# The Committees of the Common Assembly (2008)

**Caption:** Study drawn up in 2008 by the European Parliament's Archive and Documentation Centre (CARDOC) on the main tasks of the Committees of the ECSC Common Assembly between 1952 and 1958.

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COMMUNAUTE EUROPEENNE
DU CHARBON ET DE L'ACIER

ASSEMBLÉE COMMUNE

Janvier 1953

# THE COMMITTEES OF THE COMMON ASSEMBLY

RÉSOLUTION

relative

au nombre, à la composition et aux attributions
des commissions nécessaires
à la bonne marche des travaux de l'Assemblée

ADOPTEE PAR L'ASSEMBLEE COMMUNE
AU COURS DE SA SEANCE DU 10 JANVIER 1953

ARCHIVE AND DOCUMENTATION CENTRE (CARDOC)
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# THE COMMITTEES OF THE COMMON ASSEMBLY

STUDY OF THE MAIN WORK OF THE COMMITTEES OF THE COMMON ASSEMBLY OF THE ECSC BETWEEN 1952 AND 1958

Author and document researcher: Franco Piodi
Picture researcher, responsible for relations with the Printing and Distribution Services: Margret Schelling
Coordinator: Donato Antona

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DIRECTORATE-GENERAL FOR THE PRESIDENCY
ARCHIVE AND DOCUMENTATION CENTRE (CARDOC)
arch-info@europarl.europa.eu



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# INTRODUCTION

This paper is addressed in particular to all who have a professional, academic or personal interest in the history of the European Communities and is intended to provide them with an outline of the activities carried out by the committees of the Common Assembly in the five years of its existence (1953-1958), as recorded in the documents held in the Archives and Documentation Centre (CARDOC). It is closely connected with other papers produced by this unit of the European Parliament:

- Towards a single parliament: the influence of the ECSC Common Assembly on the Treaties of Rome, 2007, dealing with the Working Group which followed the treaty negotiations;
- *The ad hoc Assembly – the European Political Community,* 2007 (not yet published), covering the work of the first 'European Convention', which prepared the draft treaty on a new community that was fatally undermined, before it even came into being, by the failure to ratify the EDC;
- *The Committee of Presidents (1952-1967)*, 2005 (only online), covering the activities of a specific high-level administrative body of the ECSC; some excerpts are included in the present paper in the chapter dealing with the Accounts Committee, which was in constant conflict with the Committee of Presidents.

Members of the European Parliament who would like to know more about the antecedents and origins of the present committees will also find interesting references showing both continuity and discontinuity between the committees of the Common Assembly and the present ones.

## GENERAL INFORMATION

The Common Assembly established its own committees by a resolution of 10 January 1953[1], which will be examined in more detail later. Seven committees were established:

- the Committee on the Common Market
- the Committee on Investments, Finance and the Development of Production
- the Committee on Social Affairs
- the Committee on the Political Affairs and External Relations of the Community
- the Committee on Transport
- the Committee on the Accounts and Administration of the Community and the Common Assembly
- the Committee on the Rules of Procedure of the Common Assembly, Petitions and Immunities.

[1] CA Resolution of 10 January 1953 'relative au nombre, à la composition et aux attributions des commissions nécessaires à la bonne marche des travaux de l'Assemblée', OJEC 10.2.53, p. 8-9.

In no case were the terms of reference suggested by the names of the committees expressly defined. However, as we shall see in the chapter dealing with the Committee on Rules of Procedure, that committee's terms of reference were to be the subject of a resolution formally extending them and changing the name of the committee accordingly to the Committee on Legal Affairs ...

In 1956, following the Marcinelle disaster, the Common Assembly established an eighth committee, the Committee on Safety and Rescue in Mines, to be responsible for monitoring the activities of the High Authority on safety in mines[2].

The first four committees had twenty-three members; the other four had nine members each. The first four had a Chairman and two Vice-Chairmen, the others only had a Chairman and a Vice-Chairman.

## NOTICE

This paper is presented in the form of a number of similar monograph chapters, each on a particular committee[3].

The documents cited are held in the CARDOC collection and in the EU central archives at Fiesole. For the purposes of the present paper, the CLARA computerised versions held in the CARDOC collection were consulted and the archive references quoted are references to those versions. This does not apply to the Assembly session reports published in the four official languages, Dutch, French, German and Italian, which are available in many public libraries, including the libraries of the institutions and the six Member States of the ECSC at the time. In the case of the committee minutes, the archive references are not given, as they can easily be ascertained from the date in accordance with the information supplied in the notes in Annex II to each chapter.

[2] CA Resolution of 30 November 1956 on 'certains aspects de la sécurité et du sauvetage dans les mines', OJEC 12.12.1956, p. 399-400.

[3] Chapter III deals with the Committee on Social Affairs and the Committee on Safety and Rescue in Mines, whose brief and limited activities can be subsumed in the activities of the former committee.

# CHAPTER I

# THE COMMITTEE ON THE COMMON MARKET

ALAIN POHER[1]

## 1. BACKGROUND

The Chairmen and Vice-Chairmen of the Committee on the Common Market[2] served in the following order during the course of the legislature's term of office:

- from 12 January 1953 the Chairman was Paul Reynaud and the Vice-Chairmen were Victor-Emanuel Preusker and E.M.J.A. Sassen;
- from 11 May 1954 the Chairman was Martin Blank and the Vice-Chairmen were Mr Sassen and Alberto Simonini;
- from 22 November 1955 the Chairman was Alain Poher and the Vice-Chairmen were Gerhard Kreyssig and Maurice Faure; on 16 March 1956 Hendrick A. Korthals replaced Mr Faure, who was no longer a member of the Assembly.

Between 1953 and 1958 the committee met fifty-five times[3] and produced fifteen reports[4], including ten on the General Reports of the High Authority, three on concentrations and cartels, and two on the market in coal. Of the ten on the General Reports, one dealt specifically with the market in steel and another with cooperation between the High Authority and the national governments.

A notable event, highly unusual for a parliamentary committee, was the visit of the American Secretary of State, John Foster Dulles, who attended the second meeting of the committee on 8 February 1953. An annex to the minutes contains the official speeches of the Chairman and the two Vice-Chairmen of

1 French, Christian Democrat, chairman of the Common Market Committee from 22 November 1955

2 The composition of the committee throughout the legislature's term of office is shown in Annex I.

3 Annex II.

4 Annex III.

the committee, Messrs Reynaud, Preusker and Sassen, the President of the High Authority, Jean Monnet, and the Secretary of State himself, described in the document as the Minister for Foreign Affairs[5]. The reasons for this visit to the Committee on the Common Market are not apparent from the speeches, which were concerned with the political reasons for the construction of Europe.

## 2. THE FUNCTIONS OF THE COMMITTEE

The name of the Committee on the Common Market refers to the very basis of the ECSC, which is defined in Article 1 of the Treaty[6], and it is consequently the most general in scope, not being directly connected with any specific chapter of the Treaty defining its terms of reference. In particular, it is not clear where the dividing line lies between this committee's terms of reference and those of the Committee on Investment which is clearly 'responsible' for two chapters of the Treaty.

The terms of reference of the Committee on the Common Market can be identified on the basis of Article 4 of the Treaty, which defines the common market, albeit in negative terms, by indicating what is incompatible with it:

> *The following are recognised as incompatible with the common market for coal and steel and shall accordingly be abolished and prohibited within the Community, as provided in this Treaty:*
>
> *a) import and export duties, or charges having equivalent effect, and quantitative restrictions on the movement of products;*
>
> *b) measures or practices which discriminate between producers, between purchasers or between consumers, especially in prices and delivery terms or transport rates and conditions, and measures of practices which interfere with the purchaser's free choice of supplier;*
>
> *c) subsidies or aids granted by States, or special charges imposed by States, in any form whatsoever;*
>
> *d) restrictive practices which tend towards the sharing or exploiting of markets.*

These general incompatibilities are covered in detail in Chapters V Prices, VI Agreements and concentrations and VII Interference with conditions of competition or what might now be described in broad terms as 'State aids'.

## 3. THE LAUNCH OF THE COMMON MARKET[7]

From its first meeting after the inaugural meeting, on 8 February 1953, the committee concentrated on the measures to launch the market with due attention to a communication from Mr Monnet which made numerous demands on the committee members and which, like other annexes to the minutes, has unfortunately not come down to us. A more coherent account of the problems associated with the launch of the common market is to be found, however, in Guy Mollet's communication of 19 April 1953[8].It falls between two significant dates in the history of Europe: 10 February 1953, when the common market for

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5 CARDOC AC AP PV/MACO.1953 MACO-19530208 0020.

6 By this Treaty, the High Contracting Parties establish among themselves a European Coal and Steel Community, **founded upon a common market**, common objectives and common institutions.

7 For a more extensive account of the launch of the common market in all the aspects covered briefly here, readers are referred to the committee's excellent and detailed reports MACO1 and MACO2.

8 CARDOC AC AP PV/MACO.1953 MACO-19530419 0020.

coal, iron ore and scrap entered into force, and 1 May 1953, when the common market for steel entered into force[9].

On the first of the two dates, the President of the High Authority announced that the six national governments had taken measures to remove all public obstacles to the free movement of goods[10] and that the High Authority, in agreement with them, had started to dismantle the most blatant instances of discrimination with regard to transport[11]. A particularly significant policy, unusual for the Community, was the policy adopted by the High Authority of controlling coal prices by fixing them so as to prevent sudden liberalisation from causing prices to rise, especially for the qualities most in demand[12]. Average and maximum prices were stabilised, by coalfield and by category of coal, at the lowest possible levels compatible with the economy of the Member States. The price system allowed undertakings a certain degree of flexibility and was accompanied by temporary authorisation of public subsidies.

The market in iron, on the other hand, was completely free, while in the case of scrap, which was more sensitive to fluctuations in the market, it was necessary to fix maximum prices, introduce an equalisation scheme for scrap collected within the Community and imported scrap, and authorise a special temporary office (until the end of 1953) for consumers of scrap with authority to negotiate imports of scrap but not to sign contracts. The office was to report to the High Authority.

As regards the market in steel, Mr Monnet, speaking for the High Authority, declared his faith in the free market and competition, and promised to be vigilant because he warned that an alignment of previously divergent European prices would represent an agreement against which the executive intended to take action. It would have to intervene in the case of some current practices in national markets which were subject to a high degree of State control, but in general the High Authority intended to make prudent but firm use of its powers with due regard to future developments in prices. Mr Monnet referred specifically to the principal distortions in the market and the measures the High Authority proposed to take in this connection.

The President of the High Authority concluded his statement at the meeting on 19 April 1953 by saying that the executive intended to intervene in accordance with the Treaty if agreements between undertakings caused prices to rise despite a fall in demand after the market opened[13].

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9 Those dates were implicitly established in Article 8 of the Convention on the transitional provisions, signed with the ECSC Treaty, under which the common market for coal was to enter into force at the same time as the equalisation scheme provided for in the Convention, while the common market for steel was to enter into force two months later, i.e. on 10 April. The author of the present document has not found in the acts of the European Parliament any reference to or explanation of the delay of 20 days beyond the appointed date. It should also be noted that the opening of the common market for steel did not include the special steels, in respect of which Annex III to the Treaty provided that the common market was to be postponed for a year.

10 '...les droits de douane, les droits de sortie, les restrictions quantitatives à l'entrée et à la sortie, les restrictions à la délivrance des devises, les doubles prix ont été supprimés par les gouvernements des Etats membres à l'intérieur de la Communauté' Statement by Mr Mollet CARDOC AC AP PV/MACO.1953 MACO-19530419 0020.

11 See, in this connection, the chapter in the present document dealing with the Committee on Transport.

12 Coal is a product over which national governments exercised strict control by various means throughout the first half of the 20th century and the ECSC also attempted to do so, with results which it is for economic historians to determine. It must be emphasised in this connection that, with respect to coal which was the primary source of energy at the time it was widely considered that public control was necessary because the market in coal was an 'artificial market' to use Schöne's definition quoted at the meeting of 14 March 1955 (see minutes, p. 17-18) by the German Minister for Economic Affairs, Ludwig Erhard, who, despite his liberal convictions, had recognised the impossibility of establishing a free market in coal.

13 To judge by the statements made by Mr Sassen and Joachim Schöne at the meeting on 19 April, Mr Monnet may have said something which was not recorded in the minutes about negotiations that were taking place between groups of producers, probably French, Belgian, Luxembourg and German producers, with a view to reaching an agreement. The Vice-President of the High Authority, Franz Etzel, replied that the current investigations had not yet reached a conclusion but the industries in question had admitted an agreement on markets in third countries.

On a more delicate political point, the Rapporteur, Mr Preusker, invited the Assembly to vote for subsequent transfers of functions to the Community and for coordination of the economic policies of the Member States[14]. But the Assembly only concurred with his request for coordination and confined itself, for the rest, to calling for the elimination of the residual instances of discrimination and for better comparability of prices[15].

The crucial question, however, was the question of taxation. After the abolition of customs duties, taxes not included in the list of obstacles to the common market set out in Article 4 of the Treaty could still have a distorting effect. A committee of experts produced a report on the subject, which was examined by the Committee on the Common Market.

The question was put in terms in which it could not be put today: the experts and the High Authority raised the problem of price formation; the case that attracted their attention was the case of an undertaking which, in setting the export price, included a tax which was reimbursed when the export took place. The experts' studies and the debate turned on ways of preventing such a practice, in accordance with the Treaty, a practice now generally held to be a matter of the undertaking's commercial policy and nothing to do with the public authorities. In the course of the debate[16] the point was also made that, conversely, products might be subject to higher taxes in the consumer countries and taxes in the country of destination were not included among the obstacles to the common market indicated in Article 4 of the Treaty and regarded as a difficulty to be overcome.

This is not the place to expand on the various solutions that were proposed. It may however be of interest to show the differences between the ECSC concept of a common market and the concept of the internal market as we know it today: the internal market is now a space within which goods move freely but, for the purposes of the ECSC Treaty and those concerned, the common market was a space within which coal and steel products moved freely at a price tending to be identical in the various countries. Hence the attention not only to removing distortions but also to containing tariffs and other charges that affected the final price. The High Authority, through its own committee of experts, established the criteria for defining cost prices in order to define maximum prices for products for which they existed.

Hence too, albeit in the context of measures to guarantee competition, the obligation to publish price lists provided in Article 60 of the Treaty. Measures to implement that provision were discussed at the meeting on 13 January 1954, in the course of which the Vice-President of the executive, Albert Coppé, mentioned a decision taken a few days earlier to relax the provisions in force. One point that Mr Coppé emphasised was that the lists must correspond to the real market prices; it followed that when the reductions applied and permitted under the Treaty exceeded a limit which the High Authority set at 2.5% a new list had to be published, whereas in the case of reductions below that limit it was sufficient to submit a fortnightly statistical report to the High Authority.

## 4. THE FIRST STEPS OF THE COMMON MARKET: GENERAL QUESTIONS

The general reports on the activities of the High Authority afforded an opportunity to review the progress of the common market. The second report, on the financial year 53-54[17] covered the common market's first year in operation, which saw the development of competition albeit with substantial differences

[14] CA 'Compte rendu in extenso des séances – séance du 19 Juin 1953', p. 99.

[15] CA Resolution of 23 June 1953 on 'Rapport général de la Haute Autorité sur l'activité de la Communauté du 10 août 1953 au 12 avril 1953 et sur l'Etat prévisionnel général pour l'exercice 1953-1954', OJEC 21.7.53, p. 156-157.

[16] The reference is still to the debate during the meeting on 19 April 1953.

[17] The committee discussed this at its meetings on 13 January, 13 April and 2 May 1954, and in the MACO 3 report.

between the various sections. The Third General Report, on the financial year 54-55[18] allowed the committee to examine the functioning of the common market in greater depth on the basis of two years' experience, which had shown its limitations. The first limitation was the lack of a single currency or a monetary system, a lack which exposed intra-Community trade to the hazards of exchange rate variations. The second limitation was that only certain products were included in the common market: those that were not included, i.e. most products and in particular the products of industries using coal or steel, conditioned the ECSC common market. Lastly, some ECSC products, mainly mining products, were not subject to the rules on competition.

Despite these limitations, the common market succeeded in restoring the balance in the course of the 1953 recession, encouraged the upturn in the spring of 1955 and helped to develop the international trade in coal and steel, the sole exception being the reduction in imports of American coal after the launch of the common market, correcting the surplus imports of the immediate post-war years. In this context, the Common Assembly considered it essential that the High Authority employ all the powers at its disposal to promote the stabilisation of prices[19].

However, a number of derogations were still authorised under the transitional provisions[20] and a report on the subject was produced in 1956[21]. The derogations concerned were the maintenance of Italy's customs duties on coke and steel, the so-called prix de zone or zone prices[22] of coal applied mainly in Germany, the public subsidies in France, and the special measures for Belgian and Italian coal in the common market. The report described the measures in full and noted with satisfaction that some of the derogations had been relinquished earlier than necessary but it questioned whether the measures that were being prepared to replace the French subsidies and the measures for Belgian and Italian coal would guarantee the equal conditions of competition for coal that they enjoyed. The report also raised the problem, discussed at length in the committee, of the Schichtprämie or shift bonuses which the German Government wanted to introduce as an incentive to work in mines as opposed to other sectors of production[23]. The view taken in the report was accepted by the Assembly in a resolution which approved the conclusions reached in the report and expressed its own support for the High Authority in seeking to remove administrative obstacles to the common market[24].

A very modern feature is the idea of saving or as we would now call it 'sustainable development' of coal, coke and scrap resources, which the High Authority was invited to promote in a 1957 resolution[25].

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18 The committee discussed this at its meetings on 27 and 28 April 1955 and in the MACO 5 report.

19 CA Resolution of 22 June 1956 on the 'problèmes du marché commun', OJEC 19.7.56, p. 231. The motion for the resolution is contained in MACO 9.

20 'Convention relative aux dispositions transitoires' signed at Paris on 18 April 1951 at the same time as the ECSC Treaty.

21 MACO 6.

22 Reductions on the list price of coal from certain areas on sale to certain areas.

23 The question was discussed at length at the committee's meetings on 13 and 16 March, 25 April and 8 May 1956 and a good account of it is given in MACO 7, p. 25-27. The legality of the bonuses was contested in relation to the Treaty inasmuch as they were funded by the State. On 23 September 1957 the question was the subject of an exchange of letters between the High Authority and the German Minister for Economic Affairs, Mr Erhard, in the course of which the High Authority announced that it would raise the question again if there were any price increases. This exchange was followed by a meeting between the German Minister and the Vice-President of the executive, Mr Etzel, and a discussion in the Council. The minutes of the meeting on 21 October 1957, from which this information is taken, treated the statements made by the High Authority in this connection as confidential.

24 CA Resolution of 22 June 1956 on the'problèmes du marché commun', cited above.

25 CA Resolution of 28 June 1957 on 'le fonctionnement et la structure du marché commun', OJEC 19.7.1957, p. 305. The motion for the resolution is contained in MACO 10.

## 5. THE MARKET IN COAL

This was the key ECSC market and the one to which our committee devoted most of its attention. Coal was the principal source of energy in the 1950s and was also essential for domestic use. The national governments were therefore actively concerned with it in various ways before the ECSC was established: many subsidies and restrictions continued to apply in the transitional period of the common market, prices were generally controlled and in France the mining industry was a public concern. The development of steel production increased the need for coal and the ECSC faced two problems: supplies[26] and prices, which remained with it throughout the Common Assembly's term of office.

The prospects open to the committee changed substantially in the course of the legislature: in the first two years (53-54) it was considered that the need for coal would decline in the years to come, but from 1956 on new studies showed that any reduction would only be in terms of the percentage of total needs for energy sources and that the need for coal would continue to rise in absolute terms. Another factor which had a notable effect was the essentially inflexible nature of production, which did not respond to the increase in demand. As to imports, American coal was originally cheaper but the high cost of shipment absorbed and outweighed the difference in price between US and European coal. Other events in 1956 also highlighted the shortage, for which families paid the heaviest price[27]: the very intense cold snap in February which increased domestic consumption, and the Suez crisis with the ensuing restrictions on oil consumption which contributed to an increase in the consumption of coal.

The committee considered that the way to increase production was to increase the number of men employed in mining and that the way to do that was to improve their economic conditions, a process already started by the German Government, and their social conditions, for instance by providing state housing for miners. The committee's report refers problematically to Article 59 of the Treaty, which provides for the notification of a serious shortage and consequent measures to allocate resources, but follows the High Authority's lead in rejecting such measures on the ground that the shortage was not sufficiently serious because there was enough locally extracted and imported coal to meet the needs. Recourse to Article 59 was supported in the chamber only by Jean Charlot[28] and by some members who were inclined to criticise the High Authority for its caution in this connection. The resolution finally approved by the Common Assembly, while inviting the executive to exercise its own powers and in particular its powers to cooperate with governments, did not consider that the time had yet come to apply Article 59 but invited the High Authority not to hesitate to do so should the situation deteriorate. The resolution, on a mildly critical note, invited the High Authority to take a number of expressly listed initiatives vis-à-vis the governments[29].

With the entry into force of the common market and the increase in trade, a distinct drop in prices was recorded, not enough to meet the competition from other forms of fuel but enough to cause the system

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[26] The committee addressed the problem of supplies and the associated problem of prices in the MACO 11 report which, especially in the first part, contains an interesting and detailed analysis of the problems of the market which may be useful to economic historians. A second report, MACO 12, contains the motion for the resolution which was adopted with some amendments on 30 November 1956.

[27] The rapporteur also refers to anti-Community campaigns, though not extensive: some newspapers accused the ECSC of being responsible for the shortage and the increase in prices.

[28] CA 'Compte rendu in extenso des séances – séance du mercredi 28 novembre 1956' p. 48-50.

[29] CA Resolution of 30 November 1956 on 'la situation du marché charbonnier et notamment le problème de l'approvisionnement', OJEC 12.12.56, p. 400-402.

of maximum prices to be abandoned gradually throughout the Community[30]. The reduction did not last long, however, for the reasons already noted in connection with the shortage that occurred in 1956. The crucial problem to emerge from the debates in the committee was the problem of the difference between the price of coal produced in the Community, of which there was not enough, and American coal, which was initially cheaper but ultimately more expensive because of the cost of transport. The committee thought about adopting at Community level the system of equalisation funds introduced in Belgium but the idea was rejected because of the problems of scale and cost that a Community equalisation fund would entail[31].

The price of coal was the central topic of lengthy discussions in the Committee on the Common Market, discussions which continued until March 1956 with positions changing over time and not always reflecting the various speakers' theoretical stance. They focused on the fundamental objectives of the policy on coal and repeatedly recalled them for the High Authority's benefit: steady supplies at the lowest possible prices, requiring an improvement in the coal balance and a rational use of resources[32]. The discussions in the committee were part of a wider debate in which governments, professional organisations and the Community institutions were all involved.

While the ECSC Consultative Committee favoured complete abolition of maximum prices or maintaining them only in the Ruhr coalfield, opinions in the Committee on the Common Market were divided. In 1956, on the eve of the final abolition of maximum prices, the following positions were identifiable within the committee, the fruit of three years hard thinking on the part of individual members:

- a first group held that to abandon maximum prices in a market dominated by demand might cause governments to adopt maximum prices directly and they referred in this connection to the French and German Governments' wish to keep the price of coal low;
- other members feared that the abolition of controls might lead to an alignment of Community coal prices with the price of coal imported from the USA, which would cost consumers more[33];
- a third group of members favoured the liberalisation of prices, noting that an increase in the price of coal from the Ruhr was in any case inevitable;
- a fourth group was not concerned with the repercussions that the general decision would have for the common market but with the effects it might have on certain regions, for which special measures (essentially zone prices) were requested;
- a fifth group was concerned with the repercussions, including purely psychological repercussions, that an increase in coal prices would have for other economic sectors.

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30 Maximum prices were abolished throughout the Community from 1 April 1954, except in the French coalfields in the North and the Pas de Calais and the German coalfields in the Ruhr. They were abolished in the aforesaid French coalfields on 1 April 1955 and in the Ruhr coalfields on 1 April 1956 following the solution of the problems posed by the GEORG cartel which had recommended keeping maximum prices for a longer time.

31 MACO 14.

32 CA Resolution of 22 June 1956 on the 'problèmes du marché commun', cited above. It should be noted that, in order to improve coal production, the intention was not so much to increase production as to optimise distribution as between the grades of coal extracted.

33 The supporters of the first two views were in fact seeking the restoration of maximum prices which, in the first four months of 1956, were only in force in the Ruhr.

The dissension within the committee prevented it from reaching a conclusion other than to invite the High Authority to monitor changes in coal prices[34]. The committee was also well aware of the need to increase miners' wages to prevent them from leaving the mining industry[35].

The question of prices was linked with the question of cartels, the dismantling of which made it very difficult to maintain prices at the necessary level to prevent pit closures causing great harm to some Community regions, and the question of subsidies on which the committee shared the High Authority's position of favouring a gradual reduction in line with the reduction in transport prices: thus subsidies must not exceed the difference between the current cost of transport and the estimated cost based on direct international rail tariffs.

## 6. THE MARKET IN IRON AND SCRAP

As regards iron ore, supplies within the Community continued to cover 70% of the needs but prices had fallen appreciably, a trend which the Committee on the Common Market attributed to the reduction in the price of Swedish iron ore rather than to any drop in consumption. Supplies from foreign sources did not pose undue problems and many European undertakings had acquired mines overseas or shares in foreign mining companies[36].

With regard to scrap, the launch of the common market had shown, contrary to expectation, that supplies were plentiful except in Italy where the shortage was probably due to deliberate hoarding, witness the fact that it ended shortly after the High Authority decided to authorise Italy to import scrap in derogation from its earlier decision to control imports, a decision subsequently abrogated altogether in view of the market situation. This also allowed the system of maximum prices to be gradually abolished, establishing a market that was free albeit separate from the international market. In a second phase, from 1956 on, developments in the iron and steel industry created a problem for scrap supplies throughout the Community which was sufficiently serious to merit examination by the committee in 1957[37]: the European iron and steel industry was heavily dependent on the American market, on which the iron and steel industries of other countries also depended. However, the committee was unable to agree on a remedy for the situation and was content to support the High Authority's position, which was to concentrate on addressing the problem of the price of scrap by means of equalisation funds. The resolution following the Fifth General Report was accordingly couched in general terms, merely drawing the executive's attention to the matter and hoping that a constructive solution would be found shortly[38].

## 7. THE MARKET IN STEEL

In the market in steel, where undertakings were only required to publish prices, there was an overall increase in production and trade punctuated by periods of boom and slump. Prices also stabilised, although at the meeting on 11 June 1955 the High Authority was unable to show that this phenomenon was connected with establishment of the common market. Steel prices nevertheless continued to be higher than those of the British steel industry because there were cartels on the continent engaged in

34 MACO 7, p. 24-25.

35 16 March 1956.

36 MACO 14.

37 Ibid.

38 CA Resolution of 28 June 1957 on 'le fonctionnement et la structure du marché commun', cited above.

long-established practices with government support, at least in the past. The transition to a free market appears to have been a question of education rather than resistance.

In the mining year 56-57, steel prices tended to rise because of an increase in the cost of raw materials combined with an increase in demand. This situation on the market was exacerbated by the problems of the independent rolling mills, whose Federation had sent the committee a kind of cahier de doléances or list of grievances[39] drawing attention to the difficulties in obtaining supplies. In its own document on the Fifth General Report, the committee addressed the problem: when demand was high, large undertakings preferred to proceed with the rolling direct, making maximum use of their own plant; in periods of low demand, their rolling mills did not operate at full capacity but their prices were nevertheless competitive in comparison with those of the independent rolling mills, which were generally small and medium-sized undertakings[40].

The Common Assembly resolution concentrated on the question of cartels and, on the construction of the common market in particular, supported the call to reduce prices, stressing the beneficial effects on economic development[41]. A full and detailed account of the construction of the common market at the end of 1954 was given in the speech delivered by Jean Monnet on 30 November that year[42].

## 8. AGREEMENTS AND CARTELS

The subject of the present paragraph is covered in Chapter VI of the Treaty Agreements and concentrations which prohibits agreements between undertakings tending to prevent or restrict competition artificially by means of agreements on prices, agreements to control production, technical development or investment, or agreements to share markets, products, customers or sources of supply among the parties to the agreement. That general prohibition was accompanied by specific powers granted to the High Authority for the purpose of obtaining the necessary information and for imposing penalties consisting of fines and restrictions. The prohibition includes the possibility of granting exceptional authorisation which is covered in detail in the Treaty.

The Committee on the Common Market devoted a considerable part of its meetings in 1954 to the subject, part of its report on the activities of the High Authority in the period 53-54[43] and a subsequent report[44]. The Assembly too stated its view on the question, expressing the hope that the High Authority

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39 This took the form of a letter from the federation of iron and steel rerolling mills of the European Community, FEDEREL (Fédération des Relamineurs de fer et de l'acier de la Communauté européenne) to the Chairman of the CA, Pella, sent on 22/2/55 and held in CARDOC AC AP PV/MACO1953. MACO-19560225 0050. It is clear from the minutes of the meeting on 25 February 1956 that two more documents were submitted by the same association. The same minutes record the discussion on the advisability of hearing the Federation and reporting a great deal of anxiety about the possibility of establishing a precedent. It was decided to discuss the FEDEREL documents but the minutes contain no report of a discussion. The large amount of space devoted to independent rolling mills in MACO 14 suggests that they were nevertheless contacted unofficially. For the rest, the question was raised again in the CA Resolution of 28 June 1957 on 'le fonctionnement et la structure du marché commun', cited above, albeit merely in the form of an invitation to the High Authority to consider the matter.

40 MACO 14.

41 CA Resolution of 19 May 1954 'relative 1. au Rapport général sur l'activité de la Communauté pendant l'exercice 1953-1954; 2. au Rapport sur les dépenses administratives de la Communauté durant l'exercice 1953-1954; 3 l'État prévisionnel général pour l'exercice 1954-1955', OJEC 9.6.54, p.413-416. The reference here is to points 14-24, particularly point 15 in paragraph C 'Dans le domaine du marché commun'.

42 CA 'Compte rendu in extenso des séances – séance du mardi 30 novembre 1954', p. 17-22. At the end of his statement, the speaker announced that he did not wish to remain in office after his term expired on 10 February 1955.

43 MACO 3.

44 MACO 4.

would pay close attention to the matter of cartels[45]. Attention centred on the coal sector, in which there were a great many centralised producers' organisations which had aligned their own prices with the maximum prices, undermining the effects that ought to have followed from importing coal at lower prices[46].

An in-depth analysis of the structure and modus operandi of these organisations is contained in the second report and a detailed document produced by the High Authority and attached to the report. The problem of cartels arose essentially in France, Belgium and Germany. In France, an import monopoly (A.T.I.C.) had been established in connection with the nationalisation of the coal mines, on which the French authorities were disposed to adopt new measures to eliminate any incompatibility with the ECSC Treaty. The cartel, in this case a private one, operating in Belgium (COBECHAR) was equally disposed to adapt to the Community rules, while the cartel operating in the Ruhr (GEORG) represented the most difficult problem.

In the course of negotiations with the High Authority[47] this cartel made its position clear, arguing that its aim was to maintain the level of employment and secure the survival of marginal mines. The High Authority essentially accepted that explanation but replied that

> *... in a market where supply and demand are not elastic – and it must be recognised that this is particularly true of the market in coal – one cannot hope to obtain a substantial increase in outlets by reducing prices, especially when price lists have to be published, obliging competitors to adapt their rates when a producer reduces his prices*[48].

In the debate in the chamber which took place on 30 November and 1 December with the debate on Mr Monnet's statements on the common market, the question of cartels was relegated to second place: apart from the Rapporteur, Mr Korthals, the only members to speak on the subject were Jacques Vendroux, who defended A.T.I.C.[49], and G. Vixsenboxse, who argued that the interests of consumers could be protected only through a public economic organisation in which the High Authority must have a say[50].

The question of GEORG was raised again at many committee meetings after the 1954 report. The Rhineland cartel, which was in breach of the Community rules only in respect of quantities[51], was eventually abolished by a decision of 15 February 1956, reported at the meeting held on 25 February. As discussed at length during earlier meetings, the cartel was replaced by three independent comptoirs (IT had originally been suggested that GEORG's activities should be covered by six bodies): these three companies were followed by two others, one handling local consumption and the other consumption within undertakings. The Common Assembly, which reserved judgement on the transformation of the cartels pending an appropriate period of experience, invited the High Authority to ensure that the new organisations complied with the terms of the decisions establishing them[52]. Subsequent experience was somewhat mixed, because the three comptoirs tended to avoid the provisions relating to them and enter into agreements among themselves, and this situation continued for a long time despite inspections, protests and notes. It appears from the minutes of the meeting on 21 October 1957 that Erhard himself

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45 CA Resolution of 19 May 1954 'relative 1. au Rapport général sur l'activité de la Communauté pendant l'exercice 1953-1954', cited above. The reference here is to points 19-20.

46 MACO 3.

47 Readers are referred to the report (MACO 4) for a description of the organisation of the cartel and a detailed account of the negotiations.

48 MACO 4, p.12-13.

49 CA 'Compte rendu in extenso des séances – séance du mardi 30 novembre 1954', p. 47-50.

50 Ibid., p. 41-43.

51 See, to this effect, the speech by the Vice-President of the High Authority, Mr Etzel, at the meeting on 12 May 1955.

52 CA Resolution of 22 June 1956 on the 'problèmes du marché commun', cited above.

was not disposed to yield to pressure from the comptoirs and was thinking of seeking an amendment to the Treaty (IT is not specified how, but the general sense is clear).

As regards A.T.I.C., the only authorised coal importer in France, the public nature of the body meant that the High Authority was up against the French Government, which supported its own body. A clear summary of the events in this difficult case was given by Dirk Spierenburg, a member of the High Authority, at the committee's last meeting on 24 January 1958. From 1956 on, the High Authority had protested to the French Government about many points in the regime enjoyed by A.T.I.C. The Paris Government had initially brought the matter before the Court of Justice but had subsequently preferred to transform A.T.I.C. into a sole authorised agent and withdraw the action. Following these events and discussions with the French Government, the High Authority by decision of 1 January 1958, ordered France to abrogate A.T.I.C.'s role as sole authorised agent within one year and establish within two years the freedom of French buyers to purchase coal in the Community[53].

Concentrations of undertakings were the subject of a 1957 report[54], which gives a comprehensive account of the situation before and after the Treaty entered into force and an initial assessment of the application of the three 1954 regulations on the subject.

The High Authority had examined 31 concentrations of undertakings since it commenced its activities, including 15 in Germany where the Allied High Commission had ordered some industries to be broken up in the preceding few years[55]. The report, which also examined the phenomenon of concentrations in the United States, the United Kingdom and the Soviet Union, noted that European undertakings were generally smaller than their competitors and considered that, especially in the case of smaller undertakings, further concentrations would enable production to be rationalised. The general conclusion was mixed, however, because good results might be accompanied by bad ones, such as the risk of oligopolies being formed or barriers to entry to the iron and steel sector erected. The High Authority naturally sought to prevent these bad results, and this determined the criteria on which it refused to grant authorisation for a concentration

- to fix prices (essentially in horizontal concentrations),
- to control production or distribution,
- to withdraw from the provisions of the Treaty.

More attention was paid to vertical concentrations and, while the inclusion of iron mines in iron and steel groups was regarded as normal, the inclusion of coal mines in such groups caused a certain amount of concern. This form of concentration was on the increase and threatened to restrict the functioning of the market in coal, in which the iron and steel industry was the most important customer, albeit not the only one.

This report was followed up much later, on 26 February 1958, when the Assembly approved a resolution on the subject[56]. The resolution recognised the advantages that concentrations might bring to the

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[53] Mr Spierenburg's statements were strongly criticised by Michel Debré, who accused the High Authority of taking a much more accommodating line with the similar bodies in the Ruhr.

[54] MACO 13.

[55] Allied High Commission Law no 27 of 16 May 1950. On the High Authority's position on undertakings subject to deconcentration, particularly inherited undertakings, interested historians may find it helpful to consult the minutes of the meeting on 25 June 1957, which report a statement by Vice-President Etzel on the subject. Reference is made in particular to the Thyssen undertaking and the repercussions for the operation of inherited undertakings in general.

[56] CA Resolution of 26 February 1958 on 'le problème des concentrations d'entreprises dans la Communauté', OJEC 7.3.58, p.139-140. The motion for the resolution is contained in MACO 15.

Community in terms of rationalisation of production and savings, both for business and for the system. Nevertheless, it still emphasised the risks they might carry, in particular by withdrawing from competition. The resolution therefore invited the High Authority to guide concentrations in accordance with the aims of the Community and employ all the legal instruments at its disposal to that end; in particular to define the limits of concentrations and above all prevent too much economic power and consequently too much political power being concentrated in the hands of certain individuals.

## 9. COOPERATION BETWEEN THE HIGH AUTHORITY AND THE NATIONAL GOVERNMENTS

Another aspect that was central to the Committee on the Common Market's emphasis on the critical importance of the institutional system for the progress of the common market was the political and institutional aspect of the High Authority's cooperation with the national governments, and it is significant that this fell within the remit of an essentially economic committee. Two forms of cooperation were considered: institutional cooperation with the Council of Ministers and direct cooperation with the national governments[57].

The observations on the former anticipate to a surprising extent some of the issues addressed in the 2003 Convention and in the debate on the functioning of the Council of Ministers that preceded and accompanied it: a call for transparency and publicity in the work of the Council, which took the form in 1956 of a request for publication of the records of the exchanges of information and consultations between the Council and the High Authority provided for in Article 26 of the Treaty. This request was fundamentally about the general public's right to information but it was also about the exercise of the Assembly's supervisory power because it was important to be able to ascertain whether the Council spoke for more general interests than the Consultative Committee, in which the interests of producers, consumers and dealers were paramount[58]. This concern was logically connected with the position of ministers in the Council and was a salient point of the Rapporteur's speech in the Chamber. Wilmar Sabass affirmed on the basis of a strict interpretation of Article 27 of the Treaty that the ministers, as delegates of their respective governments, were responsible to the Community inasmuch as they were members of one of its institutions. Consequently, although their position on the various issues depended on their country's situation, they must address the issues from the higher point of view of the Community[59].

As regards the direct cooperation[60] provided for by the Treaty in some areas, the Council of Ministers was the forum for such cooperation and in that case ministers sat as members of their respective governments. Direct cooperation was useful, especially in the area of transport. Another forum for cooperation was the Joint (government-High Authority) Committee established by the Council Declaration of 13 October 1953, which dealt in particular with the issue of economic growth and investment in the Member States. However, the issues addressed and the approach to cooperation developed within these two frameworks were more closely connected with the expiry of the Treaty and the Convention on the transitional provisions and with the current economic situation than with any plan for long-term expansion. It follows that there was a danger that

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57 MACO 8.

58 MACO 8, p. 13.

59 CA 'Compte rendu in extenso des séances – séance du mardi 19 Juin 1956', p. 577-578.

60 Cooperation between the High Authority and governments in the area of economic policy was a point to which the Assembly attached great importance. In its resolution on the 'problèmes du marché commun', cited above, approved at the same time as the Sabass report, cooperation was regarded as essential to enable the Member States to enjoy all the benefits of the single market.

*under the influence of purely transitory political considerations or of some particular or private interest, governments might be induced to take a line on cooperation with the Community which was incompatible with the Treaty and which might in practice lead eventually to an abandonment of supranational powers and a resumption of national powers*[61].

The question was taken up in a 1957 resolution[62] which linked the need for cooperation with the requirement that governments refrain from intervening on the question of prices, which had happened, in other words from poaching on the High Authority's preserves.

## 10. CONCLUSIONS

The work of the committee that is the subject of this chapter prompts reflections, in the light of the committee's terms of reference, on the idea of a common market as it was conceived in the five years following the establishment of the Community system. That system was very different from the present one. The view now is that the system of the European Communities is a legal framework which guarantees free trade within the common area in which that framework applies. With the sole exception of the agricultural market, price formation is a matter for independent private decisions over which the Community institutions have no control; even in the area of competition, Community sanctions are not concerned with prices as such but with the prohibited agreements that may have influenced them.

