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EUROPEAN PARLIAMENTARY ASSEMBLY

Ordinary Session

Wednesday, 22nd October, 1958, 3 p.m.

The Sitting opened at 3.10 p.m., M. Robert SCHUMAN in the Chair.

Debate on the General Report of the
E.E.C. Commission

M. Alain POHER, President of the Christian Democrat Group, recalled that his predecessor, M. Pierre Wigny, had become the Minister of Foreign Affairs of Belgium,

and had always shown most sincere interest in European institutions. His Group agreed with the Commission's Report.

He welcomed recent developments in European organizations and expressed his thanks to M. MULLER-ARMACK for his statement.

Speaking on behalf of the Christian Democrat Group, he defined the role which should be played by the E.E.C. The Assembly should always have first call on information from the Commission. The Commission should act with bold initiative. By openly defending its action before the elected Representatives of the peoples of Europe it would ensure the maximum publicity and efficiency. The European Parliament should have direct cordial contacts with the Executive and it was to be hoped that Vice-Chancellor EHRHARD, President of the Council of Ministers would follow the fine example given by M. MULLER-ARMACK,

Herr HALLSTEIN had stressed the growth of a true community spirit. The Christian Democrat Group welcomes this and was glad to see that the Commission was prepared to apply Articles 85 and 86 of the Treaty to their fullest extent. It was to be hoped that the Commission would not allow itself to be stultified by legal conformity.

He hoped that the Commission would follow the development of the current economic situation and would at once inform the Assembly of any emergency. He regretted that those parts of the Report concerning the differences in taxation systems and in the capital market should not have been developed in further detail. M. HALLSTEIN had not said what the Commission had in mind to counter this situation. The Group was in full agreement with what was said in the Report concerning the freeing of trade, a monetary union and European political unity. He was particularly glad to see that M. HALLSTEIN should have stressed the social implications of the Community towards raising living standards.

He agreed with M. HALLSTEIN on the position to be adopted by the Six with regard to the Free Trade Area; APE 782

It was essential for the Community to act as one, and in no way allow its unity to be undermined.

The Community should establish contacts with associated overseas territories on an equal footing. But the Assembly found itself faced by a new problem that of the representation of these countries within the Assembly, as a result of the coming into effect of the new French Constitution.

The Group was not entirely satisfied with the organization of services common to the **three** Communities. However, he welcomed the work already done in collecting statistics, and in the legal aspect. The same progress should be made for information and documentation concerning the main economic sectors of the member countries. It was essential to go beyond mere cooperation to true common action; it was not a question of defending individuals or acquired rights, but basic principles.

The important problem of establishing a common seat for the European institutions arose in this context, for this would help towards establishing a true common vigour.

He paid tribute to M. François de MENTHON. European cooperation necessitated a political will which should seek the good of Europe as a whole. He had full confidence in those responsible. "May history judge them as the upholders of Europe at a time of decline."
(He was applauded).

M. KREYSSIG, speaking on behalf of the Socialist Group, expressed his appreciation of the E.E.C. Commission's Report, and stressed the importance of a Parliamentary control exercised by the Assembly. The Commission was in full agreement.

It was to be regretted, however, that the Council of Ministers was not represented at today's Sitting.

Concerning economic questions, the Socialist Group considered that the Report confirmed its own forecasts. The Community must work towards a true European policy, and he welcomed the fact that the Commission should have declared itself prepared to do so. It must make every effort to harmonise National points of view, and to extend European cooperation beyond the frontiers of the Six. The Group was not altogether satisfied with the statements of the Commission concerning the Free Trade Area. It welcomed the Council of Ministers' decision to approve the decisions of Venice and to work towards putting them into effect.

Referring to M. HALLSTEIN'S statements concerning relations of the Six with third countries, he entirely agreed that every effort should be made towards freeing trade. The initiative shown by the three Communities would prove decisive in the creation of a European

economic association, so long as the latter did not endanger the Rome Treaties and did not over-ride the interests of each Party.

