all matters mentioned in Article 2 of the Treaty. Be it a question of joint workers' and employers' committees, of reduced working hours, of adapting labour to new employment, of housing, the movement of manpower, safety conditions in the mines or the social programmes

of our friends Vanrullen or Schiavi,—indeed, whenever social action has been the order of the day, the Socialist Party has, of course, been in the van.

I see that the Chairman is telling me that my time is up. I will conclude on that note, Mr. Chairman. (*Applause.*)

The Chairman. — (*F*) Thank you, Monsieur Lapie.

I shall now call M. Sassen, after which we shall be hearing the President of the High Authority. M. Kreyssig and M. Kopf will have to follow the President, since my efforts have been unsuccessful.

I call M. Sassen.

M. Sassen (Netherlands). — Mr. Younger, Rapporteur of the Political Committee of the Consultative Assembly, has drawn the attention of this Joint Meeting to the existence and the activities of the Political Groups and has put questions to the Rapporteur of the Common Assembly, M. Gozard, asking him to elaborate a little further the development of the different doctrines and the different Political Groups. I have no wish to take away from our Rapporteur his right to answer the questions put to him; nor do I wish to take sides for or against what has been said by my colleague M. Radius. On the contrary, I want to make some remarks of a more general character.

There is no need to say that the members of my group have put forward an excellent report, because it is generally known, I think, that we are not capable of producing other than excellent reports! I will, however, make some answer to the question put by Mr. Younger. He rightly made a distinction between the development of doctrines and the development of the existence of political groups. In making that distinction, he has shown that clear thinking is not only the privilege of the French. "Doctrine" is a very learned word. It relates to principles and to rules which have an absolute meaning, absolute significance and absolute value.

In our dealings with the High Authority, we have to consider whether a treaty has been fulfilled or not, and whether or not the practical steps taken are adequate and acceptable. Sometimes questions of principle are involved in making this judgment—but not always. Very often it is more or less a question of nuance. One might be inclined to ask “If it is very often a question of nuance, are Political Groups necessary or not? Do they serve a useful purpose or not?” In reply to that question, I would say that I am firmly convinced that they serve a very useful purpose and are necessary because they force members who have in common very fundamental concepts of human life and the destiny of man, to study together, outside the boundaries of a single nationality, very complex problems which sometimes might very greatly affect a single national economy. They force members not only to study those problems together but also to try to arrive at a common solution, at a common conclusion, at a conclusion if not generally, then at least largely, acceptable.

I think that, in doing so, the Political Groups strengthen a real European spirit and a real European approach to the sometimes very difficult and complex questions with which we have to deal. In doing so, they lay foundations of mutual trust and good will between members who are called upon to discharge together a common and European task. In doing so, the political groups create very human relations between members of different nationalities, and these relations are strong enough to show those who in the past were enemies what should be avoided and what can best be done to further the prospects of a hopeful future.

In the meantime the political groups are active in building up political doctrines. That is a very important task which they have to fulfil, but it is not—indeed, it is far from being—the only thing that they have to do. As I have tried to explain very shortly, they create a common European spirit, and that is perhaps more necessary and more important than the texts of treaties. They create, maintain and defend the real and undeniable Parliamentary character of the Common Assembly. Whatever may happen to the Common Assembly, the Political

Groups will remain. They will last longer than the Common Assembly which is now in session, which, with the Council and the Political Groups, will go into the Assembly of the European Communities without notable changes. Whatever may pass, the Political Groups remain, and they remain as a permanent force of whatever Assembly is entrusted with the task of the Parliamentary control of the European Communities. I think that is an aspect of the rôle of the Political Groups which might be mentioned in this Joint Meeting.

The Chairman. — I now call M. Kreyssig.

M. Kreyssig (Federal Republic of Germany). — (*G*) I am not entirely sorry that M. Mayer has been unable to do as he announced just now. We hold only one joint meeting a year, and the President of the High Authority has therefore known for the past twelve months that he would be attending it. So I do not see what justification there could be for him to leave before the end of the proceedings. In my opinion it is the duty of the President of the High Authority to remain throughout the meeting, even if it lasts until midnight. So I am glad M. Mayer decided not to take the 6.20 p.m. train.

I should like first of all to add something to what was said by my friend M. Sassen. He said that we were not arguing about a point of doctrine. That is quite true; but we must always remember that a socialist will not interpret the Treaty in the same way as a non-socialist, and that his criticisms of the fulfilment of a Treaty such as that of the European Coal and Steel Community will take a different form. I feel sure that everyone in this Chamber is now aware of our conviction that only a socialist Europe can ensure a happy future for our countries. That is the starting-point of our discussions in the Community. I fully agree with M. Sassen that divergence of opinions and the general determination to get the best out of the Treaty are bound to lead to generally satisfactory results; and the members of the Liberal Group—I do not know whether their Chairman is with us at the moment—doubtless agree with this view.

I will not dwell on the lessons which the German Federal Minister for Economic Affairs, for instance, has, obviously, drawn

from the persistent criticisms put forward by the socialists in this Assembly during the past four years. I may mention, however, that he is said to have recently informed a Cabinet meeting that he was determined not to allow the cartels in the Ruhr to lay down the law—a danger which we had pointed out from the very first. This gives the first hint of a reply to our colleagues in the Council of Europe who asked what principles and ideas were supported by the Socialist Group.

In view of what has been said by M. Gozard, I would like to make my position clear on one particular point. This must be done, I feel, to avoid any risk of misleading our colleagues of the Consultative Assembly of the Council of Europe and of the Common Assembly. I refer to paragraphs 130 and 131 of the Report submitted by my friend and colleague, M. Gozard. In this part of his Report M. Gozard sets forth the point of view of the parliamentary institution in the new Treaties instituting the European Economic Community and Euratom. In paragraph 130 he quite correctly states that the new parliament will be in a stronger position, since it will not be limited, as the Coal and Steel Community is by its present Treaty, to one annual opportunity of overthrowing the High Authority, should it deem that Authority to be deserving of censure; under the new Treaties it will be able at any time to pass a vote of censure on the European Commissions of the Economic Community and of Euratom.