In the ECSC system, the institutions pursued a policy of low and competitive prices, employing price-control instruments unknown in the present Community system with the specific aim of rationalising production and production costs. One sometimes has the impression that discussions in the Committee on the Common Market were not unlike the discussions that probably took place in the board rooms of industrial cartels.

There are various possible reasons for the differences between now and then. In the first place, the ECSC was a single sector market whereas the present market is a general common market. The fact that it was confined to one sector has various implications. First, the economic perspective: the development of the coal and steel sector was the central interest of the institutions and was to be optimised, the representation of the business interests in the sector was more direct and exclusive, that is to say there was no counterweight in the form of representation of the business interests of other sectors. In addition to these considerations, and most important of all, the iron and steel sector was absolutely central to economic and political policy at the time.

[61] MACO 8, p.19

[62] CA Resolution of 28 June 1957 on 'le fonctionnement et la structure du marché commun', cited above.

## ANNEX I – COMPOSITION OF THE COMMON MARKET COMMITTEE

| *10 January 1953* | *11 May 1954* | *22 November 1955* | *27 November 1956* | *6 November 1957* |
|---|---|---|---|---|
| Bertram Helmuth (DE, CD),<br>**Jaeger Richard (DE, CD) from 13.1.54** | Jaeger Richard (DE, CD),<br>**Oesterle Josef (DE, CD) from 29.11.54,**<br>**Sabass Wilmar (DE, CD) from 9.5.55** | Sabass Wilmar (DE, CD) | Sabass Wilmar (DE, CD) | **Philipp Gerhard (DE, CD)** |
| Boggiano Pico Antonio (IT, CD) | Boggiano Pico Antonio (IT, CD) | Boggiano Pico Antonio (IT, CD),<br>**Cavalli Antonio (IT, CD) from 23.11.55** | Cavalli Antonio (IT, CD) | Cavalli Antonio (IT, CD) |
| Buset Max (BE, Soc) | **Fayat Henri (BE, Soc)** | Fayat Henri (BE, Soc) | Fayat Henri (BE, Soc),<br>**Bohy Georges (BE, Soc) from 24.6.57** | Bohy Georges (BE, Soc) |
| Henle Günter (DE, CD),<br>**Pohle Wolfgang (DE, CD) from 13.1.54** | Pohle Wolfgang (DE, CD) | Pohle Wolfgang (DE, CD) | Pohle Wolfgang (DE, CD) | **Birrenbach Kurt (DE, CD)** |
| Jacquet Marc (FR, Soc),<br>**Vendroux Jacques (FR, Lib) from 13.1.54** | Vendroux Jacques (FR, Lib) | Vendroux Jacques (FR, Lib),<br>**Caillavet Henri-Guy (FR, Lib) from 14.3.56** | Caillavet Henri-Guy (FR, Lib) | Caillavet Henri-Guy (FR, Lib) |
| Jacquet Gerard (FR, Soc) | **Mollet Guy (FR, Soc)** | Mollet Guy (FR, Soc),<br>**Lapie Pierre-Olivier (FR, Lib) from 14.3.56** | Lapie Pierre-Olivier (FR, Lib) | Lapie Pierre-Olivier (FR, Lib) |
| Korthals Hendrick A (NL, Lib.) | Korthals Hendrick A (NL, Lib.) | Korthals Hendrick A (NL, Lib.) | Korthals Hendrick A (NL, Lib.) | Korthals Hendrick A (NL, Lib.) |
| Kreyssig Gerhard (DE, Soc) | Kreyssig Gerhard (DE, Soc) | Kreyssig Gerhard (DE, Soc) | Kreyssig Gerhard (DE, Soc) | Kreyssig Gerhard (DE, Soc) |
| Loesch Fernand (LU, CD),<br>**van Kauvenbergh Adrien (LU, Soc) from 13.1.54** | van Kauvenbergh Adrien (LU, Soc),<br>**Loesch Fernand (LU, CD) from 29.11.54** | Loesch Fernand (LU, CD) | Loesch Fernand (LU, CD) | Loesch Fernand (LU, CD) |
| Montini Lodovico (IT, CD),<br>**Cavalli Antonio (IT, CD) from 11.3.53** | **Caron Giuseppe (IT, CD)** | Caron Giuseppe (IT, CD) | Caron Giuseppe (IT, CD) | **Roselli Enrico (IT, CD)** |
| Mott Angelo Giacomo (IT, CD) | **Togni Giuseppe (IT, Lib)** | **not appointed** | **Battaglia Edoardo (IT, Lib) from 14.5.57** | **Cantalupo Roberto (IT, Lib)** |
| Motz Roger (BE, Lib) | Motz Roger (BE, Lib) | Motz Roger (BE, Lib) | **de Block August (BE, Soc)** | de Block August (BE, Soc) |
| Müller Erwin (FR, CD) | Müller Erwin (FR, CD) | Müller Erwin (FR, CD) | **Pleven René (FR, Lib)** | Pleven René (FR, Lib) |
| Nederhorst Gerard Marinus (NL, Soc) | Nederhorst Gerard Marinus (NL, Soc) | Nederhorst Gerard Marinus (NL, Soc) | Nederhorst Gerard Marinus (NL, Soc) | Nederhorst Gerard Marinus (NL, Soc) |

| | | | | |
|---|---|---|---|---|
| Parri Ferruccio (IT, NI) | **Malagodi Giovanni (IT, Lib)** | **not appointed** | **Battista Emilio (IT, CD), Gerini Luciano (IT, CD) from 28.11.56, Braccesi Giorgio (IT, CD) from 12.2.57** | **Pella Giuseppe (IT, CD)** |
| Poher Alain (FR, CD) | Poher Alain (FR, CD) | Poher Alain (FR, CD) | Poher Alain (FR, CD) | Poher Alain (FR, CD) |
| Preusker Victor-Emanuel (DE, Lib) | **Blank Martin (DE, Lib)** | Blank Martin (DE, Lib) | Blank Martin (DE, Lib) | **Motz Roger (BE, Lib), Martino Gaetano (IT, Lib) from 7.11.57** |
| Reynaud Paul (FR, Lib.) | Reynaud Paul (FR, Lib.), **de Saivre Roger (FR, Lib) from 29.11.54** | **Faure Maurice (FR, Lib), Crouzier Jean (FR, Lib) from 14.3.56** | Crouzier Jean (FR, Lib) | Crouzier Jean (FR, Lib) |
| Sassen E.M.J.A., (NL, CD) | Sassen E.M.J.A., (NL, CD) | Sassen E.M.J.A., (NL, CD) | Sassen E.M.J.A., (NL, CD) | Sassen E.M.J.A., (NL, CD) |
| Schaus Eugène (LU, LIB) | Schaus Eugène (LU, LIB) | Schaus Eugène (LU, LIB) | Schaus Eugène (LU, LIB) | Schaus Eugène (LU, LIB) |
| Schöne Joachim (DE, Soc) | Schöne Joachim (DE, Soc) | Schöne Joachim (DE, Soc) | Schöne Joachim (DE, Soc) | **Deist Heinric (DE, Soc)** |
| de Smet Pierre (BE, Soc) | de Smet Pierre (BE, Soc) | de Smet Pierre (BE, Soc) | de Smet Pierre (BE, Soc) | de Smet Pierre (BE, Soc) |
| Zagari Mario (IT, Soc) | **Simonini Alberto (IT, Soc)** | **not appointed** | **Schiavi Alessandro (IT, Soc), Granzotto Basso Luciano (IT, Soc) from 12.2.57** | Granzotto Basso Luciano (IT, Soc) |

NB: The dates at the head of the columns are those of the sittings of the Assembly at which the annual composition of the committees was decided, and the dates in the text are the sittings of the Assembly at which changes were announced (in some cases the substitute had already been attending meetings of the committee); changes are shown in bold type.

## ANNEX II – MINUTES OF THE COMMON MARKET COMMITTEE

| *Date of meeting* | *Main issues* |
|---|---|
| 12 January 1953 | Inaugural, debate with the H.A. |
| 8 February 1953 | Debate with the H.A. on measures for the introduction of the common market, visit by Foster Dulles |
| 19 April 1953 | Debate on the conclusions of a committee of experts on indirect taxes |
| 9 June 1953 | Communication from the H.A. on the opening of the market in steel, approval of MACO 1 |
| 15 June 1953 a.m. | Discussion of MACO 2 |
| 15 June 1953 p.m. | Discussion of MACO 2 |
| 16 June 1953 | Approval of MACO2 |
| 13 November 1953 | Discussion on the situation and development of the common market |
| 13 January 1954 | Discussion on the situation of the common market |
| 13 April 1954 | Discussion on the situation of the common market, discussion of MACO 3 |
| 2 May 1954 | Approval of MACO 3 |
| 11 May 1954 | Inaugural |
| 18 May 1954 | Examination of the motion for a resolution on the General Report |
| 1 July 1954 | Discussion on cartels and competition |
| 27 October 1954 | Discussion on cartels and competition, and on MACO 4 |
| 17 November 1954 | Discussion on cartels and competition, and approval of MACO 4 |
| 12 March 1955 a.m. | Appointment of a rapporteur |
| 12 March 1955 p.m. | Joint meeting with the Investment Committee, in the presence of the H.A., to discuss coal policy |
| 14 March 1955 | Debate with the H.A. on the problems of coal, iron scrap, and prices |
| 27 April 1955 | Debate with the H.A. on the Third General Report |
| 28 April 1955 | Approval of MACO 5 |
| 12 May 1955 | Statement by a member of the H.A. on talks with representatives of the Ruhr coal sector |
| 11 June 1955 | Debate with the H.A. on the situation of the market in steel and steel prices |
| 15 July 1955 | Debate on the opinion to be delivered to the Labour Group |
| 10-11 October 1955 | Debate with the H.A. on the market in coal, the market in steel, the market in scrap, and agreements and cartels |
| 18 November 1955 | Debate, with the H.A., on the problem of cartels |
| 22 November 1955 | Inaugural |
| 19 January 1956 | Debate with the H.A. on the market in coal, the market in steel, the market in scrap, and agreements and cartels |
| 25 February 1956 | Debate with the H.A. on the market in coal, the market in steel, the market in scrap, and agreements and cartels |

| | |
|---|---|
| 13 March 1956 | Debate on a general common market and, with the H.A., on the price of coal |
| 16 March 1956 | Election of a Vice-Chairman and debate on the price of coal |
| 23-24 April 1956 | Joint meeting with the Investment Committee: discussion, with the H.A., on coal policy |
| 25 April 1956 | Debate with the H.A. on tax allowances for the coal sector in the Ruhr, on the Fourth General Report and on industrial concentrations |
| 8 May 1956 | Debate with the H.A. on tax allowances for the coal sector in the Ruhr |
| 28 May 1956 a.m. | Joint meeting with the Investment Committee: debate on joint approval of the report, approval of MACO 6 and 7, discussion of INVE 8 |
| 29 May 1956 | Approval of MACO 8 |
| 18 June 1956 | Debate with the H.A. on aids to the Ruhr coal-mining industry |
| 21 June 1956 | Approval of MACO 9 |
| 4 October 1956 | Debate with the H.A. on the market in coal and in particular on supplies for domestic use |
| 5 November 1956 | Joint meeting with the Investment Committee: debate with the H.A. on the plan to study the economic effects of automation in the industry |
| 6 November 1956 | Debate with the H.A. on the market in coal, the market in steel, and industrial concentrations |
| 27 November 1956 | Inaugural |
| 30 November 1956 | Approval of MACO 12 |
| 17 December 1956 | Debate with the H.A. on the market in coal, the market in steel, and industrial concentrations |
| 4 February 1957 | Debate with the H.A. on the market in coal, the market in steel, and industrial concentrations |
| 13 February 1957 | Joint meeting with the Committee on Political Affairs and External Relations to discuss the establishment of a Sub-Committee on Commercial Policy |
| 18 March 1957 | Debate on nuclear energy and, with the H.A., on improving coal supplies and the cost of shipment, approval of MACO 13 |
| 6 May 1957 | Debate, with the H.A., on the Fifth General Report |
| 7 June 1957 | Approval of MACO 14 |
| 25 June 1957 | Debate, with the H.A., on industrial concentrations |
| 27 June 1957 | Approval of MACO 10 |
| 21 October 1957 | Debate with the H.A. on the market in coal, the market in steel, and industrial concentrations |
| 7 November 1957 | Inaugural |
| 9 December 1957 | Adoption of the opinion on revision of the ECSC Treaty and debate, with the H.A., on the market in coal and the market in steel |
| 24 January 1958 | Debate, with the H.A., on agreements and concentrations, approval of MACO 15 |

NB: The archive dossier number of minutes in the CARDOC system is obtained using the sequence AC AP PV/MACO.1953 MACO- the date of the meeting written out in eight digits in year, month and day order with no spaces or punctuation signs. For instance, the dossier for the meeting of 12 January 1953 is: AC AP PV/MACO.1953 MACO-19530112. The 'minutes' document or report is normally shown by the digits 0010 following the dossier number.

## ANNEX III – REPORTS BY THE COMMON MARKET COMMITTEE

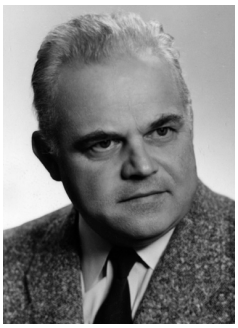
| *Report number* | *AC number* | *TITLE – RAPPORTEUR* | *CARDOC CLASS. AC AP RP/MACO. 1953* |
|---|---|---|---|
| MACO 1 | 8 | Report on Chapters III and IV (pages 29 to 97), the development and establishment of the common market in coal, iron ore and scrap, in the General Report on the Activities of the Community (1952-1953), and the preparatory measures and decisions relating to the establishment of the common market in steel. Rapporteur: Preusker | AC-0008/53-mai 0010 |
| MACO 2 | 8a | Supplementary report on the Special Report of 8 May 1953 on the establishment of the common market in steel (supplement to the General Report on the Activities of the Community) and on the subsequent decisions of the High Authority. Rapporteur: Preusker | AC-0008a/53-mai 0010 |
| MACO 3 | 13/53-54 | Report on Chapter III, the functioning and development of the common market, in the Second General Report on the Activities of the Community (13 April 1953-11 April 1954). Rapporteur: Korthals | AC-0013/54- mai 0010 |
| MACO 4 | 2/54-55 | Report on the question of cartels in the European coal and steel community, with regard to the problems of competition and sales on the market in coal. Rapporteur: Korthals | AC-0002/54-novembre 0010 |
| MACO 5 | 19/54-55 | Report on the parts of the Third General Report on the Activities of the Community (12 April 1954 to 10 April 1955) concerning the common market, in particular Chapter III, the functioning and development of the common market. Rapporteur Pohle | AC-0019/55-mai 0010 |
| MACO 6 | 16/55-56 | Report on Chapter IV, the application of the transitional provisions, in the Fourth General Report on the Activities of the Community (11 April 1955 – 8 April 1956). Rapporteur: Blank | AC-0016/56-mai 0010 |
| MACO 7 | 18/55-56 | Report on Chapters III and V of the Fourth General Report on the Activities of the Community (11 April 1955 – 8 April 1956): General development and functioning of the common market – improvement in the conditions of competition. Rapporteur: Pohle | AC-0018/56-mai 0010 |
| MACO 8 | 20/55-56 | Report on cooperation between the High Authority and the Governments of the Member States according to the Fourth General Report on the Activities of the Community (11 April 1955 – 8 April 1956). Rapporteur: Sabass | AC-0020/56-mai 0010 |
| MACO 9 | 32/55-56 | Report on the general development and functioning of the common market and improvement in the conditions of competition – Chapters III and V of the Fourth General Report on the Activities of the Community. Rapporteur: De Smet | AC-0032/56-mai 0010 |
| MACO10 | 43/56-57 | Supplementary report on the functioning and structure of the common market (second part of the Fifth General Report on the activities of the Community (9 April 1956 – 13 April 1957). Rapporteur: Pohle (available in Italian and Dutch only) | AC-0043/56-juin 0010 |
| MACO11 | 4/56-57 | Introductory report on the situation of the market in coal and in particular the problem of supplies. Rapporteur: Poher (not available in French) | AC-0004/56-novembre 0010 |
| MACO12 | 9/56-57 | Supplementary report on the situation of the market in coal and in particular the problem of supplies. Rapporteur: Poher (not available in French) | AC-0009/56-novembre 0010 |

| | | | |
|---|---|---|---|
| MAC013 | 26/56-57 | Report on concentrations of undertakings in the Communities. Rapporteur: Fayat | AC-0026/57-mai 0010 |
| MAC014 | 37/56-57 | Report on the functioning and structure of the common market (second part of the Fifth General Report on the Activities of the Community, 9 April 1956 – 13 April 1957). Rapporteur: Pohle (available in Italian and Dutch only) | AC-0037/57-mai 0010 |
| MAC015 | 16/57-58 | Supplementary report on concentrations of undertakings in the Community. Rapporteur: Lapie | AC-0016/58-février 0010 |

# CHAPTER II

# COMMITTEE ON INVESTMENTS

FRANÇOIS DE MENTHON[1]



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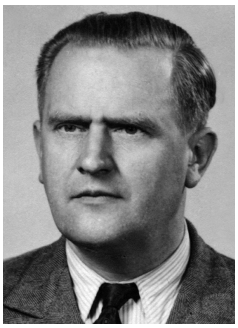

JOACHIM SCHÖNE[3]

GIUSEPPE TOGNI[4]

## 1. BACKGROUND

The Chairmen and Vice-Chairmen of the Committee on Investments, Finance and the Development of Production[5] during the Parliamentary term were as follows:

- from 12 January 1953 the Chairman was Giuseppe Togni, and the Vice-Chairmen were Joachim Schöne and Roger Motz;
- from 11 May 1954 the Chairman was Joachim Schöne, and the Vice-Chairmen were Teresio Guglielmone and Wolfgang Pohle.
- from 27 November 1956 the Chairman was Joachim Schöne, and the Vice-Chairmen were Wolfgang Pohle and Antonio Cavalli[6];
- from 6 November 1957 the Chairman was Heinric Deist, and the Vice-Chairmen were Antonio Cavalli and Walter Scheel[7].

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1 French, Liberal, rapporteur several times for the Committee on Investment, Financial Matters and Development of Production

2 German, Socialist, chairman of the Committee on Investment, Financial Matters and Development of Production from 6 November 1957

3 German, Socialist, chairman of the Committee on Investment, Financial Matters and Development of Production from 11 May 1954 to 5 November 1957

4 Italian, Christian Democrat, chairman of the Committee on Investment, Financial Matters and Development of Production from 12 January 1953 to 10 May 1954

5 The composition of the committee throughout the parliamentary term is given in Annex I.

6 From 11 December 1956.

7 The minutes of the sittings for the first days of the Parliamentary terms (inaugural sittings) are noted in the text as are those of 22 November 1955 and 11 December 1956.

Between 1953 and 1958 the Committee would meet fifty-three times and a joint sub-committee with the Committee on Social Affairs[8] once; it would also produce seventeen reports[9], the majority concerning points related to the Committee's areas of responsibility as raised in the High Authority's general reports. Issues to note include the distribution of an American loan and the outer regions of the Federal Republic of Germany which at the time bordered the DDR. They were in the main highly technical reports. Generally, the reports relating to the first two-year period tend to set out policy principles whereas those of the second two-year period would appear to be aimed more at ascertaining consistency between the High Authority's action and the established principles, which sometimes were not even accepted by the High Authority.

## 2. THE COMMITTEE'S DUTIES

The vast range of its duties makes this one of the Common Assembly's major Committees and it is difficult to compare its areas of responsibility with one or more current Committees. Its name is a reference to three chapters of the ECSC Treaty: Chapter II 'Financial Provisions', Chapter III 'Investment and Financial Aid' and Chapter IV 'Production'; together those Chapters cover Articles 49 to 59.

Under the Second Chapter of the Treaty the funds of the High Authority, (more accurately 'the Community') are levies on production, loans and gifts (Article 49). The levies are assessed on the various products at a rate not normally exceeding one per cent[10], and are to cover the functioning of the Community and its ordinary operations (Article 50). The funds obtained by borrowing on the financial markets are to be used exclusively to grant loans to undertakings (Article 51).

Chapter III governs action by the High Authority in the coal and steel sector. The action relates essentially to the industrial development of the sector, technological development and ensuing conversion. The provisions laying down the principles for such action are as follows:

> *The High Authority may facilitate the carrying out of investment programmes by granting loans to undertakings or by guaranteeing other loans which they may contract (first paragraph of Article 54)*
>
> *With the unanimous assent of the Council, the High Authority may by the same means assist the financing of works and installations which contribute directly and primarily to increasing the production, reducing the production costs or facilitating the marketing of products within its jurisdiction (second paragraph of Article 54).*
>
> *The High Authority shall promote technical and economic research relating to the production and increased use of coal and steel and to occupational safety in the coal and steel industries. […] (Article 55(1))*[11]
>
> *If the introduction, within the framework of the general objectives of the High Authority, of new technical processes or equipment should lead to an exceptionally large reduction in labour requirements in the coal or the steel industry, making it particularly difficult in one or more areas to re-employ redundant workers, the High Authority […]*

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8 Annex II.

9 Annex III.

10 The levies on production were established progressively and went from 0.3% in January 1953 to 0.9% in July of that year. The levy was intended to cover the administrative expenses of the first few months of the ECSC's activity and payment of advances made by the States to establish that activity; any excess was to go into a guarantee fund to enable the ECSC to raise loans (Speech by François de Menthon - AC Comptes-rendus in extenso des séances - séance du 20 juin 1953, p. 155-156). The higher level was criticised in Committee by Hermann Pünder, reflecting the complaints of German industry, who asked the High Authority for the reasons for the levy. The High Authority replied to the effect that given the current circumstances, only administrative expenses were predictable and gave no account of other criteria (minutes of the afternoon meeting of 16 June 1953, p. 3-4).

11 It should be noted that the reference here is not to scientific research but to technical (and economic) research, in other words production processes, also that the view of the development of the coal and steel sector was rooted predominantly in industry.

*b) may facilitate, […] either in the industries within its jurisdiction or […] in any other industry, the financing of such programmes […] for the creation of new and economically sound activities capable of reabsorbing the redundant workers into productive employment;*

*c) shall provide non-repayable aid towards:*

*- the payment of tideover allowances to workers;*

*- the payment of resettlement allowances to workers;*

*- the financing of vocational retraining for workers having to change their employment. […] (Article 56).*

Chapter IV of the ECSC Treaty confers a monitoring role on the Community in the field of production and rebalancing of demand and supply, essentially through indirect instruments such as cooperation with governments to regulate consumption and intervention in regard to prices and commercial policy as provided for in the Treaty (Article 57). Where decline in demand is concerned, express provision is made for a quota system to be used (Article 58), whereas conversely, namely in the event of a shortage of certain coal and steel products, the Treaty provides for the establishment of consumption priorities and the determination of allocation of production to the Member States and the imposition of manufacturing programmes on undertakings (Article 59).

## 3. THE STRUCTURE OF ECSC INVESTMENT POLICY

Jean Monnet, the first President of the High Authority, presented a detailed introductory report[12] to the Committee meeting of 5 May 1953 describing the less than rosy situation in the sector and the measures the High Authority intended to take to tackle it.

Domestic production could not keep pace with the increased consumption of both coal (which at the time was the most important source of energy) and steel, an essential material in the manufacture of durable capital goods, then a growing sector[13], making it necessary to import large amounts of coal from the United States; between 1946 and 1952 those imports amounted to 96 million tonnes and added some two billion dollars to balance of payments of the Six. The situation for steel was different, with exports from the Six of 33 million tonnes between 1949 and 1952 with a value of three billion European UA. These exports were essential to the European economy and had to be maintained and developed by making the Community steel industry more competitive.

In point of fact the European steel industry had lost market share in the previous forty years compared to the United States and the Soviet Union: in 1913 the amount of steel produced by the Six was slightly less than that of the USA and six times more than that of the USSR whereas in 1952 production by the Six was half that of the USA and only slightly greater than that of the Soviet Union[14].

The basic objective over the next four or five years was to put European industry in a position whereby it could satisfy internal consumption by developing productivity, and to do so against a background where internal credit offered scant encouragement either to continuity of funding or cost of funding, a factor which impacts negatively on prices. Despite the circumstances, a High Authority survey showed that investments in undertakings amounted at the time to five billion dollars, two billion of which had

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12 Annex to the analytical report of 5 May 1953.

13 The High Authority forecasts an increase in coal consumption over the five following years from 260 million tonnes in 1952 to 280 tonnes and for steel from 42 million tonnes to 50 tonnes in the same period.

14 According to the data supplied by Mr Monnet, in 1913 the Six had produced 25.2 million tonnes of steel, the United States 31.8 tonnes and what was then Russia 4.4 tonnes; in 1952 the Six produced 41.8 tonnes, the United States 83.2 tonnes (despite hard-hitting strikes) and the USSR 34.5 tonnes, not counting production in the satellite States.

already been spent; this meant that the production objectives given by Monnet would be able to be exceeded in 1956, ahead of schedule. The Investment Committee called the accuracy of those data into question during meetings in May and June 1953[15] and in the report presented to the Chamber[16].

According to Mr Monnet's statements, the Community intended to pursue these objectives while avoiding authoritarian dirigisme. The President of the High Authority was in fact of the view that the identification of projects in which to invest should be left to the initiative of individual undertakings. Against that background investments eligible for Community subsidies would be selected solely on the criterion of the general objective laid down by the Treaty, namely to: progressively bring about conditions which will of themselves ensure the most rational distribution of production at the highest possible level of productivity[17]. The Committee on investments expressed reservations on this 'managed economy' approach, as it terms it in the report[18], both on the principle per se and the likelihood of being able to monitor it in subsidised undertakings. As to the principle, the objection raised with the High Authority was that the Treaty provided for a consultative procedure on all investments by undertakings[19]; Paul Kapteyn[20], supported by Pieter Blaisse[21]and Maurice Faure[22], countered that objection, expressing the view that the High Authority did not have the power to control the approach to self-funding followed by undertakings, but could intervene only when investments received public monies in contravention of the Treaty. The discussion of the principle and the powers of the High Authority vis-à-vis self-funding undertakings did not, however, weaken the reservations expressed regarding the High Authority's approach to the subsidised undertakings:

*The managed economy system which, it would appear, is the system preferred by the High Authority, can clearly be reconciled with the process of identifying general objectives, but it is not clear how it could be tailored to financing investments and distributing them among undertakings*[23].

Another objective referred to by Mr Monnet relates more specifically to the powers of the Committee on Social Affairs: the construction of accommodation for workers in the coal and steel sector[24]. This was

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15 Minutes of 5 May, 15 June and 16 June (both the morning and afternoon sittings).

16 INVE 1.

17 Annexed to the analytical report of 5 May 1953, p. 14. This is a quotation of Article 2 of the Treaty. Jean Maroger levies a criticism at the principle set out therein in a note of 27 May 1953 (AC 198 - CARDOC AC AP PV/INVE.1953 INVE-19530505 0020), which was reiterated in his speech in the Chamber (AC Compte rendus in extenso des séances - séance du 20 juin 1953, p. 167-168). In a repeat of the criticisms made by the French Republican Council of the provision cited in the text, he asked what was meant by most rational distribution, since although it was easy enough to identify irrational outlay merely on the basis of cost analysis, it was more difficult to identify more rational outlay. In that regard Mr Maroger alluded to national interest although he made no express reference to it, by dint of which the Member States were unable to agree to the removal of other Member States' less rational outlays. To his mind, the social and political circumstances, economic equilibrium and harmony between the Member States were as valid as costs of production when assessing the rational nature of the distribution of resources.

18 INVE 1.

19 Speech by Mr de Menthon - AC Compte rendus in extenso des séances - séance du 20 juin 1953, p. 160. The legal basis of the position taken by the rapporteur was Article 54 of the Treaty, which reads as follows: In order to encourage coordinated development of investment, the High Authority may, in accordance with Article 47, require undertakings to inform it of individual programmes in advance, either by a special request addressed to the undertaking concerned or by a decision stating what kind and scale of programme must be communicated. The following paragraph provides for the opinion referred to by Mr de Menthon in his speech.

20 AC Compte rendus in extenso des séances - séance du 20 juin 1953, p. 161-162. The speaker based his reply on the fifth paragraph of Article 54 which reads as follows: If the High Authority finds that the financing of a programme or the operation of the installations therein planned would involve subsidies, aids, protection or discrimination contrary to this Treaty, the adverse opinion delivered by it on these grounds shall have the force of a decision within the meaning of Article 14 and the effect of prohibiting the undertaking concerned from drawing on resources other than its own funds to carry out the programme.

21 AC Compte rendus in extenso des séances - séance du 20 juin 1953, p. 170-173.

22 AC Compte rendus in extenso des séances - séance du 20 juin 1953, p. 173-175.

23 INVE 1, p.12.

24 On this specific matter see Chapter IV, par. 5 for details.

a measure requiring extensive investment as about 20% of workers in the sector, some 350 000 people, were living in inadequate housing. At the meeting of 5 May 1953, the Chairman of the Committee on Investments, Mr Togni, underlined the political importance also inherent in the measure as a means of countering anti-Community policy in some countries[25]. This was noted particularly forcefully in the Chamber by E.M.J.A. Sassen[26].

## 4. FIRST STEPS IN INVESTMENT POLICY

Investment policy was the central topic for the Committee, which followed developments in it closely: the Committee wanted to know what the criteria were for intervention[27] and reservations were expressed as to the fund's approach. In that regard Léon Daum, a member of the High Authority, released a statement to a meeting of the Committee of 14 December 1953. It is not on file at the European Parliament archives[28] but it would appear from the ensuing report[29] and the minutes of the sitting, which exceptionally was held in extenso, that Mr Daum confirmed the general outlines given by Monnet in May, namely he supported a dirigiste approach, and presented the general objectives as if they were a reference guide for independent choices made by businesses. Financial intervention was viewed as a means of support which compensated for the difficulties in finding resources on financial markets for investment programmes which fell within the scope of the general objectives.

The Committee's reservations concerned the alleged inadequacy of the High Authority's approach to the objectives proposed by that Authority. The Daum statement quoted by the report heralded rationalisation and modernisation of the steel industry and apparently would require more direct intervention on investment[30]. On these matters the Committee was split into two camps, one of which feared an over-liberal approach while the other feared an over-dirigiste approach; the division between the two camps did not always coincide with the divisions between parliamentary groups which might have been expected in view of their ideologies.

The Committee's report should have taken precedence but in fact was interwoven with a debate in the Chamber on investment policy during which Mr Monnet set out the High Authority's essential vision for investment policy:

> *Firstly, the High Authority plans to contribute to the development and improvement of the production of raw materials required by the steel industry and European industrial production.*
>
> *To be specific, the projects in respect of which the High Authority would like first to be able to facilitate achievements in coal production and increased yield, the construction of pithead power stations, modernisation and expansion of coke-oven plants, extraction and processing of ferrous minerals.*

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25 Report on the meeting of 5 May 1953, p. 10.

26 AC Comptes-rendus in extenso des séances - séance du 20 juin 1953, p. 176-177

27 On 1 October 1953 they formally accepted the loan and guarantee interventions provided for in Article 54 of the Treaty as set out in High Authority Decision 38/53 of 1 July 1953 (OJEC 21.7.53, p. 154).

28 The statement, referred to as an exposé in the Comptes-rendus in extenso des séances – séance du 14 décembre 1953, was apparently attached to it, but is not there.

29 INVE 2.

30 INVE 2, p. 10.

*The construction of workers' accommodation is an essential aspect of this first stage. The steel industry itself will gain directly from this effort […]*[31].

There ensued a lively debate in the Chamber which brought various issues and views to the fore, although among the widespread request for more and better information at the heart of Mr de Menthon's speech[32], Mr Kapteyn levelled biting criticism at dirigiste ideas[33] and Mr Maroger called on the High Authority not to confine itself solely to the type of investment provided for in the first paragraph of Article 54 of the Treaty, but to venture into the type of investment set out in the second paragraph of that Article, and to carry out works in the general interest[34].

## 5. GENERAL OBJECTIVES

The debate described in the previous paragraph opened the way for positions to be taken on the issue of the general objectives, a debate which dragged on for almost the entire Parliamentary term. The debate concluded with a resolution setting out three principles:

- *the first objective must be to reduce production costs and to improve employment and living and working conditions;*
- *coal-mining must be increased with a view to achieving an annual production in 1957 of fifteen million tonnes of coke;*
- *a significant proportion of the first type of investment must be allocated to accommodation for workers*[35].

In the light of those principles the general objectives should, in the view of the Common Assembly, provide for the gradual development of production and investment in third countries with whose governments negotiations have been concluded on the coordination of investment policy, information on production and investment by categories of product and criteria for restructuring undertakings having regard to social factors[36].

The importance of reducing production costs as an objective of investment policy was confirmed in the Second General Report on the activities of the Community (13 April 1953-11 April 1954), to which one of the Committee's reports is devoted[37].

As of 1951 the gradual growth in the demand for coal and steel shifted the focus away from increasing production and towards reducing production costs. The investments targeting that objective were

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31 AC Comptes-rendus in extenso des séances - séance du 14 janvier 1954, p. 8. Mr Monnet combined the statement on investment policy with considerations on the European approach to production problems which were worth restating here: Such development and modernisation may lead to a gradual replacing of production methods which are a burden on the Community with methods which are more economical. This is an essential prerequisite for raising the standard of living. However, in order for these results to be achievable, there is one decisive hurdle to overcome. The factor which has often slowed progress down in our European countries is the concern to maintain even outdated production methods in the fear that the workforce employed in those industries may otherwise lose their jobs. Maintaining these methods puts the brakes on both drops in production costs and rises in wages. Nothing is more important for the future of the European economy than to overcome this contradiction between the concern for stability and the requirements of progress […] (Ibid., p.9).

32 Ibid., p.51-58.

33 Ibid., p.67-70.

34 Ibid., p.73-76. In relation to the two types of investment referred to by Mr Maroger see Section 2 of this Chapter. Where works in the general interest are concerned, Mr Maroger was particularly insistent on the canalisation of the Moselle.

35 CA Resolution of 16 January 1954 on 'la politique de la Haute Autorité en matière d'investissements' in OJEC of 12.3.1954, p. 242-244.

36 Ibid., p.101-103.

37 INVE 3

massive and the report, adopting one of Mr Pohle's[38] ideas, suggested stimulating demand on the part of major consumers of steel[39], a proposal which sounds in effect like a call for a policy of general economic growth. The Committee's report confirmed the requests made in the Resolution of 16 January while restating the importance of constructing workers' accommodation, a project to which a considerable share of the first type of investments would be allocated. Next in the list of priorities was the task of reducing costs of production and, therefore, building and modernising power stations, iron works and coke-oven plants. It was recommended that one criterion for the grant of loans and guarantees should be to give priority to projects which could be completed within a short space of time[40]. The Resolution approved by the Assembly on 19 May 1954[41] confirmed the position taken in the report and placed special emphasis on economic growth.

A discussion with the High Authority was instigated by the Committee at its meeting of 23 June 1955 with a view to the publication of a memorandum, an event which would occur over a year later on 19 July 1955. The essential criticisms of the document which was presented to the Committee related to the lack of references to social objectives and the extreme caution in which the general objectives were shrouded, so much so that the Committee called into question whether the document could be deemed to fulfil the definition provided in the Treaty for general objectives, which had to be binding on the Community and undertakings. On both matters the High Authority, represented in Committee by Vice-President Albert Coppé, replied that the caution was rendered necessary by the competing demands of not delaying the publication of the general objectives for any longer and allowing further studies and closer examination to be carried out, especially with regard to social objectives which were highly dependent on the social consequences of the general objectives relating to the economy, a matter which was the subject of study at the time.

On 24 June 1955 in a Resolution with broader scope[42] the Assembly called on the High Authority to consider economic and social aspects and in particular the consequences of development in production and technological changes on workers' employment, working and living conditions. The Resolution also called on the High Authority to carry out an additional study on coal production and processing, the procurement of ferrous minerals, the distribution of investment in the various areas of the steel industry and the means of reducing production costs. Closely linked to the definition of the general objectives was the call in the same Resolution to the governments and the High Authority to develop mutual cooperation in respect of economic growth, and fiscal, social and energy policy, emphasising that such cooperation was crucial in order for the High Authority to be able to discharge its duties[43].

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38 Speech by Mr Pohle, 27 March 1954, p. 32-33.

39 INVE 3, p. 38.

40 INVE 3, p. 38

41 CA Resolution of 19 May 1954 on '1. au Rapport général sur l'activité de la Communauté pendant l'exercice 1953-1954; 2. au Rapport sur les dépenses administratives de la Communauté durant l'exercice 1953-1954; 3 l'État prévisionnel général pour l'exercice 1954-1955' in OJEC of 9.6.54, p.413-416. We refer here to points 39-46 of paragraph G 'Dans le domaine des investissements'.

42 CA Resolution of 24 June 1955 on 'l'ensemble des problèmes de la compétence de la commission des investissements' in OJEC of 23.7.55, p. 848-850

43 Ibid.. It also recalls the resolution tabled by Mr Poher on economic growth on which the vote took place on the same day. The resolution seeks to regulate and influence consumption, particularly consumption by public services and to that end it asks the Council of Ministers to encourage a joint study by governments and the High Authority of State policies on growth and the economic situation. CA Resolution of 24 June 1955 addressed to the Special Council of Ministers on 'la politique générale d'expansion et à l'évolution de la conjoncture' in OJEC of 23.7.55, p. 846. For the motion for a resolution see also the de Menthon report INVE 7.

The general objectives re-emerged as an issue in 1956 when a Committee report[44], noting the continued absence of the general objectives, as understood by the Committee, sought to fill the gap by setting out the options which, in its view, should constitute the foundations of a long-term coal and steel policy. To that end the report precludes the possibility of precise objectives being laid down by Treaty and maintains the need to maximise production of steel at the lowest possible prices. On coal, the report takes the view that it is impossible to separate coal policy from policy on other sources of energy.

In the final quarter of 1956 the discussion within the Committee was based on a memorandum from the High Authority reviewing the general objectives of 1955. The Committee's view remained one of criticism and that criticism extended to the composition of the Committee of Experts set up by the High Authority: its independence from industrial environments[45] was discussed. On the substance of the general objectives the report[46] recognised improvement in their definition while noting the on-going difficulty in getting the governments of the Six to draw up economic objectives on which the 'general' objectives of the ECSC were supposed to be drawn up; this forced economic forecasts to be made within the High Authority, which made the general objectives themselves vague. The nub of the criticism is summarised in this passage of the report:

> *The aim of the general objectives is to 'clarify and facilitate action' on the part of undertakings by supplying them with assessment criteria […] However, to a certain extent, undertakings are not required to regard themselves bound by the definition in the general objectives, a definition which should act as the framework within which the undertakings approach their activities*[47].

The motion for a resolution ultimately submitted[48] by the Committee confirmed this attitude and expressed regret at the lack of sufficient progress in harmonising the common policy of the member countries and the absence of cooperation between the High Authority and the national governments in laying the foundations of a general energy policy. These shortcomings invalidated the general objectives but did not release the High Authority from the requirement to lay down guidelines for a coal and steel policy[49].

A few months after that stance was adopted the Committee noted with satisfaction that the governments of the Six had asked the High Authority for full proposals for an energy policy[50].

## 6. FINANCIAL RESOURCES FOR THE INVESTMENT POLICY

One of the basic issues at the launch of the investment policy and in the activities of the ECSC more generally was funding. We have already seen how the principal financial resources provided for under the Treaty were levies, specifically levies on loans and guarantees granted, and loans available through government and financial institutions, whether inside or outside the Community[51].

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44 INVE 8. Another report is linked to this one, namely INVE 9, which gives a detailed analysis of the powers of the High Authority in the field of private investment and the way in which those powers are used. The report clearly demonstrates the uncertainties which less than four years after the beginning of the ECSC's activities, reigned over the interpretation of some rules of the Treaty. Nevertheless, the Committee takes a stern view of the work done by the High Authority: in particular it admonishes it for an over-restrictive interpretation of its powers to direct private investment.