The Socialist Group agreed that the Six did not wish to put into effect a selfish policy. It had always considered that it was essential for Europe to form a single group capable of holding its own with the great Powers.

The Group considered that it was of paramount importance for the future development of Europe that the Commission should be fully responsible for research on the current economic situation, and he wished the Commission every success in this task. M. HALLSTEIN had spoken of certain basic similarities in the economies of the Six.

It should not prove too difficult to achieve a common economic policy both in the immediate future and in the long term. The Socialist Group hoped that the optimism expressed by the President of the Commission would be proved justified. The Commission should consider this one of its most important tasks, in which it would always have the support of the Socialist Group. The current coal prices showed that this had not happened in the past, for a common fuel policy would have obviated the present situation. The High Authority was to study this problem, which could, however, have been avoided if the necessary measures had been taken to ensure the consumption of present surpluses.

The Common Market Treaty stated expressly that competition should be as free as possible. Article 87, paragraph 2 of the Treaty outlined measures for punishing action likely to hinder free competition. The Socialist Group would call for the application of these measures whenever necessary.

Speaking of current economic problems, he pointed out that M. HALLSTEIN had declared himself in favour of harmonising the public expenditure of different countries; this was a difficult problem. The Socialist Group agreed with everything M. HALLSTEIN had said on this matter.

How were the six countries to formulate their economic policy in face of the current situation? This was a day-to-day question of long term import. It was essential to ensure a liberal interpretation of the Treaties.

A firm programme should be drawn up whereby the Six Governments could be informed as to the main aims for the period 1960 - 65, and the means by which their economic policies should be brought to bear in their attainment. The Commissions should clarify future policy. He agreed that the Commission should be of the opinion that it was unwise to consider the question of relations with third countries from too narrow a view-point. The Socialist Group expressed its appreciation of the Commission's willingness to take part in Assembly Committee Meetings and to give all necessary information; the High Authority of the ECSC did not have such a good record in this respect.

M. MARGULIES, speaking for the Liberal Group, expressed the hope that the economic integration of the Six, complemented by a Free Trade Area, would contribute towards the development of the European peoples. It was important to cooperate with those European institutions already in existence. The Council of Europe had not achieved its aims because the Governments had limited its powers, yet, however, it had achieved the aim of making the peoples of Europe conscious of their unity. O.E.E.C. and E.P.U. had contributed to a great extent to the development of trade between European countries. It was now possible to build on the solid foundations laid by other European institutions. It should be remembered, however, that cooperation on a purely economic level would not be sufficient to inspire public opinion; the people of Europe would prove more interested and more enthusiastic towards activities which went beyond economic policy.

Doubt had been expressed as to whether all Parties in the Common Market would be able to enforce the first practical measures stipulated in the Treaty. The Liberal Group was convinced that such doubts had now been allayed and that there would be no delay. Preliminary work for reduction of customs tariffs on 1st January 1959 and for increasing quotas were almost concluded. Here, the Liberal Group attached the greatest importance to M. HALLSTEIN'S remarks.

He considered that the Council of Ministers must be held partly responsible for the fact that no decision had as yet been taken concerning the choice of a single seat. This, fortunately, had not hindered the working of the institutions to an important extent. 34 Reports had been prepared, and he wondered who would have the time to read them; a Report is not an end in itself. He did not entirely agree with M. HALLSTEIN that it was a good thing that they should all have come from the new administration; would it not have been wiser to have made use of studies produced by scientific organizations for some years past?

The organizations which were to come into force should not undermine the existing European Market, but should contribute towards increasing productivity. Producers and consumers should benefit, rather than an encroaching bureaucracy.

It appeared from the debates of the Bundestag that all the German Parties were in favour of the creation of a Free Trade Area; the Liberal Group was of the same opinion. However, the Six could not agree to set up an Area which should include only industrial products.

The statement made by the French Foreign Minister at the Council of Europe on the Free Trade Area had been received

with a certain amount of disappointment. It had originally been decided that the Commission would negotiate for an agreement on a Free Trade Area; but now the stress was on seeking a common policy. What were the reasons for this change of attitude?