M. Gozard goes on to explain that in budgetary matters the powers of the new Assembly—the single Assembly which will come into existence after the Treaties have been ratified and put into force—will be more extensive. Here I am afraid I do not agree with him. I was appointed Rapporteur of the Budget Committee of the Common Assembly, and the Common Market Committee instructed me to make the report on the revision of the Treaty. I was, naturally, obliged to make a close study of the Treaties, for the honour of being an active member of the Common Assembly is one which entails a great deal of hard work. I reached the conclusion that the new Treaties show some signs of superficial improvement in parliamentary procedure, for the Councils of the two new European organisations will be required

to present its budget to the parliament, but that it would be a mistake to assume that there has been any improvement regarding essentials.

The budgetary procedure of the new Assembly is laid down in Article 203 of the Treaty instituting the European Economic Community and Article 177 of the Euratom Treaty. This is how the system works. Each organisation draws up its budget estimates, just as under the Treaty setting up the Coal and Steel Community. The estimates are then submitted to the two European Commissions, each of which considers those relating to the institutions of its own Community. I refer here to the new Communities; I will speak later of the European Coal and Steel Community. By the terms of the new Treaties, the European Commissions are authorised to make changes in the budget estimates of the parliamentary institution and to transmit them, thus amended, to the Council. The Council, remember, consists of representatives of the Six. The Council may then submit to the parliament its own budget estimates, in an amended form. In other words, should the Commission or the Council—that is to say, the six Governments—so desire, the parliament may be required to discuss a set of estimates differing from those it drew up itself. What will happen then? If the parliament accepts the amendments, well and good. A month later the budget will come into force. If, within that same period of a month—a terribly short time!—parliament rejects the decision of the representatives of the six Governments, it must submit counter-proposals to the Council.

That is the most important point, and one which we, as parliamentarians, must not overlook. I am delighted, in this connection, to note that the Chairman of the Budget Committee of the Council of Europe is here among us, for the Consultative Assembly has experienced difficulties which we have been spared. The Consultative Assembly of the Council of Europe depends for its Budget on the good graces of the Member Governments, if I may so express it; its Budget depends on what those Governments are graciously prepared to grant it.

The position will be exactly the same for the new single Assembly which, next March or next June, is to replace or absorb the Common Assembly of the European Coal and Steel Community. If Parliament protests against some cut in its budget, the protest will be referred to the Council—that is to the six Governments—which, then, by the terms of the Treaty, will refer the matter to a Commission, that is, to an executive body set up by the Governments. The Treaties further stipulate that the budgets, including that of the parliament, shall be finally adopted by a qualified majority. This means that the six Governments would be able to paralyse any parliament which was the true driving force behind the two new institutions—the Council of the six Governments and the European Commission; to paralyse any parliament which might prove to be a thorn in the side of the Council—criticising it, attempting perhaps, to speed up the building of a united Europe, or to guide it along another path than that desired by the representatives of the six Governments, an over-critical or rebellious parliament—in fact any parliament which worked on truly parliamentary lines. If the Council were to reduce the budget by a few million francs, the one and only European parliament might be forced to cut down the work of its Committees by half, or might find its activities impaired in some other way.

Indeed, far from providing safeguards for the parliament, the Treaty does not even provide it with any legal means of obliging the Council to respect wishes expressed at public sittings. Whereas, according to constitutional law, it is on the decision of the national parliament that the State budget is adopted.

I am therefore regretfully obliged to recognise that the budgetary powers of the new single Assembly to be set up next year are more restricted than those so far possessed by the Common Assembly of the European Coal and Steel Community. It is, unfortunately, the Council—that is to say the representatives of the six Governments—which has the last word in budgetary matters.

Since M. Sassen has stressed the importance of the political groups and their activities, and since we are all aware that it is to the political groups that the Common Assembly of the Coal and Steel Community owes its dynamic European character, I should like to appeal to all my colleagues—including those members of the Council of Europe who may be able to influence their respective Governments—to remember that, in theory, the Council could refuse to make provision in the budget for any subsidies to the political groups—though I trust that in practice it would never do so. I have every reason to believe that this point will be of special interest to our colleagues in the Council of Europe. If I am correctly informed—for even Social Democrats and Socialists are sometimes informed—the Council of Europe has been trying to ensure that its own political groups shall work henceforth as practically and efficiently as those of the Common Assembly. I congratulate M. Dehousse on having promoted this attempt. I may be mistaken and if so I would like to be corrected; but if my information is accurate, the various Governments have not yet given practical proof, in the Budget of the Council of Europe, of their appreciation of the political groups and their activities; they have not yet realised that provision must be made in the Budget to encourage those activities.

It would be most unbecoming if the representatives of the six States, meeting to adopt the budget of the parliament by a qualified majority, should be prompted by the terms of the Treaty to an action so incongruous as that of abolishing the appropriations for political groups. This would be a most distressing step backwards! My reason for dwelling at some length on this point is that a perusal of the Treaties reveals an inadmissible, almost intolerable, situation. It shows us that the new parliament has no budgetary powers whatever, since the final decision rests with the Council. The Community is thus stripped of its budgetary powers, which are transferred to the Council. But it is not for the Council to exercise those powers, which should never have been vested in it. That is the unfortunate situation which will result from the Treaties. There is a danger that in the new Europe, and the new European parliament, democratic rights may suffer a setback.

The most satisfactory budgetary powers are, on the whole, those of the Common Assembly of the European Coal and Steel Community, which I will very briefly describe. The parliament of the Coal and Steel Community is quite free to establish its own budget estimates according to its requirements. These estimates are drawn up in unanimous agreement by the four Presidents—the President of the Court of Justice, who heads the Committee of Presidents, the President of the Common Assembly, the President of the High Authority and the Chairman of the Council of Ministers. Each President submits the estimates of his own institution. Naturally—and this has never given rise to difficulties—the President of the Common Assembly explains to the Committee of Presidents the budget estimates of the Parliamentary body of the Coal and Steel Community, and the President of the High Authority sets forth the financial requirements of his institution. The parliament of the Coal and Steel Community is not entitled to submit supplementary estimates, so we have obtained authority to include in its budget estimates a reserve of 10 million Belgian francs. I regret to say that the new Treaties make no provision for such a step, which shows that they were drawn up entirely by bureaucrats and that no one with practical experience of parliamentary law had any hand in drafting them. In the event, therefore, of the parliament underestimating its requirements, it might have to suspend its activities for three months for lack of the right to submit supplementary estimates.