45 Record of 11 December 1956, p.5 (observation by Mr de Menthon), restated in INVE 11, p. 8.

46 INVE 11.

47 INVE 11, p.13.

48 INVE 12.

49 CA Resolution of 15 February 1957 on 'les objectifs généraux' in OJEC of 11.3.57, p. 106-107.

50 INVE 13.

51 See the second section of this Chapter.

In a fairly difficult situation for European capital markets where high taxes were a feature everywhere but in the Netherlands, the High Authority assessed the borrowing requirement at 1 750 million European UA[52] and decided to allocate a significant proportion of the levies, only one fifth of which was allocated to administrative expenditure, to establishing an equity base to raise loans[53]. From the very beginning the search for funding was directed at the United States and Switzerland[54]. Rumours and fears grew up around the conditions on a loan from the United States: in particular a rumour spread of opposition in American coal and steel circles to funding a system of aid to a competitor; another rumour was that the loan contract included terms of use. Daum refuted these rumours and stressed that the loan would be raised against High Authority credit, not against a programme[55].

The loan from the American government, from Eximbank to be more precise, was finally agreed on 23 April 1954 in the amount of one hundred million dollars repayable over 25 years starting in the third year at a fixed rate of 3.875%[56].

In its Resolution on the High Authority's second report, the Assembly expressed its satisfaction at the conclusion of the agreement, which:

*a). proves that a European supranational organisation encourages the move from away from aid*[57] *towards normal economic relations,*

*b). confirms the credit enjoyed by the Community,*

*c). marks a first stage in the common quest for new means by which, with the assistance of the American Government, the raising of private capital may be developed in the United States,*

*d). also makes the European capital market more flexible*[58].

This enthusiastic stance followed Mr Monnet's statements to the Investment Committee at the meeting of 29 April 1954[59] on his trip to the United States to negotiate the loan and came after the statements made to the joint meeting with the Social Affairs Committee on 12 May 1954[60].

## 7. MANAGEMENT OF THE LOAN

The Committee on Investments monitored use of the loan closely. At its meeting of 30 June 1954, two High Authority documents formed the basis of an in-depth study of financial management by the Executive, the destination of the loan and the terms of the funding. One quarter of the one hundred million-dollar loan was allocated for the construction of workers' accommodation.

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52 This is the European Payments Union unit of account which was introduced on 19 September 1950 into 17 European States (including the Six) to facilitate financial transactions between them. One unit of account was equal to 0.88867088 grammes of fine gold.

53 INVE 2, p. 16-17.

54 INVE 2, p. 18.

55 INVE 2, p. 19.

56 INVE 3, p. 40.

57 A reference to the Marshall Plan.

58 CA Resolution of 19 May 1954 cit., point 45, p.416. The excerpt reproduced above is a quotation from a joint declaration of the two parties to the loan contract expressing their joint intention to raise American private capital.

59 The Monnet statement is on pp. 9-11.

60 The contract was at the heart of the discussions of the joint meeting of the Investment and Social Affairs Committees of 12 May 1954 during which a number of political, economic and technical issues were raised. The main political issue concerned the press communiqué on the contract which refers to the negotiations under way between the United States and a number of governments of the Six on the removal of restrictions on American coal imports. The most important economic issues concerned the possibility of principle of non-discrimination against suppliers of equipment and the powers of the creditor to intervene in the funding choices made by the High Authority.

The Official Journal of 31 July 1954 contained a guide to the submission of applications for financial aid which led to lively protest in Committee; as a result the High Authority document includes provisions which were not the subject of discussion on 30 June but which the Committee considered it essential to hear. Despite its sanitised style, the record for 4 October 1954, the first sitting since 31 July, reveals that there were tensions, as highlighted by a number of references to the report for of 30 June 1954 which could easily be construed as born of irritation.

The management of the loan, insofar as what was done and the problems arising, were calmly tackled in the report on that very issue which was submitted in spring 1955[61]. At the time it was drafted delays were being experienced in allocating the funding for workers' accommodation; because of the prudence exercised by the High Authority in allocating loans for an activity whose proceeds, namely rent, were not dependent on currency fluctuations, thereby removing the exchange-rate risk to which the Community was exposed, that funding should have been twenty-five million dollars. Later, in May 1955, the High Authority announced that it had abandoned these investments and increased investments in industry accordingly[62]. Nonetheless, the matter was again the subject of consideration and in June a number of projects to construct workers' accommodation received funding or were in the process of receiving funding in four Member States[63].

Investments in industry at the end of 1954 amounted to over 59 million USD, compared to applications for funds totalling 144 million USD which were received in respect of 84 projects. The funding was allocated as follows: 23 million USD to coal mines, just under 27 million USD to power stations and just under 9 million USD to iron mining, to which another 6.2 million USD were allocated in 1955; of the latter sum, 4.1 million USD went to Italian mines and 2.1 million USD to German mines.

The report expressed satisfaction at the approaches taken which, as a result of discussions in Committee, aimed to focus funding on projects which made reductions in costs possible. Nonetheless, the Committee expressed criticism of the delays in drafting the general objectives and at the same time referred to the stance of those on the Committee who, firstly, maintained that it was not possible to formulate a coal policy in isolation from policy on other energy sources and secondly, advocated extending the competence of the ECSC to hydrocarbons and nuclear energy.

Where finance is concerned, the report tackled the delicate issue of the Guarantee Fund which the High Authority was able to feed either through levies or through the guarantees which it sought in turn from its debtors, namely the undertakings in receipt of Community loans. The High Authority had two possible formulas available to it which could govern the relationship between the guarantee fund and financial commitments: to maintain the guarantee fund at a level equal to two annual instalments of the loan then in place or to underwrite financial commitments amounting to five or six times the sum in the fund. On 30 June 1955, the end of the financial year, the guarantee fund amounted to 65 million USD, equal to ten annual instalments of the loan then in place, which made financial commitments in an amount totalling half a billion USD possible. The report notes that this level would justify a reduction in the levy and raises the question whether the guarantee fund should at least in part be converted into dollars.

The High Authority took up the Committee's suggestion and reduced the levy from its 1 July 1953 level of at 0.9%, to 0.7% on 1 July 1955, and to 0.45% on 1 January 1956. Although de Menthon welcomed the

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61 INVE 4.

62 Information on the abandonment of investment in accommodation and on the incorporation of the monies into industrial investment in the first four months of 1955 is dealt with in Mr de Menthon's speech, which presented his report to the Assembly. CA Comptes-rendus in extenso des séances - séance du 11 mai 1955, p. 349

63 Speech by Mr de Menthon. CA Comptes-rendus in extenso des séances - séance du 22 juin 1955, p. 526. In addition to the funds referred to by Mr de Menthon there are others amounting to over 17 million USD; for France and Italy the High Authority entered into agreements with bodies specialising in the direct granting of subsidised loans (INVE 9).

first cut, he thought the second excessive on three grounds, namely because of the economic situation, because it reduced the reserves and finally because it reduced the opportunities for social intervention[64].

In the resolution which concluded the debate in the Chamber the Assembly advocated an investment policy which would result in better coordination of investments, it also sought regular publication of documents on the matter and stressed the importance of the role of technical research in reducing costs. In particular, where the construction of accommodation for workers was concerned, it called for a study to be carried out on the possibility of employing resources raised through levies to offer discounts on interest[65].

In 1956, when adopting a position on the General Report, the Committee noted that further loans had been agreed for 62 million USD and that the High Authority was in a position to directly lend its own accumulated resources at especially low rates[66]. The ensuing Assembly Resolution noted that the credit enjoyed by the ECSC allowed the High Authority to take out new loans and called on it to do so[67].

Indeed, seven further loans would follow, in Switzerland and the United States. A report from 1957[68] provides some information in that regard: of the eight loans taken out in the ECSC's first five years of activity, two were bond loans, one of which was taken out in 1957 for thirty-five million dollars on the American market. In total the ECSC's financial commitments in 1957 amounted to 164 million USD. In the resolution concluding the debate on this report[69] the call to enter into new loans on third markets was renewed and use of the capital markets within the Community, which offered good rates, was advocated.

## 8. ENERGY POLICY

A Community whose areas of responsibility included coal, which at the start of the second half of the last century was still one of the main sources of energy, would sooner or later have to tackle the issue of energy policy as a whole. The Common Assembly had always been aware of this, as is clear from some of the speeches dating back to the inaugural sittings.

The issue came right to the fore in the Resolution of 15 February 1957 on the general objectives[70]. It was followed on 8 October the same year by a Protocole sur les moyens d'assurer une politique coordonnée dans le domaine de l'énergie [Protocol on the means of providing a coordinated policy in the field of energy][71], by which the Council of Ministers conferred the High Authority with its own genuine power of initiative on the matter.

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64 CA Comptes-rendus in extenso des séances - séance du 11 mai 1955, p. 350-352

65 CA Resolution of 24 June 1955 on 'l'ensemble des problèmes de la compétence de la commission des investissements' cit. p. 848-850.

66 INVE 9.

67 CA Resolution of 22 June 1956 on 'la politique financière et d'investissement de la Communauté ainsi qu'aux objectifs généraux et à la politique à long terme' in OJEC of 19.7.56, p. 232-237. The motion for a resolution is set out in INVE 10.

68 INVE 13.

69 CA Resolution of 28 June 1957 on 'aux problèmes des investissements et du développement de la production à la politique à long terme' in OJEC of 19.7.57, p. 310-311. The motion for a resolution is set out in INVE 16.

70 Cf Section 5 of this Chapter.

71 This Protocol between the Council and the High Authority was entered into following an invitation by the Ministers for Foreign Affairs of the Six on the occasion of the signature of the Treaty of Rome on 25 March 1957. The Protocol was published in the OJEC of 7.12.57.

The Committee on Investments devoted the final pages of its last report[72] on the issue of energy as a whole to this matter: while welcoming it, it also criticised the document's failure to refer to the link between long-term and short-term policy and the problem of coal stockpiling. By contrast, the report glossed over the issue of coordination between the ECSC energy policy required under the Protocol and the policies of the new communities, namely the EEC and Euratom, which had recently come into being.

The Committee's report was essentially given over to analysing a document from a Committee of experts establishing the Community's energy balance for the five-year period 1950-55, and another report from a committee of 'three wise men' on the nuclear energy balance. At heart the report is a presentation of the two documents with comments but gives no indication of any approach to energy policy on the part of the Assembly.

The energy balance as summarised in the report shows an increase of 40% in the total energy supply with a change in sources: the share of coal fell by 10% (from 72.5% to 62.5%), while the share of oil rose from 13% to 23%. The energy costs of this change in the composition of sources, in other words the energy used to make the move from primary to secondary energy, and exports (10%) meant that final consumption for 1955 stood at 70% of total supply. These data reflect very different energy behaviours in the six member countries, all of which, however, show the same trends.

The forecasts were for an increase of 41.3% in requirements for the decade 1955-65 and an increase of 83% for the subsequent decade. Even given the fact that these forecasts were not always made using precise data and the data used were sometimes not comparable, the emerging general picture confirmed the feeling of the Committee on Investments that requirements would increase sharply for the twenty-year period 1955-75 both for coal and oil, as well as nuclear energy, where the potential for increased use was greatest.

The energy question was linked to the price of coal, in other words the energy source specifically within the ECSC remit. The issue was tackled substantively in one of the Investment Committee's last reports[73], which amounts to an inventory of the pricing systems of the six Member States and is of considerable interest for historians of the economy. These are systems which rule out free price determination, are affected by the various burdens which hang over the coal industry, restricting its development, compromising returns on investments in the sector and making competition with third countries difficult for industries which use coal, especially the steel industry. In view of those considerations a resolution called on the High Authority to study the burdens on the coal industry, the break-down of production costs and price determination[74].

## 9. REGIONAL ISSUES

The Committee on Investments also made two visits to study the circumstances of the coal and steel sector in two areas of the Community: Italy[75], a country outside the coal and steel heart of the ECSC without major natural resources, and the outer regions of Germany[76], mainly the areas bordering the

[72] INVE 17.

[73] INVE 15.

[74] CA Resolution of 27 June 1957 on 'le problème des prix du charbon' in OJEC of 19.7.57, p. 303-308. The motion for a resolution is set out in INVE 15.

[75] INVE 5.

[76] INVE 14.

DDR. The two reports were wide-ranging and detailed and are useful for anyone studying economic history.

The study visit to Italy centred on three steel plants: Cogne, Acciaierie Fiat [Fiat Steelworks] and Ilva di Bagnoli, and the coal deposits at Sulcis, which are the subject of half the report. The report dwells on Italy's inability to cover its own requirement for both steel and coal, backwardness in the sector, including technological backwardness (low productivity of plants), internal development efforts and the difficult Italian economic situation which was responsible for lay-offs in the steel sector of around 16% of the work force between 1953 and 1954. Attached to the report is a motion for a resolution on coal in the Sulcis coalfield, which was incorporated into the broader resolution of 24 June[77], the last paragraph of which asks the High Authority to study the exploitation of the coal from Sulcis, particularly in the chemicals sector, and to examine how the economic development of Sardinia can be encouraged to provide a market for Sulcis coal.

The report on the German border regions which was based on a visit to seven undertakings in Lower Saxony and Bavaria, illustrates the problems caused by the separation of Germany; as a result of the separation, undertakings which found themselves on the border were cut off from their traditional suppliers and customers, forcing them to spend more on transport and to look for new commercial outlets. The situation was compounded by the burden of refugees from east Germany; they numbered twelve million in all, were a heavy drain on the border areas and had difficulty finding work. Efforts at technological innovations went some way to removing those problems or was removing them. An Assembly resolution calls on the High Authority to have regard to the report[78].

## 10. CONCLUSIONS

The Committee on Investments was in all likelihood a difficult committee for the High Authority, which apparently found it to be a source of protest if the minutes and records are anything to go by. Even the reports, which express the view of the majority, are often out of kilter with the executive. This attitude is a forerunner of the relationships the European Parliament was only to experience decades later with the expansion of powers of control and censure. The criticisms of the High Authority are much more strident than could have expected of the bodies of an Assembly which is fairly weak compared to the executive. In the management of loans the Committee on investments also demanded a monitoring role far beyond the powers conferred on the Common Assembly under the ECSC Treaty, which were confined to the General Report.

The 'modern nature' of the relations between the institutions is accompanied by some strong ideas which were ahead of their time. Firstly we should note the awareness of the crucial role played by energy policy in European integration: starting with powers over an energy source such as coal, then the principal energy source, albeit in decline. In this it was ahead not only of the Treaties of Rome but also was the forerunner to the approaches the European Parliament would take in subsequent decades.

Secondly another sound, pioneering idea was the focus on technical research, which today we would term 'technological development', as the driver of competitiveness not only between undertakings but between industrial systems: the Committee on investments looked to compete with the USA. Against that

[77] CA Resolution of 24 June 1955 on 'l'ensemble des problèmes de la compétence de la commission des investissements' in OJEC of 23.7.55, p. 848-850

[78] CA Resolution of 28 June 1955 on 'problèmes des investissements et du développement de la production à long terme' in OJEC of 19.7.57, p. 310-311.

background the objective of reducing costs of production which was strongly backed by the Committee is yet another point on which the Committee was a pioneer.

## ANNEX I – COMPOSITION OF THE COMMITTEE ON INVESTMENTS

| *12 January 1953* | *10 May 1954* | *22 November 1955* | *27 November 1956* | *6 November 1957* |
|---|---|---|---|---|
| Blaisse Pieter (NL, DC) | Blaisse Pieter (NL, DC) | Blaisse Pieter (NL, DC) | Blaisse Pieter (NL, DC) | Blaisse Pieter (NL, DC) |
| Carcassonne Roger (FR, Soc) | Carcassonne Roger (FR, Soc) | **Vanrullen Emile (FR, Soc)** | Vanrullen Emile (FR, Soc) | Vanrullen Emile (FR, Soc) |
| Fohrmann Jean (LU Soc) | Fohrmann Jean (LU, Soc) | Fohrmann Jean (LU, Soc) | Fohrmann Jean (LU, Soc) | Fohrmann Jean (LU, Soc) |
| Giovannini Alberto (IT, Lib.) | **Selvaggi Vincenzo (IT, DC)** | **Cavalli Antonio (IT, DC),** **Battista Emilio (IT, DC) from 23.11.55** | Battista Emilio (IT, DC) | Battista Emilio (IT, DC) |
| Henle Günter (DE, DC), **Pohle Wolfgang (DE, DC) from 14.1.54** | Pohle Wolfgang (DE, DC) | Pohle Wolfgang (DE, DC) | Pohle Wolfgang (DE, DC) | **Birrenbach Kurt (DE, DC)** |
| Imig Heinrich (DE, Soc), **Deist Heinric (DE, Soc) from 14.1.54** | Deist Heinric (DE, Soc) | Deist Heinric (DE, Soc) | Deist Heinric (DE, Soc) | Deist Heinric (DE, Soc) |
| Kapteyn Paul (NL, Soc) | Kapteyn Paul (NL, Soc) | Kapteyn Paul (NL, Soc) | Kapteyn Paul (NL, Soc) | Kapteyn Paul (NL, Soc) |
| Laffargue Georges (FR, Lib) | Laffargue Georges (FR, Lib) | **Grimaud Maurice (FR, Lib),** **Coulon Pierre (FR, Lib) 14.3.56** | Coulon Pierre (FR, Lib) | **Laffargue George (FR, Lib)** |
| Loesch Fernand (LU, DC), **Margue Nicolas (LU, DC) from 14.1.54** | Margue Nicolas (LU, DC), **Loesch Fernand (LU, DC) from 6 May 1955** | Loesch Fernand (LU, DC) | Loesch Fernand (LU, DC) | Loesch Fernand (LU, DC) |
| Maroger Jean (FR, Lib) | Maroger Jean (FR, Lib) | Maroger Jean (FR, Lib), **Armengaud André (FR, Lib) from 19.6.56** | Armengaud André (FR, Lib) | Armengaud André (FR, Lib) |
| Mayer René (FR, Soc), **Faure Maurice (FR, Lib.) from 11.3.53,** **Billotte Pierre (FR, Lib.) from 14.1.54** | Billotte Pierre (FR, Lib.), **Cochart Napoléon (FR, Lib) from 29.11.54** | Cochart Napoléon (FR, Lib), **Mutter André (FR, Lib) from 14.3.56** | Mutter André (FR, Lib) | Mutter André (FR, Lib) |
| de Menthon François (FR, DC) | de Menthon François (FR, DC) | de Menthon François (FR, DC) | de Menthon François (FR, DC) | de Menthon François (FR, DC) |
| Motz Roger (BE, Lib) | Motz Roger (BE, Lib) | Motz Roger (BE, Lib) | **not appointed** | **Cavalli Antonio (IT, DC)** |
| Parri Ferruccio (IT, NI) | **Schiavi Alessandro (IT, Soc)** | **not appointed** | **Amadeo Ezio (IT, Soc)** | Amadeo Ezio (IT, Soc) |
| Preusker Victor-Emanuel (DE, Lib) | Preusker Victor-Emanuel (DE, Lib), **Eckhardt Walter (DE, DC) from 29.11.54** | Eckhardt Walter (DE, DC) | **Dollinger Werner (DE, DC)** | Dollinger Werner (DE, DC) |

| | | | | |
|---|---|---|---|---|
| Pünder Hermann (DE, DC) | Pünder Hermann (DE, DC) | Pünder Hermann (DE, DC) | **Sabass Wilmar (DE, DC)** | **Philipp Gerhard (DE, DC)** |
| Sabatini Armando (IT, DC) | **Carcaterra Antonio (IT, DC)** | **Blank Martin (DE, Lib)** | **Scheel Walter (DE, Lib)** | Scheel Walter (DE, Lib) |
| Schöne Joachim (D Soc) | Schöne Joachim (D Soc) | Schöne Joachim (D Soc) | Schöne Joachim (D Soc) | **Conrad Kurt (DE, Soc)** |
| de Smet Pierre (BE, Soc) | de Smet Pierre (BE, Soc) | de Smet Pierre (BE, Soc) | de Smet Pierre (BE, Soc) | de Smet Pierre (BE, Soc) |
| Togni Giuseppe (IT, DC) | **Guglielmone Teresio (IT, DC)** | Guglielmone Teresio (IT, DC) | Guglielmone Teresio (IT, DC) | |
| Vermeylen Pierre (BE, Soc) | **Dethier Nicolas (BE, Soc)** | **De Block August (BE, Soc)** | De Block August (BE, Soc) | De Block August (BE, Soc) |
| Vixseboxse G. (NL, DC) | Vixseboxse G. (NL, DC) | Vixseboxse G. (NL, DC) | Vixseboxse G. (NL, DC) | **Lichtenauer Wilhelm (NL, DC)** |
| Ziino Vinicio (IT, DC) | **Pella Giuseppe (IT, DC)** | **not appointed** | **Gerini Alessandro (IT, DC)** | **Roselli Enrico (IT, DC)** |

NB The dates at the head of the columns are those of the sittings of the Assembly at which the annual composition of the committees was decided, and the dates in the text are the sittings of the Assembly at which changes were announced (in some cases the substitute had already been attending meetings of the committee); changes are shown in bold type.

## ANNEX II – MINUTES OF THE COMMITTEE ON INVESTMENTS

| *Date of meeting* | *Main issues* |
|---|---|
| 12 January 1953 | Inaugural, discussion of work |
| 5 May 1953 | Monnet statement (attached) on investment policy, discussion |
| 15 June 1953 | Discussion of INVE 1 |
| 16 June 1953 AM | Discussion of investment policy and INVE1 with the High Authority |
| 16 June 1953 PM | Discussion and approval of INVE 1 |
| 14 December 1953 | Discussion of investment policy with the High Authority |
| 14 January 1954 | Discussion of INVE 2 |
| 15 January 1954 AM | Discussion with the High Authority of investment policy and INVE 2 |
| 15 January 1954 PM | Discussion of investment policy and INVE 2 with various Ministers |
| 16 January 1954 | Approval of the motion for a resolution annexed to INVE 2 approved on the same day by the Assembly |
| 27 March 1954 | General discussion with the High Authority |
| 29 and 30 April 1954 | General discussion with the High Authority, covering Monnet's statements and a trip to the USA to negotiate a loan – approval of INVE 3 |
| 11 May 1954 | Inaugural, discussion of work |
| 12 and 13 May 1954 | Joint meeting with the Committee on Social Affairs, discussion of the USA loan with the High Authority |
| 18 May 1954 | Discussion of the motion for a resolution on the Second General Report |
| 30 June 1954 | Discussion with the High Authority of financial policy and cooperation with governments |
| 4 October 1954 | Discussion of the USA loan and the general objectives with the High Authority |
| 1 December 1954 | Discussion of the programme of work |
| 18 December 1954 | No record of this meeting, which is referred to in the record of the following sitting, was found in the EP archives. |
| 14 January 1955 | Discussion of the American loan and. INVE 4 with the High Authority |
| 25 March 1955 | Joint meeting with the Committee on Social Affairs on matters falling under their joint remit, in particular funding for the construction of workers' accommodation |
| 2 April 1955 | Discussion and approval of INVE 5 |
| 11 May 1955 | Discussion of the High Authority's Third Annual Report |
| 12 May 1955 | Joint meeting with the Committee on Social Affairs on a motion for a resolution |
| 10 June 1955 | Discussion with the High Authority of the American loan |
| 23 June 1955 | Discussion with the High Authority of the general objectives |
| 24 June 1955 | Approval of INVE 6 and 7 |
| 15 July 1955 | Observations and opinion of the Working Group |

| | |
|---|---|
| 8 October 1955 | Discussion with the High Authority of investment policy and the general objectives |
| 22 Nov. 1955 | Inaugural |
| 24 Nov. 1955 | Scheduling of work |
| 20 January 1956 | Discussion with the High Authority of investment policy and the general objectives |
| 24 April 1956 | Analysis of the High Authority's Fourth General Report |
| 29 May 1956 | Approval of INVE 8 and 9 |
| 20 June 1956 | Approval of INVE 10 |
| 10 October 1956 | Discussion with the High Authority of the Swiss loan, investment policy and the general objectives |
| 27 Nov.1956 | Inaugural |
| 11 December 1956 | Discussion with the High Authority of the general objectives |
| 28 January 1957 | Discussion with the High Authority of the general objectives – approval of INVE 11 |
| 11 Feb. 1957 | Discussion with the High Authority of coal policy |
| 15 February 1957 | Approval of INVE 12 |
| 8 April 1957 | Discussion with the High Authority of investment policy and coal policy |
| 9 April 1957 | Joint meeting with the Committee on Social Affairs, budget |
| 7 May 1957 | Discussion of the Fifth General Report and INVE 15 |
| 28 June 1957 | Approval of INVE 14 and 16 |
| 21 September 1957 | Discussion with the High Authority on steel and coal policy, preparation of a seminar with the High Authority and the Council, discussion of revision of the ECSC Treaty |
| 21 October 1957 | Approval of an opinion on the revision of the ECSC Treaty see AC 3645 (Vanrullen) |
| 6 November 1957 | Inaugural |
| 10 December 1957 | Discussion with the High Authority on energy policy, coal policy and investment policy |
| 23 January 1958 | Approval of INVE 17 |

## MEETINGS OF THE SUB-COMMITTEE ON SOCIAL AFFAIRS

| | |
|---|---|
| 24 juin 1955 | Inaugural and scheduling of work |

NB: The archive dossier number of minutes in the CARDOC system is obtained using the sequence AC AP PV/RELA.1953 RELA- the date of the meeting written out in eight digits in year, month and day order with no spaces or punctuation signs. For instance, the dossier for the meeting of 12 January 1953 is: AC AP PV/RELA.1953 RELA-19530112. The 'minutes' document or report is normally shown by the digits 0010 following the dossier number.

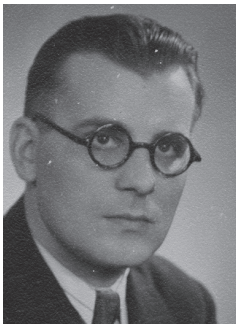
## ANNEX III – REPORTS BY THE COMMITTEE ON INVESTMENTS

| *Report Number.* | *AC Number* | *TITLE- RAPPORTEUR* | *CLASS. CARDOC AC AP RP/INVE. 1953* |
|---|---|---|---|
| INVE 1 | 7 | *Report on Chapter VI, dealing with investments and their funding, of the General Report on the Activities of the Community (1952-1954*<br>Rapporteur: de Menthon | AC-0007/53-mai 0010 |
| INVE 2 | 4/53-54 | *Report on the general investment policy which the High Authority proposes to follow*<br>Rapporteur de Menthon | AC-0004/54-January 0010 |
| INVE 3 | 15/53-54 | *Report on §4 of Chapter III and on Chapter IV of the Second General Report on the Activities of the Community (13 April 1953-11 April 1954*<br>Rapporteur: de Menthon | AC-0015/54-mai 0010 |
| INVE 4 | 10/54-55 | *Report on the problems raised by the allocation of the American one hundred million dollar loan and on other matters falling within the Committee's remit*<br>Rapporteur de Menthon | AC-0010/55-février 0010 |
| INVE 5 | 21/54-55 | *Report on the study and information visit made by the Committee between 24 and 27 January 1955, for the purpose of studying problems peculiar to the Italian coal and steel industry*<br>Rapporteur: Deist | AC-0021/55-mai 0010 |
| INVE 6 | 47 | *Supplementary report on all matters falling within its remit* [the remit of the Investments Committee]<br>Rapporteur: de Menthon | AC-0047/55-mai 0010 |
| INVE 7 | 48 | *Report on a motion for a resolution by Mr Poher*<br>Rapporteur de Menthon | AC-0048/55-mai 0010 |
| INVE 8 | 17/55-56 | *Introductory report on the general objectives and on coal policy (Chapter VI, §1 of the Fourth General Report on the Activities of the Community - 11 April 1955 - 8 April 1956)*<br>Rapporteur: de Menthon | AC-0017/56-mai 0010 |
| INVE 9 | 21/55-56 | *Report on the Community's financial and investment policy (Chapter VI, § 2 and 3 and the financial annex, Fourth General Report on the Activities of the Community - 11 April 1955 – 8 April 1956)*<br>Rapporteur: de Menthon | AC-0021/56-mai 0010 |
| INVE 10 | 31/55-56 | *Supplementary report on the Community's financial and investment policy (Chapter VI, §2 and 3 and the financial annex, Fourth General Report on the Activities of the Community - 11 April 1955 – 8 April 1956); the general objectives and coal policy (Chapter VI, §1 of the Fourth General Report on the Activities of the Community - 11 April 1955 - 8 April 1956)*<br>Rapporteur: de Menthon | AC-0031/56-mai 0010 |
| INVE 11 | 12/56-57 | *Report on the general objectives*<br>Rapporteur: de Menthon (not available in French) | AC-0012/57-février 0010 |
| INVE 12 | 19/56-57 | *Supplementary report on the general objectives*<br>Rapporteur: de Menthon (not available in French) | AC-0019/57-février 0010 |
| INVE 13 | 32/56-57 | *Report on the long-term development of the Common Market*<br>Rapporteur: de Menthon (not available in French or German) | AC-0032/57-février 0010 |

| | | | |
|---|---|---|---|
| INVE 14 | 33/56-57 | *Report on the study visit to the outer regions of the Federal Republic of Germany (14-19 January 1957*<br>Rapporteur: Armengaud (not available in French or German) | AC-0033/57-juin 0010 |
| INVE 15 | 34/56-57 | *Report on the problem of coal prices and a motion for a resolution Doc. n. 17-*<br>Rapporteur: Armengaud (not available in French or German) | AC-0034/57-juin 0010 |
| INVE 16 | 45/56-57 | *Supplementary report on the problems of investment and development of production in the long term*<br>Rapporteur: de Menthon (not available in French or German) | AC-0045/57-juin 0010 |
| INVE 17 | 15/57-58 | *Interim report on the activities of the High Authority in the field of energy policy coordination*<br>Rapporteur: de Menthon | AC-0015/58-février 0010 |

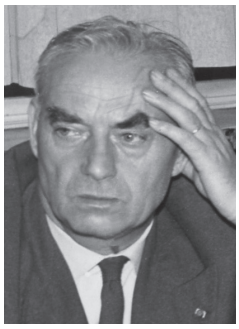
CHAPTER III

# COMMITTEE ON SOCIAL AFFAIRS AND COMMITTEE ON SAFETY AND RESCUE IN MINES



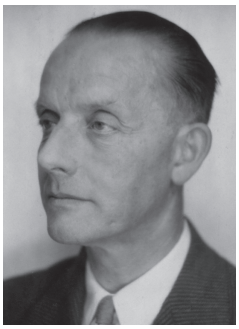
ALFRED BERTRAND[1]

WILLI BIRKELBACH [2]



ANDRÉ MUTTER[3]

WILMAR SABASS[4]



JACQUES VENDROUX[5]

## 1. BACKGROUND

From 12 January 1953 until the end of the legislative period, Gerard Marinus Nederhorst and Georg Pelster were Chairman and Vice-Chairman, respectively, of the Committee on Social Affairs[6] while the post of second Vice-Chairman was occupied successively by:

- Marc Jacquet from 12 January to 24 July 1953, the end of his mandate at the Common Assembly;
- Jacques Vendroux from 11 May 1954 to 23 February 1956, the end of his mandate at the Common Assembly;
- André Mutter from 7 July 1956 to the end of the legislative period.

Between 1953 and 1958, the Committee held 77 meetings, with two further meetings of the Sub-Committee on the construction of workers' housing[7], and produced thirty reports[8], nine of which concerned working conditions and pay and to the construction of workers' housing, six safety in coal

1 Belgian, Christian Democrat, rapporteur several times for the Social Affairs Committee

2 German, Socialist, rapporteur several times for the Social Affairs Committee

3 French, Liberal, chairman of the Social Affairs Committee from 7 July 1956

4 German, Christian Democrat, chairman of the Mine Safety and Rescue Committee from 14 February to 29 October 1957

5 French, Liberal, vice-chairman of the Social Affairs Committee from 11 May 1954 to 23 February 1956

6 The composition of the committee for the duration of the legislative period is given at Annex I.

7 Annex II.

8 Annex III.

mines and occupational health, five institutional aspects and two freedom of movement for workers. A report on the reduction of working hours was not concluded before the end of the legislative period.

Following the Marcinelle disaster, the Common Assembly, on a proposal from the Committee on Social Affairs[9], established a Committee on Safety and Rescue in Mines which was charged with overseeing the action of the High Authority in the field of mine safety. The Assembly also entrusted the Committee of Presidents with the task of regulating the relations of the new committee with the other committees[10]. Wilmar Sabass chaired that committee[11] from 14 February (first meeting) until 29 October 1957, followed by Armando Sabatini from 6 November 1957. The Vice-Chairman was Jean Charlot.

The Safety and Rescue Committee met fourteen times between 14 February 1957 and 25 February 1958[12]and submitted six reports[13], including a note addressed to the working group concerning proposed amendments to the Treaty.

## 2. DUTIES OF THE COMMITTEE ON SOCIAL AFFAIRS

The name Committee on Social Affairs relates to the few provisions of the ECSC Treaty which implement the objective of raising standards of living (Article 2) and to the objective in Article 3(e) of '*promot[ing] improved working conditions and an improved standard of living in each of the industries for which it [the Community] is responsible, so as to make possible their harmonisation while improvement is being maintained*'.

However, the most important Treaty provision to which the Committee on Social Affairs devoted its attention, particularly in view of its later reworking which gave rise to the principle of freedom of movement for workers, was Article 69, which provided for the removal of restrictions based on nationality upon the employment in the coal and steel industries of workers who have recognised qualifications in the sector and, in certain economic conditions, for the adjustment of national immigration rules in order to facilitate other workers.

That article also enshrined the prohibition of discrimination, based on nationality, in terms of remuneration and working conditions and called on the Member States to settle matters between themselves in order to ensure that social security arrangements did not inhibit labour mobility.

Article 69, which was addressed to the Member States, thereby leaving the High Authority merely to guide and facilitate the action of the States, was the pillar of the social policy of the ECSC in combination with other provisions such as Article 46(5), which tasked the High Authority with obtaining the information it required to assess the possibilities for improving living and working conditions.

A particular task of the High Authority to which the Committee on Social Affairs would pay close attention was the facilitation of accompanying measures in the case of reductions in labour requirements due to new technologies. Article 56 of the Treaty provided that in such circumstances the High Authority must provide aid towards the payment of tideover allowances and resettlement allowances to workers, and towards the financing of vocational retraining.

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9 ASOC 13.

10 AC Resolution of 20 November 1956 on 'certains aspects de la sécurité et du sauvetage dans les mines', OJEC 12.12.1956, p. 399-400.

11 The composition of the committee for the duration of the legislative period is given at Annex IV.

12 Annex V.

13 Annex VI.

During the legislative period, the Committee on Social Affairs broadened the scope of the concept of 'standard of living' to include safety, hygiene at work and the construction of workers' housing. Moreover, Article 55 provided that safety was one of the objectives of technical research which the High Authority must promote.

## 3. FREEDOM OF MOVEMENT FOR WORKERS

Within the Treaty system, this aspect of the common market concerned the particular production factor constituted by labour and hence human beings, and it was the forerunner of the principle of free movement of persons which would later become enshrined in the EEC Treaty. In the ECSC context, freedom of movement related solely to workers in the coal and steel industry and the matter was to be regulated in an agreement between Member States.

The work of the Committee on Social Affairs was governed by these two elements, and the committee therefore adopted the High Authority's approach that freedom of movement should apply to workers with a degree of 'experience' in the coal and steel sector in order to prevent a period of a few weeks in the sector opening the door to freedom of movement for workers with no experience. With an eye on the Intergovernmental Conference, which was tasked with preparing the agreement on the matter, the committee made an interesting observation regarding the psychology of international agreements: technical experts were more inclined than politicians to defend their respective national positions and hence their role should be to define the technical details within the framework of the general decisions taken directly by governments and debated by the Common Assembly[14].

The Intergovernmental Conference met from 17–26 May 1954 and its work attracted the criticism of the committee for interpreting Article 69 of the Treaty too narrowly[15]. The debate focused on two main problems. The first problem was directly related to the restriction to the coal and steel sector imposed by the Treaty: an immigrant coal and steel sector worker who lost his job would not, on the basis of the agreement, be able to find employment in a different sector. The second problem was the failure to create a Central Recruitment Office responsible for undertaking at Community level the tasks of the relevant national offices. France and Luxembourg took different views at the Conference[16]. The amendments proposed by the committee were set out in a note of 26 October 1954 whose main points were summarised in a later report as follows:

1) *The possibility for workers of emigrating freely, without going through a national employment office;*
2) *The adoption at the appeal body, provided for in Article 17 of the Agreement, of supranational entity representatives*
3) *The creation of a central body capable of fully matching supply to demand on the Community labour market without the prior intervention of national employment offices*[17].

A delegation from the committee met the Council of Ministers on 10 November 1954 but nothing came of that meeting[18]. Despite the dissatisfaction with the agreement, the Committee asked the Member States to approve the implementing measures as soon as possible[19].

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14 ASOC 3.

15 ASOC 5 and particularly AC Resolution of 13 May 1955 on 'questions sociales', OJEC 10.6.1955, p. 780–783.

16 Minutes of 5 July 1954.

17 ASOC 22. The author has not found the note of 26 October 1954 in the archives of the European Parliament.

18 Minutes of 30 November 1954 and ASOC 18.

19 ASOC 22.

## 4. THE EMPLOYMENT QUESTION

On the matter of current labour problems in the coal and steel sector, the ECSC was called upon to tackle an even more important question than freedom of movement for workers. In particular, the objectives of creating a common market and of developing technology in the coal and steel industry meant that the ECSC needed to tackle the inevitable impact on employment.

Articles 56 of the Treaty, in terms of the consequences of introducing new technologies, and Article 23 of the Convention on the Transitional Provisions, in terms of the impact of the common market, laid down suitable measures aimed at creating new economic activities, not just in the coal and steel sectors, capable of absorbing the surplus workforce and at providing aid towards payment of tideover and resettlement allowances and towards the financing of vocational retraining.

These were delicate matters, both socially and politically, because in some cases the job reduction was a direct consequence of action by the Communities[20] or because it was difficult to establish definitively whether the dismissals and unemployment were actually the result of creating the common market[21].

The Committee on Social Affairs tackled the matter through a subcomittee which undertook fact-finding trips to the Member States to study this and other labour problems in the coal and steel sector. Its fundamental document[22] examined the applications made to the High Authority concerning over 18 000 workers[23] and concluded that the Community aid mechanisms were unfamiliar to undertakings and that governments themselves, for reasons not examined, were reluctant to use them. The report of the Committee on Social Affairs report suggested that frequent recourse to ECSC aid could have repercussions for industries outside the coal and steel sector which might apply for similar payments from the Member States. The committee also examined the application criteria adopted by the High Authority, which were neither fiscal nor formal, but it expressed reservations about the provisions of the Treaty itself which made Community intervention conditional upon government action; however, it stopped short of seeking autonomous action by the High Authority and asked the latter to invite governments to take the initiative.

The basic problem, however, was the actual feasibility of accustoming workers to changes of residence involving radical changes in professional, family and linguistic terms. Workers should be able to choose between three options: a transfer without a change of occupation or maintenance of working conditions, vocational retraining with a voluntary transfer, vocational retraining in the same place with maintenance of family living conditions.

## 5. STANDARDS OF LIVING AND WORKING CONDITIONS

In documents of the Committee on Social Affairs containing the phrase standard of living, working conditions, or both, two different concepts emerge. The first implies a whole range of other notions such as re-employment, vocational training, job security, wages, social benefits and the construction of housing. The second, less usual, concept is an autonomous meaning, often associated with wages, exhaustively described by the title of a paragraph in a resolution of 1955[24]: improvement and harmonisation

[20] For example, in the cases of liberalisation of the coal and steel market and the dismantling of the GEORG cartel dealt with in the chapter on the Committee on the Common Market.

[21] ASOC 3.

[22] ASOC 5.

[23] There is no information regarding applications from Belgium. The figure of eighteen thousand applies to the other States.

[24] AC Resolution of 13 May 1955 on 'questions sociales', cited above.

of standards of living and working conditions. Here we shall use the latter, whilst being aware that the distinction between the two concepts cannot be a rigid one.