M. HALLSTEIN'S Report had also referred to the necessity of agreeing on a "preventive" economic policy in face of the current situation. There was something to be said for the proverb "Man proposes, God disposes". If it were true that the present situation in Europe did not render necessary interference by the State or by supranational organizations, the Liberal Group would be only too happy. The Group regretted that, while the Commission should have mentioned basic similarities in National economic policies, it should have made no reference to similarities and differences in social legislation and conditions within the Six.

He was pleased that the Commission should be in favour of taking action in monetary problems, although not obliged to by the Treaty; the Liberal Group considered this problem of paramount importance for the Community. Transfer of capital today gave rise to deductions and financial expediencies which took the place of taxes. This meant that official rates of exchange were now no more than general indications. The Commission should study this question.

efficient action.

Concerning price movements from 1953 to 1957, which according to M. HALLSTEIN had followed much the same course in the six countries, he was of the opinion, from personal experience and travel, that the prices of consumer goods had risen more quickly in France than in Germany; and that prices in industry, according to a recent study of the Credit Lyonnais, were at an average level of 10% higher in France than in Germany. He asked for further information on this point.

In connection with current efforts to set up a Free Trade Zone, Belgium, as a free trade country, had not necessarily made sacrifices by entering the Common Market; yet this action would oblige her to raise her customs tariffs for non-member countries. The disadvantages which this would bring to the Belgian economy could only be countered by the establishment of a Free Trade Area.

The Belgian people was fully in favour of a Free Trade Area.

The difficulties raised by countries outside the Six resulted in legitimate anxiety, but they could in fact provoke a double reaction. Some countries hoped to see a Free Trade Area set up in a spirit of cooperation, but there were countries which did not believe in Europe and would not stop at hindering its growth. These countries wished to delay the coming into

force of each stage of the Free Trade Area in order to shackle the growth of the Common Market at the same time, with the secret hope of bringing about **its** failure.

If M. HALLSTEIN could not speak so freely as himself he felt obliged to do so, as belonging to a Party in opposition.

The Socialist Group in no way regarded the Common Market as an autarchy equipped with economic weapons. The Six had had no intention of bringing down customs barriers between them merely in order to enclose themselves behind fresh barriers. While in favour of the Free Trade Area, they should not allow other countries to hinder the development of Europe under pretexts of economic policy.

Certain parties to the Common Market might experience some difficulty as the result of measures to come into force on the 1st January; to this should not be added fresh measures which might jeopardise the Common Market as a whole.

He welcomed the fact that the Presidents and members of the Commissions considered themselves as carrying a political responsibility, and not merely as civil servants. They are responsible to the Assembly and are therefore right to claim

its policy as valid and to take initiatives. What was important was not that certain statements made by M. HALLSTEIN in Holland or in Belgium should not have pleased M. MARGULIES, but rather that these speeches did in fact bear witness to the vigour of the Commission.

M. BOUTEMY spoke as a representative of public opinion, exercising parliamentary control, as accepted by the Commission.

The Assembly, as a political institution, should be able to find in Reports from the Executives, the broad picture of achievements, of difficulties and their reasons. Only thus could the parliamentary check be enforced, and he would ask the Presidents of Commissions to make known their attitude on this point.

The Commission should keep the Assembly informed as to reservations made by Governments concerning the collection of statistics; further, would it be possible to obtain an expression of their opinions, as laid down in the Treaties, within the agreed time-limit? What would be the relations between the Economic and Social Council and the Assembly? Would difficulties previously met in the Common Assembly appear again? Parliamentary control could not be efficiently exercised if the Assembly was not informed of opinions

expressed by representatives of the workers, the employers, the consumers, and the traders. Even if the Ministers were already over-burdened, they must on no account delegate a part of their work to Civil Servants, however highly placed. Would it not be possible to reconsider the idea of setting up within the Six Governments a Ministry of European Affairs, or appointing a Secretary-of-State to be entrusted with ensuring the necessary degree of coordination.