All this is very surprising. The net result is that the parliament of the Coal and Steel Community is in a better budgetary position than that provided by the new Treaties, since it determines its own requirements and includes in its estimates a reserve upon which it may draw in case of need.

There is another point I should like to make, Ladies and Gentlemen. In my opinion—and the members of the Budget Committee of the Common Assembly agree with me—Article 203, to which I have already referred, is wholly incompatible with the provisions of Article 2 of the Convention relating to certain institutions common to the European Communities. Article 2 of that special Convention signed at Rome expressly states that the new parliament shall exercise the powers and competence

formerly conferred upon the Assembly of the Coal and Steel Community. This legislation has the drawback of being both vague and illogical. So I appeal to you all, and more particularly to my colleagues of the Consultative Assembly of the Council of Europe, to exert any influence you may possess to ensure that the new parliament, the single European Parliament, shall steer clear of the obstacles which lie in its path.

The most absurd things can happen. There is henceforth to be only a single European parliament, common to the three European Communities. The present parliament, which has proved its worth and has today received a full meed of praise—the parliament of the Coal and Steel Community—has a budget which runs from 1st July to 30th June. The financial year of the two new Communities is to run from 1st January to 31st December. I am glad that it is not my business to reassure the budgetary experts of the different national parliaments; they will be faced with a veritable Chinese puzzle, for an ordinary budget cannot provide appropriations for a period of nine months not included in the current financial year. A further complication arises from the fact that this single parliament will derive its funds from several different sources. The Assembly of the Coal and Steel Community derived its funds from the levies paid to the High Authority by coal and iron and steel undertakings. In the two new Communities, one-third of the funds of the single parliament will be derived from national reserve under the respective budgets of the six countries, that is from the proceeds of ordinary taxation.

All this, together with the fact that the two financial years are not identical, has created such complications that the Wise Men and the numerous experts of the Val Duchesse have repeatedly postponed the attempt to solve the problem—which it is now thought will be set aside until all other points are more or less settled.

Ladies and Gentlemen, such is the absurd position of the new single parliament which is to control the activity of three flourishing European Communities.

It would be pointless for our Chairman to begin by consulting M. René Mayer; or rather this would be impossible, as M. Mayer is about to resign. So he will have to turn to the next President of the High Authority and ask him for funds to enable him to carry on for four months. Then he must go to the President or the Council of Ministers of the Economic Community to obtain for the next four months the necessary equivalent of one-third of the aggregate annual budget appropriations. After which he will turn to Euratom and say: "It is up to you to meet the expenditure of the last four months".

This is an impossible situation for a European parliament. So I do beg all my colleagues, especially those members of the Council of Europe from the six countries directly concerned, to consider an acceptable solution. This possibility is indicated in Article 6 (2) of the Convention relating to certain Institutions common to the European Communities—and thus to the single parliament which is to come into being next year. The six countries ratifying these two Treaties are entitled to sign a budgetary agreement and set up a common Budget Committee with powers of decision.

In my opinion this is the only way out of the impossible position in which the future parliament is placed by the fact that the Treaties are illogical and do not pay sufficient heed to democratic and parliamentary procedure. I should be very grateful if my colleagues would support this solution. (*Applause.*)

The Chairman. — (*F*) I now call upon the President of the High Authority to answer the questions put to him by previous speakers.

M. René Mayer, President of the High Authority. — (*F*) Mr. President, so many questions have been asked that my speech is bound to be lengthy. I should therefore be glad if you would first get to the end of your list of speakers.

The Chairman. — (*F*) There is only one further speaker : M. Kopf.

I call M. Kopf.

M. Kopf (Federal Republic of Germany). — (G) Mr. Chairman, Ladies and Gentlemen, we are all most grateful to the Committee on Local Authorities and its Chairman, M. Radius, for having studied the problem of how the municipal and regional authorities may co-operate in carrying out the tasks of the European Coal and Steel Community and for having put forward a number of striking proposals. Considerable attention should be paid to these proposals if and when the Treaty is revised.

The Committee has rightly pointed out that the local authorities are called upon to co-operate actively in a number of the social tasks of the Coal and Steel Community, such as the building of houses for workers, re-employment and re-training, and that such tasks cannot be carried out without their support.

In accordance with their present legal status, the municipalities may, as things are, apply to our Community for financial aid when they wish to build workers' dwellings. The Social Committee of the E. C. S. C. and a special committee set up for the purpose have frequently considered how far the—admittedly strict—limitations now imposed allow the Community to earmark funds not derived from the levy to the building of workers' houses, and how far other funds—derived from loans for instance—may be employed for this purpose.

To my regret, however, I must pour some cold water on the optimism revealed in the Council of Europe Committee's report. In view of the rules now governing our Community, I wonder to what extent local authorities may have direct dealings with its institutions and send them direct requests to intervene in matters within their competence.

The legally-minded among us will observe that in the six countries of the Community the municipalities are always subject to some degree of control by the central authority. The form of control will depend on the size of the municipality, but the control itself is always in accordance with current administrative law in the member countries. I have been told that control of muni-

icipalities is much more stringent in some countries than in mine. An eminent doctor of law on our Committee has likened the legal status of municipalities in his country to that of minors.

This raises a serious juridical problem, for, whereas the Treaty has transferred certain national powers to a supranational Community and its institutions, it has done nothing to change administrative or local government law in the six countries. Municipalities can only co-operate, therefore, by conforming with this law in each country.

I do not propose to go into the question whether administrative law in the six countries allows scope for direct dealings between the municipalities and the High Authority. This may be possible in some cases, whereas in others it would probably cause difficulty. What I want to do is to speak at greater length on one specific point. It is proposed to take advantage of the treaty revision procedure to modify Article 56 on assistance towards re-training, the aim being to enable municipalities also to make direct applications to the High Authority for re-training grants, so long as they themselves are prepared to make an equal contribution. As matters stand at present, only Member States may make such applications, likewise subject to their being prepared to make the same contribution as the High Authority.

This suggestion no doubt deserves our attention, but it should not be overlooked that, in this very matter of re-training grants the local interests of the municipalities in which factories have closed down are not the only ones at stake. The problem normally affects interests on a wider than regional scale.