The annual reports setting out the position of the Committee on Social Affairs on the activities of the Community provided an overview of the problems and the progress made on social matters and the extent of the data provided depended on the annual progress made by the High Authority in equipping itself with a data processing, statistical and documentation system on the labour situation in the coal and steel sector. In 1953 this information was not forthcoming, the following year it was still inadequate and the committee report[25] merely set out a few proposals, the clearest of which concerned the standards of living and working conditions of migrant workers. The basic proposal was to stabilise workers in their country of immigration and in the coal and steel industry, because the report noted (on an empirical basis, without supplying data) that immigrants tended to save as much as possible, often to the detriment of their housing conditions, in order to be able to return to their country of origin as quickly as possible. The committee singled out three instruments aimed at overcoming that tendency: the construction of workers' housing, career possibilities and the possibility of transferring pension rights acquired in the country of immigration to the country of origin, on the grounds that a worker who was sure of being able to keep his pension rights would feel less need to return to his country of origin.

The construction of workers' housing was a matter to which the committee devoted a great deal of effort and this subject will be covered in a later paragraph of this chapter. The question of careers was covered in general terms from the outset: in many cases immigrant workers did not have experience in the industry and merely accepted it in the hopes of earning more than they would have done in their country of origin, or in other sectors. They needed to receive suitable training in the country of origin or subsequently in the country of immigration, where the training situation needed to be improved[26].

As regards the transfer of pension contributions, in the absence of any specific powers on the part of the Community, the only way was for States to conclude an agreement between themselves. However, negotiations highlighted difficulties which prompted the committee to invite the High Authority to investigate creating an equalisation fund, drawing on the Community balance sheet[27].

The convention on the transfer of pension contributions was an initial step towards a more ambitious plan to harmonise standards of living and working conditions, which was enshrined in point 28 of the resolution of 13 May 1955 cited above:

> *…calls on the High Authority and the Governments of the Member States to prepare, in collaboration with trade unions and employers' organisations, measures for the gradual harmonisation of the rules in force in the various countries, inter alia in relation to working conditions, particularly work hours, the calculation and payment of supplementary benefits, the duration of leave and its remuneration.*

Special attention was paid to miners who were doing a particularly strenuous and dangerous job; those characteristics were turning miners away from the industry and leading to a labour shortage. The committee pointed to the need for a 'miners' statute' capable of ensuring safety at work, reducing the strenuousness of the work by stepping up research and development in the sector and, in terms of incentives, increasing pay in order to make employment in the sector more attractive[28].

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25 ASOC 3.

26 The report cites the case of Belgian mines where training only lasted fifteen days.

27 ASOC 7.

28 ASOC 27.

However, the basic document in terms of living and working conditions was the weighty Mutter report[29] clearly inspired by the human relations tenets which were revolutionising staff management in the 1950s. by postulating that satisfying the needs of employees was a factor in the success of undertakings. The report advocated that the Community should subscribe to that doctrine:

> 42 By introducing in the periodic definition of the general objectives of the Community, in the part concerning modernisation, the improvement and upgrading of the living and working conditions of workers, it is legally possible for the High Authority to ensure that undertakings wishing to obtain its financial assistance in order to implement investment programmes explain, in those programmes, the solutions which they intend to adopt regarding the social problem. By taking the general objectives of the Community as its criterion, the High Authority grants or denies its aid for the implementation of a programme.

The Committee tackled the matter of reducing working hours at the end of the legislative period and held a meeting on 17 March 1958 at which its rapporteur, Cornelis Hazenbosch, reported on the outline of his own report which was completed during the first legislature of the European Parliamentary Assembly30, although remaining limited to the coal and steel industry.

In his report, Rapporteur Hazenbosch raised the question whether the legislature should give legal status to the outcome of trade union negotiations in the late post-war period and whether the 48-hour week implemented in most of the Member States constituted adequate protection for the workers concerned. Hazenbosch wanted to include among the general objectives a reduction of working hours to 48 hours per week throughout the Community. In my view, the reduction of working hours was more important than other claims, including pay claims, as far as coal and steel industry workers were concerned. A more specific problem was shift work, which was harmful to health and family life because shifts were variable.

The position of the rapporteur was substantially endorsed by the committee, but its chairman, Cornelis Nederhorst raised a significant objection: the report should concern itself with the effects of reducing working hours on absenteeism, safety and productivity since there was a direct relationship between working hours and investment.

## 6. WAGES

Being closely linked to standards of living, wages were a problem area because the Treaties did not give the Community any specific competence; the only activity undertaken was that of collecting statistics and information, on which the committee based its annual reports on the activity of the Community[31].

It was only at the end of the legislative period that a report[32] was produced indicating Article 3(e) of the Treaty[33] as a potential basis for action on the part of the Community. The report called for harmonisation of wage policies at Community level whilst recognising that such an initiative would be resisted by governments, trade unions and employers alike. However, the harmonisation of wage policies did not initially mean harmonisation of wages, which would in any case need to take account of differences

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29 ASOC 23.

30 Report on reduction of working hours in the coal and steel industries. Doc 64/58.

31 ASOC 3, ASOC 7, ASOC 18.

32 ASOC 29.

33 See paragraph 2 of this chapter.

in the cost of living in the various countries, but merely harmonisation of pay scales, that is to say the parameters for deciding wages. The basic objective was to reduce wage differentials.

The Common Assembly adopted a resolution on the matter at the end of the legislature, on the eve of becoming the European Parliamentary Assembly of the three Communities, and so the resolution[34] was somewhat general and postponed the adoption of a final position until after consultation with the various milieux, hoping that the new Assembly would resume examination of the matter in conjunction with the executive bodies of the three Communities, governments and representatives of workers and employers.

## 7. THE JOINT COMMITTEES

The unsuccessful proposal to set up one or more joint committees at Community level was closely connected with the question of working conditions and pay. That initiative was widely debated in the Community and as early as 20 December 1954 the Consultative Committee adopted a position inviting the High Authority to organise meetings between governments and representatives of both sides of industry in order to seek, for a limited number of problems, the appropriate means to promote gradual harmonisation, bearing in mind the general situation of the industries in question[35]. Other Community bodies expressed their support in the matter and the Committee on Social Affairs included it in its opinion to the Working Group on the extension of Community competences in the social field. Later, the committee tackled the question systematically and also consulted trade unions and employers. The outcome was a report[36] clearly setting out the position of the committee and both sides of industry and containing a proposal for a resolution which was finally approved by the Assembly[37].

The political reason which led the Committee on Social Affairs to propose setting up joint committees was to provide the High Authority with an instrument for intervention on wages and working conditions, in addition to those already conferred by the Treaty which, in terms of wages, were limited to measures against what we would now call social dumping[38].

The report identifies an amendment to the Treaty[39] as being the legal means to create joint committees, the duties of which were defined as follows[40]:

In this connection, the Committee on Social Affairs envisages a non-binding statement, in the form of a public opinion, on matters submitted to the Joint Committee by organisations representing producers and workers. Those matters should relate to the broad field of working conditions and would lead to an opinion on wages and on other working conditions. In general, the opinion of the ECSC Joint Committee should be sought in countries where there is a national joint committee, only after a divergence of opinion has been brought before and discussed by the national committee.

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34 AC Reolution of 28 February 1958 on 'l'évolution des salaires et à la politique salariale dans les industries de la communauté', OJEC 7.3.1958, p. 144-145.

35 Resolution of the Consultative Committee of 20 December 1954, cited in ASOC 11.

36 ASOC 11.

37 CA Resolution of 30 November 1956 on 'la création d'une ou plusieurs commission paritaires au sein de la Communauté', OJEC 12.12.1956, p. 402–403.

38 Article 68 of the Treaty.

39 Specifically, Article 48 on relations with associations of undertakings, workers and consumers.

40 ASOC 11.

In this way the committee precluded the conferral of powers in connection with mediation and arbitration of disputes and considered that it had ruled out the possibility of conflicting jurisdiction with the national joint committees.

The joint committee was to be composed of an obviously equal number of representatives from workers' trade unions and employers' associations and the report discussed the various possible scenarios for ensuring, if not a presence, then at least a voice for each country in each of the two representations. The options ranged from six to 24 members, but even the higher number (two per country in each representation) did not solve the problem of ensuring the presence of all trade unions in countries where there were more than two[41].

The report criticised the stance adopted by employers' organisations, defined euphemistically as reserved, and set out the more positive, albeit diverse, positions of the Christian trade unions, which supported the creation of joint committees, and the free trade unions, which supported their creation but in the context of a joint initiative between the High Authority and the social partners.

Accordingly, the resolution of 30 November 1956 expressed the regret that the objections of the social partners prevented the launching of joint committees.

## 8. CONSTRUCTION OF WORKERS' HOUSING

This topic is closely linked to the US loan[42] from which it was decided to allocate twenty five million dollars, one quarter of the total, to the construction of workers' housing. The Committee on Social Affairs took great interest in the matter of housing on the grounds that it was an important factor for improving the standard of living of workers, and particularly immigrant workers living in a foreign country. The matter was covered in the annual reports on the social aspects of the activities of the Community[43] and in three specific reports[44].

It is noteworthy that this topic was tackled not just from the point of view of financing but also from the point of view of reducing construction costs: the proposal was set out in the report for the 1952–1953[45] financial year and was based on technical and economic studies for a project involving the construction of standard three-room houses as part of a programme, launched in 1954, which provided for an appropriation of one million units of account to permit the construction of about one thousand dwellings[46]. The resolution on the general report of the High Authority for the 1953–1954[47] financial year set out various principles for the construction and management of workers' housing which were based on a specific report of the Committee on Social Affairs[48] and go beyond purely financial problems:

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41 In order to highlight the importance of the problem, the report drew the attention of readers to the fact that the Committee on social affairs consulted the delegation of 'Christian' and 'free' trade unions separately. The words in inverted comas are those used in the reports of the committee.

42 See the Chapter on the Committee on Investments, paragraph 7.

43 ASOC 1, ASOC 3, ASOC 7, ASOC 18, ASOC 27.

44 ASOC 2, ASOC 4, ASOC 17.

45 ASOC 1.

46 ASOC 3. The principle of including the construction of workers' housing among the general objectives was approved by the Common Assembly in its resolution of 16 January 1954 on investment policy. See the chapter of this document on the Committee on Investments.

47 AC Resolution of 19 May 1954 on the 'Rapport général...', OJEC 9.6.1954, p. 413–416.

48 ASOC 2, the outcome of a special sub-committee which had undertaken fact-finding trips in the regions concerned. One point emphasised by the report, but not included in the resolution, was the vital importance of housing for migrant workers in particular, who in many cases were inclined to make economies in order to be able to return as soon as possible to their country of origin.

- workers' housing should meet specific, unspecified, criteria[49] which render them suitable for the needs of families; to that end it is necessary to approach research institutes with experience in that field;
- the rent or purchase price should be at the upper limit of affordability of the potential tenants/owners in the region of construction;
- if owned by an undertaking, a link must be established between the lease and the employment contract;
- access to ownership should be made easier.

As the plan to finance the housing from the US dollar loan took shape, the problem of the exchange rate risk or, more precisely, of who should shoulder that risk, began to rear its head: none of the Member States was inclined to take the risk, andnor were construction companies, and the suggestion that the High Authority should take responsibility met with little enthusiasm, whilst the idea of adjusting rent to the wages of tenants was discarded. In 1955, the suggestion was made that the loan should not be used for the construction of workers' housing and the Committee on Social Affairs explored the possibility of using the levy[50]; a resolution of the Assembly[51], whilst not specifically referring to the levy, backed the search for alternative sources of financing to the US loan, and indicated various legal bases in the Treaty. The matter was dealt with at length in a report the following year[52] submitted jointly to the Committee on Investments, which had set up an ad hoc sub-committee.

In a 1955 report[53], the Committee on Social Affairs had studied the mechanisms for involving public intervention in the housing project in the Member States and the arrangements for involving the High Authority whilst incorporating its own 1954 programme to significant effect. In 1956 it was able to hail the completion of an initial batch of 563 dwellings from the Community programme and a solution was finally found for replacing the American loan, all of which had been allocated to industrial investment: substitute loans in the currencies of the six Member States which would permit the construction of 11 000 dwellings. This positive note was overshadowed by the difficulties of launching a programme to eliminate the huts in which some ECSC workers lived and by the lack of guarantees as to the subsidiary nature of the Community intervention with respect to national intervention[54]. The final report expressed satisfaction that the latest investment by the High Authority had led to 38 000 dwellings being planned, 6 000 of which had already been completed by the end of April 1957[55].

## 9. VOCATIONAL TRAINING

The attention paid by the Committee on Social Affairs to this aspect of working activity, which was important from the point of view of safety[56], was greater than the documents produced would lead one to believe. Community action in that kind of field had an extended timeframe in that vocational training was tied to the technologies used by undertakings in the territory where training was given; and since

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49 Not specified in the resolution, but specified in detail in the report ASOC 2.

50 ASOC 7.

51 AC Resolution of 13 May 1955 cited above.

52 ASOC 17.

53 ASOC 4.

54 ASOC 18.

55 ASOC 27.

56 In this connection, see AC Resolution of 13 May 1955 cited above, point 12.

those were very diverse, training was regionalised thereby creating significant barriers to the circulation of methods and teaching aids[57].

There was therefore a need for information concerning organisation, teaching methods, courses and teaching facilities in order to understand the reasons for the shortage of qualified labour in the coal and steel industry. It was seen as possible, and indeed desirable, in the immediate future to promote exchanges of trainees who had been trained in the various systems and initially to encourage exchanges between engineers and hence also between foremen[58]. Language courses for workers wishing to transfer to another country were also required[59].

## 10. OCCUPATIONAL SAFETY AND HYGIENE

From the outset the Committee on Social Affairs placed great emphasis on occupational safety and medicine, which was vitally important for the coal and steel industry as a whole. One fundamental theme linking the various different positions on this matter was the close relationship between accidents in the workplace (not only in mines) and the level of vocational training[60].

This topic was covered in depth in a report of 1955[61] submitted at the end of a fact-finding trip by a delegation from the Committee to various European countries. The document is much more interesting in terms of the accurate, country by country, description of the health problems in the coal and steel industry in the 1950s than for the proposals it contains, which the Assembly went on to ratify in a resolution[62]: basically, a resolution calling on the High Authority to continue collecting statistical data and documentation on the matter and to further links between research institutes in the various countries. A subsequent report[63] the following year summarised the progress achieved in the field, particularly regarding the proposals of the Assembly, and welcomed the appropriation of 1 200 000 dollars over four years to finance research on occupational diseases.

## 11. SAFETY IN MINES

The Marcinelle disaster in August 1956, in which 268 miners were killed, was a decisive turning point. The Committee on Social Affairs produced a report on the disaster[64] which examined the few Treaty provisions on the subject of safety, the causes of the accident and what action had been taken in terms of the inquiry in particular but also, more generally, in terms of promoting safety matters, on which a Conference had been convened[65]. The resolution[66] which followed the report strongly advocated various conditions for achieving the Community objectives: high technology mining equipment, safety of miners,

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57 ASOC 5.

58 ASOC 5.

59 ASOC 18

60 ASOC 3.

61 ASOC 6.

62 AC Resolution of 23 June 1955 on the 'problèmes relatifs à la sécurité du travail, à l'hygiène et aux maladies professionnelles dans les industries de la Communauté', OJEC 23.7.1955, p. 842.

63 ASOC 18.

64 ASOC 13.

65 Seven months later the SANI 1 report took the same stance, taking up most of the proposals of the conference and calling for research in the safety field.

66 AC Resolution of 30 November 1956 on 'certains aspects du problème et du sauvetage dans les mines', OJEC 12.121956, p. 399-400.

efficiency of rescue operations. The High Authority[67] was urged to pursue the attainment of those three conditions. A further resolution[68], in June 1957, called for the establishment of a Safety Commission as proposed by the Conference on Safety in Coal Mines and invited governments to adopt the urgent measures proposed by the Conference itself.

Following this resolution, three reports were produced which studied the various aspects of safety: administrative and legal aspects, technical aspects and human aspects. The former two were presented by the Committee on Safety and the third by the Committee on Social Affairs.

The first report[69] dealt largely with the legal form to be ascribed to the acts proposed by the Conference on Safety and the legal nature of the proposed Safety Commission. National rules on safety needed to be clearly and precisely worded and to prescribe suitable penalties for offenders. The Conference also proposed the adoption of an international convention to provide a framework of reference for the national rules. The report accepted the harmonisation role adopted later by the convention and raised the problem of controlling its implementation, a matter which could be entrusted to the Safety Commission on an administrative level and to an international court, the Court of Justice, on a judicial level. The report raised the possibility of the matter being regulated and managed at Community level.

The key element of the report was the nature and the operation of the Safety Commission proposed by the international conference, which had been convened as soon as it was created. At the time the report was presented, the Council of Ministers had already established the Safety Commission[70]. The report advocated the legal nature of an autonomous entity answerable to the Council solely with respect to its administrative functions, thereby ensuring that the future commission would have the operational independence necessary to perform its supervisory tasks. There was some criticism of the composition of its most important internal organ, the Select Committee, but, more particularly, the report claimed that the Assembly should exercise control over the new body by including its activities in the General Report.

The report on technical aspects[71] was a detailed synthesis of the final report of the Conference on Safety in Coal Mines and could provide interesting reading for those wishing to get an insight into the state of mining technology in the early years of the second half of last century.

The point of departure for the report on the human aspects of safety[72], following the trail blazed by the human relations school in the 1950s, was the theory that accidents were attributable primarily to personnel, either due to personal mistakes or to poor reactions. Hence the emphasis on vocational training but also on the re-education of accident victims and, in terms of the work environment, on eliminating dust, which was particularly toxic in the coal and steel industry. That approach was supported by the Conference on Safety in Coal Mines, but the report regretted that the Council of Ministers did not endorse it and hoped that it would when it had examined the proposals of the High Authority on the matter. The analysis undertaken by the committee, which had consulted trade unions and undertakings in connection with its report, was extremely detailed: in addition to vocational training matters, the report covered subjects such as pay, proposing that determination of the piecework rate should also take account of the time

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67 It was this resolution which created the Committee on Safety and Rescue in Mines mentioned in the first paragraph of this chapter.

68 AC Resolution of 28 June 1957 on the 'sécurité et [...] sauvetage dans les mines', OJEC 19.7.1957, p.310.

69 SANI 3.

70 Decision of 19 July 1957, English special edition: Series I Chapter 1952-1958. The creation of the body had already been called for in the report ASOC 26, submitted jointly by the two committees mentioned in this chapter, and by the relevant resolution. AC Resolution of 17 May 1957 on the 'création et les attributions de l'organe permanent pour la sécurité et le sauvetage dans les mines, dont le Conseil spécial des Ministres a décidé la création au cours de sa session du 10 mai 1957', OJEC 8.6.1957, p.254-255.

71 SANI 4.

72 ASOC 21.

needed to ensure safety, and working hours, drawing attention to the problems of special leave and travel time between home and the mine. A further problem raised was that of occupational diseases and their coverage by national social security schemes. These diseases affected safety. In addition to the social insurance aspect of health, consideration was given to medical checks and psychological factors. One chapter of the report was devoted entirely to the problems of migrant workers.

The Assembly approved a lengthy resolution[73] covering all those reports and basically reiterating the proposals made in all three, but particularly in the report on human relations aspects; with regard to the technical aspects, the Assembly invited the High Authority to operate in collaboration with the Safety Commission[74].

## 12. TOWARDS THE TREATIES OF ROME

The report of the heads of delegation of the Committee of Experts, chaired by Paul-Henri Spaak and established in Messina for the purpose of kick-starting negotiations towards the future Treaties of Rome, provided an occasion for the entire Common Assembly to review its experiences in applying the ECSC Treaty. The Committee on Social Affairs, which had from its inception criticised the lacunae in the Treaty in the fields within its remit, submitted a report75 which contained a reasoned overview of its own activities and a look at those aspects of economic policy which could influence the social dimension of the ECSC and the future Communities.

It was no coincidence that the first item in the report by the heads of delegation which drew the attention of the Committee on Social Affairs was the proposal to set up an investment fund. Support for this proposal was tempered by reservations concerning the essentially banking criteria which were to govern the fund. The Committee on Social Affairs emphasised the adverb essentially, which left room for the application of other criteria, based on substantive choices by executives, which were geared more towards retraining and development situations in depressed areas. The objective was to enable an employment policy capable of achieving lasting economic growth, an essential pre-condition for achieving the three fundamental objectives of Community social policy identified by the Committee on Social Affairs, namely:

- progressive improvement of living and working conditions;
- harmonisation of working conditions and social security benefits;
- protection of workers against the risks of retraining.

As regards the first objective, the Committee's report only went as far as to advocate a general power of action on the part of the future European Commission. However, it was more specific regarding the harmonisation of social security benefits in the conviction that harmonisation was an essential pre-requisite for achieving the common market, whilst recognising that realistically it was impossible to achieve such harmonisation, due to the length of time required, before the common market became

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[73] AC Resolution of 9 November 1957 on 'sécurité dans les mines', OJEC 9.12.1957, p. 593-595.

[74] The Committee on Safety and Rescue monitored the activities of the Safety Commission closely. The minutes of the meeting of 30 November 1957 reported an exchange of views with the High Authority relating to the early activities of the new body which met for the first time on 26 September 1957 and whose first step was to hold a conference of rescue services from the Member States. The note concerning the reform of the ECSC Treaty (SANI 6) also referred to the Safety Commission, suggesting that its remit should be extended to the steel sector.

[75] ASOC 12.

a reality. It was more realistic to aim for harmonisation by stages, with each stage, in the view of the Committee on Social Affairs, having the following objectives:

- reduction of working hours (including regulation of paid leave);
- elimination or equalisation of the effects of specific distortions which favoured or prejudiced specific sectors of the economy;
- unemployment benefit;
- equal pay for workers of both sexes.

As regards the third fundamental objective, that of protecting workers against the retraining risk, basically in the case of industrial conversion, the committee endorsed the proposal of heads of delegation to set up a retraining fund to cover 50% of unemployment benefits and, on the basis of ECSC experience, it advocated for the future Community a wide power of initiative to bring retraining measures into force. However, once the common market had been established, it was vital to devise a programme to reabsorb structural unemployment.

## 13. CONCLUSIONS

The work of the two committees examined in this chapter demonstrates that the social dimension of the common market was of concern to the Assembly from its very first legislature, despite the fact that that element was somewhat overlooked by the Treaty. Despite the ample space given to other matters considered at the time to be more urgent and important, such as workers' housing and the status of migrant workers, the affirmation of the principle of equal pay for men and women sticks out because of the continuing relevance of the problem today, and it can be interpreted in various ways: as a sign of the sensitivity of legislators half a century ago or as a sign of the failure of the Communities to resolve an ongoing problem.

In terms of safety in the workplace, the topic was certainly on the Assembly agenda from the outset but it was the seriousness of the disaster which brought it to the fore.

## ANNEX I – COMPOSITION OF THE COMMITTEE ON SOCIAL AFFAIRS

| *12 January 1953* | *11 May 1954* | *22 November 1955* | *27 November 1956* | *6 November 1957* |
|---|---|---|---|---|
| Bertrand Alfred (BE CD) | Bertrand Alfred (BE CD) | Bertrand Alfred (BE CD) | Bertrand Alfred (BE CD) | Bertrand Alfred (BE CD) |
| Birkelbach Willi (DE, Soc.) | Birkelbach Willi (DE, Soc.) | Birkelbach Willi (DE, Soc.) | Birkelbach Willi (DE, Soc.) | Birkelbach Willi (DE, Soc.) |
| Buset Max (BE Soc) | Dehousse Fernand (BE Soc),<br>**Gailly Arthur (BE Soc) from 9.5.55** | Gailly Arthur (BE Soc) | Gailly Arthur (BE Soc) | Gailly Arthur (BE Soc) |
| Carcassonne Roger (FR Soc.) | Carcassonne Roger (FR Soc.) | **Vanrullen Emile (FR Soc.)** | Vanrullen Emile (FR Soc.) | Vanrullen Emile (FR Soc.) |
| Debré Michel (FR NI) | Debré Michel (FR NI) | **de Saivre Roger (FR Lib),**<br>**Pleven René (FR Lib) from 14.3.56** | **Laffargue Georges (FR Lib),** | Laffargue Georges (FR Lib),<br>**von Merkatz Hans (DE, Lib) from 25.2.58** |
| De Vita Francesco (IT Soc) | **La Malfa Ugo (IT Soc)** | **Amadeo Ezio (IT Soc)** | Amadeo Ezio (IT Soc) | Amadeo Ezio (IT Soc) |
| Dominedò Francesco (IT CD) | **Fanfani Amintore (IT CD)** | **Not appointed,**<br>**Charlot Jean (FR Soc) from 14.3.56** | Charlot Jean (FR Soc) | Charlot Jean (FR Soc) |
| Fohrmann Jean (L Soc.) | Fohrmann Jean (L Soc.) | Fohrmann Jean (L Soc.) | Fohrmann Jean (L Soc.) | Fohrmann Jean (L Soc.) |
| Imig Heinrich (DE, Soc.),<br>**Lenz Aloys (DE, CD) from 14.1.54** | Lenz Aloys (DE, CD) | Lenz Aloys (DE, CD) | Lenz Aloys (DE, CD) | Lenz Aloys (DE, CD) |
| Jacquet Marc (FR, Soc),<br>**Vendroux Jacques (FR Lib) from 14.1.54** | Vendroux Jacques (FR Lib) | Vendroux Jacques (FR Lib) | **Mutter André (FR Lib)** | **Mutter André (FR Lib)** |
| Klompé Margaretha (NL CD) | Klompé Margaretha (NL CD) | Klompé Margaretha (NL CD) | **Janssen Marinus (NL CD)** | **Janssen Marinus (NL CD)** |
| Kopf Hermann (DE, CD) | Kopf Hermann (DE, CD) | Kopf Hermann (DE, CD) | Kopf Hermann (DE, CD) | Kopf Hermann (DE, CD) |
| Lefèvre Théodore (BE CD) | Lefèvre Théodore (BE CD) | Lefèvre Théodore (BE CD) | Lefèvre Théodore (BE CD) | Lefèvre Théodore (BE CD) |
| Margue Nicolas (L CD) | Margue Nicolas (L CD) | Margue Nicolas (L CD) | Margue Nicolas (L CD) | Margue Nicolas (L CD) |
| von Merkatz Hans (DE, Lib) | von Merkatz Hans (DE, Lib) | von Merkatz Hans (DE, Lib) | von Merkatz Hans (DE, Lib) | **Battaglia Edoardo (IT Lib)** |
| Nederhorst Gerard Marinus (NL Soc.) | Nederhorst Gerard Marinus (NL Soc.) | Nederhorst Gerard Marinus (NL Soc.) | Nederhorst Gerard Marinus (NL Soc.) | Nederhorst Gerard Marinus (NL Soc.) |
| Pelster Georg (DE, CD) | Pelster Georg (DE, CD) | Pelster Georg (DE, CD) | Pelster Georg (DE, CD) | Pelster Georg (DE, CD) |
| Rip Willem (NL CD) | Rip Willem (NL CD),<br>**Hazenbosch Cornelis (NL CD) from 11.5.55** | Hazenbosch Cornelis (NL CD) | Hazenbosch Cornelis (NL CD) | Hazenbosch Cornelis (NL CD) |

| | | | | |
|---|---|---|---|---|
| Sabatini Armando (IT CD) | **Perrier Stefano (IT Lib)** | Perrier Stefano (IT Lib) | **Piccioni Attilio (IT CD)** | **Piccioni Attilio (IT CD)** |
| Sacco Italo (IT CD) | **Togni Giuseppe (IT CD)** | **not appointed** | **Boggiano Pico Antonio (IT CD)** | **Sabatini Armando (IT CD)** |
| Singer Franz (FR CD), **Kurtz Jozef (FR CD) from 14.1.54** | Kurtz Jozef (FR CD**)** | Kurtz Jozef (FR CD**)** | **Poher Alain (FR CD)** | **Poher Alain (FR CD)** |
| Teitgen Pierre Henri (FR CD) | Teitgen Pierre Henri (FR CD) | Teitgen Pierre Henri (FR CD) | Teitgen Pierre Henri (FR CD) | Teitgen Pierre Henri (FR CD) |
| Zagari Mario (IT Soc.) | **Simonini Alberto (IT Soc)** | **Schiavi Alessandro (IT Soc),** | Schiavi Alessandro (IT Soc), **Granzotto Basso Luciano (IT Soc) from 12.2.57** | **Simonini Alberto (IT Soc)** |

NB: The dates at the head of the columns are those of the sittings of the Assembly at which the annual composition of the committees was decided, and the dates in the text are the sittings of the Assembly at which changes were announced (in some cases the substitute had already been attending meetings of the committee); changes are shown in bold type.

## ANNEX II – MINUTES OF THE COMMITTEE ON SOCIAL AFFAIRS

| *Date of meeting* | *Main issues* |
|---|---|
| 12 January 1953 | Inaugural meeting |
| 14 April 1953 | Discussion on social policies |
| 6 May 1953 | Discussion and approval of ASOC 1 |
| 7 January 1954 | Discussion on social policies |
| 14 January 1954 | Committee fact-finding trips |
| 6 April 1954 | Discussion and approval of ASOC 2, discussion on vocational training and the General Report |
| 28 April 1954 | Discussion of ASOC 3 |
| 10 May 1954 | Approval of ASOC 3 |
| 11 May 1954 | Inaugural meeting |
| 18 May 1954 | Study of amendments to the proposal for a resolution on the General Report |
| 5 July 1954 | Intergovernmental Conference on movement of workers and amendments to the resolution on the General Report which had been rejected by the Assembly, and on other problems |
| 1 October 1954 | Study of two workers' housing construction projects, agreement on freedom of movement for workers and other problems |
| 26 October 1954 | Examination of ASOC 5, allocation of the portion of the American loan set aside for workers' housing |
| 30 November 1954 | The chairman reported on a meeting with Labour Ministers on the agreement on freedom of movement, allocation of the portion of the American loan set aside for workers' housing. |
| 13 January 1955 | Agreement on freedom of movement for workers, construction of workers' housing, establishment of a research centre for occupational diseases, employment problems, working conditions and hours. |
| 7 February 1955 | Discussion and approval of ASOC 4 and ASOC 5 |
| 21 April 1955 | Discussion and approval of ASOC 6, discussion of ASOC 7 and ASOC 9 |
| 7 May 1955 | Discussion, approval of ASOC 7, Schiavi proposal for a resolution on measures in favour of Italian miners living in France |
| 11 May 1955 | Initial discussion of ASOC 8 |
| 12 May 1955 | Discussion of ASOC 8 |
| 22 June 1955 | Discussion, approval of ASOC 9, discussion of Schiavi proposal |
| 23 June 1955 | Initial discussion of ASOC 10 |
| 9 July 1955 | Discussion of opinion in working group |
| 10 September 1955 | Discussion and approval of opinion in working group; discussion with High Authority on construction of workers' housing, living standards of workers and safety in the workplace |
| 7 October 1955 | Preliminary discussions on establishing a subcommittee on retraining of workers, the powers of the High Authority in terms of wages, extending Community competence in social matters |
| 28 October 1955 | Preliminary discussion on working hours, discussion on joint committees |
| 14 November 1955 | Approval of opinion on extending Community competence in social matters, discussion on joint committees |
| 22 November 1955 | Inaugural meeting |

| | |
|---|---|
| 24 November 1955 | Discussion on reduction of working hours |
| 16 December 1955 | Discussion in the presence of the Council of Ministers on reduction of working hours and its repercussions on the general objectives |
| 17 December 1955 | Discussion on reduction of working hours and working conditions, construction of workers' housing, and retraining |
| 11 January 1956 | Discussion with trade unions on reduction of working hours and wages |
| 12 January 1956 | Discussion with employers' organisations on reduction of working hours |
| 27 February 1956 | Exchange of views with the High Authority on employment, status of Italian workers in Belgium |
| 14 March 1956 | Exchange of views with the High Authority on retraining programmes in Italy and France |
| 2 May 1956 AM | Discussion with employers' organisations on establishment of joint committees |
| 2 May 1956 PM | Discussion on establishment of committees and on various social problems raised by the working group report |
| 3 May 1956 AM | Discussion with trade unions on reduction of working hours and establishment of joint committees |
| 3 May 1956 PM | Discussion on retraining (questionnaire for the High Authority), the General Report and financial provisions in the social field |
| 8 May 1956 | Discussion of ASOC 19 and a Schiavi proposal for a resolution |
| 4 June 1956 | Discussion and approval of ASOC 18, discussion on retraining and on the Schiavi proposal |
| 21 June 1956 | Appointment of rapporteurs |
| 7 July 1956 | Exchange of views with the High Authority on working hours, wages and working conditions, the construction of workers' housing |
| 22 September 1956 | Exchange of views with the High Authority on the Marcinelle disaster, on establishment of a joint committee and on the social aspects of the report of the Intergovernmental Committee of the Messina Conference |
| 27 October 1956 | Discussion of ASOC 12, discussion and approval of ASOC 11 and ASOC 15 |
| 17 November 1956 | Discussion and approval of ASOC 12 and ASOC 13, exchange o views with the High Authority on automation and nuclear energy, construction of workers' housing and safety at work |
| 27 November 1956 | Inaugural meeting |
| 30 November 1956 | Discussion and approval of ASOC 14, ASOC 15, ASOC 16 |
| 10 December 1956 | Discussion on the social aspects of the Memorandum of the High Authority on the general objectives, on measures to combat the reduction of the labour force in the coalmining industry and on retraining in Belgium, France and Italy |
| 5 January 1957 | Discussion of ASOC 24, exchange of views with the High Authority on wages |
| 18 January 1957 | Discussion and approval of ASOC 24 |
| 13 February 1957 | Communication from the High Authority on the Conference on Safety in Coal Mines and on the draft convention on social security for migrant workers |
| 15 February 1957 | Discussion and approval of ASOC 26 |
| 9 March 1957 | Exchange of views with the High Authority on harmonisation of working conditions, hygiene at work and retraining |
| 9 April 1957 | Decisions on the work of the committee |
| 15 April 1957 | Joint meeting with the Council of Europe subcommittee on local effects of the ECSC |

| | |
|---|---|
| 10 May 1957 | Discussion of ASOC 28, discussion on wage trends and safety in mines |
| 15 May 1957 | Discussion of ASOC 28 |
| 17 May 1957 | Discussion, approval of ASOC 27 |
| 5 June 1957 | Discussion of ASOC 28 |
| 6 June 1957 | Discussion, approval of ASOC 28, reduction of working hours and problems of migrant workers |
| 27 June 1957 | Discussion, approval of ASOC 29 |
| 8 July 1957 | Discussion on the report of the Conference on Safety in Coal Mines and on the revision of the Treaty |
| 6 September 1957 | Discussion of ASOC 22 |
| 19 September 1957 AM | Consultation of coal industry employers' organisations on reduction of working hours and freedom of movement for workers |
| 19 September 1957 PM | Consultation of Christian trade unions on reduction of working hours and freedom of movement for workers |
| 25 September 1957 AM | Consultation of CISL trade unions on reduction of working hours and freedom of movement for workers |
| 25 September 1957 PM | Consultation of employers' organisations in the steel industry on the reduction of working hours and freedom of movement for workers |
| 8 October 1957 | Discussion and approval of ASOC 22 and ASOC 23, discussion of the social aspects of the EEC Treaty |
| 18 October 1957 | Discussion on wage levels, hygiene at work, retraining and the construction of workers' housing |
| 6 November 1957 | Inaugural meeting |
| 8 November 1957 AM | Joint meeting with the Committee on safety and rescue in mines: discussion and approval of ASOC 25 |
| 8 November 1957 PM | Discussion and approval of ASOC 23 |
| 29 November 1957 | Discussion on construction of workers' housing, wage trends and vocational training for migrant workers |
| 16 January 1958 | Discussion on wage trends and harmonisation of social security schemes |
| 7 February 1958 | Discussion and approval of ASOC 30 |
| 27 February 1958 | Discussion and approval of ASOC 31 |
| 17 March 1958 | Discussion of a draft report on the reduction of working hours, sources of labour law, vocational training, construction of workers' housing |

## MINUTES AND REPORTS OF THE SUBCOMMITTEE ON CONSTRUCTION OF WORKERS' HOUSING

| | |
|---|---|
| 21 February 1954 | Criteria for drafting ASOC 2 |
| 12 March 1954 | Problems of competence in relation to the High Authority —discussion of ASOC 2 |

NB: The archive dossier number of minutes in the CARDOC system is obtained using the sequence AC AP PV/ASOC.1953 ASOC- the date of the meeting written out in eight digits in year, month and day order with no spaces or punctuation signs. For instance, the dossier for the meeting of 12 January 1953 is: AC AP PV/ASOC.1953 ASOC-19530112. The 'minutes' document or report is normally shown by the digits 0010 following the dossier number.