Was the Community as fully representative as had been stipulated in the three Treaties? This representation did not appear fully efficient, and here he referred to statements made by M. WIGNY. It was immensely difficult to establish direct universal suffrage, and steps should not be taken in this direction until full support from National Parliaments and from public opinion was assured.

A Working Group should be set up, on the lines of that of the Common Assembly, which should seek a solution to these problems. It should be possible to have a vote on Resolutions under urgent procedure.

All present desired to see Europe built but steps should be taken to avoid a hurried and purely theoretical construction. Work should go on calmly and backed by the support of the people.

M. BLAISSE, spoke on behalf of the Christian Democrat Group about the Free Trade Area. While negotiations were still going on it was worth reconsidering some of the basic principles. The coming into being of a European Economic Association would be of immense importance, but at the same time a schism between the Six and the Eleven was of greater danger now than ever. He agreed with M. HALLSTEIN that every effort would be made towards the freeing of trade. Yet at the same time, the Common Market Treaty must in no way be jeopardised.

The establishment of a Free Trade Area raised important problems; how would the Six vote? How would the Eleven vote? Neither Group should impose its will at the expense of the other. In such an institution, the Christian Democrat Group did not think that it would be necessary to have parliamentary control. The question of voting procedure within the Council of Ministers was still outstanding. Almost everyone agreed that agriculture should be included within the Free Trade Area, but it was not yet known how to link this sector with the measures already taken in the Community. At Stresa it had been stressed that the Community was not autarchic in its agricultural policy. The Six had gone so far as to suggest extending to their future partners within the Free Trade Area the 10% reduction in tariffs to take effect from the 1st January - on condition, of course, that this should be

counter-balanced by reciprocal action. Although this proposal had been received with only lukewarm enthusiasm, efforts must be made to carry it through to a successful conclusion.

He doubted whether present procedure would produce the best results; at the same time as multilateral negotiations, would it not be possible to obtain results on a particular point, especially by direct negotiations with the United Kingdom.

Mme. STROBEL pointed out that the Council of Europe had voted unanimously in favour of some form of parliamentary control for the Free Trade Area. This Assembly should define its position on this point.

The results of the Strcsa Conference, in the agricultural sector, conformed entirely with the Common Market Treaty. Agricultural problems were clearly defined in the Common Market Commission's Report, and it was to be hoped that a common viewpoint would soon be reached. It was essential that the first aim of agricultural policy, that of raising the standard of living for agricultural workers, should be pursued unceasingly. Account should be taken of precise information collected by experts. The Report on the situation in agriculture in Europe pointed out, for example, that agricultural workers were paid at a level 40 to 80% lower than in industry. Agricultural policy should cover food policy, as had been agreed by the Commission.

It was true that at present agricultural methods were being modernised, but this would be a long process. It was to be hoped that agriculture would not form a bone of Party contention. Short-term measures should not go through unless thought was given to long-term agricultural policy. Different national legislations concerning veterinary services should be harmonised.

The PRESIDENT requested Assembly members to be as concise as possible.

M. LICHTENAUER referred to the passage on transport in M. HALLSTEIN'S statement, which would be examined by the competent Committee and debated by the Assembly. It was a question which deserved close attention.

M. NEDERHORST spoke of the parts of the Report of the E.E.C. Commission which dealt with social matters. All political groups must be in favour of M. HALLSTEIN'S claim that everything done by the Community was for the purpose of increasing man's welfare.

What was the opinion of the ordinary man in Europe? Although unknown factors remained, the Socialist Group was unsatisfied by the relatively high level of unemployment within the Community, at an average level of 3.6%. In Italy, it was 8.2% and in France 0.7%. The Socialist Group therefore concluded that this level constituted at the same time a current economic problem and a problem of basic economic structure.

Seasonable unemployment was also an important problem and he asked the Commission to undertake an enquiry into the means employed towards reducing unemployment in the building industry during winter months.