When a firm closes down, it must be decided whether the laid-off labour should be re-employed in another local enterprise, as has often happened in recent years, or whether it should be offered work elsewhere, perhaps at a great distance from the original place of work.

The municipality in which the labour was formerly employed will never be able to settle this question single-handed, for it is one of more than local significance. The decision must

necessarily rest with the Member States of our Community. That is why we hesitate to recommend outright acceptance of the suggestion made by the Committee, however interesting it may be.

We consider that, even now, the municipalities concerned have an opportunity through the official channels of offering the State to pay its contribution towards re-training costs. I cannot see that the Treaty as it now stands rules out such a possibility. On the other hand, we should have serious objections to the municipalities of our six countries being authorised to deal directly with the High Authority without first submitting their applications to the competent central authorities for consideration, thus availing themselves of the benefits which Article 56 reserves for Member States.

When revising the Treaty, we must strike a balance between local interests, the importance of which we fully appreciate, interests of a wider nature and those of the State. With that proviso, we shall be able to take into account the very timely suggestions of the Committee and find solutions which brings us nearer to the social aims of our Community. (*Applause.*)

The Chairman. — (*F*) As there is no one else down to speak, I now call M. Spierenburg, at his request, and not the President of the High Authority.

M. Spierenburg, Member of the High Authority. — (*F*) I wish first of all, Mr. Chairman, to thank M. Gozard for his interesting speech this morning.

If I understood him aright, he raised a number of important points. First of all, with regard to coal production, he wondered whether output could be increased by, say, 33 % and whether competitive selling prices were possible in the face of other sources of power supply. He also referred to investments and the powers of the High Authority and, lastly, to controls and concentration.

We are here going to debate only the Fifth Report. It is premature to discuss the rise in coal prices which has taken place

during the past few days, since that is a question that must, first of all, be dealt with by the Common Assembly and its committees.

With regard to coal production, our general targets are based on the possibility of increasing output by about 60 million tons within the next twenty years,—that is to say by the year 1975, and we believe we can achieve this by better utilisation of present capacity, the linking up of new fields with present installations, and by establishing entirely new centres.

The question is, of course, whether such expansion is in fact possible and how it can be achieved.

We feel, like other speakers, that one of the primary conditions governing expansion lies in the strength of the labour force; we have noted with great interest that successful recruiting of mine-workers depends upon the wages offered; the latter must be sufficiently high to induce the men to work in the mines.

Output, too, must increase; the proposed target of sixty million tons under the expansion scheme will call for an increase in output of 30 %.

Increased output depends upon investments and coal prices. Coal prices must be such as to allow of a certain degree of self-financing to cover part of the capital investment entailed. Additional capital must be found, and the High Authority must then itself take action.

In this connection I would like to point out to the Rapporteur that investments are a matter for the individual undertakings. The High Authority can intervene with advice and lay down general objectives as a working basis for the enterprises concerned, to whose financing it can also contribute by means of loans.

If, in the fairly near future, we have sufficient manpower to raise output by 30 %, as envisaged, and if the price of coal is sufficiently high to allow, with the help of the capital market,

of the financing of investments, it will then be possible to increase coal production.

We now come to the question raised by M. Czernetz about the development of competition between coal and other sources of power. I believe, as the President of the High Authority has often pointed out to the Common Assembly, that it is absolutely essential for national Governments and the High Authority to work out a European energy policy. The Ministers for Foreign Affairs met together at Rome, were aware of the problem and asked the High Authority to make suitable proposals. The High Authority did so with regard to the procedure to be followed; and the Council of Ministers which met last week reached agreement on the point.

The High Authority has been asked to prepare a survey and, with the help of Government experts, will be able to make proposals concerning the general line which a joint energy policy should follow. The Governments will then be asked to give their views on the proposals.

I now come to the matter of cartels and concentrations. Let me at once point out to the Rapporteur that a distinction must be made between cartels and concentrations. So far as the former are concerned, the High Authority has never agreed to such an organisation in the Ruhr for the sale of coal. Instead, it authorised three Sales Offices, each of which is required to follow an independent policy.

These three Offices have, in certain circumstances, been allowed by us to hold joint meetings, as for instance, when demand exceeds supply. In such cases, plans for deliveries by the Ruhr are authorised by the High Authority. We exercise control over these decisions and where they are not carried out in accordance with our views we intervene. Thus, when the Ruhr did not exactly follow our directives for the sale of coal to the Netherlands, we intervened and changed the situation.

So far as concentrations are concerned, I would point out to the Rapporteur that the High Authority's action is founded on

the Treaty. Concentrations that existed before the Treaty came into force cannot therefore be prohibited. New concentrations, however, require the prior consent of the High Authority, which is granted in accordance with the provisions of Article 66 of the Treaty.

Several members of the Common Assembly have expressed concern about re-concentration in the Ruhr. My colleague, Vice-President Etzel, has stated, and I wish to reaffirm, that the High Authority is closely watching developments in this respect and will certainly not permit concentrations comparable in size to those of pre-war years, such as the *Stahlwerke*.

And now, Mr. Chairman, I come to the question of steel prices. This is continuously under review and is receiving our full attention. Reference was made to it both by M. Vos and by M. Federspiel. In the first place, I agree with M. Vos that there is indeed a gap between steel export prices and those prevalent within the Community; the former are sometimes higher, sometimes lower. You might thus be led to believe that it is the non-member countries who foot the bill as economic conditions vary. I prefer to say that the stabilising effect of the Common Market cannot in the same way extend to non-participating countries. Nevertheless, I do feel that this stabilising effect extends to a small degree to other countries.

I had hoped that, after referring to the statistics, M. Federspiel would not intervene,—for there is no real difference. My attention has, however, been drawn to the fact—which I am most happy to pass on to M. Fedetspiel—that prices for non-member countries are again lower. There still exist small differences, but I can assure my colleague that if there has ever been a time when prices were not equitable, they are certainly equitable today.

Let us now get down to basic principles. There exists a Common Market for coal and steel. The Governments have signed a Treaty which compels producers to undertake, as indeed they have agreed, not to discriminate between customers within

the Common Market. That being understood, one cannot ask producers to sell at exactly the same prices to everyone.

We are now going to have to study the very interesting question of the Free Trade Area. We can achieve some kind of agreement, but it is very difficult to ask the Common Market to grant the same advantages outside.

