

Summary of decisions taken at the ninth meeting of the ECSC Special Council of Ministers (12 and 13 October 1953)

Caption: This summary of decisions taken at the ninth meeting of the ECSC Special Council of Ministers, held in Luxembourg on 12 and 13 October 1953, illustrates several of the institution's powers and responsibilities, in particular, its power to conclude international agreements, its power of appointment and its power to deliver opinions and to exchange information and engage in mutual consultation with the High Authority.

Source: Sommaire des décisions intervenues lors de la neuvième session du Conseil tenue à Luxembourg, les 12 et 13 octobre 1953, CM (53) SD9. Luxembourg: Conseil de la Communauté européenne du charbon et de l'acier - Secrétariat, 22.10.1953. 8 p.

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I. Arrangements for cooperation between ECSC Member States and the High Authority on all OEEC matters of relevance to the ECSC (pages 8 and 53)

At the ninth meeting of the Council (12 and 13 October 1953), the representatives of the Community Member States agreed the following measures with the High Authority:

1. 'If a matter under consideration by the OEEC is one in respect of which the High Authority has sole competence under the Treaty, the High Authority's representative to the OEEC shall present the Community's views to the OEEC. Prior to the meeting, he shall hold any discussions which may be helpful with the representatives of the OEEC member governments.'
2. 'Where the Treaty requires the High Authority to secure the assent of the Council of Ministers or to consult it before taking a decision, the procedure described in the preceding paragraph shall be applied as soon as that decision has been taken.'
3. 'On matters under consideration by the OEEC in which competence is shared between the Governments and the Community, the High Authority's representative and the Governments' representatives shall meet prior to the OEEC meeting in order to coordinate the statements that they intend to submit to the OEEC.'
4. 'On matters in which the Governments have sole competence but which might be of direct relevance to the Community, the Governments' representatives shall, prior to the meeting, hold any discussions which may be helpful with the representatives of the High Authority.'
5. 'In the event of any difficulty in determining competence, the High Authority and the Governments shall take a decision on the matter.'

Regarding application of the above measures, the representatives of the Member States also decided that meetings on matters in which the Governments had sole competence would be held in accordance with the Council's Rules of Procedure. The representatives of the Member States further decided, in agreement with the High Authority, that, for matters in respect of which competence is shared between the Governments and the Community:

- (a) meetings would be chaired by the High Authority and would be convened by common agreement between the High Authority and the Council Presidency at the request either of a Member State or of the High Authority;
- (b) administrative matters would be dealt with by agreement between the services of the High Authority and those of the Council.

II. Resolution concerning the possible application of the provisions of Article 59(5) of the Treaty.

After the High Authority had drawn the attention of the Member States to the situation as regards export commitments to non-member countries, the Member States' representatives considered the possible application of the provisions of Article 59(5).

The Member States' representatives stressed that Article 3(a) of the Treaty required the Community to take account of the needs of third countries, while Article 3(f) required it to further the development of international trade and Article 59(3) laid down that in the event of a shortage, resources should be allocated on the basis of the Member States' exports to third countries.

Following discussion, the Member States' representatives declared their agreement on the importance of taking the greatest possible account of third countries' interests in times of shortage; they therefore took the

view that the greatest possible consideration should be given to reasonable commitments given to third countries by Community Member States.

The Member States' representatives considered that the concept of a reasonable commitment depended on both the duration and the tonnage stipulated in the commitments concerned, account being taken of the traditional export patterns of each Member State.

III. Clause to be inserted regarding derogation from the most-favoured-nation clause in future trade agreements (page 55).

The Member States' representatives agreed to recommend to their respective governments that the following clause be inserted in trade agreements to be concluded by Community Member States with third countries:

'The provisions of this agreement concerning the most-favoured-nation clause shall not apply to the privileges and advantages which one of the contracting parties grants or would grant by reason of its participation in a community established between several countries and providing for a common organisation of one or more sectors of production, trade or services or ensuring their security.'

IV. Request by the United States representatives to GATT regarding Article 14 of the Convention on the transitional provisions (pages 55 and 62).

The Council adopted the following text as a reply to some of the questions raised in GATT:

'The Community confirms that, in accordance with Article 14 of the Convention on the transitional provisions, it will open negotiations with third countries and, in particular, with the British Government, on the whole range of economic and commercial relations concerning coal and steel. These negotiations will be conducted by the High Authority acting jointly for the six Member States and in accordance with instructions to be issued by the Council of Ministers acting unanimously.