## ANNEX III – REPORTS BY THE COMMITTEE ON SOCIAL AFFAIRS – COMMON ASSEMBLY (1953-1958)

| *Report number* | *AC number* | *TITLES - RAPPORTEURS* | CARDOC CLASS. AC AP RP/ASOC. 1953 |
|---|---|---|---|
| ASOC 1 | 3 | *Report on Chapter V dealing with the problems of work in the General Report on the Activities of the Community*<br>Rappoteur: Bertrand | AC-0003/53-mai 0010 |
| ASOC 2 | 6 (1953-1954) | *Report on the fact-finding mission carried out by a sub-committee from 14 to 21 February 1954 to assemble information for the formulation of Community policies on workers' housing*<br>Rapporteur: Birkelbach | AC-0006/54-mai 0010 |
| ASOC 3 | 18 (1953-1954) | *Report on Chapter V dealing with the problems of work in the second General Report on the Activities of the Community (13 April 1953-11 April 1954)*<br>Rapporteur: Birkelbach | AC-0018/54-mai 0010 |
| ASOC 4 | 13 (1954-1955) | *Report on the particular problems associated with the construction of workers' housing and the improvement and harmonisation of living and working conditions*<br>Rapporteur: Birkelbach | AC-0013/55-mai 0010 |
| ASOC 5 | 14 (1954-1955) | *Report on applying the provisions of Article 69 of the Treaty on labour mobility, measures relating to adaptation, vocational training, the current situation and future development of employment in the Community*<br>Rapporteur: Bertrand (not available in German) | AC-0014/55-mai 0010 |
| ASOC 6 | 18 (1954-1955) | *Report on problems relating to security of employment and to occupational diseases in Community industries*<br>Rapporteur: Perrier | AC-0018/55-mai 0010 |
| ASOC 7 | 26 (1954-1955) | *Report on a series of social order and financial problems and on Chapter V of the third General Report on the Activities of the Community (12 April 1954-10 April 1955) relating to the problems of work*<br>Rapporteur: Birkelbach | AC-0026/55-mai 0010 |
| ASOC 8 | 39 | *Supplementary report on the problems of work in the Community and on proposals for a solution (doc number 32 and 37 period 1954-1955)*<br>Rapporteur: Bertrand | AC-0039/55-mai 0010 |
| ASOC 9 | 44 | *Additional report on the problems associated with security of employment and to occupational diseases in Community industries*<br>Rapporteur: Perrier | AC-0044/55-mai 0010 |
| ASOC 10 | 46 | *Report on improving living conditions of workers in the Community*<br>Rapporteur: Lenz | AC-0046/55-mai 0010 |
| ASOC 11 | 1 (1956-1957) | *Report on the establishment, tasks and composition of one or more joint committees within the framework of the Community*<br>Rapporteur: Nederhorst (not available in French) | AC-0001/56-novembre 0010 |
| ASOC 12 | 2 (1956-1957) | *Report to Foreign Ministers on the social aspects of the report, addressed to heads of delegation at the Intergovernmental Committee established by the Messina Conference*<br>Rapporteur: Birkelbach (not available in Dutch) | AC-0002/56-novembre 0010 |

| | | | |
|---|---|---|---|
| ASOC 13 | 3 (1956-1957) | *Report on safety and rescue problems in mines in the Community*<br>Rapporteur: Sabass (not available in French) | AC-0003/56-novembre 0010 |
| ASOC 14 | 6 (1956-1957) | *Supplementary report on safety and rescue problems in mines in the Community*<br>Rapporteur: Pelster (not available in French) | AC-0006/56-novembre 0010 |
| ASOC 15 | 7 (1956-1957) | *Supplementary report on the establishment, tasks and composition of one or more joint committees within the framework of the Community*<br>Rapporteur: Nederhorst (not available in French) | AC-0007/56-novembre 0010 |
| ASOC 16 | 8 (1956-1957) | *Supplementary Report to Foreign Ministers on the social aspects of the report, addressed to heads of delegation at the Intergovernmental Committee established by the Messina Conference*<br>Rapporteur: Birkelbach (not available in French) | AC-0008/56-novembre 0010 |
| ASOC 17 | 19 (1955-1956) | *Report for the sub-committee established under ... the Resolution ... of 13 May 1955 on the options for the High Authority to give financial aid for the construction of workers' housing*<br>Rapporteur: Birkelbach | AC-0019/56-mai 0010 |
| ASOC 18 | 25 (1955-1956) | *Report on Chapter VII of the fourth General Report on the Activities of the Community (11 April 1955-8 April 1956)*<br>Rapporteur: Vanrullen | AC-0025/56-mai 0010 |
| ASOC 19 | 33 (1955-1956) | *Supplementary report on Chapter VII of the fourth General Report (11 April 1955-8 April 1956), the problems of adaptation of the workforce in Community industries and the options for the High Authority to give financial aid for the construction of workers' housing*<br>Rapporteur: Bertrand | AC-0033/56-mai 0010 |
| ASOC 20 | 35 (1955-1956) | *Report on a proposal for a resolution from Mr Schiavi relating to social activities in favour of Community workers*<br>Rapporteur: Bertrand | AC-0035/56-mai 0010 |
| ASOC 21 | 4 (1957-1958) | *Report on the human aspects of safety in coal mines*<br>Rapporteur: Vanrullen (not available in French) | AC-0004/57-novembre 0010 |
| ASOC 22 | 5 (1957- 1958) | *Report on migration and freedom of movement for workers in the Communities*<br>Rapporteur: Bertrand (not available in French) | AC-0005/57-novembre 0010 |
| ASOC 23 | 11 (1956-1957) | *Report on the social aspects of the Memorandum of the High Authority on the definition of the 'General Objectives'*<br>Rapporteur: Mutter (not available in French) | AC-0011/57-février 0010 |
| ASOC 24 | 12 (1957-1958) | *Supplementary report on safety in coal mines*<br>Rapporteur: Hazenbosch also submitted on behalf of the Committee on Rescue in Mines (not available in French) | AC-0012/57-novembre 0010 |
| ASOC 25 | 18 (1956-1957) | *Supplementary report on the social aspects of the Memorandum of the High Authority on the definition of the 'General Objectives'*<br>Rapporteur: Bertrand (not available in French) | AC-0018/57-février 0010 |
| ASOC 26 | 28 (1956-1957) | *Report on the problem of the establishment and competences of the Safety Commission whose creation was decided by the Special Council of Ministers at the meeting of 10 May 1957*<br>Rapporteur: Nederhorst, also submitted on behalf of the Committee on Rescue in Mines (not available in French or German) | AC-0028/57-mai 0010 |

| | | | |
|---|---|---|---|
| ASOC 27 | 35 (1956-1957) | *Report on living and working conditions in the Community (third part of the Fifth General Report on the Activities of the Community, 9 April 1956–13 April 1957)*<br>Rapporteur: Lenz (not available in French or German) | AC-0035/57-juin 0010 |
| ASOC 28 | 41 (1956-1957) | *Supplementary report on living and working conditions in the Community (third part of the Fifth General Report on the Activities of the Community, 9 April 1956–13 April 1957)*<br>Rapporteur: Bertrand (not available in French or German) | AC-0041/57-juin 0010 |
| ASOC 29 | 19 (1957-1958) | *Interim report on wage trends and wages policy in the industries of the Community*<br>Rapporteur: Nederhorst (not available in French) | AC-0019/58-février 0010 |
| ASOC 30 | 21 (1957-1958) | *Supplementary report on wage trends and wages policy in the industries of the Community*<br>Rapporteur: Nederhorst (not available in French) | AC-0021/58-mai 0010 |

## ANNEX IV – COMPOSITION OF THE COMMITTEE ON SAFETY AND RESCUE IN MINES

| *14 February 1957* | *10 May 1954* |
|---|---|
| Alfred Bertrand (BE CD) | Alfred Bertrand (BE CD) |
| Arthur Gailly (BE Soc) | Arthur Gailly (BE Soc) |
| Willi Birkelbach (DE, Soc) | **Ludwig Metzger (DE, Soc)** |
| Wilmar Sabass (DE, CD) | **Gerhard Philipp (DE, CD)** |
| Jean Charlot (FR Soc) | Jean Charlot (FR Soc) |
| André Mutter (FR Lib) | André Mutter (FR Lib) |
| Enrico Carboni (IT CD) | **Armando Sabatini (IT CD)** |
| Not appointed | **Gaetano Martino (IT Lib)** |
| Cornelis Hazenbosch (NL Soc) | Cornelis Hazenbosch (NL Soc) |

NB: The dates at the head of the columns are those of the sittings of the Assembly at which the annual composition of the committees was decided; changes are shown in bold type.

## ANNEX V – MINUTES AND REPORTS BY THE COMMITTEE ON SAFETY AND RESCUE IN MINES (57-58)

| *Meeting date* | *Main topics* |
|---|---|
| 14 February 1957 | Inaugural meeting and work programme |
| 8 March 1957 | Discussion with HA and relations with the Committee on Social Affairs |
| 29 April 1957 | Discussion with the HA on the Safety Conference and appropriations for safety research |
| 16 May 1957 | Discussion with the HA on the Fifth General Report; report of the Safety Conference |
| 14 June 1957 | Adoption of SANI 1; revision of the Treaty |
| 28 June 1957 | Adoption of SANI 2 |
| 15 July 1957 | Discussion with the HA on the decisions of the Council of 9.7.57 on safety ; discussion of SANI 3 |
| 5 September 1957 | Discussion of SANI 3 and SANI 4 |
| 7 October 1957 | Approval of SANI 3 and SANI 4: revision of the Treaty |
| 18 October 1957 | Discussion of SANI 6 and on the talks held by Mr Carboni with trade unions |
| 5 November 1957 | Discussion on the work of the committee |
| 6 November 1957 | Inaugural meeting and work programme |
| 30 November 1957 | Adoption of SANI 6; discussion with the HA on the review of the first year of activity of the Mines Safety Commission and on the follow-up given by national governments to the proposals of the Safety Conference |
| 25 February 1958 | Discussion with the HA on the follow-up given by national governments to the proposals of the Safety Conference |

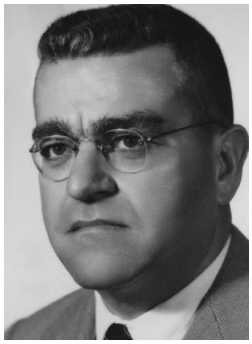
NB: The archive dossier number of minutes in the CARDOC system is obtained using the sequence AC AP PV/ASOC.1953 SANI- the date of the meeting written out in eight digits in year, month and day order with no spaces or punctuation signs. For instance, the dossier for the meeting of 12 January 1953 is: AC AP PV/SANI.1953 SANI-19530112. The 'minutes' document or report is normally shown by the digits 0010 following the dossier number.

## ANNEX VI – REPORTS BY THE COMMITTEE ON SAFETY AND RESCUE IN MINES (57-58)

| *Prog. No.* | *AC No.* | *TITLE - RAPPORTEUR* | *CARDOC CLASS. AC AP RP/SANI. 1956* |
|---|---|---|---|
| SANI 1 | 38 1956-57 | Report on the parts of the Fifth General Report on the Activities of the Community (9 April 1956–13 April 1957) relating to safety and rescue in mines<br>Rapporteur: Bertrand (not available in French or Dutch) | AC-0038/57-juin-0010 |
| SANI 2 | 44 1956-57 | Supplementary Report on the parts of the Fifth General Report on the Activities of the Community (9 April 1956–13 April 1957) on safety and rescue in mines<br>Rapporteur: Bertrand (not available in French or Dutch | AC-0044/57-juin-0010 |
| SANI 3 | 2 1957-1958 | Report on the legal and administrative aspects of safety in mines<br>Rapporteur: Carboni (not available in French) | AC-0002/57-novembre-0010 |
| SANI 4 | 3 1957-1958 | Report on the technical aspects of safety in mines<br>Rapporteur: Sabass (not available in French) | AC-0003/57-novembre-0010 |
| SANI 5 | 7 1957-1958 | Supplementary report on the technical aspects of safety in mines<br>Rapporteur: Hazenbosch (not available in French) | AC-0007/57-novembre-0010 |
| SANI 6 | AC3638 | Draft Note on the position taken by the Committee… regarding the revision of the Treaty Drafted by: Mutter (not available in Dutch) | AC AP RP/GRTR .1955 AC-0017/58- février 0220 |

CHAPTER IV

# COMMITTEE ON THE POLITICAL AFFAIRS AND EXTERNAL RELATIONS OF THE COMMUNITY AND SUB-COMMITTEE ON COMMERCIAL POLICY



TERESIO GUGLIELMONE[1]

MARGA KLOMPE[2]

## 1. BACKGROUND

During the parliamentary term, the Chairmen and Vice-Chairman of the Committee on the Political Affairs and External Relations of the Community, called the Political Committee[3] hereafter, were as follows:

- from 12 February 1953, the Chairman was Paul Struye, and the Vice-Chairmen were Yvon Delbos and Herbert Wehner;
- from 24 November 1955, the Chairman was Hans Furler, and the Vice-Chairmen were Yvon Delbos and Jonkheer van der Goes van Naters[4] (November);
- from 29 November 1956, the Chairman was Teresio Guglielmone, and the Vice-Chairmen were Jonkheer van der Goes van Naters and George Laffargue; Mr Laffargue was replaced by René Bouthemy from 6 November 1957.

1 Italian, Christian Democrat, chairman of the Committee on Political Matters and External Community Relations from 29 November 1956

2 Dutch, Christian Democrat, rapporteur several times for the Committee on Political Matters and External Community Relations

3 The composition of the committee throughout the parliamentary term is given in Annex I.

4 Following the election of Hans Furler as Chairman, Herbert Wehner withdrew his candidacy, taking the view that a Vice-Chairman could not be of the same nationality as the Chairman and Jonkheer van der Goes van Naters was elected the following day.

The Political Committee met at least 40 times from 12 February 1953 to 20 January 1957[5] and tabled 14 reports[6].

The Common Assembly, on a proposal from the Political and Common Market Committees[7], set up a temporary Committee on Commercial Policy[8] made up of six members of the Political Committee and six members of the Common Market Committee[9]. The Chairman was Gilles Gozard throughout the parliamentary term. There were no Vice-Chairmen.

The Sub-Committee met eight times between 16 May and 9 December 1957[10] and tabled two reports[11].

## 2. THE DUTIES OF THE POLITICAL COMMITTEE

The Political Committee had duties in two fields which, in the current organisation of the European Parliament's committees, are nowadays quite separate: international relations and institutional affairs.

The former related chiefly to international trade in the coal and steel sector, covered by Chapter X of the ECSC Treaty on 'Commercial Policy' (Articles 71-75). Article 14 of the Convention[12] gave the High Authority a first core of international tasks: following the instructions of the Council of Ministers, it had a common mandate from the Member States to open negotiations with the Governments of third countries, and in particular with the British Government, on the whole range of economic and commercial relations concerning coal and steel between the Community and these countries.

While the High Authority's work in this area was closely monitored by the Political Committee, the creation of a sub-committee in this particular area, with members from the Political Committee and the Common Market Committee, offers an insight into the real interests of the Political Committee's members. Sharing those powers more strictly rooted in the Treaty with another committee, and in practice getting rid of them, reflected the fact that they were not considered central to the real political

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5 See Annex II to this chapter. The European Parliament's archives contain minutes and reports of all the meetings up to 6 November 1957, apart from those on 27 November 1953 and 25 June 1957 (a total of 37). RELA 1 gives details of a meeting on 28 March 1953; RELA 18 gives details of two further meetings, on 2 December 1957 and 20 January 1958; as in the case of the other committees, it can be assumed that there was at least one further meeting in February 1958 bringing the total number of meetings to 44.

6 See Annex III.

7 RELA 14.

8 CA Resolution of 14 February 1957 on 'la création d'une sous-commission temporaire de la politique commerciale' [the creation of a temporary sub-committee on commercial policy] in CA 'Compte rendus in extenso des séance - séance du 14 février 1957', p. 296.

9 Following the decisions of the two committees (on 18 March 1957 in the case of the Common Market Committee and on 8 April 1957 in the case of the Political Committee, membership of the Sub-Committee on Commercial Policy was as follows: Fayat (BE, Soc, MACO), Gozard (FR, Soc, RELA), Guglielmone (IT, CD, RELA), Nederhorst (NL, Soc, MACO), Margue (LU, CD, RELA), Pleven (FR, Lib, MACO), Poher (FR, CD, MACO), Pohle (DE, CD, MACO), Sassen (NL, CD, MACO), Scheel (DE, Lib, RELA), Wehner (DE, Soc, RELA) and Wigny (BE, CD, RELA). Some months later, following the renewal of the internal mandates of the two committees (on 6 November 1957 in the case of the Political Committee and on the following day in the case of the Common Market Committee), membership of the Sub-Committee was as follows: **Birrenbach** (DE, CD, MACO), **Bohy** (BE, Soc, MACO), **Cantalupo** (IT, Lib, MACO), Gozard (FR, Soc, RELA), Guglielmone (IT, CD, RELA), Margue (LU, CD, RELA), Nederhorst (NL, Soc, MACO), Pleven (FR, Lib, RELA), Poher (FR, CD, MACO), Sassen (NL, CD, MACO), Wehner (DE, Soc, RELA) and Wigny (BE, CD, RELA). The new members are shown in bold type. Pleven, appointed by the Common Market Committee in the spring, was appointed by the Political Committee in November.

10 See Annex II. The minutes of 9 December 1957 are not available. Two documents in the meeting file show that at least one of the items on the meeting's agenda was the Nordic Common Market.

11 In Annex III to this chapter they are included among the reports of the Political Committee: RELA 16 and 17.

12 'Convention on the Transitional Provisions', signed at the same time as the Treaty.

mission that Committee members felt that they had, and which was, moreover, in keeping with the body's actual name which made no reference to commercial policy[13].

Institutional affairs should not be confused with the matters and issues which nowadays come under that heading; the main aim was to affirm the Assembly's independence from the Council of Europe, an issue which was very politically delicate at that time, and to pave the way for the Assembly's participation in the drafting of the Treaties of Rome by setting up the Working Party.

## 3. THE VISION OF EUROPE AND ITS INTERNATIONAL RELATIONS

At a time when, only a few months after it had been set up, the ECSC and in particular the High Authority, was endeavouring to establish the organisational structures that it needed and to tackle the initial problems of the transitional period of the Common Market, the Political Committee, in its first report on the activities of the Community during the first financial year[14], went beyond actual events and sketched out a general outline of the ECSC's 'foreign policy'. One paragraph is worth citing in full as it gives an idea of the way in which Europe was seen in the early days:

> 'LITTLE' EUROPE AND 'GREATER' EUROPE
>
> 4. The principle is too important not to affirm it again: there is no 'little' and 'greater' Europe. There is only Europe. From the point of view of practical achievements, the Community is the solid core and, far from being limited in space, is and must remain open to all good intentions and all future accessions. Obviously, the Community is an economic entity which currently covers the territory of a number of well-defined countries, but it cannot apply a new isolationist policy since it hopes to work towards a stronger united Europe, aware of its common heritage, which alone can become a powerful partner in Atlantic cooperation.

This set out a principle, substantially that of Greater Europe, and also formally rejected the dichotomy between Greater and Little Europe, something which has continued to be a milestone up to our times when the European Union includes almost all the countries of Europe. European unification was the cornerstone of the international policy considerations which accompanied the Political Committee's reports. In presenting her report[15], Margaretha Klompé welcomed the policy of détente initiated by the Soviets after the death of Stalin, but warned against the USSR's strategic objective: to sow discord between the western countries, focusing in particular on Germany and its desire for reunification. As Mrs Klompé pointed out, the climate of détente could not be at the expense of European unification:

> *...genuine détente is impossible if it is likely to jeopardise Europe's unification, as that is a vital element of a balanced world political situation...*
>
> *Europe has an immense task to accomplish in the world and has to ensure that it continues to be a powerful and effective partner in Atlantic cooperation. More than ever, the political situation means that we must be firm, realistic and idealistic.*[16]

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[13] This was chiefly perceived by the Treaty as customs policy, giving the Community, in particular the Council, to power to set minimum and maximum thresholds for customs duties (Article 72 of the Treaty), which remained national, and the High Authority's power to supervise the issue of import and export licences (Article 73 of the Treaty) and to take specific measures in particular market situations (Article 74 of the Treaty). Commercial policy per se continued to be a national competence, although the High Authority had a power of recommendation in cases where an international agreement interfered with the application of the Treaty (Article 75 of the Treaty).

[14] RELA 1.

[15] RELA 1.

[16] CA 'Compte rendus in extenso des séance - séance du 16 juin 1953', p. 79-82.

However, Mrs Klompé's view of Europe's role, widely shared by the Assembly and by pro-European circles, did not exactly mirror the view of countries outside the Community, chiefly Austria and Denmark, which were quick to criticise ECSC policy, felt to be protectionist, within GATT. That issue will be examined in a subsequent paragraph; it is important here to cite a general comment which can be seen as the philosophy of enlargement, at least until the beginnings of the third millennium:

> *22. Careful examination of the talks and negotiations with third countries leads your Committee to make a general comment. In many cases, third countries are calling for similar rights to those of the Member States in one field or another, without there being any question of their fulfilling the obligations which are the counterpart to those rights.*
>
> *Your Committee considers it useful clearly to state, once again, that the Community is not and in no way wishes to be autarchic in nature and is set up in a way which is neither limited nor closed. Its boundaries are not set by itself but by those countries which have not joined the Community. Extension of the Common Market to states other than the founders of the European Coal and Steel Community has to remain the ultimate goal, but it is only natural for those countries wishing to benefit from the advantages enjoyed by the Member States to undertake to accept the same obligations.*
>
> *Any endeavour by a third country to forge closer links will be under those conditions, and will be welcomed because it will make it possible progressively to eliminate the barriers which separate the countries of Europe, and to pave the way for the economic unification of the whole of Europe.*

In its final report on the activities of the Community[17], at a time when the Treaties of Rome had already been signed, the Political Committee notes a general improvement in the climate but regrets that there has been no new accession four years on from the establishment of the ECSC, without, however, looking at the reasons. It notes that there are better relations with the United Kingdom as a result of the Association Agreement in force and proposes to create two free trade areas, one with the United Kingdom and the other with the member countries of the OEEC. That proposal was taken up by the Assembly itself[18].

The Political Committee's reports on the activities of the ECSC[19] offer a picture of relations between the Community and other states, especially the United Kingdom, Austria and Denmark, as well as with certain international organisations, especially the Council of Europe. Relations with the United Kingdom and the Council of Europe are worth looking at in detail.

## 4. RELATIONS WITH THE UNITED KINGDOM

The United Kingdom was a key partner of the ECSC right from the outset: although it was a founding member of the Council of Europe, it did not join the Community because of the supranational powers that the Treaty of Paris gave it. However, the importance of its international role and its iron and steel industry made it essential to forge privileged relations between the two shores of the North Sea; that was evident from the very outset, when on 23 August 1952, a memorandum from the Foreign Office stated Britain's intention to forge a close and lasting association with the ECSC20, which was not a mere ...commercial treaty or sharing of overseas markets, but a joint measure, where responsibilities, rights and

[17] RELA 15.

[18] CA Resolution of 27 June 1957 on 'les rélations extérieures de la Communauté' in OJEC of 19.7.57, p. 301.

[19] RELA 1, 3, 10, 15.

[20] RELA 1, p.10.

obligations are shared on an equal footing21. It was on that basis that a Joint Committee was set up on 17 November 1952, before the entry into force of the ECSC Treaty, in which the two parties drew up an association treaty.

On 24 December 1953 the High Authority put forward proposals that the Political Committee considered to be in keeping with its own ideas and the ideas of the Assembly[22]. The United Kingdom responded to these on 29 April 1954. The Association Agreement was signed on 21 December 1954.

The Committee set out its position in a specific report[23] which was followed by a resolution of the Assembly[24]. The Association Agreement was intergovernmental and did not change the powers of the Community institutions. In institutional terms, it made provision for an Association Council made up of representatives of the British government and the High Authority, and for meetings of the Council of Ministers and the High Authority with the British government. The Committee took the view that the High Authority's activities in connection with the Association were part of the normal functions of the Community executive and therefore claimed the same right of scrutiny as it had for the executive's other functions. The Committee also proposed meetings between the Common Assembly and the British Parliament.

The Committee took the view that the Agreement's scope was not as far-reaching as the exchange of memoranda in December 1953 and April 1954 had augured, but was a positive development coming, as it did, immediately after the failure of the Defence Community. The Assembly's resolution recommended that Ministers implement the Agreement as rapidly as possible.

The reports on the activities of the Community of 1956[25] and 1957[26] report on progress made within the Association on certain particular problems in the coal and steel sector, especially in the area of prices.

Of more political significance was the resolution[27] in which it was proposed to establish a parliamentary committee made up of nine members of the Common Assembly and nine members of the British Parliament, with powers to be determined. The Association Council's rejection of this proposal was discussed by the Political Committee at its meeting of 24 September 1956. At that meeting, Dirk Spierenburg, a member of the High Authority, explained the steps taken by the executive and the negative response of the British government which, while stating that the proposal was unacceptable in the form adopted by the Assembly, considered that a solution could well be sought at the joint sitting with the Consultative Assembly of the Council of Europe. Mr Spierenburg was at pains to refute the statement that Lord Hope[28] had made to the House of Commons, according to which the High Authority considered the Assembly's decision to be inadvisable. The Political Committee made no formal pronouncement on the issue, but its Chairman, Paul Struye, outlined where matters stood: for the time being, the proposal could

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21 RELA 1, p. 11, which cites a speech by Monnet at the Political Committee's meeting of 28 March 1953. There is no trace of that meeting, although the date is correct, in the European Parliament's archives. Monnet was due to report to the Assembly on progress with negotiations with the United Kingdom during the June sitting, as announced in RELA 1, but his speech is generic and lacking in interest in that respect, CA 'Compte rendus in extenso des séance - séance du 16 juin 1953', p. 88-91.

22 RELA 3. The statement was taken up in CA Resolution of 19 May 1954 on the 'Rapport général de la Haute Autorité sur l'activité de la Communauté pendant l'exercice 1953-1954 ...' in OJEC of 9.6.54, p. 413-416. The minutes of the committee and the verbatim reports of the Assembly do not really contain any 'ideas' going beyond expressions of support for the negotiations.

23 RELA 6.

24 CA Resolution of 14 May 1955 on 'les rélations de la Communauté avec la Grande-Bretagne' in OJEC of 10.6.55, p. 787. The motion for a resolution is contained in RELA 8.

25 RELA 10.

26 RELA 15

27 CA Resolution of 31 June 1956 on the 'création d'une commission parlamentaire dans le cadre du Conseil du Conseil d'Association' in OJEC of 19.7.56, p. 229.

28 Lord John Hope, 1st Baron Glendevon, who was Joint Under-Secretary of State for Foreign Affairs at the time.

not be advanced, but the British might well be more favourably disposed in future and discussions could be continued with the Chairmen of the delegations of the two British parties within the Consultative Assembly of the Council of Europe.

## 5. RELATIONS WITH THE COUNCIL OF EUROPE

The Council of Europe was the first organisation to be set up after the Second World War with a view to achieving integration between the countries of Europe and was the first to include a parliamentary assembly among its organs for many of the early years of the European Communities. For those reasons, it was felt to have a kind a 'right of inspection' of the new organisations of the Six, a right which was, moreover, acknowledged, because the Council of Europe had been strongly supported by the pro-European movement, because all six Community Member States were members, because many members of the Common Assembly were also members of the Consultative Assembly of the Council of Europe, because it was widely held that the ECSC was a kind of continuation, in the economic field, of the process of European integration that continued to have a political dimension in the Council of Europe, and lastly because the Council of Europe was considered to be a privileged forum for dialogue with the other countries of Europe and in particular the United Kingdom.

It was for those reasons that a specific protocol on relations with the Council of Europe was annexed to the ECSC Treaty, inviting the Member States to give preference to their Consultative Assembly representatives when appointing their members and making it mandatory for the Common Assembly and the High Authority to keep the Council of Europe informed[29]. When it became apparent that it was not possible, under the ECSC Treaty, for Consultative Assembly observers to attend meetings of the Common Assembly, it was decided periodically to organise a joint session of the two parliamentary bodies so that opinions could be exchanged on the Annual General Report of the High Authority[30], and the Political Committee drew up proposals for the organisation of this joint session[31].

The Political Committee's enthusiasm and willingness seemed to be somewhat dampened a few months later in the report[32] which it tabled on the response to be given to Resolution 31 of the Consultative Assembly[33] which gave its opinion on the Annual Report of the High Authority. In practice, the Common Assembly was expecting, in keeping with the agreements entered into by the two Bureaus, that its counterpart in the Council of Europe would forward it an opinion prior to its own debate, so that it could give it due consideration. In practice, the Council of Europe forwarded the opinion on the day of its approval, when the Common Assembly was preparing to vote on the motion for a resolution on the General Report which the drafting committee had drawn up the previous day. In the Chamber, the President of the Common Assembly publicly complained about the length of the document, the need to translate it and in particular the moment at which it had arrived in view of the many points that would have been worth considering. As a result, he announced that the Bureau had decided that the Council of Europe document could not be taken into account for the motion being examined and would be referred to the committees for any use that they might wish to make of it at a subsequent session or the following year[34].

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[29] The Common Assembly was in particular to present an annual report to the Common Assembly and the High Authority on the action taken in respect of recommendations received from the Committee of Ministers of the Council of Europe.

[30] This decision, taken at a meeting between the Bureaus of the two Assemblies is known as the Monnet-Layton Agreement. The latter was first Vice-President of the Consultative Assembly.

[31] RELA 1.

[32] RELA 2.

[33] 23 June 1953. Annexed to RELA 2.

[34] CA 'Compte rendus in extenso des séance - séance du 23 juin 1953', p. 184.

The Consultative Assembly's resolution, as well as assessing the activities of the ECSC, set out some proposals for closer links between the Community and the Council: participation of the High Authority in the meetings of the Consultative Assembly's committees, joint meetings of the two Councils of Ministers and of the committees of both assemblies. The issue led to an aggrieved, though diplomatic, exchange of letters between Jean Monnet, President of the High Authority who was to have responded to the resolution, and François de Menthon, President of the Consultative Assembly[35].

The Committee's report on the issue[36] recounts the whole story, concluding:

- that a response to Resolution 31 could not be given, as regards closer links, until the relevant institutions had been consulted, and that a meeting should be organised for that purpose;
- that a simpler procedure needed to be found for forwarding the resolutions of the Consultative Assembly to the Common Assembly.

The report does not come out in favour of joint meetings of the committees of both assemblies, arguing at some length that those of the Common Assembly are supervisory organs of the High Authority, while those of the Consultative Assembly are research bodies; reading that part of the report in a slightly mischievous way, always of use when reading archive documents, seems to show an incipient and veiled lack of patience with the proposals of the Council of Europe's Assembly.

In conclusion, the Political Committee identifies some limits on cooperation between the two Assemblies: maintaining the independent nature of the two institutions, respecting the limits imposed by the Treaty, avoiding any disturbance of the balance between the Community institutions, broader publicity and steering clear of deterring the accession of new states to the Community. These were also reflected in the content of the resolution[37] that the Common Assembly approved after a brief and calm debate.

The types of cooperation between the ECSC and the Council of Europe and the steps taken to improve them are dealt with in the Political Committee's report on the activities of the Community[38]: the document simply lists the contacts between the High Authority and various bodies of the Council of Europe, and welcomes the positive development of relations between the two organisations.

The Political Committee subsequently came out against a further proposal to have the annual report of the OEEC, as well as that of the High Authority, examined by the joint meeting of the two assemblies, the OEEC being a completely different body from the ECSC. The proposal was politically inappropriate and legal considerations also stood in the way[39].

## 6. RELATIONS WITH OTHER COUNTRIES

Relations with the United States were shaped by a strong feeling of gratitude for the role that the US had played during the Second World War and the role that it continued to play in the cold war context of the

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35 The letters, dated 12 and 26 September 1953 respectively, are annexed to RELA 2. It should be noted that de Menthon was also the member of the Common Assembly already mentioned in previous chapters, in particular the chapter on the Committee on Investments.

36 RELA 2.

37 CA Resolution of 15 January 1954 on 'la réponse à donner à la résolution n. 31 de l'Assemblée Consultative du Conseil de L'Europe et relative à la procédure à suivre lors de la transmission directe de documents de l'Assemblée Consultative à l'Assemblée Commune' in OJEC of 12.3.54, p. 241.

38 RELA 3.

39 RELA 7.

1950s. The conclusion of the 'US loan'[40] was seen by the Political Committee from its own point of view as the establishment of normal international relations with the superpower from the other side of the Atlantic since it was not in the form of aid or a gift, but a genuine international agreement[41].

Relations were particularly tricky with the GATT member countries which accused the ECSC of being protectionist. The report on the 1954-55 financial year[42] was largely devoted to the problem of relations within the General Agreement and includes a great deal of statistical documentation with a view to refuting the accusations of protectionism levelled by some GATT member countries. The ECSC's partners in GATT were in particular concerned by the Entente de Bruxelles, a tariff agreement between producers, and its effects on Community exports. The Political Committee approved the High Authority's checks on this agreement and hoped that that these would not just cover the data provided by the Entente, but would also include cross-checking with data surveyed in enterprises.

The problems within GATT show that the ECSC was raising a few fears in international circles in the early days of its existence, as is often the case when a new competitor emerges or old competitors join together in ways that were novel at that time.

They can perhaps be better understood by looking at relations between the ECSC and some of its European neighbours. The case of Austria is particularly significant since, because of its particular statute, interpreted rigidly by the USSR, it could not forge any kind of link with Germany. Delicate negotiations surrounded relations with Austria and were based on the principle that Austria could not, as certain circles in that country hoped, enjoy a status similar to that of an ECSC Member State unless it became one, but at the same time account had to be taken of its particular situation[43]. The establishment of the ECSC had not, moreover prevented that country from increasing its exports to the Six[44]. In 1956 an agreement was reached setting out a substantial reduction of import drawing rights by both parties[45].

There were also tricky moments in relations with Denmark which, concerned by the *Entente de Bruxelles,* had sent a Memorandum to the OEEC authorities, Denmark's problem related chiefly to its steel consumer industry and in particular shipbuilding; if, as Denmark argued, the export price of Community steel increased more than the internal price its shipyards would be less competitive than German shipyards. In practice, export prices for Community steel, at least as a mean for all products, increased less than US and British steel prices and, as a result of certain fiscal concessions, Danish consumers were still able to purchase many European iron and steel products at a price below that paid by its Community competitor[46].

## 7. COMMERCIAL POLICY

This particular issue was tackled in the two reports[47], the second following on from the first, tabled by the Sub-Committee on Commercial Policy. The first report looked at institutional aspects of this area of activity where the division of powers between the ECSC and the Member States continued to favour the Member States, especially as regards negotiations with third countries. Even so, the High Authority

40 See the chapters on the Investments and Social Affairs Committees.

41 RELA 3.

42 RELA 7.

43 RELA 3.

44 RELA 7. See also RELA 4, which sets out the positions of both parties at the start of the negotiations.

45 RELA 10.

46 RELA 10.

47 RELA 16 and 17.

achieved major successes especially as regards the harmonisation of external tariffs and the conclusion of agreements to reduce customs tariffs with third countries.

As in other areas of activity of the ECSC, the limitation of its powers to two sectors of production weighed on its commercial policy, a handicap that could be overcome when the Treaties of Rome came into force. With that in mind, the resolution[48] adopted by the Assembly on the basis of the related report hoped that States would delegate the same powers over commercial policy to the High Authority as those that it was planned to delegate or would in the future be delegated to the EEC Commission in the other sectors of production.

## 8. THE INSTITUTIONAL DEVELOPMENT OF THE COMMUNITY[49]

The rejection of the EDC Treaty by the French National Assembly on 31 August 1954 placed Europeanists within and outside the institutions in a difficult position, and the Political Committee could not shirk its political duty to take a position on the issue. Mrs Klompé was well aware of this and considered that plans for integration be launched only at supranational level, taking a constructive attitude to criticisms of the ECSC. The Dutch MP set out four arguments for consideration by the Political Committee: strengthening of the Common Assembly's powers of scrutiny over the High Authority, extending ECSC powers to other sectors and in particular the energy sector (oil and nuclear power in particular), direct elections of the Common Assembly and more intensive internal relations. The subsequent debate led to the decision to table two reports, one on strengthening the powers of scrutiny of the Assembly and improving working methods within the institutions, for which Pierre-Henri Teitgen was responsible, and the other on the scope of the Committee's powers, for which Mrs Klompé was responsible[50].

Mrs Klompé's report[51] was divided into two parts, the first on the future of the ECSC and the second on international relations which reiterated some of the notions already discussed in this chapter. The first part supported the rapporteur's verbal proposals to extend the powers of the ECSC; this support nevertheless seems to be rather lukewarm since the report gives the Common Market Committee the task of proposing the extension of powers to energy sources other than coal. The report also supports the request of the Social Affairs Committee to strengthen the social aspects of the Treaty. The most original element of the report is probably the proposal for a more intensive use of the powers vested in the Assembly by the Treaty and the regulation of this issue. The report lists a series of such powers and their operating methods.

Speeches during the debate in plenary[52] were inspired, with the sole exception of the speech by Michel Debré, by a common pro-European sentiment both as regards improving internal procedures and extending the ECSC's powers (basically to include energy, but also transport), mostly on the basis of arguments similar to those put forward by Mrs Klompé.

The Teitgen report[53] took the existing institutional situation as its starting point. The Assembly lacked of the powers typical of a parliament, such as legislative and budgetary powers, but did enjoy the other

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48 CA Resolution of 9 November 1957 on 'la politique commerciale de la CECA' in OJEC of 9.12.57, p. 596-597.

49 The sections in smaller font of this and the following section are taken, with some formal amendments, from EUROPEAN PARLIAMENT, Towards a single Parliament, Luxembourg (European Parliament), 2007, p. 15-21. This publication looks at the work of the Working Party which will be discussed in more detail below.

50 Meeting of 2 October 1954.

51 RELA 4.

52 CA 'Compte rendus in extenso des séance - séance du 1 décembre 1954', p. 77-112.

53 RELA 5.

basic power of scrutiny of the executive and could go as far as censuring it; that scrutiny was not merely technical, but was of undoubted political value. The Assembly also had the power to participate in amending the Treaty. Lastly, and more generally, the ECSC had been designed as an emerging Community whose future prospects far exceeded its current powers, something widely acknowledged in professional circles and by national governments. For its own part, the Assembly had a driving role and could be even more influential if it were elected by universal suffrage which would provide it with greater moral and political authority. With that in mind, it was proposed to set up a Working Party which would also be responsible for '...examining to what extent experience showed that a better definition of certain powers was needed, as well as a possible extension of the Community's powers'[54].

The debate in plenary[55] was of a very high level, in cultural terms as well, and focused largely on the fundamental principles, in particular supranationality, for which there were various arguments for and against. It was that principle which generally shaped attitudes to the extension of the ECSC's powers, while the question of elections seemed to elicit less interest on the part of speakers.

On the basis of the Teitgen report the Assembly adopted a resolution[56] which would play a fundamental part in the parliamentary history of the European Union, since it represented the first call for a democratically representative institution to play a role in the process leading to the Union. The resolution reiterated the powers of the Assembly's committees, invited the Special Council of Ministers to report periodically on its policies and set up the Working Party to study, among other things, the strengthening of the powers of scrutiny of the Common Assembly, the extension of the ECSC's powers and the problems of direct elections to the Assembly. The Working Party would be the instrument through which the Assembly would monitor the negotiations leading to the conclusion of the Treaties of Rome.

## 9. THE POLITICAL COMMITTEE AND THE MESSINA CONFERENCE

Some months later and just after the establishment of the Working Party, the Assembly adopted a resolution[57] in order to set out its position prior to the Conference of the Foreign Ministers of the Six scheduled to take place a few days' later in Messina to examine the possibility of launching European integration. In the resolution, the Assembly called on the Foreign Ministers to ask the Community institutions to draw up proposals for the extension of the ECSC and to organise one or more intergovernmental conferences to draw up the draft treaties needed for the next stages of European integration.

The debate held prior to the adoption of the resolution offers a clear insight into the meaning of the resolution and Members' expectations. The call for one or more intergovernmental conferences was in particular intended to involve governments in drawing up a draft treaty and thus to secure the support of the individual states. As an authoritative Member implicitly admitted, however, it is difficult to draw any hard and fast conclusions as to Members' intentions from the debate of 14 May[58].

After the Messina Conference, held on 1 and 2 June 1955, the Political Committee felt that it had to offer a basis for discussion in the Assembly and tabled a motion for a resolution.

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54 RELA 5, p. 18.

55 CA 'Compte rendus in extenso des séance - séance du 2 décembre 1954', p. 124-171

56 CA Resolution of 2 December 1954 on 'les pouvoirs de l'Assemblée Commune et à leurs exercice' in OJEC of 11.12.1954, p. 532-533

57 CA 'Compte rendus in extenso des séance - séance du 14 Mai 1954', p 485-501. The text of the resolution (not published in the OJEC) is on p. 500. The motion for a resolution was tabled by a group of Members: Klompé, Bertrand, Boggiano Pico, Chupin, Dehousse, van der Goes van Naters, Kopf, Motz and Nederhorst.

58 Speech by Mr Dehousse, ibid, p. 489. The socialist Member admitted that the Working Group had not in practice had time to meet before the Messina Conference.

At the Committee's meeting on 20 June 1955, Mrs Klompé summarised the strengths and weaknesses of the final resolution of the Conference. The proposal to call intergovernmental conferences to draw up the draft treaties needed for the next stages of European integration was positive. Weaknesses were as follows: the Conference had not tackled the issue of the legal nature of any new European organisations, had not followed up some of the points of the resolution of 14 May 1955, and had made no provision for the Assembly to take part in the work of the Committee of Experts.

The Assembly approved the resolution tabled by the Political Committee[59] and, while agreeing with the ministers that it was necessary to pursue the establishment of a united Europe by developing common institutions, progressively merging national economies, creating a common market and progressively harmonising social policy, regretted that the Messina Conference had failed to answer the questions posed in its resolution of 14 May 1955 and called on the Community institutions to draw up proposals for the extension of Community powers and competences, asking its own Working Party to study these issues, which had already been delegated to it, in the particular context of the final resolution of Messina.

## 10. THE HERITAGE OF THE ECSC AND INFORMATION

In its resolution of 24 June 1957, the Assembly gave the Working Party the task of monitoring the integration process, with the Political Committee retaining a role of 'moral guidance' which took practical shape in a document cataloguing the political heritage that the ECSC was leaving for the Community system created by the Treaty of Rome. This was a bulky report[60] which is a real manual of ECSC law and policy.

The picture was positive overall, but experience had shown that a political authority tended to become a technocracy unless it was counterbalanced by representatives of the populations of states and the Common Assembly, in the four years of its existence, had made considerable progress, drawing on the differing backgrounds and experience of its members. However, it was less influential than the Council of Ministers and Member States paid scant attention to it. Community action often encountered 'brakes' which blocked and delayed it: if these were to be swiftly overcome, the High Authority needed to have greater powers to make states comply with the obligations that they had taken on.

From the point of view of policies, the document, in line with other documents and debates of the Assembly, regrets that the progress made in the economic sphere has not gone together with the appropriate development of social policies and points to the need, which was indeed about to be met in 1957, not to isolate the iron and steel sector from the rest of the economy and therefore to create a general common market.

This document was followed by a further document which cannot, strictly speaking, be seen as a report, although it was in formal terms[61]: this was a genuine treatise on the functioning and role of the Common Assembly which was, moreover, published as a volume in the four official languages. Taking an approach which is more legal than political, this document appraises the extent to which the ECSC's parliamentary law should provide a basis for that of the three Communities which would start to build the Community system in 1958.