The Socialist Group was in general agreement with the manner in which the Commission had considered the problem as a current economic factor. First, information must be available on the situation in the six countries; secondly, means must be found so that in the future unemployment should not increase. This second phase was considered the most important by the Socialist Group. There was a choice of policy; either each country remains free to follow its independent economic policy and the Community limits itself to seeing that the labour market is not adversely affected; or the six countries should make efforts to align their current economic policy. This latter was the point of view of the Socialist Group.

Within the Community a certain level of unemployment was inherent in the basic economic structure. It occurred in backward regions where the situation was particularly serious. Was the Commission prepared to examine and report on under-developed regions? It would be difficult to decide by what standards to consider a region under-developed, and further, national frontiers often cut through such regions. A purely national action would not suffice, for example, concerning Northern Holland and the Hinterland of Bremen. The Commission should define the measures it would consider towards determining such areas, and towards improving conditions, towards necessary investment. It was not for the Governments to decide unilaterally on policy. Even if it was for them to take the final decision, it was for the Commission to launch the first initiative. Further, the European Social Fund should have its Statute drawn up; and this should be through a liberal interpretation of the Treaty.

Were national employment bureaux sufficient to cope with migrating workers? If M. HALLSTEIN thought so, he did not agree and considered that a European office should be set up, as had been advocated in the Common Assembly.

Concerning the Economic Social Committee,^{which} would act as intermediary between the Commission and the Social Groups,

he referred to the Resolution adopted last March which called for equal representation on this Committee. However, there were 42 Representatives of Employers, 34 of Trade Unions and 25 from the third group. This was hardly equal representation and it was to be regretted that the Council of Ministers could not have listened to the Assembly. He appealed to M. WIGNY, as a former member of the Assembly and at present in the Council of Ministers, to take heed of this observation.

Order of Work

The PRESIDENT announced that M. WIGNY, member of the Council of Ministers, would speak tomorrow morning at 9:30 a.m. before the statement by M. FINET.

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It was decided to continue the Debate until 7.30 p.m. and to resume at 10 p.m., for the replies from the E.E.C. Commission.

Resumed Debate

M. VAN DER GOES VAN NATERS said that the Socialist Group was fully in favour of stressing the political side of the two Commissions, as M. HALLSTEIN had done. The most delicate question at this time was that of relations between the Assembly and the Commissions, with the Councils, whose task it was to curb and yet to encourage the Commissions. According to the Treaty, the Council could delegate power to the Commissions, but this had never yet been done; on the other hand, a third body, a Standing Preparatory Committee, comprising Ministers' Representatives was assuming an increasing degree of importance. The Socialist Group considered that it was not in the spirit of the Treaty for such a Committee to take over part of the work of the Council of Ministers. The personal responsibility of the members of the Council must not be undermined. What did the Commissions think of this situation?

He doubted whether in fact all Christian Democrats were opposed to a parliamentary control for the Free Trade Area, in spite^{of}/the assurance given by M. BLAISSE.

What progress had been made towards setting up a Consultative African Council to be established in Brussels and where the African peoples could be directly consulted? Further, what had been done towards recruiting African Civil Servants, seeing that the highest posts had already been filled?

If good institutions are not sufficient to create a society, bad ones form a permanent threat.

M. Hans FURLER spoke of differences of opinion concerning institutions to be set up for the Free Trade Area. Should a new Parliament be established? Should this Assembly have direct power or be purely consultative? If an institution was set up on the lines of the Council of Europe Assembly, this Community would be able to make its influence felt over the Free Trade Area. The Council of Europe Assembly had recently expressed its desire to become the Consultative Assembly of the new European Economic Association. The Christian Democrat Group doubted whether such institution could have real value if not endowed with a real right of control. The institutional problem should in no way hinder the establishment of the Area. Speaking personally, he was in favour of seeing the Council of Europe

Assembly become the Assembly of the new organization. A better solution would be in joint meetings of the Council of Europe Assembly and the E.P.A. for all questions concerning the Free Trade Area. Such a meeting would in fact take place in January.