M. Vos asked a question about customs duties. As indicated in this speech by the President of the High Authority, customs duties are to be harmonised on 10th February next at the Benelux level *plus* two points, *plus* a geographical progression. This does not mean the establishment of a single tariff, but it will have the same effect, in that such harmonisation will prevent the diverting of traffic.

M. Vos is quite right in saying that the new Treaty provides, after a fairly long transitional period, for the institution of a common tariff. I cannot tell him whether the Governments and the High Authority will, after this long transitional period, agree on a single tariff for steel. We have, for the time being, succeeded in instituting a harmonised tariff which has the same effects as a single tariff. I believe that when all countries perceive that a single tariff has been achieved for all other products it will not be difficult to achieve one for steel.

I hope, Mr. Chairman, that I have replied to questions to the best of my ability. (*Applause.*)

The Chairman. — (*F*) I now call M. René Mayer, President of the High Authority.

M. René Mayer (Translation). — (*F*) Mr. Chairman, Ladies and Gentlemen, the High Authority is a corporate body and is effectively present whether it expresses itself through its President, if he is on the Ministers' Bench, or through one of its members. This you have well understood, Mr. Chairman, in asking me to speak, as, in fact, the rules of procedure of the Assembly authorise me to do at any time.

I listened with considerable interest to M. Kreyssig's speech and I feel that, apart from the financial questions, to which I shall return in a moment, his remarks were addressed to the Rapporteur, M. Gozard, rather than to the High Authority. I shall not therefore reply to M. Kreyssig's criticisms of M. Gozard's report.

I would like to begin by expressing thanks, in my turn, to M. Gozard and the Consultative Assembly's Rapporteurs, M. Czernetz and Mr. Younger, together with the speakers who have taken part in this debate. It has been rather different from last year's debate; that is understandable in view of the circumstances. Last year we were faced with a critical period of tension, of pre-shortage. Prices were on the upward grade, and production fell short of the estimate. The concern felt by representatives of "third countries" was greater than it is today.

Last year, too, the debate was centred on the question of the Community's relations with other countries.

The new Communities which will shortly come into being, the fact that the Treaties of Rome have been signed and are about to be ratified by all the parliaments, these things have, obviously, made a difference to our debate and have produced some extremely interesting speeches. The High Authority has listened to these with interest, paying special attention to the speeches by M. Lapie and M. Sassen concerning the positions adopted by the political groups in the course of various debates which placed them in opposition to the High Authority in the Common Assembly.

I could perhaps have assumed another part and spoken in my turn of the activities of the Liberal Group in this Assembly. Allow me, however, to make a distinction of persons and keep to my role as President of the High Authority. Mr. Chairman, my colleague, M. Spierenburg, has already replied to some extent to M. Czernetz's report. I must say how moved I was, by the patent European character of M. Czernetz's speech—and I was particularly happy to hear a member of the Austrian Parliament speak with such force and brilliance, with such elegance even,

and with all the weight of historical examples, of his country's adherence to the European idea. I should like to thank him.

Elsewhere in his report he seemed to me to have been quite rightly moved—I will not say impressed—by the written questions addressed to the High Authority by certain members of the Common Assembly's Socialist Group concerning a recent happening which has caused considerable stir—perhaps rather more than was necessary and, according to the High Authority, rather more than was deserved. I mean the recent rise in coal prices in the Federal Republic of Germany.

Along with my colleague, M. Spierenburg, I do not believe that this question can be discussed exhaustively here in this meeting. It will have to be referred to the Common Assembly's committees and to the Common Assembly itself, once the High Authority has replied to the seven written questions concerning the rise in prices which have been addressed to it by the members of the Socialist Group of the Common Assembly.

I should like, Mr. Chairman, simply to make a few discreet statements on this burning question so as not to bias any future discussion and debates, either in the competent committees of the Common Assembly or later in the Common Assembly itself.

I wish to say that M. Czernetz has painted this question in rather vivid colours. In that, he has followed the present trend of opinion in his country, and I must say that certain members of governmental circles in Austria have indeed seen this matter in rather a dramatic light.

The High Authority, Mr. Chairman, has taken it much more calmly, for the simple reason that it had considered that this rise in prices would be inevitable at some time or other; it had been foreseen and therefore was expected.

The members of the Common Assembly know—and I can repeat it before the members of the Joint Meeting—that when the High Authority addressed a letter in July to the Federal Government inviting it to abolish, before the 1st of April next, the

bonus known as the *prime de poste*, the end of this letter stated that, should a rise in prices occur before that date, the subsidy should be reabsorbed and assumed partly or wholly by the mines at an earlier date and that this should then be negotiated.

This means, Ladies and Gentlemen, that already in July, the High Authority expected a rise in the prices of German coal. Such a rise may perhaps be considered by some people to be ill-timed, but, in any case, it has been foreseen by the High Authority some months ahead. In fact, although German coal is still the cheapest in the Community for geological or other reasons, together with certain types of Dutch Limburg, prices had gone up several months before in other coalfields. This was the case especially in Belgium and in France (a rise of 1.43 dollar) and in the Netherlands (1.53 dollar). So it was not surprising that the German prices should go up at some time. This rise was, in fact, more reasonable than the others, since in the end it was only to the tune of 1.31 dollar.

This is why the High Authority feels that the matter is less dramatic than the Rapporteur and others have indicated.

The High Authority is not at all indifferent to allusions made here to the necessity for taking into account the conjectural policy of the member States. It would not be faithful to its mandate if it did otherwise, any more than if it were not to take into consideration Article 3 (c) of our Treaty, providing for the establishment of the lowest prices possible, while at the same time making allowance for certain working expenses—renewal of material and amortization of capital invested in the mines. As a result, and I should like to reply here to the honourable Rapporteur, the High Authority believes—as it has always maintained in its yearly reports and in its documents on the so-called coal policy—that prices should show a certain necessary flexibility if the mines are to fulfil the various economic and technical tasks I have just mentioned.