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59 CA Resolution of 24 June 1955 'à l'adresse du Conseil spécial des Ministres et de la Haute Autorité, relative à la résolution adoptée par les Ministres des Affaires étrangères des Etats membres de la Communauté européenne du charbon et de l'acier réunis à Messine, les 1er et 2 juin 1955' in OJEC of 23.7.55, p. 845. The motion for a resolution is contained in RELA 9.

60 RELA 13.

61 RELA 18.

To complete the overview of the Political Committee's stance on institutional matters, the report, with a motion for a resolution, on information[62] needs to be cited. These documents call for the Assembly to have a right of scrutiny of the High Authority as regards information as well, and provide it with its own information service, i.e. one or two officials of the Research and Documentation Division, tasked with informing the public about the work of the Assembly and becoming a major forum for links between the press and committees and groups. This proposal overcame the opposition of the High Authority which considered itself to be the only institution empowered to carry on a function of information on behalf of all the institutions[63].

## 11. CONCLUSIONS

The Political Committee was the European conscience of the Assembly and, although most of its time and work were devoted to external relations, its most politically significant activities related to institutional policy. With the sole of exception of Michel Debré, who was a member in the second half of the term, all its members were fervently pro-European, although with different views, and advanced the plans for greater European integration and more decision-making powers for the Common Assembly, seen at that time chiefly from the point of view of scrutiny.

What is striking is that the Committee did not want to be the sole protagonist of political action which was undoubtedly being viewed by public opinion, even at that time, and created a Working Party which was to monopolise the Assembly's participation in the process to draw up the Rome Treaties. In doing this, the Political Committee preferred to take a background role, the importance of which became very clear in the final year when the Political Committee presented its review and appraisal of the first four years of the ECSC's existence.

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[62] RELA 12 and CA Resolution of 15 February 1957 on 'l'information de l'opinion publique sur l'activité de la Communauté et plus spécialement de l'Assemblée Commune' in OJEC du 11.3.57, p. 104-105

[63] For completeness of information, there is also RELA 11 which proposes a session of the Assembly in Rome to examine the Carboni motion for a resolution which was intended to affirm the Assembly's sovereignty to decide on the place of its meetings. A rapporteur was appointed in respect of another proposal from the same member on the seat of the institutions, but that proposal was not followed up.

## ANNEX I – COMPOSITION OF THE POLITICAL COMMITTEE

| *12 January 1953* | *10 May 1954* | *23 November 1955* | *29 November 1956* | *6 November 1957* |
|---|---|---|---|---|
| Benvenuti Ludovico (IT, CD) | **Boggiani Pico (IT, CD)** | Boggiani Pico (IT, CD) | **Cavalli Antonio (IT CD),** **Braccesi Giorgio (IT, CD) from 12.2.57** | Braccesi Giorgio (IT, CD) |
| Birkelbach Willi (DE, Soc) | Birkelbach Willi (DE, Soc) | Birkelbach Willi (DE, Soc) | Birkelbach Willi (DE, Soc) | Birkelbach Willi (DE, Soc) |
| Braun Heinz (Saarland, Soc) | Braun Heinz (Saarland, Soc) | Braun Heinz (Saarland, Soc) | **Scheel Walter (DE, Lib)** | |
| Bruins Slot J.A.H.J.S (NL, CD) | Bruins Slot J.A.H.J.S (NL, CD), **Hazenbosch Cornelis (NL, CD) from 11.5.55** | Hazenbosch Cornelis (NL, CD) | Hazenbosch Cornelis (NL, CD) | Hazenbosch Cornelis (NL, CD) |
| Casati Alessandro (IT, Lib) | **Pella Giuseppe (IT, CD)** | **Caron Giuseppe (IT, CD)** | Caron Giuseppe (IT, CD) | Cavalli Antonio (IT, CD) |
| Cingolani Mario (IT, CD) | **Carboni (IT, CD)** | Carboni (IT, CD) | Carboni (IT, CD) | Carboni (IT, CD) |
| Dehousse Fernand (BE, Soc) | Dehousse Fernand (BE, Soc) | Dehousse Fernand (BE, Soc) | Dehousse Fernand (BE, Soc) | Dehousse Fernand (BE, Soc) |
| Delbos Yvon (FR, Lib) | Delbos Yvon (FR, Lib) | Delbos Yvon (FR, Lib) | **Laffargue George (FR, Lib)** | **Boutemy René (FR, Lib)** |
| Gerstenmaier Eugen (DE, CD) | Gerstenmaier Eugen (DE, CD), **Oesterle Josef (DE, CD) from 9.5.55** | Oesterle Josef (DE, CD) | Oesterle Josef (DE, CD) | Oesterle Josef (DE, CD) |
| van der Goes van Naters Jonkheer Marinus (NL, Soc) | van der Goes van Naters Jonkheer Marinus (NL, Soc) | van der Goes van Naters Jonkheer Marinus (NL, Soc) | van der Goes van Naters Jonkheer Marinus (NL, Soc) | van der Goes van Naters Jonkheer Marinus (NL, Soc) |
| Klompé Margaretha (NL, CD) | Klompé Margaretha (NL, CD) | Klompé Margaretha (NL, CD) | **Sassen Emja (NL, CD)** | Sassen Emja (NL, CD) |
| Kopf Hermann (DE, CD) | Kopf Hermann (DE, CD) | Kopf Hermann (DE, CD) | Kopf Hermann (DE, CD) | Kopf Hermann (DE, CD) |
| Margue Nicolas (LU, CD), **van Kauvenbergh Adrien (LU, Soc) from 14.1.54** | van Kauvenbergh Adrien (LU, Soc), **Loesch Fernand (LU, CD) from 29.11.54,** **Margue Nicolas (LU, CD) from 6.5.55** | Margue Nicolas (LU, CD) | Margue Nicolas (LU, CD) | Margue Nicolas (LU, CD) |
| Mollet Guy (FR, Soc) | **Jaquet Gerard (FR, Soc)** | **Jaquet Gerard (FR, Soc),** **Gozard Gilles (FR, Soc) from 14.3.56** | Gozard Gilles (FR, Soc) | Gozard Gilles (FR, Soc) |
| Montini Lodovico (IT, CD) | **Gerini Alessandro (IT, CD)** | **Gerini Alessandro (IT, CD)** | **Guglielmone Teresio (IT, CD)** | Guglielmone Teresio (IT, CD) |
| Mutter André (FR, Lib) **de Saivre Roger (FR, Lib) from 14.1.54** | de Saivre Roger (FR, Lib) | **Debré Michel (FR, NI)** | Debré Michel (FR, NI) | Debré Michel (FR, NI) |

| | | | | |
|---|---|---|---|---|
| Persico Giovanni (IT, Soc) | **Amadeo Ezio (IT, Soc)** | **Not appointed** | **Schiavi Alessandro (IT, Soc)**<br>**Granzotto Basso Luciano (IT, Soc) from 12.2.57** | **Simonini Alberto (IT, Soc)** |
| Strauss Franz Joseph (DE, CD) | Strauss Franz Joseph (DE, CD) | **Furler Hans (DE, CD)** | **Kiesinger Kurt Georg (DE, CD)** | Kiesinger Kurt Georg (DE, CD) |
| Schaus Eugène (LU, LIB) | Schaus Eugène (LU, LIB) | Schaus Eugène (LU, LIB) | **Pleven René (FR, Lib)** | Pleven René (FR, Lib) |
| Struye Paul (BE, CD) | Struye Paul (BE, CD) | Struye Paul (BE, CD) | Struye Paul (BE, CD) | Struye Paul (BE, CD) |
| Teitgen Pierre Henri (FR, CD) | Teitgen Pierre Henri (FR, CD) | Teitgen Pierre Henri (FR, CD) | Teitgen Pierre Henri (FR, CD) | Teitgen Pierre Henri (FR, CD) |
| Wehner Herbert (DE, Soc) | Wehner Herbert (DE, Soc) | Wehner Herbert (DE, Soc) | Wehner Herbert (DE, Soc) | Wehner Herbert (DE, Soc) |
| Wigny Pierre Louis (BE, CD) | Wigny Pierre Louis (BE, CD) | Wigny Pierre Louis (BE, CD) | Wigny Pierre Louis (BE, CD) | Wigny Pierre Louis (BE, CD) |

NB: The dates at the head of the columns are those of the sittings of the Assembly at which the annual composition of the committees was decided, and the dates in the text are the sittings of the Assembly at which changes were announced (in some cases the substitute had already been attending meetings of the committee); changes are shown in bold type.

## ANNEX II – MINUTES OF THE POLITICAL COMMITTEE

| *Date of meeting* | *Main issues* |
|---|---|
| 12 January 1953 | Inaugural, problems of association and relations with the OEEC |
| 12 May 1953 | Initial discussion of RELA 1 |
| 1 June 1953 (1) | Discussion / approval of RELA 1 |
| 1 June 1953 (2) | Exchange of opinions with the High Authority on external relations |
| 27 November 1953 | Resolution 31 of the Consultative Assembly of the Council of Europe? |
| 21 December 1953 | Discussion / approval of RELA 2 |
| 30 April 1954 | Initial discussion of RELA 3 |
| 10 May 1954 | Discussion / approval of RELA 3 |
| 11 May 1954 | Inaugural |
| 18 May 1954 | Examination of the text to be put to the drafting committee and Mr de Saivre's proposal relating to association with the United Kingdom |
| 2 October 1954 | Exchanges of opinions with the High Authority on the talks with the UK and Austria, on the Danish Memorandum to the OEEC on ECSC steel exports, on the future of the Community and on the powers of scrutiny of the Assembly |
| 19 November 1954 | Report to the High Authority on negotiations for the Association Agreement with the UK, discussion of RELA 6, discussion / approval of RELA 4 and 5, discussion of the establishment of the WEU Assembly |
| 29 November 1954 | Communication to the High Authority on the negotiations for the Association Agreement with the UK, examination of RELA 6 |
| 23 April 1955 | Discussion and approval of RELA 6, discussion of RELA 7 |
| 7 May 1955 | Discussion / approval of RELA 7 |
| 13 May 1955 | Discussion / approval of RELA 8 |
| 20 June 1955 | Discussion / approval of RELA 9 |
| 11 July 1955 | Discussion of institutional issues: opinion requested from the Working Group, relations between the Committee and the institutions, relations with the WEU Assembly and the OEEC |
| 22 November 1955 | Exchange of opinions with the High Authority on the state of relations with third countries; questions of common interest with the Common Market Committee |
| 24 November 1955 | Inaugural |
| 25 November 1955 | Election of the second Vice-Chairman |
| 6 February 1956 | Exchange of opinions with the High Authority on relations with the UK, Austria and GATT, and on information; discussion of relations with the Interparliamentary Union and of general political problems connected with European integration |
| 15 March 1956 | Discussion of general political problems connected with European integration; discussion of RELA 12 |
| 21 April 1956 | Discussion of RELA 10 |
| 9 May 1956 | Discussion of RELA 12 |

| | |
|---|---|
| 11 May 1956 | Discussion of RELA 10 |
| 16 June 1956 | Discussion / approval of RELA 10 |
| 22 June 1956 | Discussion / approval of RELA 11 |
| 24 September 1956 | Examination of the rejection, by the Association Council, of the establishment of a joint parliamentary committee under the agreement with the UK; ECSC stand at the World Fair in Brussels; discussion of RELA 12 and relations with international organisations |
| 29 November 1956 | Inaugural |
| 17 December 1956 | Discussion of RELA 13; statement by the High Authority on external relations, by Birkelbach on social aspects of European integration and by Gozard on institutional aspects |
| 2 February 1957 | Discussion and approval in principle of RELA 13 |
| 13 February 1957 | Joint meeting with the Common Market Committee to discuss and decide on the establishment of a Sub-Committee on Commercial Policy (RELA 14) |
| 14 February 1957 | Final approval of RELA 13 |
| 8 April 1957 | Appointment of the six members of the Sub-Committee on Commercial Policy and discussion of the Committee's future work |
| 16 May 1957 | Initial discussion of RELA 15 |
| 25 June 1957 | The agenda shows the approval of RELA 15; a motion for a resolution on the external relations of the Community is included in the file |
| 6 November 1957 | Inaugural, appointment of the six members of the Sub-Committee on Commercial Policy and discussion of the Committee's work |

## MINUTES AND REPORTS OF THE SUB-COMMITTEE ON COMMERCIAL POLICY (1957)

| | |
|---|---|
| 16 May 1957 | Inaugural, discussion of the Sub-Committee's work |
| 8 June 1957 | High Authority statement on commercial policy |
| 27 June 1957 | Appointment of the rapporteur for RELA 16 |
| 5 October 1957 | Discussion / approval of RELA 16 |
| 7 November 1957 | Inaugural |
| 8 November 1957 | Discussion / approval of RELA 17 |
| 9 November 1957 | Discussion and amendment of RELA 17 |
| 9 December 1957 | Nordic Common Market? (minutes not recorded) |

NB: The archive dossier number of minutes in the CARDOC system is obtained using the sequence AC AP PV/RELA.1953 RELA- the date of the meeting written out in eight digits in year, month and day order with no spaces or punctuation signs. For instance, the dossier for the meeting of 12 January 1953 is: AC AP PV/RELA.1953 RELA-19530112. The 'minutes' document or report is normally shown by the digits 0010 following the dossier number.

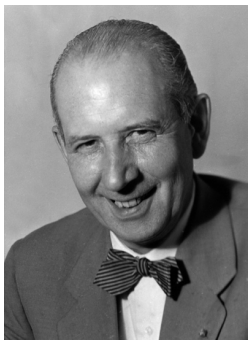
## ANNEX III – REPORTS BY THE COMMITTEE ON THE POLITICAL AFFAIRS AND EXTERNAL RELATIONS OF THE COMMUNITY – COMMON ASSEMBLY (1953-1958)

| *Report number* | *AC number* | *TITLE - RAPPORTEUR* | *CARDOC CLASS. AC AP RP/RELA. 1953* |
|---|---|---|---|
| RELA 1 | 6 | Report on Chapter II, dealing with the external relations of the Community, of the General Report on the Activities of the Community (1952-1953).<br>Rapporteur: Klompé | AC-0006/53-mai-0010 |
| RELA 2 | 2 (53-54) | Report on the Common Assembly's response to Resolution 31 adopted by the Consultative Assembly of the Council of Europe on 23 June 1953.<br>Rapporteur: Klompé | AC-0002/54-janvier-0010 |
| RELA 3 | 16 (53-54) | Report on Chapter II, dealing with the external relations of the Community, of the General Report on the Activities of the Community (13 April 1953-11 April 1954).<br>Rapporteur: Klompé | AC-0016/54-mai-0010 |
| RELA 4 | 4 (54-55) | Report on the Community's external relations and developments envisaged in the light of current political trends.<br>Rapporteur: Klompé | AC-0004/54-novembre-0010 |
| RELA 5 | 5 (54-55) | Report on the powers of scrutiny of the Common Assembly and their use.<br>Rapporteur: Teitgen (not available in French) | AC-0005/54-novembre-0010 |
| RELA 6 | 16 (54-55) | Report on the agreement concerning relations between the European Coal and Steel Community and the United Kingdom of Great Britain and Northern Ireland.<br>Rapporteur: Klompé | AC-0016/55-mai-0010 |
| RELA 7 | 22 (54-55) | Report on Chapter II, dealing with the external relations of the Community, of the General Report on the Activities of the Community (12 April 1954-10 April 1955).<br>Rapporteur: Klompé | AC-0022/55-mai-0010 |
| RELA 8 | 40 (54-55) | Supplementary report on the agreement concerning relations between the European Coal and Steel Community and the United Kingdom of Great Britain and Northern Ireland.<br>Rapporteur: Klompé | AC-0040/55-mai-0010 |
| RELA 9 | 43 (54-55) | Report on the resolution adopted by the Foreign Ministers of the Member States of the ECSC meeting in Messina on 1 and 2 June 1955.<br>Rapporteur: Klompé | AC-0043/55-mai-0010 |
| RELA 10 | 27 (55-56) | Report on Chapter II, dealing with the external relations of the Community, of the General Report on the Activities of the Community (11 April 1955- 8 April 1956).<br>Rapporteur: Struye | AC-0027/56-mai-0010 |
| RELA 11 | 37 (55-56) | Report on the motion for a resolution by Enrico Carboni in relation to the place of meeting of the Common Assembly for its next session.<br>Rapporteur: Furler | AC-0037/56-mai-0010 |
| RELA 12 | 10 (56-57) | Report on the problems raised by dealings with the press and public information about the activities and objectives of the Community.<br>Rapporteur: Carboni (not available in French) | AC-0010/57-fevrier-0010 |
| RELA 13 | 13 (56-57) | Moral testimony of the Community: report on the first four years.<br>Rapporteur: Wigny (not available in French) | AC-0013/57-fevrier-0010 |

| | | | |
|---|---|---|---|
| RELA 14 | 16 (56-57) | Report on the creation of a sub-committee on commercial policy.<br>Rapporteur: Sassen (available only in German) | AC-0016/57-mai-0010 |
| RELA 15 | 40 (56-57) | Report on the Community's foreign relations – Chapters II and III of the 5th General Report on the Activities of the Community (9 April 1956 - 13 April 1957).<br>Rapporteur: Pleven (available only in Italian and Dutch) | AC-0040/57-juin-0010 |
| RELA 16 | 1 (57-58) | Report on the commercial policy of the ECSC and the problems raised thereby.<br>Rapporteur: Pleven on behalf of the Sub-Committee on Commercial Policy (not available in French) | AC-0001/57-novembre-0010 |
| RELA 17 | 9 (57-58) | Supplementary report on the commercial policy of the ECSC and the problems raised thereby.<br>Rapporteur: Pleven (on behalf of the Sub-Committee on Commercial Policy) | AC-0009/57-novembre-0010 |
| RELA 18 | 14 (57-58) | Report on the Parliamentary Assembly in the Europe of Six.<br>Rapporteur: Wigny (not available in French). The report was published in the four languages of the Community: P. Wigny L'Assemblée parlementaire européenne dans l'Europe des Six, 1958 (sl) | AC-0014/58-fevrier-0010 |

# CHAPTER V

# COMMITTEE ON TRANSPORT



PAUL KAPTEYN[1]

## 1. BACKGROUND

During the parliamentary term, the Chairmen and Vice-Chairmen of the Committee on Transport[2] were as follows:

- from 12 January 1953, the Chairman was Joachim Schöne, and the Vice-Chairman was Italo Sacco;
- from 11 May 1954, the Chairman was Alain Poher and the Vice-Chairman was Paul Kapteyn;
- from 22 November 1955, the Chairman was Emilio Battista and the Vice-Chairman was Paul Kapteyn;
- from 27 November 1956, the Chairman was Pierre Louis Wigny and the Vice-Chairman was Paul Kapteyn.[3]

The committee met 40 times between 1953 and 1958[4] and produced 13 reports[5], most of which concerned transport aspects of the High Authority's general reports.

1 Dutch, Socialist, vice-chairman of the Transport Committee from 11 May 1954, and the main Rapporteur for this committee

2 For the composition of the committee throughout the parliamentary term, see Annex I.

3 See the minutes of the meetings of the first days of the mandate (inaugural meetings) referred to in the text, including that of 6 November 1957.

4 Annex II.

5 Annex III.

## 2. TRANSPORT IN THE ECSC TREATY

The ECSC was competent for the carriage of coal and steel products and not, therefore, for the carriage of goods in general, the carriage of persons, or transport networks as a whole. Similarly, it was not responsible for transport by sea and air.

The fundamental and virtually only aspect for which it was competent was tariffs, as provided in Article 70 of the ECSC Treaty, the sole article of Chapter IX, concerning transport:

> *It is recognised that the establishment of the common market necessitates the application of such rates and conditions for the carriage of coal and steel as will afford comparable price conditions to comparably placed consumers.*
>
> *Any discrimination in rates and conditions of carriage of every kind which is based on the country of origin or destination of products shall be prohibited in traffic between Member States. For the purpose of eliminating such discrimination it shall in particular be obligatory to apply to the carriage of coal and steel to or from another country of the Community the scales, rates and all other tariff rules of every kind which are applicable to the internal carriage of the same goods on the same route.*
>
> *The scales, rates and all other tariff rules of every kind applied to the carriage of coal and steel within each Member State and between Member States shall be published or brought to the knowledge of the High Authority.*
>
> *The application of special internal rates and conditions in the interest of one or more coal- or steel-producing undertakings shall require the prior agreement of the High Authority, which shall verify that they are in accordance with the principles of this Treaty; it may make its agreement temporary or conditional.*
>
> *Subject to the provisions of this Article, and to the other provisions of this Treaty, transport policy, including the fixing and altering of rates and conditions of carriage of every kind and the making of rates on a basis calculated to secure for the transport undertakings concerned a properly balanced financial position, shall continue to be governed by the laws or regulations of the individual Member States, as shall measures relating to coordination or competition between different modes of transport or different routes.*

The basic aim of ECSC transport policy was to prohibit and eliminate tariff discrimination based on the country of origin and of destination of coal and steel products. With a view to achieving that aim, a procedure was introduced for informing the High Authority of the internal rates of transport within and between each State, as also for authorisation by the ECSC Executive of special rates in the interest of one or more national undertakings (a form of state aid). Anything that did not fall within that area remained a matter of national competence.

Article 10 of the Convention on the transitional provisions provided for in Article 85 of the Treaty, annexed to the ECSC Treaty, provided for the convening of a Committee of Experts designated by the Governments of the Member States to study the arrangements to be proposed in order to attain the objectives set out in Article 70 of the Treaty. The Committee had not more than two months to define measures to eliminate discriminatory practices contrary to the second paragraph of Article 70, and two years to define through international tariffs and harmonise the rates and conditions of carriage.

It is worth noting that 17 October 1953 saw the opening of the European Conference of Ministers of Transport (CEMT) at the initiative of 16 countries.[6] Its remit covered transport in general and the objective was to harmonise Member States' transport policy. From the outset the Common Assembly's

[6] Belgium, Denmark, Germany, Spain, France, Greece, Italy, Luxembourg, Netherlands, Norway, Austria, Portugal, Sweden, Switzerland, Turkey, United Kingdom, as also the Anglo-American Administration of Trieste. One of the ECSC observers at the Committee on Transport summarised the events that led to the creation of that international organisation. AC-Committee on Transport Procès verbal de la réunion du mardi 15 décembre 1953. CARDOC AC PV/TRAN. 1953 TRAN-19531215 0010. For a more detailed study of the history of the CEMT and the main transport issues at the beginning of the 1950s, see the report, in French only, entitled Premier rapport de la Conférence européenne des Ministres des Transports, AC 1241, a document that has the Committee on Transport's heading but gives no further indication of origin or date (very probably February 1955). CARDOC TRAN-19550212 0020.

Committee on Transport showed interest in the CEMT's activities and two ECSC observers attended its first meeting.

## 3. THE QUESTION OF RAIL TRANSPORT RATES (DISCRIMINATION)

The Committee of Experts set up on the basis of the above Convention met as from 24 October 1952 and reached conclusions on 12 cases of discrimination in January 1953, and on two others in May.[7] At the same time, the Committee of Experts began to classify the special rates granted to some producer undertakings to which the fourth paragraph of Article 70 of the Treaty applied; it then remained, at the end of May 1953, to consider the delicate question of export and transit rates, to which the Community concept was to be applied instead of the national one that originally regulated them.

From the outset, the Committee on Transport carefully monitored the question of rates, to which it devoted the entire three meetings held in the first half of 1953. During most of the discussions, the Executive described its own activities and those of the Committee of Experts, in response to extremely precise questions by the representatives. An analysis of the questions put at the meeting of 19 February shows that the representatives were concerned in general about the financial implications of the proposed tariff measures and about who would bear the costs. They asked whether there was any risk that the elimination of discrimination would lead to an increase in rates. They also wanted to know how to resolve the problem of rates that differed between countries, even if they were not discriminatory, because that difference favoured the large countries, where long internal routes meant lower costs. They asked what impact the elimination of tariff discrimination would have on international transport.

In substance, the Committee's report[8] approved the activities of the Executive and made projections for the future, paying particular attention to special rates and to through international rates (what we would now call intra-Community rates)[9], to establishing a statistical system, to the agreements with third countries and to the issue of transit through third countries; it expressed the hope that transport costs would be reduced.

The report was presented to the Assembly on 16 June 1953 during the debate on the High Authority's General Report. In the course of the debate, Paul Kapteyn, who was to play a major role in the Committee on Transport's activities both within the Common Assembly and elsewhere, set out his overall view of the European transport system in the 1950s, which, as he put it, was terrifying and would act as an obstacle to harmonisation. In the case of road transport, some of the lorries belonged to private undertakings, a number of which were in fact coal and steel undertakings. Rail transport, by contrast, was mainly public, but the management philosophy differed from country to country: in some countries it was based on entrepreneurial criteria with the same profitability requirements, while in others precedence was given to serving the community, which meant that undertakings were less influenced by profit when it came to decision-making.

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7 The cases are carefully listed in the Exposé sur les mesures prises à l'initiative de la Haute Autorité dans le domaine des transports de la Communauté annexed to TRAN 1. That report followed and supplemented the report presented to the Committee on Transport on 19 February 1953, mentioned as annexed to the minutes, but not found.

8 TRAN 1. As is clear from the title, the document was drafted in the context of the consideration of the High Authority's General Report 52-53 and, following the practice adopted from the outset, did not include a motion for a resolution. The draftsmen of the committees met during the parliamentary session to draw up a general report.

9 'Through international rates' meant a single rate, calculated over the total distance, for the entire route of freight carried across at least one international frontier. Since rail tariffs were degressive in relation to the distance travelled, the through international rate would have been more convenient for the user or at any rate non-discriminatory in relation to a route of equal distance within a single country.

Similarly, in the case of transport by inland waterway private shipping companies were faced with large shipping companies controlled by or forming part of coal and steel undertakings. In the view of Mr Kapteyn, the ECSC needed a 'transport philosophy' that would enable the High Authority, which did not have the necessary powers, to have a stimulating effect.[10] Meurice Lemaire, for his part, stressed the distortions in the system of rail tariffs, which were still being fixed as though the railways were not under competition from road transport and were the only possible transport mode on earth.[11]

The resolution on the High Authority's report[12] reiterated the three demands already set out in the Fohrmann report: to set through international tariffs and harmonise the rates and conditions of internal transport, to ensure that the new tariffs were reflected by a reduction in transport costs and, finally, to integrate its own measures by reaching bilateral agreements with third countries.

The resolution on the Second General Report 1953-1954[13] noted the gradual elimination of tariff discrimination and called on the High Authority to continue its measures aimed at the introduction of through international tariffs and the complete harmonisation of transport conditions.

The report on this subject presented by the Committee on Transport[14] was more detailed than the preceding one and provided concrete data on transport cost differences within and between the various Community countries, together with a precise list of forms of discrimination in relation to the fundamental principles of the Treaty (essentially Article 4). The data was integrated with other data on rolling stock and on the structure of the various transport modes, thus providing a good picture of the situation of goods transport in the mid-20th century and its implications for the coal and steel sector in the various countries. It emerged from that analysis that[15]:

> *11. Clearly, a transport policy directed for years solely at promoting the interests of the national economies would lead to rates incompatible with the principles of the common market. The limitations to international transport derive from the practice of breaking bulk in the case of transport beyond frontiers or on the structural diversities of the transport modes and tariff systems of the individual countries. Clearly, under those conditions there can be no free competition on the common markets.*

The instruments for intra-Community transport were through international tariffs and, at internal level, harmonising internal tariffs with international ones. In that regard, the Common Assembly approved a motion for a resolution by the Committee on Transport inviting the Council of Ministers to take the necessary measures, in cooperation with the High Authority.[16]

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10 AC Compte rendu in extenso des séances 16 June 1953, p.75.

11 Ibid., p. 77.

12 AC resolution (adopted on 23 June 1953) on the Rapport général de la Haute Autorité sur l'activité de la Communauté du 10 août 1952 au 12 avril 1953 et sur l'Etat prévisionnel général pour l'exercice 1953-1954 Official Journal-Common Assembly, 21.7.53, pp. 156-157.

13 AC resolution of 21 May 1954 on the (1) Rapport général de la Haute Autorité sur l'activité de la Communauté pendant l'exercice 1953-1954, (2) Rapport sur les dépenses administratives de la Communautés durant l'exercice 1952-1953, (3) Etat prévisionnel général pour l'exercice 1954-1955 Official Journal-Common Assembly, 9.6.54, pp. 413-416.

14 TRAN 2.

15 TRAN 2, p. 11.

16 AC Compte rendu in extenso des séances 19 May 1954, p. 242. See also TRAN 3.

## 4. THROUGH INTERNATIONAL TARIFFS IN RAIL TRANSPORT

In May 1954 discrimination in the railway sector came to an end and the Committee of Experts concluded its activities. In July the High Authority reported to the Council of Ministers, presenting a declaration in which it set out the principles the Committee of Experts had established:

- *creation of direct tariffs that have general application;*
- *elimination of all taxes for crossing frontiers;*
- *standardisation, within the Community, for a same merchandise, of the graduated scale relating to total distance.*

The Council of Ministers approved a resolution on the subject, which provided for the creation of a new committee of inquiry.[17]

July 1954 brought a change in the ECSC's approach to transport issues and opened a period of negotiations with the national governments with a view to reaching an agreement on through international tariffs, which was concluded on 20 January 1955.[18] The agreement entered into force on 1 May 1955. The Committee on Transport closely, but also rather discreetly, observed the course of the negotiations, avoiding meeting on dates that might embarrass the governments, as its chairman, Alain Poher, pointed out during the meeting of 30 November 1954. Nonetheless, at that same meeting the Committee drew the High Authority's attention to the fact that the agreement on through tariffs was also necessary as a basis for moving on to the third stage of implementing Article 70, harmonisation.

On 7 November 1956 Dirk Spierenburg told the Committee that a year after the application of the through tariffs no implementing problems had arisen. At that date, an agreement had already been signed with Switzerland on the application of through tariffs to goods in transit, while negotiations on an agreement with Austria were well advanced.

## 5. INLAND WATERWAY NAVIGATION TARIFFS

Once most of the problems of tariffs and discrimination had been resolved for rail transport, in 1956 the ECSC addressed the question of inland waterway navigation, where two different tariff systems existed, a system of national regulations and a free system for international transport.[19] That situation led to serious distortions between categories of transport over an equal distance whether or not across a frontier; the differences in tariffs between the two categories varied over time and tariffs could even differ at one and at the same time. In 1956, international tariffs were higher than regulated inland transport tariffs.

The European Conference of Ministers of Transport that met in Berne in October 1955 had proposed forming private-law cartels to prevent such inconsistencies, but the Committee on Transport objected to that approach at its meeting of 4 November 1955, considering it might prejudice the ECSC's policy on this form of voluntary restriction of competition.

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17 The High Authority's declaration, the Council of Ministers' resolution and more detailed information (in particular speeches by Dirk Spierenburg, member of the High Authority, and officials accompanying him) can be found in the Committee's minutes of 29 July 1954. A statement by the Committee is attached to it.

18 The High Authority reported to the Committee at the meetings of 30 November 1954 (afternoon) and 21 January 1955, while on 12 February and 30 April the procedures for incorporating that agreement in the States' national legislation were discussed (did it require ratification or not?) and the High Authority reported on the follow-up measures the High Authority, the governments and the rail undertakings would take with a view to its technical implementation. For details, see the minutes of the meetings referred to in this footnote.

19 The question of transport by inland waterway was complicated by the 1968 Mannheim Act which guaranteed freedom of navigation in the Rhine Basin. Mr Carboni discussed that in depth in his speech in plenary. AC Compte rendu in extenso des séances 20 juin 1956, pp. 653-656.

The High Authority took the same line and in a letter sent to the governments on 7 April it outlined two possible solutions: to liberalise internal transport or to regulate international transport. Both solutions met with opposition from governments circles and the High Authority put forward a new proposal, a procedural one this time: a joint committee made up of ministers and their representatives that would discuss the matter within the Council of Ministers. At the same time, the Executive put forward a second proposal on the subject: the introduction of a minimum and a maximum tariff.[20] Finally, the Council of Ministers appointed a committee of experts, who, however, veered towards the CEMT's proposed solution.

The Committee on Transport addressed the issue in its document[21] on the High Authority's General Report, to which it attached a motion for a resolution,[22] which took up the solution proposed by the European Conference of Ministers of Transport in regard to inland waterway transport.

In 1957 an agreement was reached on transport in the Rhine Basin, to which the Mannheim Act was applicable: provided national policies remained as they were, the level of internal transport tariffs would be adapted to the level of international tariffs freely defined by the conduct of competition policy in that sector.[23]. Strangely enough, the Committee's minutes show no trace of a discussion on the matter, save a brief exchange of words between Mr Spierenburg and Mr Kapteyn at the meeting of 25 February 1958, the final meeting of the committee of the Common Assembly. There is a fleeting mention of the agreement in one report.[24]

## 6. ROAD TRANSPORT TARIFFS

Road transport tariffs were also addressed resolutely in 1956. This was an extremely delicate issue and, at the High Authority's request, the discussion at the Committee meeting of 21 January 1956 was kept confidential and no minutes were produced. The discussion probably centred on two diverging approaches to the system of setting tariffs. Two criteria were possible: the criterion of nationality, under which the tariff was determined on the basis of the country in which the transport undertaking was based, and that of territoriality, which provided for the application of different tariffs in each country for the individual track sections travelled. Only one country supported the nationality criterion.[25]

The Committee discussed the issue during the first half of 1956 and concluded that the problem could be resolved on the basis of publication, while any regulation would be decided at national level.

The question of road transport dragged on with little progress. At the Committee's last meeting, on 25 February 1958, Mr Spierenburg from the High Authority referred his proposal to the Council of Ministers, which did not expect the Netherlands to support it. The proposal provided for publication of the maximum and minimum tariffs – the difference between which must fall within certain parameters – and an international tariff falling within those maximum and minimum limits, which were determined by category of products and by tonnage based on distance travelled, taking account of the technical and economic conditions in each State.

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[20] Speech by Mr Kapteyn. AC Compte rendu in extenso des séances 20 juin 1956, p. 651.

[21] TRAN 7

[22] TRAN 8. The motion for a resolution was adopted on 22 June 1956. AC Compte rendu in extenso des séances 20 juin 1956, pp. 778-779.

[23] Speech by Mr Spierenburg. AC Compte rendu in extenso des séances 7 novembre 1957, p. 110.

[24] TRAN 12, p.21

[25] TRAN 7, p.14.

## 7. TRANSPORT COORDINATION: THE FIRST APPROACH (1955)

Against the climate of satisfaction with the agreement of 20 January 1955 on tariffs for through international transport and its prompt technical implementation, which made it possible to meet the date of 1 May 1955 for the entry into force of the agreement, the Committee submitted a report to the plenary on transport problems in the Community, Problèmes des transports dans la Communauté[26] with a view to initiating the third stage of implementing Article 70: eliminating any discrimination arising from the different tariff structures in the various countries and in the various modes of transport.

Those forms of discrimination, which acted as an obstacle to the free movement of goods in the coal and steel sector, can be broken down as follows:

- forms of discrimination that had already been eliminated and those, however marginal, that still existed;
- breaking bulk, which occurred with through international tariffs;
- distortions arising out of the different tariff structures in the various countries depending on modes of transport;
- freight disparities in navigation;[27]
- road transport.[28]

The final paragraphs of the report deplored the lack of integration and coordination in transport, the need for which, although not referred to in the Treaty, arose out of the Treaty provisions on the subject. The Committee believed that the ECSC's transport policy should form part of a wider policy, a European transport policy, which, given the interdependence between national decisions, would lead to an integrated administration of the system and to greater efficiency. According to the report, decisions on transport issues must satisfy five conditions:

> *"(1) problems must be addressed from a European point of view; in other words, the issues involved must be considered at supranational level;*
>
> *(2) there must be public discussion of any proposals and conclusions that might emerge from the consideration of these issues, so that solutions that are not yet ripe for political decision are made known to the public, which would thus have a chance to form an opinion. It goes without saying that in your Committee's opinion, the body responsible for those activities should:*
>
> *(3) be independent of any influence that reflects the interests of one or other transport sector;*
>
> *(4) given the urgent nature of the problems, ensure continuity of research, for it is not possible to achieve results only on the basis of periodic enquiries;*
>
> *(5) formulate proposals and conclusions after collecting and comparing the views of bodies concerned with the three modes of transport."*[29]

Despite the excellent work on transport done by international organisations, the report said they could not ensure that the issues were approached in the manner described above and therefore suggested setting up a committee made up of a restricted number of highly qualified experts, selected regardless of nationality and deemed not to represent any interest group from one or other transport mode; they would,

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[26] TRAN 4.

[27] This relates to internal navigation tariffs that were regulated in the case of internal transport and free in the case of international transport.

[28] This relates to specific cases arising from the tariff model described in the preceding footnote.

[29] TRAN 4, p. 20.

therefore, be appointed solely on the basis of their competence. The report proposed that the members of that committee be appointed by the governments from among a group of candidates proposed by the High Authority.

That committee would be responsible for presenting the Council of Ministers and the High Authority with proposals for the integration of all European transport modes.[30] In a separate report,[31] the Committee on Transport tabled a motion for a resolution inviting the Council of Ministers to set up that committee. The resolution was approved in plenary on 12 May 1955 following a brief debate involving only a few Committee members and Mr Spierenburg from the High Authority.[32]

On 24 June that year, the Assembly approved a second resolution on the subject,[33] which requested the Council to report to it on the follow-up to the resolution of 12 May. Again on 24 June, the Assembly also discussed the Klompé resolution on the Messina Conference.[34]. Given that coincidence, in the course of the transport debate Members referred to the final resolution adopted by that Conference, regretting that despite the successes achieved by the ECSC the resolution did not mention any transport apart from air transport. Enrico Carboni expressed his disappointment as follows:

> "..*The Messina decisions make no mention of unifying or coordinating transport by rail, or transport by waterway. We have heard it confirmed in the Committee on Transport and in the Assembly how important it is to introduce wide-ranging measures to coordinate transport by waterway, in the form both of inland waterway and of maritime transport. We have found no trace of that in the results of the Messina meeting, whereas we have noted with surprise that air transport has been discussed...*"[35]

The resolution of 24 June can be interpreted as a request to the governments to be more aware of the need to mainstream transport as a whole in Community policies.

The harmonisation of transport conditions was to continue and to expand over the following years, although with less success than in the case of rail transport, and the reports drafted by the Committee in 1956[36] and 1957[37] on the High Authority's General Report reflect the progress made, which was judged unsatisfactory in the main. The two reports each included a motion for a resolution, adopted respectively on 22 June 1956[38] and 28 June 1957[39]. Both regret the difficulties in the sector of inland waterway transport and road transport, where the Committee hoped to see a solution analogous to that found for rail transport. However, the 1957 resolution noted that some progress had been made in tackling distortions in the inland waterway transport market. The negotiations with the Member States on that transport mode, which was not operated by a public monopoly as in the case of rail transport, must have proved very difficult, given that in more than case the statements made on the subject by the High Authority were kept confidential and were not recorded in the minutes.

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30 TRAN 4, p. 20-21.

31 TRAN 5.

32 AC Compte rendu in extenso de la séance du 12 mai 1955, pp 358-367 and 380-381. The text of the adopted resolution is reported in full on p. 380-381.

33 Presented by the Committee on Transport in document TRAN 6.

34 On this question, see PARLEMENT EUROPEEN-CARDOC Vers un Parlement unique, 2007 Luxembourg, pp 21-23.

35 AC Compte rendu in extenso de la séance du 24 juin 1955, p. 635.

36 TRAN 7.

37 TRAN 10.

38 TRAN 8

39 TRAN 11

## 8. COORDINATING TRANSPORT: TOWARDS AN IN-DEPTH STUDY (1956)

The activities of the Intergovernmental Committee of Experts chaired by Henri Spaak, which prepared the EEC and Euratom Treaties, created a climate of expectation regarding the coordination of transport in general, and not confined to the carriage of ECSC products. The question was touched upon at the Committee meeting of 21 January 1956. At that meeting, despite the lack of information on the Spaak Committee's activities relating to transport, some members expressed hope of seeing a global approach, while others were concerned that a rather indeterminate 'body' responsible for transport within the incipient institution (what was to become the EEC Commission) might duplicate the functions of the High Authority.