M. KOPF, referring to the speech of M. BLAISE, agreed that one should not set up a new European Assembly, unless confusion was avoided over terminology and terms of reference. The Council of Europe Assembly had no right to call itself "Parliamentary" in the Resolution it had adopted by 87 to 2. If it were to become the Parliamentary organ of the European Economic Association, its powers would have to be modified. The Committee of Institutional Questions would examine this question, and whatever the legal solution adopted, the essential was that the institution should prove itself fully capable.

M. LUCKER spoke of agricultural policy. It was essential to ensure an efficient common policy, over-riding national policies. New solutions should be sought with courage.

He welcomed the results of the Stresa Conference and congratulated the E.E.C. Commission. He hoped that this Conference would mark a turning point on the road to a common policy.

Farms run by one family were still the basis of European agricultural systems, and they would continue to justify their existence even in a highly industrialised economy.

The PRESIDENT announced that at 10 p.m. would be heard MM. HALLSTEIN, MALVESTITI and MARJOLIN and three other speakers.

The Sitting rose at 7.40 p.m.

Next Sitting 10 p.m.

The Sitting opened at 10.10 p.m., M. VANRULLEN, Vice-President, in the Chair.

The PRESIDENT announced that he had received a draft Resolution in the name of M. CARBONI concerning the Seat of the European Parliamentary Assembly. This draft Resolution was referred to Committee.

Resumed Debate on the Report from the E.E.C.
Commission

M. HALLSTEIN, President of the E.E.C. Commission, welcomed the close attention which had been paid to the Report and the constructive spirit in which it had been discussed. He was particularly gratified that the three political groups should have been in general agreement with the policy of the Commission.

The Commission would take into account suggestions made by members.

He pointed out that he had expressed his personal opinion on the Free Trade Area and not that of the Commission, which had been mainly concerned with the attitude to adopt towards the other O.E.E.C. countries.

In reply to M. BLAISSE, he said that the Commission could not negotiate directly in meetings at present taking place in Paris on the Free Trade Area; this was for the Council of Ministers. Even if the Commission would itself have organized negotiations in a different manner, it could not now express an opinion on the matter.

Concerning competition, the national Governments fully supported the policy of the Community.

In reply to those who had raised the question of relations with overseas territories, he said that, in the matter of assuring African representation in the Community it was essential that this should be brought about, and that African members should sit in this Assembly.

He preferred to follow the German text, as opposed to the French text in this connection.

Some temporary employment had already been given to young African Civil Servants and Specialists in the E.E.C. Services and it was hoped to develop this policy further.

In reply to M. BOHY, he pointed out that the section of the Report dealing with the movement of prices within the six countries was a condensation of a longer Report; more concise information could be found in the first volume of that Report. He cited statistics to show that in fact it was possible by strong similarities between the countries.

In reply to M. NEDERHORST, he said that a more attentive perusal of the Report would show that the questions he had raised were adequately covered.

To M. MARGULIES who had enquired whether the Community paid sufficient attention to a close cooperation with other European organizations, he gave the reassurance that close contacts had been established particularly with the Council of Europe, the E.C.S.C., and the O.E.E.C.

The Commissions had taken into account the necessity for close cooperation among the three Executives, and had considered the question of a common press and information service. Tomorrow it was hoped to advance a little further towards finding a solution to this problem.

A common information service should not mean that an over-weighty administration should not impede the rapid transmission of information. Each Executive should have a spokesman able to take part in all discussions and to inform the press of its activities as quickly as possible. In reply to M. VAN DER GOES VAN NATERS, he denied that there had been any delegation of power on the part of the Council of Ministers. In any case this was not a basic principle held by the Council.

The question of the Standing Committee of Representatives was more delicate. He considered the high level Civil Servants who formed this Committee as companions in the building of Europe yet he admitted that the very existence of this Committee presented certain problems at present being considered by the Commission.

The establishment of another administration alongside that of the E.E.C., one which would modify the whole structure of the institutions as stipulated in the Treaty, could not be allowed. For this reason the Council of Ministers had stated that the Standing Committee of Representatives was essentially auxiliary in purpose and could not have powers delegated to it from the Council.

