Note from the French Federalist Movement on the plans for European revival (20 December 1955)

Caption: On 20 December 1955, the French Federalist Movement sets out its point of view on the various plans for the revival of European integration.

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Note explaining the French Federalist Movement's opinion on the projects for 'the revival of Europe' (20 December 1955)

The Foreign Affairs Ministers of the six European Coal and Steel Community countries are scheduled to hold a conference in early 1956 in order to consider the proposals drawn up by the experts in implementation of the Messina Conference directives. With a view to this conference, to the outcome of which it attaches the utmost importance, the French Federalist Movement believes that this is a good moment to define its position on what is now commonly known as 'the revival of Europe'. We would stress that our opinion is based largely on the conclusions reached at the meeting organised in Niederbreisig, early last October, by the International Bureau of Federalist Studies (IBFS).

Our Movement fully agrees with the projects aimed at the immediate or early establishment of a European atomic energy pool and at closer cooperation in the fields of transport and conventional energy production. With regard to these projects, it simply wishes to emphasise the need to avoid any pointless proliferation of institutions and feels, therefore, that, where possible, attempts might be made to achieve these two aims by extending the powers of the various bodies operating as part of the European Coal and Steel Community.

However, we regard the project aimed at the progressive establishment, within a limited period, of a <u>European</u> <u>common market</u> as the most important for the future, from both an economic and a political point of view.

We shall not make any detailed comments about the specifically economic aspects of the project to establish the common market: in this regard, our Movement basically endorses the provisions of the special note submitted by the French Organisation of the European Movement, in the drafting of which we were closely involved.

We should merely like to emphasise, in this regard, three points that we consider vital as a means of achieving the objective of the common market at all events. First of all, we believe that the diplomatic document in which the States in question will undertake to establish the common market must be absolutely irrevocable. Indeed, experience on numerous occasions (including some still currently under way) leads us to fear that, failing this precaution, the first serious difficulty will jeopardise the entire project.

Secondly, in our view, it is essential for this document to set an absolutely definite deadline by which the common market must effectively be established in its entirety; given the progress already made towards economic cooperation among the countries of Europe compared with the pre-1939 period, a ten-year deadline would seem adequate for overcoming all the difficulties that will have to be resolved in order to replace the present compartmentalised national economies with a large, unified market.

Thirdly, we believe that it is of the utmost importance to create, through the treaty, a <u>European Readaptation Fund</u> in order to facilitate, by means of financial aid of an exceptional nature, the changes in activity to which the progressive establishment of the common market is bound to lead in the various countries. The creation of this Fund will do much to alleviate the apprehensions — however unfounded they are likely to prove in future — felt in some professional circles of employers and workers in industry, trade and agriculture.

Having said that, our main comments will relate to <u>the institutional aspect</u> of the problem which, in our opinion, must not be underestimated when it comes to the attainment of an economic objective as important as that of a genuine European common market.

I. <u>Common authority</u>. Given the obstacles that will have to be overcome, it would be mistaken to hope that a common market among the six countries might be established without the setting up of a common authority endowed with certain specific powers. We attach little importance to the terminology used to designate this common authority: it could be called whatever the governments regard as most acceptable to the general public in each country. We do, however, believe that it is vital, on the one hand, for the powers allocated to this common



authority to be defined very clearly in the treaty and, on the other hand, with regard to the exercise of these powers, for the members of the said authority not to be bound by any instructions from their government but to be committed to acting with a view purely to the common interest of the countries participating in the combined market and of their peoples.

As for these powers as such, we believe that they must, at all events, encompass the following areas:

(a) the decisions to implement the successive measures that will reflect the transition through the stages leading to the common market by the <u>progressive reduction of quotas and customs duties</u>; the nature of the measures that the common authority will have to take in this regard will depend on the more or less precise degree to which the reduction of quotas and customs duties set out in the treaty itself occurs automatically; if, as would seem advisable, the treaty provides for an absolutely automatic reduction, the common authority will simply have to ensure that, where necessary, it adjusts the measures of principle set out in the treaty to the specific situations existing at the various dates to which they will have to apply;