A few months later, Mr Kapteyn sent a long letter to members of the Committee on Transport in which he said he was expecting to see the coordination of transport.[40]. That letter, which describes the progress made, judged unsatisfactory in the main, is important in that it shows how far the concept of a common transport policy had advanced by then, at least among MEPs. Mr Kapteyn was one of those who was most concerned with the subject.

He took an overall view, looking not only at the transport of coal and steel products, given that the full implementation of Article 70 of the ECSC Treaty required a unified European transport policy coordinated at European level. He believed that the elimination of discrimination was not sufficient in itself and that, without disregarding the need for the various transport modes to be profitable, care must be taken to ensure that the less-favoured regions were not further penalised by transport tariffs.

On the basis of those premises, Mr Kapteyn examined the 'transport' chapter of the Spaak Committee's report, which had not yet been published, and found it reiterated the ECSC's basic approach to the subject. Discrimination was to be eliminated for the entire market within a period of four years, while charges for crossing frontiers must not exceed the effective costs, which must gradually be passed on to the governments. For goods where transport costs had most impact on the final price, through tariffs must be graduated.

The Spaak Committee also hoped to see the joint creation of certain infrastructure and saw no need for a specific 'body' for transport; instead it considered a special division that would come under what was to become the EEC's executive Commission. Mr Kapteyn expressed reservations in this regard. He feared, firstly, that the sector of transport, which was a service, would be marginalised if it came under an institution responsible for the common market as a whole, and secondly, that this would duplicate the functions of the High Authority. Mr Kapteyn preferred the idea of a body common to the two executives, with a common secretariat.

The final proposal in Mr Kapteyn's letter, for a debate on the subject, was not taken up but was probably one of the reasons for the appointment of three advisers, whose activities were to give rise to the major debates of the following year. The advisers were Roger Hutter[41] for rail transport, Dijkmans van Gunst[42] for road transport and Wilhelm Geile[43] for inland waterway transport[44].

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[40] AC Committee on Transport Lettre de M. P.J. Kapteyn, Vice-président et rapporteur, aux membres de la commission, 20 April 1956 AC 2161. CARDOC AC AP RP/TRAN. 1953 AC0034/56-May 0020

[41] Born in 1911 and died in 1998, an SNCF official from 1935, Mr Hutter was assistant director of the Transport Division of the High Authority, where he cooperated with the Committee on Transport. In 1956 he rejoined the SNCF as director.

[42] Former director-general of the Ministry of Transport of the Netherlands, appointed by the IRU.

[43] Director of the arms company Reederei Braunkohle and President of the Rhine Navigation Consortium; President of the German Central Committee for Internal Navigation.

[44] See minutes of 21 June and 7 November 1956.

## 9. TRANSPORT COORDINATION: THE DEBATES IN COMMITTEE AND THE FINAL REPORT

The contributions from the advisers[45] breathed new life into the Committee's activities and as from 14 December 1956 it held a series of in-depth debates, which in many ways anticipated the issues still under debate today, such as the concept of public service.

A wide-ranging debate was held on price-formation, which emphasised the need for transport coordination.[46] The debate was extremely articulate and addressed issues still debated today, such as the distortion of competition between transport modes as a result of the chronic deficit of all European railways, except in the Netherlands, and the public funding of those deficits, the charging of infrastructure costs and public subsidies for transport.

The Committee, which did not consider the provisions on transport in the EEC Treaty, signed on the eve of the debates described above, adequate, nevertheless felt it had a duty to take a deeper look at the question of coordination with a view to seeking a solution, which, in any case, could not be found outside the EEC. It reached agreement on several general principles, which its then chairman, Mr Wigny, summarised as follows:

> *"I. All users must have equal access to all modes of transport. We must avoid discrimination at national level and breaking bulk. We must introduce through international tariffs.*
>
> *II. Users must be able to choose freely between the various transport modes according to purely economic criteria.*
>
> *III. An agreement must set out the obligation on the part of transport undertakings to calculate their full costs, taking account of all the constituent costs. The bill of costs must not include past infrastructure costs. The question remains how to reconcile the requirements of public utility with that principle.*
>
> *IV Revenue and expenditure must be balanced. Subsidies and aids may be granted only with the authorisation of a higher, central authority. Account must be taken of all costs and also of what the State can currently support.*
>
> *V The principle of setting tariffs constitutes the rule for harmonisation, which means that where possible the tariff structure must be the same in the various countries.*
>
> *VI Tariffs must be published...*
>
> *VII Transport must provide everyone with maximum service at minimum cost.*
>
> *VIII New investment must be coordinated on the basis of an exact calculation of costs and benefits and, at the same time, of the advantages those investments offer users other than transport users. It must be determined who is to undertake that coordination and by what means".*[47]

In a provisional report[48] presented to the Assembly on 17 May 1957, the Committee regretted that following the introduction of through international tariffs in 1955 no progress had been made in rail transport, which had led to a situation where international traffic was free while internal traffic was still subject to very detailed rules. The market in road and inland waterway transport also remained fragmented, which was incompatible with the objectives of the Treaty. The 'free play of competition' at the heart of the ECSC should have been reflected, in the transport sector, by 'comparable price conditions for users in comparable conditions'. The fact that the High Authority had little power in this area was an obstacle to achieving that objective and unfortunately the EEC Treaty did not fill that gap since it contained no

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45 The written statements by the three advisers can be found, in part at least, in Annexes A, B and C of document TRAN 12.

46 For the purposes of this publication, there seemed no point in quoting them in full and readers may consult the minutes of the sittings of 28 March and 26 April 1957, as also a document by Mr Geile, Les exigences du marché commun en matière de coordination des transports - indications complémentaires au sujet du problème de l'ajustement des prix de revient AC3163. CARDOC PE0 RP/ TRAN. 1958 A0 0106/61 0340

47 Minutes of 26 April 1957, pp. 30-34.

48 TRAN 9.

provisions on transport coordination. The Committee concluded that the lack of coordination of coal and steel transport was an obstacle to achieving the ECSC's objectives and that it was impossible to coordinate only the transport of coal and steel products. Nonetheless, the report, consigned to the Friday of an overloaded part-session, did not give rise to a debate.

The final report[49] was presented on 7 November 1957. It was a dense document some 90 pages long, which looked at every aspect of the transport question and gave an account of the Committee's activities over the past four years of its existence. At the same time it gave a picture of overland transport in the 1950s, took stock of the Committee's activities and served as a blueprint for the European Parliamentary Assembly that was to come into being a few months later.

It drew a distinction between coordination and harmonisation: the purpose of the latter was to establish common rules on rates for a transport sector, while coordination was intended to promote the consistent operation of all modes of transport, optimising the use of each mode on the basis of the principle of economic cost. That meant that for each load, the most suitable mode of transport must be used from the point of view of the general economy. Coordination could be achieved by means of various instruments: a monopoly, a transport plan under which the use of the various regular lines was entrusted to the existing undertakings, control of tariffs, tolls and other charges incurred by a mode of transport, trade agreements. For each of those instruments, the report described the advantages and disadvantages, including distortions that might arise, at least in the event of national coordination.

The Committee's document did not identify an instrument of coordination but established several principles: freedom of choice of the user, minimal overall production cost (i.e. endeavour to obtain the best cost-service ratio), the price of the transport and the most economic choice[50] and, finally, how to avoid excessive competition. The application of those principles, together with transitional flanking measures for marginal undertakings that would have to adjust to the new situation, would determine the shift of traffic from one mode to another on the basis of their profitability.[51].

In regard to coordinating investment, the report took a very modern approach, as shown by these few lines, which anticipate the concept of Trans-European Transport Networks and the policy in that regard initiated in the 1990s:

> *The common market requires the creation of a European network able to respond to today's expectations, but also and above all to what will be expected tomorrow. It will move in the direction of economic expansion, but the guidelines of that expansion will often diverge from those of current national expansions. It is, therefore, vital for investment in the European transport network to satisfy the dual requirement of ever-increasing capacity and capacity directed towards future trade.*[52]

The modernity of this vision is confirmed by the procedures for coordinating investment set out in the document: planning at European level, based on a specific instrument that is not further specified, and intermodality.

At institutional level, the report advocates appointing a special commissioner in the EEC Commission

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[49] TRAN 12.

[50] Substantially, this is a more specific statement of the previous principle, which was explained as follows: "...the transport prices offered must differ among themselves to a degree approximately equal to the difference in costs, in order to ensure that when a user chooses a mode of transport that is more expensive for the community he will derive equal or greater advantages by paying that price supplement." TRAN 2, p.30.

[51] The report gives a detailed breakdown of the structure of transport costs and the correct charging of the various cost constituents. Given its highly technical nature, we have decided not to set it out in this document.

[52] TRAN 12, p.59.

"...who would have the power to decide in the first instance, on his initiative and at the request of those concerned, on questions arising from the implementation of the directives decided by the Council. The commissioner's decisions would relate mainly to issues of a non-political kind, in particular in the area of tariffs and freights, and would be taken after hearing the parties concerned. These decisions would always be open to appeal before the European Commission."[53]

The report was discussed at the Common Assembly's sitting of 7 November, where it received strong support, despite some objections to the publication of tariffs in the name of the sound management of transport undertakings, which must continue to operate quite independently on the international transport market;[54] it was also noted that in the case of prices determined by free agreement, 'a posteriori' surveys were sufficient.[55]. On 9 November[56] the motion for a resolution[57] accompanying the document was approved with some formal modifications. The resolution stressed the importance of coordinating transport, given also its implications for price formation, regretted the lack of progress made by the governments and invited the Council of Ministers to take the Committee's report as the main basis for its own activities.

The report met with great interest on the part of trade associations, and the Committee instructed its three experts to consult professional circles on it. Their opinions were to prove useful to the European Parliamentary Assembly committee that was about to be set up.[58]

## 10. CONCLUSIONS

The ECSC Treaty and the Convention annexed to it were concerned with transport in terms of its cost to the coal and steel sector and the approach was, therefore, tariff related. It is clear from its activities, that only two years after it was set up the Committee on Transport became convinced that transport was an economic sector that interacted closely with others, including coal and steel, and that a largely tariff-based approach would not suffice to reduce costs; what was needed was an approach that would improve the internal efficiency of the transport system.

That is the lesson contained in the Kapteyn report of November 1957, which in January 1958 presented the EEC with a transport policy project that is still broadly being pursued to date. In particular, the idea of a European transport policy came to fruition in the 1990s with the Trans-European Networks.

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53 TRAN 12, p. 66. The model adopted was that of the American Interstate Commerce Commission, to which an annex in the report was devoted.

54 Speech by Mr Lichtenauer. AC Compte rendu in extenso des séances 7 novembre 1957, p. 91.

55 Speech by Mr Caron. Ibid., p. 103.

56 AC Compte rendu in extenso des séances 7 novembre 1957, pp.225-226.

57 TRAN 13.

58 Minutes of 12 February 1958.

## ANNEX I – COMPOSITION OF THE COMMITTEE ON TRANSPORT

| *10 January 1953* | *10 May 1954* | *21 November 1955* | *27 November 1956* | *6 November 1957* |
|---|---|---|---|---|
| Antonio Boggiani Pico (IT, CD) | **Enrico Carboni (IT, CD)** | **Emilio Battista (IT, CD)**[1] | Emilio Battista (IT, CD) | **Antonio Boggiani Pico (IT, CD)** |
| Alain Poher (FR, CD) | Alain Poher (FR, CD) | Alain Poher (FR, CD) | Alain Poher (FR, CD) | Alain Poher (FR, CD) |
| Hermann Pünder (DE, CD) | Hermann Pünder (DE, CD) | Hermann Pünder (DE, CD) | Aloys Lenz (DE, CD) | Aloys Lenz (DE, CD) |
| Italo Sacco (IT, CD) | **Attilio Terragni (IT, Lib) until 23.7.1955** | | | **Jean Médecin (FR, Lib) from 14.5.1957** |
| Pierre Louis Wigny (BE, CD) | Pierre Louis Wigny (BE, CD) | Pierre Louis Wigny (BE, CD) | Pierre Louis Wigny (BE, CD) | Pierre Louis Wigny (BE, CD) |
| Jean Fohrmann (LU, Soc.) | Jean Fohrmann (LU, Soc.) | Jean Fohrmann (LU, Soc.) | **Schaus Eugène (LU, LIB) from 29.11.1956** | Schaus Eugène (LU, LIB) |
| Paul J Kapteyn (NL, Soc) | Paul J Kapteyn (NL, Soc) | Paul J Kapteyn (NL, Soc) | Paul J Kapteyn (NL, Soc) | Paul J Kapteyn (NL, Soc) |
| Joachim Schöne (DE, Soc) | Joachim Schöne (DE, Soc) | Joachim Schöne (DE, Soc) | Joachim Schöne (DE, Soc) | **Ludwig Metzger (DE, Soc.)** |
| Meurice Lemaire (FR, NI) | **Alfred Krieg (DE, Lib.) from 16.1.1954** | **Alfred Chupin (FR, Lib) from 29.11.1954** | **André Mutter (FR, Lib) from 14.3.1956** | **Pierre Coulon (FR, Lib); before André Boutemy (FR, Lib) from 14.5.1957** |

[1] On 27 November 1956 Mr Carboni was appointed to replace Mr Battista, but two days later Mr Carboni returned to the Commission. Mr Terragni's mandate expired.

NB The dates at the head of the columns are those of the sittings of the Assembly at which the annual composition of the committees was decided; changes are shown in bold type.

## ANNEX II – MINUTES OF THE COMMITTEE ON TRANSPORT

| *Date of meeting* | *Main issues* |
|---|---|
| 12 January 1953 | Inaugural meeting |
| 19 February 1953 | Tariff measures |
| 8 June 1953 | Approval of Report 9/53 |
| 15 December 1953 | Tariff measures and European Conference of Ministers of Transport |
| 15 April 1954 | Tariff measures |
| 10 May 1954 | Approval of Report 14/54 |
| 11 May 1954 | Inaugural meeting |
| 29 July 1954 | Debate on transport policy with annexes |
| 30 November 1954 | Debate on transport policy |
| 21 January 1921 | Debate on transport policy |
| 12 February 1955 | Debate on transport policy – discussion of Report 15/54-55 |
| 30 April 1955 | Approval of Report 15/54-55 |
| 12 May 1955 | Approval of Report 36/54-55 |
| 12 June 1955 | Inland waterway and road transport – approval of Report 42/54-55 |
| 4 November 1955 | Debate on transport policy |
| 22 November 1955 | Inaugural meeting |
| 21 January 1956 | Inland waterway and road transport |
| 11 March 1956 | Inland waterway and road transport |
| 9 May 1956 | Programme of work |
| 26 May 1956 | Internal waterway and road transport – approval of Report 15/56 |
| 21 June 1956 | Approval of Report 15/56 |
| 7 November 1956 | Debate on transport policy |
| 27 November 1956 | Inaugural meeting |
| 14 December 1956 | Consultation of experts on transport coordination |
| 28 March 1957 | Consultation of experts and wide-ranging (very long) debate on transport coordination |
| 29 March 1957 | Consultation with the High Authority on the development of the transport sector |
| 26/27 April 1957 | Consultation of experts and wide-ranging (very long) debate on transport coordination |
| 15 May 1957 | Programme of work |
| 17 May 1957 | Fifth General Report |

| | |
|---|---|
| 27 June 1957 | Approval of Report 39/57 |
| 5/6 July 1957 | Debate on transport coordination, with particular reference to the concept of public service |
| 9/10 October 1957 | Approval of Report 6/57-58 |
| 6 November 1957 | Inaugural meeting |
| 8 November 1957 | Approval of motion for a resolution |
| 12 February 1958 | Debate on transport coordination |
| 25 February 1958 | Debate on harmonisation |

NB: The archive dossier number of minutes in the CARDOC system is obtained using the sequence AC AP PV/TRAN.1953 TRAN- the date of the meeting written out in eight digits in year, month and day order with no spaces or punctuation signs. For instance, the dossier for the meeting of 12 January 1953 is: AC AP PV/TRAN.1953 TRAN-19530112. The 'minutes' document or report is normally shown by the digits 0010 following the dossier number.

## ANNEX III – REPORTS BY THE COMMITTEE ON TRANSPORT

| *Report number* | *AC number* | *TITLE - RAPPORTEUR* | *CARDOC CLASS. AC AP RP/TRAN. 1953..* |
|---|---|---|---|
| TRAN 1 | 9 | *Report on measures taken at the initiative of the High Authority in the field of transport and more specifically on Chapter IV(1) (Nos 54-58) of the General Report on the Activities of the Community (1952-1953), relating to the elimination of discrimination in transport.*<br>Rapporteur: Fohrmann. | AC-0009/53-mai 0010 |
| TRAN 2 | 14/ 53-54 | *Report on Chapter III(3)(Nos 89-95) of the Second General Report on the Activities of the Community (13 April 1953 – 11 April 1954) relating to transport problems within the Community.*<br>Rapporteur: Kapteyn | AC-0014/54-mai 0010 |
| TRAN 3 | 21 | *Report on the motion for a resolution on transport issues* | AC-0021/54-mai 0010 |
| TRAN 4 | 15/54-55 | *Report on transport problems in the Community*<br>Rapporteur: Kapteyn | AC-0015/55-mai 0010 |
| TRAN 5 | 36/54-55 | *Report on transport problems in the Community*<br>Rapporteur: Kapteyn | AC-0036/55-mai 0010 |
| TRAN 6 | 42/54-55 | *Second supplementary report on transport problems in the Community*<br>Rapporteur: Kapteyn | AC-0042/55-mai 0010 |
| TRAN 7 | 15/55-56 | *Report on transport problems in the Community, and in particular on paragraphs 144 to 156 of the Fourth General Report on the Activities of the Community (11 April 1955 – 8 April 1956).*<br>Rapporteur: Kapteyn | AC-0015/56-mai 0010 |
| TRAN 8 | 34/55-56 | *Supplementary report on transport problems in the Community, and in particular on paragraphs 144 to 156 of the Fourth General Report on the Activities of the Community (11 April 1955 – 8 April 1956).*<br>Rapporteur: Kapteyn | AC-0034/56-mai 0010 |
| TRAN 9 | 27/56-57 | *Provisional report on the general problem of coordinating European transport*<br>Rapporteur: Kapteyn (available only in Italian and Dutch) | AC-0027/57-mai 0010 |
| TRAN 10 | 39/56-57 | *Report on the problem of transport in the Community*<br>Rapporteur: Kapteyn (available only in Italian and Dutch) | AC-0039/57-juin 0010 |
| TRAN 11 | 42/56-57 | *Supplementary report on the problem of transport in the Community, with particular reference to paragraphs 5 and 137-147 of the Fifth General Report on the Activities of the Community (9 April 1956-13 April 1957)*<br>Rapporteur: Kapteyn (available only in Italian and Dutch) | AC-0042/57-juin 0010 |
| TRAN 12 | 6/57-58 | *Report on the coordination of European transport*<br>Rapporteur: Kapteyn | AC-06/57-novembre 0010 |
| TRAN 13 | 10/57-58 | *Supplementary report on the coordination of European Transport*<br>Rapporteur Kapteyn (not available in French) | AC-0010/57-novembre 0010 |

# CHAPTER VI

# THE COMMITTEE ON RULES OF PROCEDURE AND THE ORGANISATION COMMITTEE

HANS-JOACHIM VON MERKATZ[1]

## 1. BACKGROUND

The designation Rules of Procedure here indicates two distinct committees:

- the 'Provisional Committee on Rules of Procedure', set up in the first session of the Common Assembly on 10 September 1952 and to which was also assigned, two days later, the remit of studying the Assembly's accounting problems, its name being changed to the 'Committee on Rules of Procedure and Accounts', instituted on 12 September 1952;
- the 'Common Assembly Committee on Rules of Procedure, Petitions and Immunities', established, together with the standing committees, on 10 January 1953; this committee took the name of 'Committee on Legal Matters, Rules of Procedure of the Common Assembly, Petitions and Immunities' on 9 May 1955 following a resolution, which will be covered in detail later, which extended its remit to the expression of legal opinions [2].

Both the committees had nine members.

The minutes of the Provisional Committee are not available in the European Parliament archives. Its Chairman was initially Giovanni Persico and thereafter Paul Struye.

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1 German, Liberal, vice-chairman of the Committee on the Rules of Procedure, Petitions and Immunity from 12 January 1953 to 22 November 1955 (excluding 12 and 13 May 1954); he was Rapporteur mainly on the Committee's competence to give an opinion on legal matters.

2 Note that in the CARDOC archives, the proceedings of these two committees are divided into three collections: REGP (Provisional Committee on Rules of Procedure), REGL (Committee on Rules of Procedure until 9 May 1955) and JURI (Committee on Rules of Procedure after 9 May 1955).

The Chairmen and Vice-Chairmen of the Committee on Rules of Procedure succeeded each other in the course of the parliamentary term as follows:

- from 12 January 1953 the Chairman was Roger Carcassonne and the Vice-Chairman was Hans von Merkatz;
- from 11 May 1954 the Chairman was Henri Fayat and the Vice-Chairman was Mr von Merkatz[3];
- from 27 November 1956 the Chairman was Mr Fayat, who resigned from the Common Assembly on 7 June 1957, and the Vice-Chairman was Jean Crouzier;
- from 6 November 1957 the Chairman was Georges Bohy and the Vice-Chairman was Mr Crouzier.

The Provisional Committee for Rules of Procedure produced just one report, the draft Rules of Procedure. From 1953 to 1957, the Committee on Rules of Procedure met 32 times and produced 10 reports.

The Organisation Committee supplemented the structure which, in September 1952[4], the Common Assembly set up in order to prepare the proceedings relating to its own operation, defining its mandate between then and the next meeting and commissioning it to

> *study all the problems posed by the organisation of the Assembly's activity and especially the number, composition and remit of the necessary committees.*

The Organisation Committee had 23 members[5] and its Chairman was Paul Reynaud. The Committee met from 13 September 1952 until early January 1953 but its minutes are not available in the European Parliament archives. It produced two reports:

- Doc. 2 *Report ... on the motion to submit to the Common Assembly concerning the number, composition and remit of the committees necessary for the smooth operation of the Assembly's work (Rapporteur Preusker)*[6];
- Doc. 3 *Report ... on the relations between the Secretariat of the Common Assembly and the Secretariat General of the Council of Europe (Rapporteur Margue)*[7].

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3 On 11 May 1954, at renewal time, Gerhard Kreyssig was elected Vice-Chairman; two days later, he resigned for reasons of maintaining a between the Member States and political trends, resulting in the re-election, on 14 May, of Mr von Merkatz, who remained in office until 22 November 1955, when, at renewal time, it was decided not to elect a Vice-Chairman, this post being reserved for an Italian liberal not yet appointed by the national parliament. The post of Vice-Chairman remained vacant until 27 November 1956.

4 CA Débats –séance du samedi 13 septembre, p. 91-92.

5 For Germany, Willi Birkelbach (Soc.), Eugen Gerstenmaier (CD), Hermann Kopf (CD), Victor-Emanuel Preusker (Lib), Herbert Wehner (Soc.); for France Heinz Braun (Soc.), Marc Jacquet (Soc.) Gérard Jaquet (Soc.) Alain Poher (CD), Paul Reynaud (Lib.); for Italy Antonio Boggiano PICO (CD), Ferruccio Parri (NI), Armando Sabatini (CD), Giuseppe Togni (CD); for Belgium Max Buset (Soc.), Roger Motz (Lib.), Pierre De Smet (CD); for the Netherlands H.A.M. Korthals (Lib.), G.M. Nederhorst (Soc), E.M.J.A. Sassen (CD); and for Luxembourg Jean Fohrmann (Soc.) and Nicolas Margue (CD). CA Débats – séance du samedi 13 septembre 1952, p. 104.

6 CARDOC AC AP RP/ORGA.1952 AC-0002/53-janvier 0010.

7 CARDOC AC AP RP/ORGA.1952 AC-0003/53-janvier 0010. With this report, an examination was made of the collaboration between the Common Assembly and the Council of Europe, the wish being expressed that the Secretariat of the former might make use of the services and facilities of the Secretariat of the Council of Europe during the Common Assembly's sessions in Strasbourg. The proposal became a CA resolution at the meeting of 10 January 1953. In this connection, attention is drawn to an unsigned confidential memorandum (probably from the Common Assembly Secretariat) slating the so-called Eden Plan whereby the British government proposed an integration of the Secretariats of the Common Assembly and Council of Europe. The memorandum sur l'organisation du sécrétariat de l'Assemblée Commune en relation avec le Conseil d'Europe is held in CARDOC AC AP RP/ORGA.1952 AC-0003/53-JANVIER 0030.

## 2. THE FUNCTIONS OF THE COMMITTEE ON RULES OF PROCEDURE

The report of the Organisation Committee on the committees, Doc. 2 above, limits the task of the Committee on Rules of Procedure solely to rules of procedure matters, although during the voting on the resolution concerned.[8] Mr Bertrand proposed that an eighth Committee on Petitions and Immunities be constituted. He was countered by Mr Struye, who, drawing attention to a discussion about the Committee on Rules of Procedure, proposed by way of an alternative the assignment of functions relating to petitions and immunities to the Committee on Rules of Procedure. The Assembly accepted this position.

In the course of the parliamentary term, the Committee on Rules of Procedure would deal primarily with amendments to the Rules of Procedure; its activity on the subject of petitions was marginal and nothing was produced on the subject of immunity. There were two legal opinions issued after it was assigned this function (9 May 1955), both of them highly sensitive politically: one on professional secrecy[9] and one on the privilege of the floor for members of the Council of Ministers[10].

## 3. THE RULES OF PROCEDURE

On 12 September 1952, the Assembly approved its own provisional Rules of Procedure on the basis of a Draft presented by the Provisional Committee on the Rules of Procedure[11]. The Assembly proceeded to vote on the individual articles and to a final vote without debate[12]. Some points were adjourned until a subsequent session and were the subject of a report[13] which, with few amendments, was approved, yet again without anything which could really be called a discussion (but merely some exchanges of opinion on specific points) on 10 January 1953.

On the same day, the motion from the Organisation Committee concerning the number, composition and remit of the committees[14] was likewise approved. In it, a draft from the Assembly's General Secretariat which is not available in the archives of the European Parliament is cited; it provided for three general committees, for economic affairs, social affairs and external relations respectively, each of 26 members, with the possibility of appointing special committees (we would say sub-committees) of nine members in addition to the Committee on Rules of Procedure and Accounts, which would operate outside this framework. Finally, a stance adopted by the President of the High Authority and by other members of

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8 CA Resolution of 10 January 1953 relating au nombre, à la composition et aux attributions des Commissions nécessaires à la bonne marche des travaux de l'Assemblée in OJEC of 10.2.53, p .8.

9 REGL 10

10 This seems not to be held in the European Parliament archives.

11 The committee's report is not available in the European Parliament archives, although among them there is the following document: ECSC Common Assembly Projet de Règlement provisoire, September 1952, held in the four official languages of the time in the CARDOC 'Rules of Procedure' collection. The document makes no explicit mention of the Provisional Committee on Rules of Procedure or of the Rapporteur, Mr Struye (who is indicated as such only in the plenary session report). In the reasons for the draft, the proposing body is generically indicated as 'committee' and from a declaration by Mutter of 10 January 1953 (CA Débats – séance du samedi 10 janvier 1953, p. 25) we learn that it was composed of the general secretaries of the national parliaments. The Provisional Committee, on the basis of Mr Struye's declaration, adopted as a basis the draft rules of procedure which you know. It set aside questions which were not urgent and earmarked their examination for a later date (CA Débats – séance du vendredi 12 septembre 1952, p. 25).

12 CA Débats -séance du vendredi 12 septembre 1952, p. 25-74; these pages collectively cover other issues, however, relating to the operation of the Common Assembly.

13 REGL 2, which relates to the term of the mandate (which was coordinated with the national one), the procedure for the examination of the General Report of the High Authority, that for the amendment of the Treaty which envisages a right of initiative on the part of the Assembly in the matter, the rules and regulations applying to the committees (excluding their definition) and petitions, and also the immunities of the Representatives and staff.

14 The Doc. 2 already cited in the foregoing paragraph.

the executive who sought close relations between the executive and the Assembly advised the committee to propose a structure based on seven committees, and this, with a slight amendment to the name of the Committee on Rules of Procedure, to which was added the remit concerning petitions and immunities, was finally approved by the Assembly.

A major integration of the rules of procedure was the article on the constitution of the groups: the report[15] was approved by the Committee on 15 June 1953 and by the Assembly on the following day[16]. Article 33a, which was thus introduced, laid down that the groups should constitute themselves by political affinities on the basis of a declaration indicating its name and members and the Chairmanship Office. The minimum number of members was nine, with no provision made for origin from different States. Within the Committee[17], the sole question discussed was whether, as happened in certain parliaments, each group had to make a political declaration, a solution which was ruled out. The minimum number was laid down as nine in order to allow each group to have a representative in each committee.

The subsequent activity of the Committee related, in connection with the rules of procedure, to their maintenance, i.e. adaptation to experience and to the problems encountered in parliamentary activity. It was therefore laid down that amendments should be tabled only in writing[18] so as to obviate the difficulties of oral ones, particularly in a multilingual Assembly, while Article 46, concerning a formal aspect of the sending of the annual report to the Council of Europe, was brought into line with the Treaty, thereby removing an inconsistency[19].

The question of the presence in the Assembly committees of members of the Special Council of Ministers, to which a report[20] was devoted, was more awkward. The Committee reasserted the parliamentary principle that committees were sovereign when it came to the admission of outsiders to their own meetings, yet emphasised how extremely unlikely it was for a committee to refuse to hear a member of the Special Council requesting to be heard. The Committee accordingly proposed that the members of the High Authority and of the Council should be able to participate in the meetings of the committees which, by a specific decision, invited them. The Assembly accepted this position without any debate[21]. It might be worth drawing attention to a significant difference in approach to the activity of the committees between the 1950s and the present: at that time, it was regarded as necessary for guaranteeing the freedom of discussions within committees that they should meet away from any publicity[22].

Linked to the foregoing, one report[23] proposed a review of a number of critical points of the Rules of Procedure. Of these points, some were of political importance, especially the one relating to the term of the mandate of the representatives, who were in those days elected by the national parliaments. While the problem of the beginning of the mandate was resolved by guaranteeing to every new member the exercise of powers temporarily until they were verified, that of the end – the exercise of powers between the loss of the national mandate and the appointment of the next representative – posed greater

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15 REGL 3.

16 AC Débats -séance du mardi 16 septembre 1953, p. 46.

17 Meetings of 11 March, 8 and 15 June 1953.

18 REGL 4.

19 REGL 5.

20 REGL 6. This report closed a decidedly awkward question which was the subject of copious correspondence between the Council and the Assembly from February 1953 onwards. See in this connection CA memorandum – Rules of Procedure, Petitions and Immunities Committee Documents rélatifs à la présence des membres du Conseil spécial des Ministres aux réunions des commissions, held in AC AP RP/REGL.1953 AC-0011/53-mai 0020 and the accompanying letters and the telegram reported in the minutes of the meeting of 9 April 1954.

21 CA Débats – séance du mercredi 12 mai 1954, p. 34.

22 REGL 6, p. 6.

23 REGL 7, approved by the Assembly at the same time as the previous one.

difficulties. The Committee gave up on finding a regulatory solution and requested the Bureau to urge national parliaments to appoint someone promptly.

In the same report another politically important question, which the observer of today finds odd, related to the position of the members of the Assembly who at the same time occupied a government post. The Committee did not deem it desirable for members of a government to serve on the Assembly, but the latter was not competent to declare it incompatible. The Committee therefore limited itself to regarding government duties as incompatible with the office of Chairman and Vice-Chairman of the committees and President and Vice-President of the Assembly.

Finally, attention is drawn, in connection with the Rules of Procedure, to the report[24] whereby the Committee, at the request of the President of the Assembly, proposed an amendment to Article 6 to allow, even outside a session, the substitution of the Chairman or of a Vice-Chairman who had resigned from the Assembly. The proposed amendment provided for the appointment, on an interim basis, of a member of the Bureau designated by the Committee of Presidents, by the group to which the Chairman or Vice-Chairman to be replaced belonged. Until the election of the new member by the Assembly, the temporary replacement performed only the duties of Bureau member and, if he were to replace a Chairman, the duties of the latter were performed by the First Vice-Chairman. This amendment, which was probably prompted by experience following the death of President De Gasperi in August 1954, was approved without amendment by the Assembly[25].

## 4. THE ORIGINS OF THE COMMITTEE ON LEGAL AFFAIRS

The report[26] whereby the Committee proposed assigning to a committee the function of giving legal opinions is of major historical importance since it launched what was to become an important area of parliamentary activity. The reasons for the initiative were clearly expressed in Point 5 of the report:

*The Committee agreed in noting that the various committees of the Assembly were frequently not capable of settling fully the purely legal aspect of a question before them for debate. The difficulty would be greater still if the same legal question were to arise in two different committees. This is why, in the majority of cases, it does not seem advisable, in the context of the committee in which the question to be debated has been raised, to establish a sub-committee charged with deciding legal aspects. It seems preferable for an independent board to be responsible for this*[27].

This Committee, which it was proposed should have the same composition as that on the Rules of Procedure, was to render non-binding legal opinions on the interpretation of the Treaty, and in this connection a potential conflict arose with the Working Party established to monitor the work of the Messina Conference. The question had been raised in the report[28] by Pella, the Chairman of the Assembly as well as rapporteur. In it, the Committee on Rules of Procedure was asked to take into consideration the new fact represented by the creation of the Working Party before finalising the report of Mr Merkatz.

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24 REGL 9.

25 CA Débats -séance du vendredi 25 novembre 1955, p. 144.

26 REGL 8.

27 REGL 8, p. 10.

28 CA – Bureau, Report on 'l'application des dispositions de la résolution du 2 décembre 1954 chargeant le Bureau de l'Assemblée Commune de saisir l'Assemblée d'un projet de résolution de constitution d'un "Groupe de Travail", dont les tâches sont définies dans ladite résolution', which is held in CARDOC CA AP RP/ACOM. 1953 AC-0012/55-mai 0010. Mr Pella, the President of the Common Assembly, had already, in a letter dated 18 March 1955, drawn this to the attention of the Chairman of the Committee on Rules of Procedure; in the letter, he relayed the fact that he had also had talks on the subject with the President of the Court of Justice, Massimo Pilotti. The letter is kept in CARDOC AC AP PV/REGL.1955-19950428 0020.

The Committee on Rules of Procedure replied to the request from President Pella with a few words from the report: ... your Committee persists in believing that it is advisable and appropriate to grant a Common Assembly committee the competence to issue legal opinions on the interpretation and application of the provisions of the Treaty. Presenting his report to the Assembly, Mr von Merkatz would deal with this position in more detail by specifying that while the Working Party would have to concern itself de lege ferenda, the new function proposed for the Committee on Rules of Procedure would be de lege lata[29].

This motion from the Committee on Rules of Procedure was debated in the Chamber. The Dutch MP Mrs Klompé[30] expressed her own uncertainties regarding the risk of the Committee on Rules of Procedure through the legal opinions encroaching on the remit of other committees, particularly the political one for which she was the rapporteur. She was especially concerned by an amendment, subsequently rejected, by her compatriot, Jonkheer van der Goes van Naters, to delete a parenthetical clause of the motion which limited its scope[31]. The Assembly finally approved the motion without any amendments[32].

## 5. PROFESSIONAL SECRECY

The first of the two opinions which the Committee on Rules of Procedure was called upon to issue related to a thorny question for a Community which, concerning itself with matters of industrial policy, was faced with the awkward problem of confidentiality of documents and industrial data which were sensitive in terms of the protection of competition and the principle of publicity to which every political institution is bound, for varying periods of confidentiality.

There are two main provisions of the Treaty of importance in relation to this subject, especially when we consider that the opinion was requested by the Committee on the Common Market in connection with its remit on the subject of cartels. The first is Article 5, under which the Community would ... enlighten and facilitate the action of the interested parties by collecting information ... and publish the justifications for its action .... Second, the second paragraph of Article 47 reads:

> *The High Authority shall not divulge information which by its nature is considered a professional secret, and in particular information pertaining to the commercial Relations or the breakdown of the costs of production of enterprises. With this reservation, it shall publish such data as may be useful to governments or to any other interested parties.*

Further on, that article provides for compensation for violations of professional secrecy. The question asked of the Committee on the Common Market was to what extent the High Authority could not send it business data. This was the substance of the query to the Committee on Rules of Procedure after a political dispute between the committees, mainly the common market one and the High Authority[33].

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29 CA Débats -séance du lundi 9 mai 1955, p. 248.

30 CA Débats -séance du lundi 9 mai 1955, p. 249.

31 The proposed resolution empowered the Committee on Rules of Procedure to issue opinions on the interpretation and application of the provisions of the Treaty insofar as these related to the exercise of the Assembly's powers. The van der Goes amendment was aimed at deleting the words in italics.

32 CA Débats -séance du lundi 9 mai 1955, p. 255.

33 See the document CA - commission des affaires juridiques ... Analyse des cas de conflit entre les commissions et la Haute Autorité qui se seraient présenté dans le domaine du secret professionnel held in CARDOC AC AP RP/REGL.1953. AC-0017/57-mai 0080

The Committee on Rules of Procedure debated the issue at length, devoting the meetings of November 1956 to 5 April 1957[1] to it almost entirely, and at the end issued a structured opinion in eight points[2], which may be summarised as follows:

- the task of determining the secret nature of an item of information lies with the High Authority and not with the undertakings concerned;
- the divulging of information whose publication the persons concerned have agreed to or which is couched in such a way as not to allow the identification of the undertakings is permitted;
- the communication to the Assembly or its committees of information is permitted if carried out under conditions which guarantee its confidentiality;
- compensation for violations of professional secrecy must be able to be granted out of court;
- every specific case of professional secrecy must be discussed between the High Authority, the Assembly and its committees, with the higher interests of the Community being safeguarded and the secrecy of certain information of an individual nature being guaranteed; in the absence of an agreement, the problem becomes a legal one, and it would be the responsibility of the Assembly to deal with it.

## 6. THE PRIVILEGE OF THE FLOOR OF THE MEMBERS OF THE SPECIAL COUNCIL OF MINISTERS

This is a legal opinion which must originally have been a report to the Assembly and was subsequently converted into an opinion; there is no trace of it in the European Parliament archives. This indicates the extent of the – perhaps excessive – confidentiality in which the Committee on Rules of Procedure shrouded the matter, which in actual fact concerned the position of a number of persons who were members of the national governments other than a minister[3] and their legal authority to represent the Special Council of Ministers before the Assembly.

The situation which gave rise to the question was the speech made on behalf of the Special Council on 16 May 1957 by the German Secretary of State for the Economy, Ludger Westrick, at the Assembly. On 18 May, the President of the Assembly, Hans Furler, asked the Committee on Rules of Procedure[4], on the initiative of the Socialist group which the previous day had raised the question within the Committee of Presidents, to interpret Article 29(4) of the Rules of Procedure which granted the privilege of the floor to the members of the Council, specifying that *They can arrange for assistance by experts or officials of the Community who do not have the privilege of the floor.*

The regulatory question is linked to Article 27 of the Treaty, which states: *The Council shall be composed of representatives of the member States. Each State shall designate thereto one of the members of its government.* The problem is therefore whether Secretaries and Under-Secretaries of State are to be regarded as members of the

1 The meetings in question are those of 10 November 1956 and 11 January, 12 March and 5 April 1957. Attention is drawn also to a number of written contributions from members and, in addition to the document cited in the foregoing memorandum, another document: CA - commission des affaires juridiques ... Analyse des opinions exprimées à l'occasion de l'étude du problème du secret professionnel. These documents are kept in the dossier CARDOC AC AP RP/REGL.1953. AC-0017/57-mai. A study by Professor Reuter, a noteworthy jurist who had participated in drafting the Treaty, has not been found by the author of the present study.

2 REGL 10.

3 These were Secretaries and Under-Secretaries of State, who were office-holders in the German, French and Italian system.

4 The letter is attached to the minutes of the meeting of 26 June 1957.

Council, or more than just officials, and this relates back also to their position in the constitutional law of the respective States[5].