He told M. BOUTEMY that the Commission saw no difficulty in publishing the conclusions of the Economic and Social Committee.

He was gratified that the Assembly should have approved the public activities of Commission members and said that if he had not made his Rotterdam speech here it was because it would have assumed an official character which could not in the circumstances be admitted.

He reassured M. MARGULIES that the many Reports issued were by no means superfluous, even if their presentation was not perfect. The Commission could not work efficiently without a thorough documentation in all fields, at this preliminary stage of the Common Market.

Statistics would of course come from Government sources.

M. MALVESTITI, Vice-President of the E.E.C. Commission, spoke of anxiety expressed by members concerning the possibility of delay in the establishment of the Common Market. He would confine himself to technical rather than political questions which would face the Community in 1959.

The Community aimed at abolishing quantitative restrictions. From the 1st January quotas must be increased by 20% and this raised many technical questions - the drawing up of a list of products to be freed, the collection of agreements on bilateral trade relations between the Member States, the determination of an average quota according to different commodities and to come into force from the 1st January, the cataloguing of basic legislation concealing protectionist effects and so on.

From 1st January customs tariffs must be reduced by 10% from their level of the year before. Yet there were different types of tariff - national tariffs, tariffs agreed on between different countries, and so on. According to the Treaty, fiscal customs duties could be maintained for seven years. Generally speaking, it was for the Commission to decide upon the rate at which customs tariffs were to be reduced and finally abolished. It must also decide on measures to be taken concerning merchandise from third

countries. After a meeting of Experts it had been decided that such products should be accompanied by a certificate of origin.

The elimination of quantitative restrictions and the progressive reduction in tariffs should have an effect, both direct and indirect on prices. The effects of tariffs on the cost of living are many and varied. Yet freeing trade did not itself suffice to bring down prices, for other factors had to be taken into account. The establishment of the Common Market, however, should certainly cause prices to fall within the not too distant future.

M. MARJOLIN, Vice-President of the E.E.C. Commission, said that indeed the Commission had been set to work extraordinarily hard. In reply to M. POHER concerning improvements in the functioning of the capital market he pointed out that it would work satisfactorily during a period of monetary stability, and if capital could move freely. Stability and free movement were two aims of the Commission.

He was more optimistic than in the Spring, firstly because the American recession had not had much effect on Europe; secondly this recession was disappearing and it could be hoped that it would have no further effects.

In reply to M. NEDERHORST, he defined the policy of the Commission in the current economic situation as follows:

it was essential to maintain full employment by increasing productivity in an atmosphere of monetary stability.

The Commission would do its utmost to ensure a common economic policy in the face of the economic situation at a given moment. Such an agreement presupposed rapidly increasing expansion.

He agreed with M. KREYSSIG that it was necessary to see the European economic situation as a whole in order to coordinate national policies. Here, the Commission was considering mutual assistance between the States and the question of determining the rights and obligations of member countries. He agreed that the action of the Commission should be essentially preventive. The provisions of the Treaty referring to monetary policy should be clarified.

In reply to M. NEDERHORST, who had asked about underdeveloped regions, he said that, while disliking the term "under-developed regions" he could say that the Commission would study systematically all the economic areas of the Community, including the conditions of work of different populations and would suggest measures to be taken for their welfare.

The Commission maintained close contact with the European Investments Bank, which had not yet clearly defined the rules by which it would work. But it would draw up a general policy taking into account the prime necessity

of applying its resources towards the setting up of a Common Market. The Bank relied on the Commission for guidance in its investment policy.

In the matter of seasonal unemployment, the Commission would examine the possibilities of assuring that the building industry would not in the future slacken off in the winter to the same extent as at present.

The Commission was conscious of its responsibilities and relied on the support of the Assembly.