(b) the common authority must also be authorised to take all the necessary measures with a view to <u>rectifying any</u> <u>economic distortions of an unusual nature</u> that might arise as the impact of customs duties and quotas lessens;

(c) similarly, it would appear that the common authority alone could be endowed with the necessary powers to implement, where appropriate, the <u>safeguard clauses</u> which temporarily suspend the application, in one or more countries, of a treaty provision entailing exceptionally serious adverse economic consequences;

(d) the common authority must also, under the general rules set out in the treaty, be responsible for the <u>management of the European Readaptation Fund</u> in order to facilitate the changes of activity that will become necessary in each country with the progressive establishment of the single market;

(e) the common authority will also be responsible for managing the <u>European Investment Fund</u> with a view to financing, from public funds, certain capital equipment projects of common interest; similarly, this authority would have to supervise any joint public organisations that might be set up to promote, under the aegis of the common market, the investment of private savings;

(f) the same authority — as the only body that could exercise them in a sufficiently effective manner — should be given certain powers that would enable it to conduct, to the extent that was necessary for the transition to each new stage of the common market, the <u>essential coordination of Member States' policies</u> in the economic, social, financial, fiscal and monetary fields;

(g) finally, the common authority would have to be given the power <u>to penalise any infringements</u> of the general rules set out in the treaty, with particular reference to the irrevocability of free trade measures: this kind of penalty, imposed by an authority common to the six countries, would always have less serious implications, especially for the general public concerned, than the retaliatory measures that any one Member State might wish to take against another State that had committed the infringement.

II. Alongside this common authority, it seems essential to provide, at least during the entire transitional period, for an <u>intergovernmental body</u> — a committee of Ministers for Finance and Economic Affairs or their deputies — with a view to coordinating the measures required by the treaty for the progressive establishment of the common market with those which the national governments will have to continue taking with regard to matters remaining within their remit.

III. An <u>elected Parliamentary Assembly</u> will necessarily have to ensure the democratic scrutiny of all operations carried out in application of the treaty. Given the interdependence of the various areas of economic activity, we would regard it as most desirable for this assembly also to be allocated the powers of the Common Assembly referred to in Articles 20 to 25 of the Treaty establishing the European Coal and Steel Community; this assembly



should, logically, also have the power to supervise any other specialised communities that might be established in the immediate future, especially in the fields of energy and transport.

IV. The establishment of a consultative <u>Economic and Social Committee</u> is, in our view, of the utmost importance, because this body will make it possible to associate, within the limits of their powers, all the professional and social organisations of the six countries for the consideration of the measures that need to be taken to overcome, with as few hitches as possible, the difficulties that will inevitably arise during the successive stages of the establishment of the common market; because these organisations will have so much influence on public opinion in our various countries, we believe that it is vital to obtain their active support for this ambitious action. Moreover, if the major changes that the establishment of the common market will require in the Member States' economic structures are entrusted solely to governmental or European officials, without any obligation to hear the views of the various professional circles involved, there would be a very great danger — despite the existence of an elected parliamentary assembly — of these changes being made on the basis of technocratic criteria and methods.

Just as the Parliamentary Assembly referred to in the previous paragraph should, in our view, have the same powers as the ECSC Common Assembly, the Economic and Social Committee should, from the outset, have the same powers as the Consultative Committee set up under Articles 18 and 19 of the Treaty establishing the European Coal and Steel Community — here, incidentally, the members of the ECSC High Authority willingly underline the extremely valuable assistance that that committee gives them. The Consultative Committee, probably in the form of an energy section whose responsibilities would cover not only the common market in coal and steel but also, where necessary, the Atomic Energy Community; similarly, another specialist section of the Economic and Social Committee would act as the consultative body of a possible European Transport Community.

V. <u>Court of Justice</u>: finally, it would seem necessary for the treaty laying down the procedures for the establishment of the European common market to provide that the Member States or any person, group or body concerned may bring an action before a Court of Justice in connection with the application of the treaty. We consider it impossible for this high court not to be identical to the Court set up under Articles 31 to 45 of the Treaty establishing the European Coal and Steel Community and the Protocol annexed thereto.

Paris, 20 December 1955.