You must also have noticed, Mr. Chairman, Ladies and Gentlemen, the fact that in the course of the day we have heard certain British members of the Consultative Assembly explain

that in their opinion there may have been times when coal prices had not been allowed to go up enough. One wonders if certain political groups of the Assembly, and indeed the Assembly itself, may not have a rather peculiar view of affairs in this connection—I apologise to the Rapporteur—when, for instance, prices are esteemed to be too high if it is a question of privately-owned mines, although they are thought to be, by some strange coincidence, too low when it is a question of nationalized mines—as in the case of Great Britain and France.

I am simply pointing out to you the parallel which occurred to me as I listened to the last speeches.

As you know, the High Authority is not actually concerned with the working of the mines. It has merely to apply the terms of the Treaty, which does not admit any distinction on this point.

Since this matter has been broached, I should like to stress the fact that the High Authority, as it declared to the Council of Ministers, and as I have publicly stated on its behalf, will continue to seek the lowest prices possible in order to put into practice the provisions of Article 3 (c) of the Treaty, but that it is also concerned, like the Common Assembly, the Joint Meeting, the members of the Council of Europe and the Governments themselves, with the need for a minimum of investments in the coalfields.

As I said this morning, and as several other speakers have also said, Europe's dependence on fuel and power, in view of the important part to be played by coal during the next 20 years in domestic and industrial consumption, and as a raw material for the chemical industry, proves that new investments are vital and must not be discouraged by a rigid price policy.

Otherwise we shall have to abide by the consequences. Obviously, the price of coal can everywhere be prevented from rising. But if this is done the coal-mining industry can balance its books only if the tax-payer makes up the difference and a subsidy is introduced. That is a system which has been tried in certain countries, but it is not allowed today under the Treaty

establishing the Community, which is why the High Authority has felt called upon to request the abolition of the shift bonus in the German coal mines.

Apart from measures of this kind, some price flexibility must be expected—a fact which the High Authority has not denied—and there is bound to be a fairly constant increase in tariffs.

This, of course, raises the question of competition with other energy sources. For this reason we have always placed so much emphasis on joint studies to co-ordinate production of the different forms of energy.

Since it is an economic and social necessity to keep as many miners as possible in the pits, it is essential that those countries which already have an integrated fuel market should pursue a common policy in respect of prices and customs duties, especially for petroleum products, applicable in the next few years.

The High Authority is therefore glad to have been requested by the Council of Foreign Ministers, as M. Spierenburg said just now, to make practical proposals for co-ordinating energy sources. I have told you this morning what we have done in this matter. It is an extremely important point; if it is not thoroughly studied, there will be no possibility of allaying all the anxieties so rightly stressed by the Rapporteur this morning.

I should now like, Mr. Chairman, to thank Mr. Hay for his kind words about the High Authority's work and especially about myself. I am grateful to him—and am pleased to see that the British Members of Parliament have extended their appreciation to the services I have been able to render to Europe as a whole and not only to the Europe of the Six.

Mr. Hay has asked me for further information on what I said this morning of the need to harmonise economic conditions before a Free Trade Area is set up. I should like to tell you, in a few words, the thoughts not only of the High Authority but also of a number of other persons now dealing with this question. If we feel that the establishment of a Free Trade Area need not

necessarily be preceded by total harmonisation of economic conditions, the reason is that in our opinion any attempts to do this would mean that agreement would never be reached, since a complete harmonisation of the economies is impossible.

Neither can it be contended, in our view, that once such harmonisation is no longer made a prior condition, the Free Trade Area will forthwith be set up, without any guarantee for the Common Market countries as to competition, any control of subsidies or other distortions of a governmental nature which play their part in price-formation and would result from the Free Trade Area but not from the Common Market.

Such is the position of the High Authority. I think I may also say, in the light of the recent progress made by O. E. E. C., that this concept is now becoming more widespread and that somewhere between the two extremes lies the path to fresh advances.

I should like to thank Mr. Finch and Mrs. Slater for the interest they have taken in our work and in the studies of social conditions carried out by the Labour Problems Division of the High Authority. I welcome in this connection the statements by our two colleagues from the British Parliament and am glad to recall that last year, at the Conference on Safety in the Mines, during the debate on a matter particularly near to our hearts, namely social security for mine workers, the National Coal Board kindly passed on to us certain information which was appended to the all-important and highly interesting work carried out by that Conference.

M. Finet will shortly have a few details to add to what I intend to say on the question of wages, which has been mentioned. But I should remind Mr. Finch and Mrs. Slater that the powers of the High Authority in the matter of wages are in no way similar to those of the National Coal Board. The powers that we confer stem from the national system proper to each country. Sometimes wages are fixed by the State; at other times they result from agreements between employers and trade unions or from individual or collective contracts.

The High Authority, then, has no power over wages. It must, of course, ensure that they are not abnormally low. It also watches the employment situation and, hand in hand with Governments, as Article 26 of the Treaty provides, pursues an overall economic policy so far as Governments agree to it. I wanted to give this explanation to Mr. Finch and Mrs. Slater, because certain passages in their speeches might have created the impression that, in their view, the High Authority had the means of conducting a wage policy. That is not the case, because the Treaty does not provide for it.

I now come, Mr. Chairman, to a point which has been given great prominence in today's debate. I refer to the local authorities. I could, of course, as others have done, make eloquent speeches on this subject. I have been mayor of a small rural township and so I am acquainted with the difficulties of town councillors and local governments.—I notice my old colleague M. Pleven apparently shaking his head at me for speaking of national responsibilities which it is not my place to comment on here.

I could also join in the chorus of those who feel that municipalities are not always treated by Governments as they deserve to be. I understand in this connection that a certain resolution by the Consultative Assembly of the Council of Europe was lost by the wayside and that the Governments did not reply to it. In this matter the High Authority is a third party. I should like, for the benefit of MM. Radius, Kopf and Wilkins, who dealt with this important question, to try to analyse the High Authority's position.

This question already came up for discussion last year, with the result that we defined our attitude in a letter dated 11th May 1956. We said that, together with the Council of Ministers and representatives of the six Governments, we had closely studied the various aspects of Resolution (55) 16 of the Committee of Ministers as also of the Resolution transmitted to us by the Council of Ministers.

It became clear from our study that the initiative lies with the Governments of Member States of the Community in most

of the cases mentioned; and, secondly, that the procedure employed by the Committee of Ministers in the resolution of transmittal was not the procedure laid down in the Protocol on relations between the Council of Europe and E. C. S. C.