General Report from the Euratom
Commission

DEBATE

M. BURGBACHER spoke on behalf of the Christian Democrat Group. The role of the Euratom Commission was no less important than that of the other two Executives for being more specific in terms of reference. The fields in which this Community must work included the proposed European University, the development of scientific research, the peaceful uses of atomic energy, safety measures and so on. He welcomed the successful outcome of negotiations between the United States and Euratom. It was to be hoped that this agreement would enable Euratom to set up important installations within the Community. He requested that the Assembly would be kept informed of these developments and on the activity of Euratom in general.

He hoped for a favourable outcome for the negotiations at present in hand with the United Kingdom. He felt, however, that nuclear energy could not soon replace conventional sources of energy, if only because of its high cost price. It would therefore be a mistake to develop nuclear energy production at the expense of conventional sources of energy, although of course it would be most unwise not to devote sufficient attention to it. It would be best

to prepare for the one and to exploit the other at the same time.

Euratom must proceed with as much caution as courage. On no account should conventional sources of energy be neglected.

M. ALRIC pointed out that Euratom would be acting in the scientific and technical sphere rather than purely commercial fields, as M. MEDI had said. Its main aim should be to set up the atomic energy industry on sound economic and commercial foundations. He agreed with M. MEDI that there was no precedent for the work of Euratom, and this indeed could prove an advantage.

The Liberal Group welcomed the progress already achieved and the work done within the time-limit allotted. This excellent beginning augured well for future developments in the time-limit agreed upon.

It was not yet known what exact action Euratom would be undertaking; as Euratom was primarily concerned with the industrial development of atomic energy, could it not rely on organizations already in existence for research and the training of research workers? He did not think this was possible; efforts should be made to avoid forming a caste of research workers for the sake of research alone. It was not the research which was essential so much as its practical results.

He had every confidence that Euratom would be able to overcome the difficulties arising out of the question of research and of coordination.

Overlapping with other organizations should be avoided.

As for research in the future, although it was possible to say that the best was the enemy of the good, it was difficult to decide when the good became the best, and whether it was necessary to carry on research before industrial development had proceeded. A balance must be found and here, he agreed with M. de GROOTE on the value of plutonium, and on his evaluation of ^{the} future nuclear energy capacity of Europe.

As for safety regulations, only a powerful organization could carry out its research in complete safety, and it was to be hoped that agreements guaranteeing this should be signed before the end of the year.

He stressed the problems arising from ownership of nuclear material and from invention patents in this field. They should be studied on an international level.

Atomic scientists should be not only mathematicians but also capable of working with sensitivity and artistry.

M. RATZEL strongly opposed any reduction in Euratom's programme. Everything should be done to ensure that nuclear energy did indeed become the fuel of the future. Taking into account the high cost of nuclear research, it was essential

for member countries to pool their efforts, while at the same time developing their own policies on nuclear energy. Certain countries were not yet making sufficient effort; Western Germany had prepared a budget for the development of nuclear energy which amounted to only one-seventh of that of the United Kingdom. Euratom should ensure the setting up of a common technical and scientific research centre, under a unified programme and management.

The Commission should not only set up as many reactors as possible, but should also make the best possible use of the Community's brain power, giving special attention to training young men and to forming a highly qualified personnel.

The question of the protection of public health was not merely a psychological problem, for a real danger from radioactive fall-out existed and Euratom should encourage all research towards reducing and if possible eliminating it. At the moment one per cent of its budget only was devoted to this branch of research, and this seemed insufficient. A common legislation should be enforced in the six countries concerning civil responsibility and indemnities to be paid to victims of radiation.

The Socialist Group was gratified that the Community should be concerned with ensuring the cleanliness of fissile material, and that this should not have been entrusted to private persons. Nuclear energy undertakings must remain

in the hands of public bodies.

It was to be hoped that Euratom could contribute towards world-wide use of atomic energy for the welfare of mankind.

The Debate was closed. The Euratom Commission would reply at a later occasion.

Next Sitting Thursday, 23rd October, at 9.30 a.m., for the statement by M. WIGNY, member of the Council of Ministers, and the statement by M. FINET, President of the High Authority of the E.C.S.C.

The Sitting rose at 12.15 a.m.