'The Community intends to open negotiations as soon as possible with the third countries specified in Article 14 and hopes that substantial results may be achieved by 1 May 1954.

'Regarding the questions raised as to the form and scope of these negotiations and as to whether they will be held with a single country or with several countries simultaneously, detailed information cannot be given until the studies currently under way have been completed.'

It was also agreed that the spokesman of the six Governments would inform the Contracting Parties to GATT that the Community Member States had adopted a joint reply and that the representation of the High Authority would publish it, since, in particular, the questions raised related to Article 14 of the Convention and in that area the High Authority, acting on instructions adopted unanimously by the Council, was mandated to act jointly for the six Governments.

V. Determination of the salaries, allowances and pensions of the President and members of the High Authority (page 62).

The Council mandated its President to draw up, in conjunction with the President of the High Authority, a draft decision to be submitted to the Council at its next meeting.

VI. Procedure for drafting Council opinions (page 76).

The Council decided that Council opinions would be drafted by the Secretariat with the assistance of a Drafting Committee consisting of one member from each delegation.

VII. Function and designation of the Auditor referred to in Article 78 of the Treaty.

This question was considered by the Council meeting in camera:

1. The Council noted that the function of the Auditor was defined by the Treaty, which laid down that the Auditor should draw up an annual report on the regularity of the accounting operations and of the financial management of the various institutions.
2. During the discussion, there was a request that the Auditor should also consider whether management had been conducted 'frugally' and 'with due diligence' and whether it satisfied 'the demands of reasonable efficiency'. It was noted, however, that as things stood at the time it was not possible to amend the definition in the Treaty. The Council therefore took the view that it was not for the Auditor to evaluate whether expenditure had been necessary or appropriate.
3. In this connection, members asked whether management control should be a task for the Committee of Four Presidents provided for in Article 78 of the Treaty. But the Council noted that the text of the Treaty was not explicit in this area, particularly as regards the nature and operation of the Committee.

There was unanimous recognition of the need for effective scrutiny of expenditure, and the members of the Council decided:

- (a) to call on their governments to look into the question very carefully during the negotiations on the establishment of a European political Community;
- (b) to conduct joint studies forthwith into the problem arising as regards the ECSC.

4. As regards the organisation of the Auditor's work, the Council considered that it was for the Auditor to submit proposals to the Council, which would take a decision.

5. The Council then considered the nominations for the post, selected those put forward by the Belgian Government (Mr Urbain VAES) and the Netherlands Government (Mr J. F. van MARLE) and reserved the right to take a decision on the appointment of the Auditor at a later date.

The President and the other Members of the Council who would be in Paris on 29 October 1953 for the meeting of the OEEC Committee of Ministers expressed a wish to hold meetings on that day with the candidates put forward by the Belgian and Netherlands Governments. On that occasion they would continue their exchange of views on the various questions still outstanding (organisation of work, salaries, operating costs, allocation of appropriations).

VIII. Consultation between the Council and the High Authority under Article 26 of the Treaty (pages 75–76).

The Council issued the following statement:

The Council of Ministers of the Community, meeting in Luxembourg on 12 and 13 October to consult the High Authority under the terms of Article 26 of the Treaty, considered matters arising from the long-term financing of investments, the trend in new orders in the iron and steel industry, the situation of coal stocks, the scrap market, the need to maintain employment and raise living standards and, finally, changes in world economic conditions. It recognised that the Community's existence was a fact of essential importance in addressing the situation, along with the rules laid down by the Treaty, the action of the High Authority and the opportunities for joint action created by consultations with the Governments. It adopted the following resolution:

1. The six Governments, wishing to ensure the continued development of the Community and the growth of

their national economies, together with a higher standard of living, have agreed that, henceforth, jointly with the High Authority, they will review their general policies on growth and investment in order to regularise or influence general consumption, particularly that of the public services, and with a view to harmonising this general development and the programmes of the High Authority.

2. They have agreed to meet again in Council, at the earliest opportunity, so that the High Authority may brief the Governments on the general policy that it intends to pursue with regard to the coal and steel industries and on the measures relating to the one or two points which it deems essential if the investment programmes of the Six and of the High Authority are to be carried out and if the Community is to make as large a contribution as possible to the development of the Member States' economies.

3. They have also agreed to study economic conditions and to monitor them regularly and jointly with the High Authority.

IX. Date of the next Council meeting (page 76).

The Council decided to hold its next meeting in Luxembourg on Monday 7 December 1953 at 3 p.m.