As you see, then, there are formalistic difficulties as between the Council of Ministers and the Consultative Assembly, but there are also some affecting relations between the Committee of Ministers and the High Authority.

“These various findings...” wrote M. Spierenburg, who signed that letter—“... will, however, not prevent the High Authority from investing this question with all the importance it merits and from closely following the action taken upon it by Governments”.

Ladies and Gentlemen, we have had no trouble in following that action closely, because we have just been told that there has not been any. But it should not be thought that we are unaware of the importance of the question raised. Moreover, we have direct contacts, not, I am sorry to say, with the Consultative Assembly's Committee on Local Authorities, but with such vigorous bodies as the Organisation of European Municipalities. We are in close touch with that organisation through a Luxembourg Mayor, the Mayor of Diekirch. We also have relations with delegations of municipalities and local authorities. It has frequently been our privilege and pleasure to welcome in Luxembourg delegations from town and departmental councils, who have told us of their wish to co-operate with the High Authority in matters which may concern them.

With which of these matters are we sympathetically concerned? We feel that when our intervention in housing questions takes the form of having houses built, we are doing no harm to local communities, nor do I think that we injure them by promoting a housing policy.

If I rightly understood what M. Radius said—I only had time for a few words with him before he expressed his apologies for having to leave—he confirmed that the assurances he had given during his speech were based on a letter from M. Nederhorst

during a useful exchange of correspondence between the Common Assembly's Social Committee and the Committee of the Council of Europe on the effects on local government administration.

I fear that what is asked of us is an impossibility in the present financial state of the Community. A perusal of the Statutes is enough to make this clear. We cannot raise loans in order to establish a guarantee fund for municipal borrowings. What we can do, and what we are doing, is to maintain the closest possible contacts with the municipal organisations when they make themselves known to us, even independently of Governments, by reminding the latter of their existence.

M. Radius referred to the application of loans for re-conversion and the inauguration of new activities. We shall always be glad to receive such plans and to approach Governments in cases where they have not transmitted them to us. In some cases, where we are told that they offer opportunities for re-conversion and new activities, we should be especially glad to receive them. If they came from municipal bodies, we should be fully aware of our duty, which would consist, not in dealing directly with such bodies over the heads of Governments, since the Treaty does not so empower us, but in informing the Government concerned that we had received such proposals, asking its opinion and making arrangements to put such proposals into effect if necessary.

These remarks are mainly intended for the French Members of Parliament here present, with regard to what is happening in Morbihan, in the Hennebont area. We should have the greatest pleasure in receiving, and in taking action on, everything that the local, departmental—or Breton—authorities (*Laughter*) may send us by way of a plan for fresh activities of this kind.

So much, Mr. Chairman, for my reply to this important part of today's debate, referring to local communities.

My friend M. Federspiel has put words into my mouth which do not exactly correspond to what I said. First of all, I did not ask any question of Scandinavian importers, especially the Danes and Swedes. I did not ask them why they do not buy

coal from the Community. I merely said that, while the Community had exported less coal during the year to the Scandinavian countries, the reason was not, as in the previous year, because it had not produced enough, but because more was not bought from it.

That is all I said, and on this point M. Federspiel would surely not have had me say otherwise... I see that this is so; we are in agreement, then. I simply wanted to show that a certain setback in exports this year was not due to any lack of coal, but to the fact that more was not ordered from us, which is indisputable.

For the rest, may I venture to refer to what M. Spierenburg said? I think that the Common Assembly and the Joint Meeting can award me the mark of *satisfecit* and acknowledge that I have done all in my power during the last two and a half years to make the Community an effective organisation, that the High Authority during the same two and a half years has always pursued a completely clear policy and has favoured all forms of association—provided, of course, that the latter are constituted on the “give and take” principle and do not confer all the advantages upon one side.

This policy we shall continue. We are glad to see that it has, if I may say so, been blessed with offspring, since today everyone is aware of the need for a rapid expansion of the free trade area already represented by our common market. But, in the future, as in the past, that expansion must be evenly balanced, and certain nations must not expect to avail themselves of all the advantages of the Common Market which—for reasons that are perfectly proper—they are unable to join. On this point our debate has been useful.

As regards steel prices, the figures speak for themselves, and the same applies to the tonnages of coal sold. I am quite convinced that the discussions to be held on the Free Trade Area and the commodities under our control— coal, steel, ferrous scrap and iron ore—will yet give rise to interesting exchanges of views with the representatives of the Scandinavian countries, several of

which, as you know, have permanent delegations to the High Authority.

That would be all I have to say except that I have forgotten to assure M. Gozard that next year the High Authority, in accordance with his request and the undoubted desire of the Assembly, which we can well understand, will a few days beforehand invite that member of the Common Assembly responsible for the report presented this year by M. Gozard to be present when the Consultative Assembly's Economic Committee honours us with a visit to Luxembourg.

I believe, Mr. Chairman, that with the help of my distinguished colleague I have thus replied to all the speakers, with the exception of M. De Geer—to whom I apologise—who made a few brief comments on iron ore and ferrous scrap.

It is true that in this connection we have had our difficulties. Today the scrap vendors are having a hard time because of prices, but this situation may not last. The High Authority stresses and will continue to stress the need for producing more pig-iron and—I am sure that M. De Geer is with me on this point—for basing the Community's heavy industry more and more upon iron ore.

It was also my intention to answer the remarks made by M. Kreyssig, but I notice that he has left the Hall. I understood that his observations mainly applied, as I said just now, to M. Gozard's report and also to the budgetary provisions in the new Treaties.

You can well imagine that the President of the High Authority, who is a member of the Committee of Four Presidents and also presides over an Authority which will shortly be the only one of the three Authorities belonging to the European Communities to have its own funds at its disposal, is likely to have a good deal to say. He would not only wish to corroborate what M. Kreyssig rightly said, in showing that the lack of budgetary independence of the other Communities will be just as great as is that of the European Coal and Steel Community, but also to express a few personal views on the manner in which this matter

could be temporarily remedied. But that would take me too far, and I have no wish to crave the Assembly's indulgence any further.

I hope I have answered all the questions put to me, but before I sit down and leave M. Finet to add a few words on wages questions, I should like once again to thank all the members of the Consultative Assembly of the Council of Europe for the interest they have taken in these matters. Finally, since this is the last time that I shall have the honour of appearing before this Assembly in my present capacity, I would express my gratitude to you all and my sincere good wishes for your joint work with the new and expanded Common Assembly.

Thank you, Mr. Chairman. (*Applause.*)

(*Mr. Edwards, Vice-President of the Consultative Assembly, took the Chair.*)

The Chairman. — I should like to thank the President of the High Authority for the comprehensive and complete answer that he has given to the debate. As he will shortly be laying down his office, in thanking him I am sure that I shall be expressing the view of all of us in hoping that he will enjoy himself in whatever other activity he decides to take up in due course.

I call M. Finet.

M. Finet (Belgium). *member of the High Authority.* — (*F*) Mr. Chairman, Ladies and Gentlemen, my only reason for speaking is that the President of the High Authority told the Assembly that there might be a few points I could clear up with regard to comments we have heard on social matters, which are my own particular concern.

M. Czernetz has expressed some astonishment at the uneven rate of increase in wages which has been apparent in the six countries of the Community. For our part, this does not surprise us at all.

The honourable Austrian representative laid particular stress on the very small wage increases which have occurred in the Italian coal and steel industries. Those who follow the wage statistics prepared by the High Authority and the various national statistical bureaux will realise that no comparison can be drawn between the position of workers in the older steel industries of the Community and in the steel industry of Italy. It must always be borne in mind that the Italian steel industry has been going through a period of reconversion since 1952, and that it is now gradually laying off labour which had been recruited only in order to employ the maximum possible numbers. It must not be forgotten that the wage-element in the cost of production of Italian steel is just as great as for the other countries of the Community, the difference being that, whereas in the traditional steel-producing countries where reconversion was carried out long ago, a given wage goes to one worker, in Italy it may be spread over one and a half or two workers. That is one of the main reasons why, between 1952 and 1956, wages have increased at a different rate in Italy from elsewhere.

As for the wages of Italian miners, may I say that those who have kept a close watch on the position of the Sulcis coal-field in Sardinia realize that there, too, reconversion was necessary. In point of fact, in 1953, 2,000 miners were laid off in that coal-field at one fell swoop—and, incidentally, the High Authority, in agreement with the Council of Ministers, intervened on their behalf under the terms of Article 23.

Now, those 2,000 miners were dismissed not because there had been an overhaul of mining methods but because more workers had been taken on originally than were really needed, owing to the very limited possibilities of finding work in Sardinia.

May I add that there is no comparison between mining conditions in Sardinia and those prevailing in other Community countries. It need only be pointed out, for instance, that Sardinian coal is 37 % to 38 % sulphur and has a dust content far exceeding that of any other coal produced in the Community.

M. Czernetz also referred to workers' dwellings, and I should like to thank him for what he said about the efforts made by the

Community in this context. However, his appreciating of our efforts did not prevent him from immediately adding that one should compare the rough figure of a million and a half workers engaged in the Community's industries with the relatively few houses—namely 38,000—that will be completed by the end of 1958 with the help of the High Authority.

The High Authority has never pretended it was aiming at a complete solution of the housing problem in the Community countries or even of the particular housing problems which have arisen in the coal and steel industries. May I remind those who have forgotten the fact that in 1953, after a somewhat cursory survey of the situation, we made it known that a further 100,000 dwellings were needed for the Community's mineworkers alone?

If it is recalled that we did not begin to help financing building operations until three years ago, and that by the end of 1958 we shall have completed 38,000 dwellings, chiefly for underground mineworkers, I think it will be admitted that we have no cause for dissatisfaction.

I hasten to add, for the benefit of those interested in the question, that in the field of housing, the High Authority has its hands tied, for the simple but decisive reason that it may only finance building out of its own resources. We can certainly sympathise with the complaints of M. Radius; for we, too, have to contend with the somewhat excessive centralisation practised by some States.

If I were not afraid of taking up too much of your time, I could give you some very significant facts in this connection. For instance, the mayor of a large city in an important industrial area tried to do away with hutments in the locality but was unable to do so because the responsible Minister refused him permission on the ground that he had not the necessary funds to build proper houses in place of the offending shacks. I could quote many cases of the efforts of municipalities and local companies being thwarted because the central authority prohibited action not in line with the principles of its own housing policy.

I might also remind M. Pleven that it is not the High Authority but the central authorities of the country, that are responsible in such cases and it might be better to raise the matter in Parliament by putting a question to the Minister concerned.

Before concluding, Mr. Chairman, I should like to thank Mrs. Slater and Mr. Wilkins for the kind things they have said about the High Authority's efforts to improve the living and working conditions of the workers under its jurisdiction. They were referring more especially to research into safety precautions, health and industrial medicine.

I should also like to tell the British representatives in this Hall how grateful we are to their Government, to the National Coal Board and to the trade unions for their assistance in the work we have undertaken.

A delegation from the High Authority will be visiting the United Kingdom in a few weeks' time, accompanied by experts from the six Community countries. It will study the training methods employed in the British mining industry.

I can assure representatives of Great Britain who spoke this afternoon that the High Authority shares their concerns. I agree: the problem of coal output will eventually be solved by the improvement of mining techniques: but mining methods are bound to remain defective so long as there is a shortage of labour to apply them.

There is therefore a social problem, a training problem and, I would add, a problem of safe working conditions, all of which must be solved. In this respect I feel I may echo the sentiments expressed by M. Lapie and say, on behalf of all my colleagues of the High Authority, that while we are deeply concerned with the economic and financial aspects of running the Community, we have never forgotten that the human element remains at the heart of all production problems. We therefore intend to serve the interests of the human beings concerned by every means at our disposal.

May I once more thank the representatives of the United Kingdom for acknowledging that the High Authority is inspired by these humanitarian and social motives. (*Applause.*)

The Chairman. — Thank you very much, M. Finet. I should like, in my national capacity, to say how grateful I am to you for the kind things that you have said about my compatriots.

Does anyone else wish to speak?...

If not, all that it remains for me to do is to renew my most sincere thanks, and the thanks of the Assemblies, to the President and the other members of the High Authority for the great contribution which they have made to our discussions today, and formally close this Joint Meeting of the two Assemblies.

The Sitting is closed.

The Sitting was closed at 6.50 p.m.