At the meeting of 26 June 1957, Mr Crouzier dealt fully with the different aspects of the question on the practice of representation of the Member States in the Council, highlighting the number of times that Germany, France and Italy had been represented by Secretaries and Under-Secretaries of State who did not accompany Ministers but represented the respective governments and were at times delegated to vote by the other members of the Council, who also presided, signing its decisions. He concluded from this that the Committee on Rules of Procedure had to content itself with these facts and put it on its guard against the risks of going beyond its own remit, which a study covering the constitutional systems of the member States could entail. With this in mind, the speaker saw the Committee faced with three alternatives: an amendment of the Rules of Procedure, which specified the nature of a 'Council member'; a motion for a resolution requesting the Council to have itself represented by its own members in the Assembly; and finally, limiting itself to providing the President of the Assembly with an opinion. The discussion which followed was lively and ultimately Willem Rip, whose views were in line with those of Mr Crouzier, was appointed rapporteur.

On 16 October, the Committee approved the opinion drafted by Mr Rip and decided to pass it to the Chairman. The letter from Mr Crouzier is attached to the minutes of 16 October, but not the opinion. From the letter it can be inferred that the opinion was expressed along the lines of considering that each State should decide autonomously who its own representative in the Council was to be.

## 7. PETITIONS

In the course of the parliamentary term, there were only two petitions which reached the Committee on Rules of Procedure. The first[6] was from a French engineer, Raymond Camus, who – taking his cue from the Community objective of building houses for workers – availed himself of the right of petition to present his firm's construction techniques.

The second[7] was from FEDEREL, the European Community's association of re-rollers of iron and steel which, in order to assert the interests of the trade – which had been adversely affected by the high price of raw materials – unsuccessfully requested the Special Council to be represented in the Advisory Committee.

At its meeting of 28 April 1955, the Committee limited itself to noting that the two documents did not meet the conditions of the Rules of Procedure; it deferred examination of them pending their regularisation and proposed that in future it would be the General Secretary who would satisfy himself as to their acceptability. At the next meeting on 11 May 1955, the Committee, ascertaining regularisation, arranged for the former to be sent to the High Authority and the Committee on Social Affairs and the latter to the Council of Ministers.

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5 See AC - commission des affaires juridiques...Note sur la position du Sécretaire d'Etat et du Sous-sécrétaire d'Etat d'Etat en RFA, France et Italie held in CARDOC AC AP PV/JURI.1955 JURI-19570626 0060. On the same issue, and with particular reference to German law, see additionally the memorandum from Mr von Merkatz attached to the minutes of 16 October 1957.

6 Letter of 11 January 1955, held in CARDOC AC AP PV/ASOC.1953 ASOC-19550709 0030.

7 Letter of 22 January 1955, held in CARDOC AC AP PV/MACO.1953 MACO-19560225 0050.

## 8. CONCLUSIONS

Through the Committee's specific remit, the proceedings of the Committee on Rules of Procedure provide an overview of the Common Assembly's ways of working and above all of the mentality of its members. Those proceedings reveal a marked sense of confidentiality being demanded of the work of the committees; this can be seen above all in the report on the participation of members of the Council in the work of the committees and particularly in a number of the general considerations contained in it.

Also to be found in it are the initial assertions of a political role on the part of the Assembly vis-à-vis the High Authority and the opinion on professional secrecy – perhaps the most difficult question faced by the Committee on Rules of Procedure – which is highly significant in this connection.

Finally, there are to be found in it the first instances of jealousy, although not yet conflicts of competence, between the committees. In this regard, the assignment to that same Committee on Rules of Procedure of the power to issue legal opinions reveals the reticence and concerns with which this was initially received.

## ANNEX I – COMPOSITION OF THE COMMITTEE ON RULES OF PROCEDURE

| *10 September 1952* | *12 January 1953* | *11 May 1954* | *22 November 1955* | *27 November 1956* | *6 November 1957* |
|---|---|---|---|---|---|
| Benvenuti Lodovico (IT CD) | **Azara Antonio (IT CD)** | **Carcaterra Antonio (IT CD)** | **not appointed** | **Boggiano Pico Antonio (IT CD)** | Boggiano Pico Antonio (IT CD) |
| Bruins Slot J.A.H.J.S (NL, CD) | Bruins Slot J.A.H.J.S (NL, CD) | Bruins Slot J.A.H.J.S (NL, CD), **Rip Willem (NL CD) from 11.5.55** | **Rip Willem (NL CD)** | Rip Willem (NL CD) | Rip Willem (NL CD) |
| Carcassonne Roger (FR, Soc.) | Carcassonne Roger (FR, Soc.) | Carcassonne Roger (FR, Soc.) | **Dehousse Fernand (BE Soc)** | **Vanrullen Emile (FR Soc)** | **Gozard Gilles (FR Soc)** |
| Wehner Herbert (DE Soc) | Kreyssig Gerhard (DE, Soc.) | Kreyssig Gerhard (DE, Soc.) | Kreyssig Gerhard (DE, Soc.) | Kreyssig Gerhard (DE, Soc.) | **Metzger Ludwig (DE Soc)** |
| von Merkatz Hans (DE Lib) | von Merkatz Hans (DE Lib) | von Merkatz Hans (DE Lib) | von Merkatz Hans (DE Lib) | von Merkatz Hans (DE Lib) | von Merkatz Hans (DE Lib), **Laffargue Georges (FR Lib) from 25.2.58** |
| Mutter André (FR Lib) | Mutter André (FR Lib) **de Saivre Roger (FR Lib) from 14.1.54** | de Saivre Roger (FR Lib), Chupin Alfred (FR Lib) from 21.6.55 | **de Saivre Roger (FR Lib),** | Crouzier Jean (FR Lib) | Crouzier Jean (FR Lib) |
| Persico Giovanni (IT Soc) | Persico Giovanni (IT Soc) | Selvaggi Vincenzo (IT Lib) | **not appointed** | **not appointed** | **Carcaterra (IT CD)** |
| Schaus Eugène (L Lib) | Schaus Eugène (L Lib) | Schaus Eugène (L Lib) | **Grimaud Maurice (FR Lib),** **Crouzier Jean (FR Lib) from 14.3.56** | Schaus Eugène (L Lib) | Schaus Eugène (L Lib) |
| Struye Paul (BE CD) | Struye Paul (BE CD) | Fayat Henri (BE Soc) | Fayat Henri (BE Soc) | Fayat Henri (BE Soc), **Bohy Georges (BE Soc) from 24.6.57** | Bohy Georges (BE Soc) |

NB: The dates at the head of the columns are those of the sittings of the Assembly at which the annual composition of the committees was communicated, and the dates in the text are the sittings of the Assembly at which changes were announced (in some cases the substitute had already been attending meetings of the committee); changes are shown in bold type.

## ANNEX II – MINUTES OF THE COMMITTEE ON RULES OF PROCEDURE

| *Date of meeting* | *Main issues* |
|---|---|
| 13 September 1952 | Unknown |
| 21 November 1952 | discussion of some articles of the Rules of Procedure (REGL 2) |
| 22 November 1952 | discussion of some articles of the Rules of Procedure (REGL 2) - CA budget 1952-1953 |
| 22 December1952 | approval REGL 2 |
| 9 January 1953 | CA budget 1952-1953 |
| 12 January 1953 | inaugural miscellaneous matters |
| 11 March1953 | political groups, publication of the reports |
| 8 June 1953 | political groups (REGL 3) |
| 15 June 1953 | approval REGL 3 |
| 12 December 1953 | Miscellaneous matters, including the legal competence of the committee |
| 8 March 1954 | examination of various amendments to the Rules of Procedure, including the presence of the Council of Ministers in the committees |
| 9 April 1954 | presence of the Council of Ministers in the committees, approval REGL 7 and linked motions for resolutions |
| 11 May 1954 | Inaugural |
| 13 May 1954 | resignation of Kreyssig as Vice-Chairman |
| 14 May 1954 | election of von Merkatz as Vice-Chairman |
| 28 September 1954 | amendment Art. 28 (Carcassonne amend.), competence of the committee in relation to legal opinions, resolutions on the general report, amendment Art. 46 (report to the Council of Europe), allocation of posts in the hemicycle |
| 29 November 1954 | amendment Art. 46 (report to the Council of Europe), amendment Art. 28 (REGL 4), competence of the committee in relation to legal opinions (REGL 8), resolutions on the general report |
| 1 December 1954 | approval REGL 5 on Art. 46 |
| 28 April 1955 | approval REGL 8, examination of two petitions, membership of the Inter-Parliamentary Union |
| 12 May 1955 | follow-ups to competence in respect of legal opinions assigned to the committee, queries to the Council, decisions on petitions |
| 13 May 1955 | opinion on Council queries |
| 13 October 1955 | procedure for the substitution of the President or of a Vice-President of the Assembly no longer in office (REGL 9) |
| 22 November 1955 | approval REGL 9 |
| 22 November 1955 | Inaugural |
| 24 April 1956 | procedure for opinion to another committee |
| 10 November 1956 | professional secrecy |
| 27 November 1956 | Inaugural |

| | |
|---|---|
| 11 January 1957 | professional secrecy (REGL 10) |
| 12 March 1957 | professional secrecy (REGL 10) |
| 5 April 1957 | professional secrecy: approval REGL 10 - designation French substitutes |
| 26 June 1957 | position of government members who are not ministers (request for an opinion from the Bureau) |
| 16 October 1957 | approval of the opinion on the position of government members who are not ministers |
| 6 November 1957 | Inaugural |

NB: The archive dossier number of minutes in the CARDOC system is obtained using the sequence AC AP PV/REGL.1953 REGL- the date of the meeting written out in eight digits in year, month and day order with no spaces or punctuation signs. As from the meeting of 12 May 1955, 'REGL' is replaced by 'JURI'. For instance, the dossier for the meeting of 12 January 1953 is: AC AP PV/REGL.1953 REGL-19530112. The 'minutes' document or report is normally shown by the digits 0010 following the dossier number.

## ANNEX III – REPORTS BY THE COMMITTEE ON RULES OF PROCEDURE - COMMON ASSEMBLY (1953-1958)

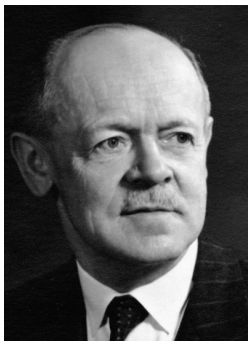
| *Report No* | *CA No* | *TITLE – RAPPORTEUR* | *CARDOC CLASS.* |
|---|---|---|---|
| REGL 1 | unnumbered | Report on the articles of the provisional rules of procedure relating to the election of the Assembly<br>Rapporteur: Struye | AC AP RP/REGP.1952 AC 002/52 0010 |
| REGL 2 | 1 | Report on 1) the reserved articles of the Rules of Procedure of the Common Assembly; 2) the amendment by Mr Debré on the missions of the representatives (referred to the Committee on 12 September 1952)<br>Rapporteur: Mutter | AC AP RP/REGL.1952 AC-0001/53- janvier 0010 |
| REGL 3 | 10 | Report on the insertion in the Rules of Procedure of a provision relating to the constitution of the Political Groups<br>Rapporteur: Struye | AC AP RP/REGL.1952 AC-0010/53-mai 0010 |
| REGL 4 | 7/53-54 | Report on the motion from Mr Carcassonne for the amendment of Article 28(2) of the Rules of Procedure of the Common Assembly<br>Rapporteur: von Merkatz | AC AP RP/REGL.1952 AC-0007/54-novembre 0010 |
| REGL 5 | 8 | Report on the amendment of Article 46 of the Rules of Procedure of the Common Assembly<br>Rapporteur Carcaterra | AC AP RP/REGL.1952 AC-0008/54- novembre 0010 |
| REGL 6 | 11/53-54 | Report on admitting members of the Special Council of Ministers to meetings of the Common Assembly<br>Rapporteur: Struye | AC AP RP/REGL.1952 AC-0011/54- mai 0010 |
| REGL 7 | 12/53-54 | Report on the amendment and review of the Rules of Procedure of the Common Assembly<br>Rapporteur Kreyssig | AC AP RP/REGL.1952 AC-0012/54- mai 0010 |
| REGL 8 | 24/54-55 | Report on the advisability of granting an Assembly committee the competence to issue opinions of law on the interpretation and application of the provisions of the Treaty insofar as these relate to the exercise of the powers of the Assembly<br>Rapporteur: von Merkatz | AC AP RP/REGL.1953 AC-0024/55- mai 0010 |
| REGL 9 | 3/55-56 | Report on the procedure to be followed in the event of a vacancy of the post of President or Vice-President brought about by the death, resignation or non-renewal of the term of office of one or more members of the Bureau<br>Rapporteur Kreyssig | AC AP RP/JURI.1953 AC-0003/55- novembre 0010 |
| REGL 10 | unnumbered | Opinion issued at the request of the common Committee on the Common Market on the problem of professional secrecy (uncorrected draft) | AC AP RP/JURI.1953 AC-0017/57- mai 0010 |

CHAPTER VII

# COMMITTEE ON THE ADMINISTRATION OF THE ASSEMBLY AND THE COMMUNITY BUDGET

MARTIN BLANK[1]

GERHARD KREYSSIG[2]



NICOLAS MARGUE[3]

## 1. BACKGROUND

This committee, whose long name forms the title of this chapter and which will hereinafter be referred to as the Budget Committee[4], was chaired by Martin Blank for most of the period from 12 January 1953 to 29 October 1957, when he ceased to be a member. Between 11 May 1954 and 27 November 1955, the committee chairman was Ugo La Malfa[5]; after 6 November 1957 it was André Armengaud. Nicolas Margue was vice-chairman for the entire legislature.

The committee met 38 times and presented 21 reports. Of these, only one, on the drafting of staff regulations, did not relate to annual budgeting and expenditure.

A significant feature of this committee was that it was at the centre of two conflicts with the Committee of Presidents[6]. One of these conflicts concerned the Assembly's demands for the budgetary powers of

1 German, Liberal, chairman of the Community and Common Assembly Accounts and Administration Committee from 12 January 1953 to 10 May 1954 and from 27 November 1955 to 29 October 1957

2 German, Socialist, several times rapporteur for the Community and Common Assembly Accounts and Administration Committee

3 Luxembourger, Liberal, vice-chairman of the Community and Common Assembly Accounts and Administration Committee throughout the whole term of the Assembly

4 A list of committee members for the entire legislature is given in Annex I.

5 Mr La Malfa tendered his resignation in a letter dated 10 June 1955 (AC AP PV/BUDG.1953 BUDG-19551122 0030), asking to be replaced immediately, but there is no mention of the letter in the minutes of 13 June 1955, the only meeting preceding the inaugural meeting of 22 November that year.

6 This body, provided by Article 78 of the Treaty, represented a proper budgetary authority. It was composed of the Presidents of the four institutions and had the role of approving the estimate of expenditure, as well as other functions relating to personnel, such as the adoption of the statute for officials. It lapsed with the Treaty of Luxembourg, which united the Community's executive bodies, but already with the Treaties of Rome its role had been weakened, since limited only to the ECSC.

a parliament; this went beyond the letter of the Treaty, but represented the ambition of the European parliamentary class, already aware of the role it wanted to have. The second conflict concerned the Assembly's organisational and administrative autonomy in relation to its own staff, which the Office of the Presidency and the Budget Committee demanded from the Committee of Presidents. Another conflict involving the Budget Committee was with the Auditor, resulting from a misunderstanding by the Auditor of the peculiarities of the parliamentary assembly and no doubt partly due to personal differences of opinion between the Auditor and the Rapporteur, Gerhard Kreyssig.

## 2. FUNCTIONS

At its meeting of 12 January 1953, the committee addressed the question of its powers, limiting these to the matters of internal administration and budgeting covered in the General Report of Activities. This report contained the estimates of expenditure of the institutions, and specifically that of the Common Assembly, which together with the Community is explicitly mentioned in the committee's name. The committee's powers were restricted by those of the Committee on Investment, Financial Matters and Long-Term Policy, which, as its name suggested, was responsible for matters that specifically related to investment and operating expenditure.

The powers of the Budget Committee were more restricted compared with those of the current Committee on Budgets due to the peculiarities of the ECSC budgetary system and the various powers that the Common Assembly had in this respect compared with the European Parliament. First of all, it should be borne in mind that the ECSC had two resources at its disposal: a levy on coal and steel production and borrowings[7], which could only be used for limited purposes. Borrowings could only be used to grant loans[8], while the levy was intended for various types of assistance and administrative expenditure[9]. Only these were included in the estimates of expenditure of the four institutions at the time, which were finally consolidated into a general estimate of expenditure, contained in the General Report on the activities of the Community and on administrative expenditure[10]. This had been debated by the Common Assembly with a key vote, since a motion of censure could be tabled before the High Authority[11]. The Assembly was thus required to issue a decision on the general estimate of expenditure.

The Budget Committee also had the power to submit a report on the Assembly's estimate of expenditure prior to its incorporation into the general estimate of expenditure submitted for the approval of the Committee of Presidents. This power was provided by Article 41 of the Rules of Procedure of the Common Assembly[12].

The Common Assembly, in consultation with the Budget Committee, issued an initial decision on its own estimate of expenditure and therefore on the general estimate of expenditure, once integrated into the General Report of the High Authority. The vote on the Assembly's estimate of expenditure was classed as high administration, or domestic administration, while that on the General Report was essentially political in nature.

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7 Article 49 of the Treaty.

8 Article 51 of the Treaty

9 Article 50 of the Treaty.

10 Article 78 of the Treaty.

11 Article 24 of the Treaty.

12 This refers to the numbering of March 1953. The unchanged article would subsequently become Article 44.

The Assembly also issued a decision on the general estimate of expenditure based on the annual Auditor's report, which the High Authority presented to the Assembly together with the General Report[13].

Finally, in response to a resolution of the Assembly, a practice was introduced early on that provided for a statement from the various institutions on their administrative expenditure in the first half of each financial year, corresponding to the second half of the calendar year[14].

Based on these powers, the 20 financial reports produced by the committee could be placed in one of four categories: those relating to the estimate of expenditure of the Assembly itself, those relating to the general estimate of expenditure, those relating to the Auditor's report and those relating to the half-yearly reports on the administrative expenditure of each institution.

## 3. CONFLICT OVER THE POWERS OF THE ASSEMBLY[15]

The financial reports contain useful information for studying the financial history of the ECSC, although for the purposes of this document, it seems more useful to concentrate on the power demands that the committee made in its reports. The first demand was made in the very first report[16] .

The Budget Committee complained about the fact that the Treaty did not give the Common Assembly the normal budgetary powers of a parliament, but only the power to ratify its own draft estimate of expenditure, which was then subject to final approval by the Committee of Presidents. Meanwhile it could examine the estimates of expenditure of other institutions only once these had become definitive and even then only in the general report, which could not be amended. Furthermore, the Assembly was prohibited from issuing an additional estimate of expenditure that might prove necessary in case of extraordinary sessions being held that were not anticipated when the draft estimate of expenditure was first drawn up.

Consequently, a motion for resolution was tabled, which the Assembly ratified[17], in which the High Authority was asked to send the Assembly the estimates of expenditure of the institutions in order to allow an opinion to be drafted that could be taken under consideration by the Committee of Presidents and the High Authority.

The Committee of Presidents, in view of this resolution, seemed aware that granting this request would mean abdicating its own privileges and, accepting a proposal from Jean Monnet, President of the High Authority, ratified a decision whereby each institution was asked for a half-yearly report on the state of its administrative expenditure, which, together with any observations from the Committee of Presidents, would be sent to the Committee on the Administration of the Assembly and the Community Budget. This was an implicit rejection of the Assembly's resolution, although softened by a form of collaboration entirely different from the one requested. During the debate, Paul-Henri Spaak, President of the Assembly, emphasised the political aspect of the matter: the parliamentary resolution was a typical

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13 Article 78 of the Treaty, final paragraph. The Auditor was appointed by the Council of Ministers for a renewable three-year term.

14 Since the ECSC financial year ran from 1 July to 30 June of the following year (Article 78 of the Treaty), the Assembly received, in the first half of each calendar year, the general report containing the general estimate of expenditure for the following financial year, the Auditor's report for the year ended 30 June and the four expenditure reports for the first half (the six months to 31 December) of that financial year. However, in the second half of the calendar year, the Assembly had to draft its own estimate of expenditure.

15 The abridged extracts in this paragraph are taken, with minor adaptation, from The Committee of Presidents, an unpublished EP CARDOC document.

16 BUDG 1.

17 CA Resolution of 11 March 1953 on the 'communication préalable à l'Assemblée Commune des projets d'états previsionnels des autres institutions de la Communauté européenne du charbon et de l'acier' in AC Débats de l'Assemblée Commune - séance du 11 mars 1953, p. 16.

reaction of a parliamentary body demanding its own role in controlling Community expenditure, it being the first time in history that a parliamentary assembly would be called on to control the spending of a supranational body[18].

The Budget Committee welcomed the proposal for half-yearly reports, which it accepted, asking however that the reports should be quarterly[19]. Subsequently, on 23 November 1954, following a meeting with the Committee of Presidents aimed at resolving the conflict between the two bodies, an agreement was reached on the procedure for the examination of estimates of expenditure.

## 4. CONFLICT OVER THE AUTONOMY OF THE ASSEMBLY

A few months later, the Assembly put forward a second demand: the autonomy to determine staff regulations for its own officials. The first signs of this conflict emerged at the committee meeting of 11 December 1953, when, listening to the report by Jacques Rueff, chairman of a Committee of Presidents study group on the preparation of the regulations, a draft decision of the Budget Committee was presented in which E.M.J.A. Sassen was given the task of monitoring and reporting to the Budget Committee on the application of section 7(3) of the Convention on the Transitional Provisions[20]. In the debate that followed, Pierre Vermeylen, supported by Mr Sassen and the chairman, outlined a procedural process based on the direct involvement of the Budget Committee and a vote of the Assembly on the Statute that would give it greater authority. Mr Rueff, while declaring that the Committee of Presidents was interested in hearing the views of the Budget Committee on the Statute, contested the fact that the Convention on the Transitional Provisions gave power over the Statute to the Assembly. He considered himself unable to issue a decision on a proposal from President Blank, who, in an attempt to mediate, suggested that the Budget Committee could appoint one of its members to liaise with the Committee of Presidents, to receive information about the drafting of the Statute and to prepare an opinion of the Assembly. At the end of the debate, the Budget Committee decided to table a motion for resolution on the subject in May.

The question was reprised by Mr Sassen at the Assembly sitting on 14 January 1954, when the report was presented on the estimate of expenditure of the Assembly for the 1954-55 financial year[21]. He demanded the complete sovereignty of the Assembly, which could not be restricted to certain decisions, such as tabling a motion of censure before the High Authority, without any say on key issues such as the organisation of its own parliamentary and administrative services.

Mr Sassen specifically referred to the impact of Article 78(3), without prejudice to the provisions of the Treaty and the implementing regulations, to claim that the decisions of the Office of the Presidency of the Assembly on the subject of personnel would take precedence over the decisions of the Committee of Presidents. In this way, Mr Sassen expanded the demands of the Assembly from participation in the drafting of the Statute to the autonomous definition of two key aspects of the institution's personnel policy: number of staff and pay.

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[18] Committee of Presidents, minutes of the second meeting (26/3/53), CARDOC C4P AC AP PV/C4PR C4PR-19530326

[19] BUDG 2.

[20] The section in question stipulated that until the Committee of Presidents had decided upon the number of employees and their status, the necessary personnel would be hired on a contract basis.

[21] BUDG 3, which in any case is limited to matters pertaining to the Assembly's internal administration, without causing the conflict referred to in this paragraph.

On this question, the Budget Committee submitted a report on 13 May 1954[22] which, announced in the Chamber the following day, was debated together with the report on the general estimate of expenditure for the period 1954-1955[23], for which Mr Sassen was also rapporteur. The report gave formal authority to the position already expressed by the rapporteur in January, promoting this as a form of collaboration with the Committee of Presidents with the dual purpose of facilitating control by the Assembly and maintaining its powers over the definition of staff regulations for its officials, which would come under the provisions applicable to personnel in all the institutions. The calm formality of the report did not conceal its resoluteness[24].

During the debate in the Chamber, the question was addressed only by the rapporteur and by Paul Finet, the member of the High Authority who, together with Mr Rueff, headed the working group on the statute for the Committee of Presidents. He was responsible for each institution being granted the right to appoint its own officials, decide their pay and promotions, as well as their autonomy in terms of discipline and right of appeal[25]. The speaker also announced a proposal for mediation between the two camps: the High Authority would recommend that the Committee of Presidents contact the Budget Committee so that they could examine the question together[26]. Mr Finet's intervention meant that the Assembly, in the resolution that concluded the debate[27], was able to adopt a satisfactory position on the issue, essentially accommodating Mr Finet's position and combining it with the provision for an additional report on the outcome of the negotiations between the Committee of Presidents and the Budget Committee.

The meeting took place on 23 November 1954[28] and after statements of the various positions, a solution was drawn up by Jean Fohrmann, Acting President of the Assembly. This required the Assembly and the Committee to prepare a joint regulation with a delegation of powers by each institution in order to resolve the question without restricting the Assembly or infringing on the powers of the Committee. A working group was tasked with drafting this regulation, which according to Mr Motz had to be in the form of a gentleman's agreement[29].

In reality, the agreement, which was drawn up the same day, did not tackle the subject in the substantive terms of the demands of the Budget Committee, or even in the terms proposed by Mr Fohrmann, but adopted typically procedural language which curtailed the power of the Committee of Presidents to

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22 BUDG 5

23 BUDG 4

24 Specifically a note of the General Secretariat of the Common Assembly of 25 March 1954, which signalled the different positions expressed on Article 78 of the Treaty by various members of the Committee of Presidents and certain legal practitioners. The note was inserted in the Common Assembly (Budget Committee) Document de travail se rapportant au point 4 à l'ordre du jour de la réunion du 10 juillet 1954, archived in CARDOC AC AP PV/BUDG.1953 BUDG-19540710 00820.

25 This position is diametrically opposed to the position assumed by Mr Finet two months earlier during a meeting of the Committee of Presidents, declaring, on behalf of the President of the High Authority: '...that it was inadmissible and contrary to the limitations imposed by the Treaty on the administrative autonomy of the institutions that each of them should be allowed to decide its own administrative expenses without any external control… under the terms of Article 78, the entity with control over administrative expenses [is] the Committee of Presidents', a statement made by Mr Finet on behalf of the President of the High Authority, Annex 1 to the minutes of the sixth meeting of the Committee of Presidents (19 March 1954) CP/PV (54) 6.

26 CA Débats de l'Assemblée Commune.- séance du 17 mai 1954, p. 235-236.

27 CA Resolution of 19 May 1954 on the 'Rapport général de la Haute Autorité sur l'activité de la Communauté pendant l'exercice 1953-1954...', OJEC 9.6.54, pp. 413-416.

28 The discussion took place during the ninth meeting of the Committee of Presidents and was recorded separately in the minutes of the joint meeting of the Committee of Presidents with members of the delegation from the Committee on the Administration of the Assembly and the Community Budget (23.11.54), annexed to CP/PV (54) 9. At the meeting were Massimo Pilotti and Jacques Rueff for the Committee of Presidents (Court of Justice), Jean Monnet and Paul Finet (High Authority), Jean Fohrmann and Roger Motz (Common Assembly) and Henri Ulver (Council of Ministers); the Assembly committee delegation was composed of Ugo La Malfa, Nicolas Margue, Gerhard Kreyssig and E.M.J.A. Sassen.

29 Ibid.. The extract in smaller font is a summary of a paragraph taken from The Committee of Presidents, an unpublished EP CARDOC document.

intervene in the Assembly's estimates of expenditure, giving it complete autonomy to decide its own estimate of expenditure and thus the elements that it financed. It consisted of four points:

1. *The elements of a draft estimate of expenditure of the Common Assembly were represented by members of the Assembly specially appointed thereby.*
2. *These elements were the subject of an exchange of views between Assembly representatives and the Committee of Presidents when the other institutions sent the latter the elements necessary for the application of Article 78(3)(2) of the Treaty.*
3. *According to the observations exchanged on this occasion, a draft estimate of expenditure was submitted to the Assembly under the conditions set forth in Article 44 of its Rules of Procedure.*
4. *The estimate of expenditure drawn up by the Assembly was then sent to the Committee of Presidents, which prepared it together with the general estimate of expenditure.*[30].

## 5. ASSEMBLY'S ESTIMATES OF EXPENDITURE

The discussion of the first estimate of expenditure for the 1953-54 financial year was an opportunity to cover some of the basic administrative issues of a newly formed parliament, not least of all the remuneration of its members and the financing of its political groups. In terms of the former, the Committee on Political Affairs and Institutional Matters[31] tabled a proposal on the reimbursement of travel expenses based on the distance by rail and the price of a first-class ticket[32], although it recommended that all personal expenses of members must be borne solely by them.

No position was adopted on financing, since this was considered to lie outside its remit, and a budget item was simply proposed, the amount of which would be decided by the Assembly. The Assembly debated the matter at length during the session of 11 March 1953, with tense exchanges between Christian Democrats and Socialist groups, who had reached an agreement on the subject, and the Liberals, who felt excluded. The Assembly eventually accepted a proposal from its President, Paul-Henri Spaak, to allocate five million Belgian francs to the political groups. This would be managed jointly by the groups on a trial basis during the financial year pending the definition of a new mechanism, determined by the results of the trial[33], which would be considered satisfactory unless group financing was covered in subsequent reports on the Assembly's estimate of expenditure.

In terms of personnel, the first report by the committee contained some criticisms of certain pay items[34] and specifically the local allowance, which was criticised for being calculated strictly in proportion to salary, resulting in a sizeable discrepancy between the absolute amounts received by senior and junior staff. Conversely, the remuneration of translators was considered inadequate, at the time equivalent to just one third of that of members of the High Authority.

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30 Text of the agreement reached on 23 November 1954 between the Committee of Presidents and the Budget Committee, archived in CARDOC AC AP PV/BUDG. 1954 BUDG-19541129 0820.

31 BUDG 1.

32 In the BUDG 2 report, examined by the committee at the same time as the previous one, many subjects were covered that had already been covered in BUDG 1. More specifically, a rail card was proposed so that members of the Common Assembly could travel freely on the railways of the Six.

33 CA Débats de l'Assemblée Commune - séance du 11 mars 1953, p. 10-16.

34 Pay had been defined jointly between the four institutions based on the pay scales of Council of Europe officials.

The report for the following financial year, 1954-55[35], concentrated on the organisation of the General Secretariat, which was in the process of being established. The report mainly focused on the need to develop the Secretariat's information services. In July 1955, a committee of experts was set up to examine the organisation of the Secretariat, the results of which were referred to in the report for the 1956-57 financial year[36]: the committee of experts made no real criticisms of the Secretariat's organisation. Following the report of the committee of experts, the Common Assembly acquired an internal administrative regulation and an internal financial regulation, illustrated by the headings in the report of the Budget Committee.

## 6. GENERAL ESTIMATES OF EXPENDITURE AND DEMANDS MADE BEFORE THE HIGH AUTHORITY

In the reports prepared by the Budget Committee on the general estimates of expenditure[37], the analysis became increasingly refined, more due to a gradual increase in the amount of data available than to the improved education of the rapporteurs. However, in political terms these reports are repetitive, despite acknowledging to the High Authority the improvements made each year. The main focus was on staff issues, which accounted for the majority of administrative expenditure, and information issues, to which considerable importance was attached in the interests of winning over public opinion towards the ECSC. At times the reports seem to repeat what was said a few months' before on the Assembly's draft estimate of expenditure.

It was not until the report on the general estimate of expenditure for the period 1956-57[38] that the question of parliamentary control of income and expenditure on ECSC operating targets was openly addressed. In actual fact, the question had already been raised in previous resolutions tabled by the committee[39], although in the report, the subject was elaborated on with particular skill and detail: the Assembly did not have control over the income of the ECSC and its use; in other words, it did not have that control over financial policy which is the prerogative of all parliaments, since it could not consider an acknowledgment of the accounts for a financial year that had ended almost a year earlier as such, which was the case with the examination of the Auditor's report.

While the Treaty did not expressly grant this power of control to the Assembly, it did lay down precise terms for the presentation of estimates of expenditure in connection with the general report, meaning that it had to issue a decision not only on the actions taken, but on the decisions and commitments assumed for the following financial year. These decisions included those relating to the production levy and its allocation and specifically the general objectives. Although the High Authority had already published information about the levy and its use[40], the Budget Committee wanted to receive and submit

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35 BUDG 3, accompanied by a detailed report by the General Secretariat and the agreement with the Council of Europe on the use of its headquarters and related services.

36 BUDG 12. The report on the estimate of expenditure for the period 1955-56 (BUDG 8) has a typically financial approach and is not relevant for the purposes of this document. The report relating to the 1957-1958 estimate of expenditure (BUDG 16) is unavailable.

37 BUDG 2, BUDG 4, BUDG 10, BUDG 15 and BUDG 19.

38 BUDG 15.

39 CA Resolution of 19 May 1954 on the 'Rapport général de la Haute Autorité sur l'activité de la Communauté pendant l'exercice 1953-1954...', OJEC 9.6.54, pp. 413-416, and Resolution of 2 December 1954 on the 'Rapport du Commissaire aux comptes relatif au premier exercice financier qui a pris fin le 30 juin 1953', OJEC 11.12.54, p. 530. In the latter in particular, the High Authority is invited to take the necessary measures to allow the use of its financial resources, in addition to indicating its intentions for their future use.

40 BUDG 15 was approved by the committee on 29 May 1956. A few days later, the High Authority sent the Assembly a note entitled Estimates relating to Community income and expenditure for the fifth financial year (1 July 1956 to 30 June 1957), doc. 4768/56f of 6 June 1956, archived in CARDOC AC AP RP/BUDG.1953 AC-0024/56-May 0030. The President of the High Authority, René Mayer, referred to this document during the debate in the Chamber to underline how his institution had already responded to the Assembly's request. Débats de l'Assemblée Commune - séance du 20 juin 1956, p.647.

for the examination of the Assembly a report on the activities carried out, the situation of the Community and future activities proposed.

This was position of the Assembly[41], which claimed a victory with the High Authority the following year when it presented an estimate of expenditure for the financial requirements of the ECSC and their allocation[42]. In fact, the committee's report on the estimate of expenditure for 1957-58[43], the last one of the legislature, was the first to contain an examination not only of administrative expenditure, but of the entire ECSC budget. In this respect, the success of the Budget Committee's demand was complete, even though the fact that the timing coincided with the negotiations for the Treaty of Rome, in the case of the 1956 report that had raised the problem, and the fact that these had already been signed, in the case of the 1957 report, probably persuaded the High Authority to anticipate an alliance between the executive and Assembly, for which the new Treaties made formal provision.

## 7. AUDITOR'S REPORTS

The ECSC Treaty made provision for an Auditor elected for three years by the Council of Ministers. The Auditor's job was to present an annual report to the Committee of Presidents on the 'regularity of the accounting operations and of the financial management of the various institutions' within six months of the end of the financial year; the report was sent to the Assembly at the same time as the General Report[44]. The Council of Ministers appointed Professor Urbain Vaes from the University of Lovanio as Auditor, who remained in office for the entire legislature.

The provision – and specifically the sentence quoted above – are at the root of a misunderstanding between the Auditor and the Budget Committee as regards the role of the former, probably aggravated by a personality clash between the Auditor and the rapporteur Gerhard Kreyssig, who was responsible for the matter on the committee.

The first signs emerged in the first report that the Budget Committee presented[45], where it sets out and challenges the concept that the Auditor has of his own role. The problem appeared to be that the Auditor considered his role as one of purely external control, during which his attention must be drawn specifically to the internal control mechanism of the Community. For the Budget Committee, keen to point out how it was responsible for adopting a position on the Auditor's observations, the Auditor was neither authorised nor qualified to issue an opinion on the necessity or suitability of expenditure. They, like the power to issue directives, remained the prerogative of the President of each institution, and with regard to the Common Assembly in particular, it had the exclusive power to decide the amount, allocation and use of credits as part of its budgetary power, even if this power was limited. This position was fully assimilated in the resolution of the Common Assembly[46]. The report, which accepted the Auditor's proposals with reservations, welcomed the reply of the General Secretariat of the Assembly to some of the observations made by the Auditor[47]

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41 CA Resolution of 20 June 1956 on 'dépenses administratives de la Communauté', OJEC 19.7.1956, p. 227.

42 CA Resolution of 24 June 1957 on the 'l'état prévisionnel général des dépenses administratives et au budget de la Communauté pour l'exercice 1957-1958', OJEC 19.7.1957, p. 292.

43 BUDG 19.

44 Article 78 of the Treaty, final paragraph. The italics indicate references to the provision.

45 BUDG 6.

46 CA Resolution of 2 December 1954 on the 'Rapport du Commissaire aux comptes relatif au premier exercice financier qui a pris fin le 30 juin 1953', OJEC 11.12.1954, p. 530.

47 See the document entitled Considerations of the General Secretariat of the Assembly, archived in CARDOC AC AP RP/BUDG.1953 AC-0001/54-December 0050.

While the committee's report was being processed[48], a dispute arose between the Auditor and the administrative organs of the Common Assembly, the Bureau and the General Secretariat. During the audit of the second financial year, the Auditor had sent a number of questions to some of the General Secretariat's services, which the General Secretariat assigned to the Bureau. President Fohrmann rather resentfully informed the Auditor of the decisions taken:

the questions relating to members of the Assembly, its powers of control and those of the Bureau were arrogated to the President, who reserved the right to make a decision;

in future, the Auditor would send his questions directly to the General Secretariat and not to the heads of the services concerned;

supporting documents could only be examined in the office of the General Secretariat.

The reply, given directly in the letter, was required to provide a certain amount of detail, considered binding under certain provisions of the Treaty and of the Assembly's Rules of Procedure[49].

The Auditor's reply to the first three points above was somewhat insistent with regard to the amount of detail: he recalled his job description and declared that he had to be able *to examine whether each expense was in accordance with the Treaty or following a decision taken in application of the Treaty, and had to be able to verify whether it came, in fact and in law, within the terms of the decision mentioned*[50]. A deadlock had been reached between the two interpretations of the Assembly's autonomy.

The question dragged on for months, with the Budget Committee holding some of its discussions in closed session. From the report on the financial statements for the financial year 1953-57[51] and a letter from Ugo La Malfa to Giuseppe Pella[52], the then President of the Assembly, it emerged that the Bureau had set up a committee of four members[53] with the task of examining the Auditor's observations and rebuilding a climate of cooperation between the parliamentary institution and the Auditor. The committee suggested to the Bureau that it should reword some of the provisions of the regulation, although in substance, it considered the management of the General Secretariat to be in order. On 12 April 1955, a meeting was held in Stresa between the Auditor on the one hand and the President and first Vice-President of the Assembly and its Secretary-General and Assistant Secretary-General. An agreement was reached, as described in a memorandum from the Secretary-General[54].

There is no political equivalent to the administrative solution found, since the report on the financial statements for the second financial year[55] contained a number of criticisms of the Auditor: firstly, for failing to note the differences between the four Community institutions, whose structures are not identical; secondly, for having gone beyond his remit by conducting 'special studies', which were also questionable in terms of method and merit; finally, for having applied different criteria to the examination of the Assembly's accounts to those applied elsewhere. To conclude, the committee was forced to find that, based on a detailed examination, and despite certain criticisms expressed by the Auditor, the Common Assembly had observed the provisions of the Treaty, without arrogating the powers of the Committee

48 The committee ratified this on 11 October 1954 and the Assembly discussed it and voted on the motion for resolution on 2 December 1954.

49 The letter of 14 October 1954 is archived in CARDOC AC AP PV/BUDG.1953 BUDG-19541029 0110.

50 The letter of 21 October 1954 is archived in CARDOC AC AP PV/BUDG.1953 BUDG-19541029 0115.

51 BUDG 9.

52 Dated 17 January 1955. Archived in CARDOC: AC AP RP/BUDG.1953 AC-0017/55-May 0050

53 Consisting of Messrs Fohrmann, Motz, La Malfa and Kreyssig.

54 Memorandum no 5/12 of 21.4.1955, archived in CARDOC: AC AP RP/BUDG.1953 AC-0017/55-May 0060.

55 BUDG 9.

of Presidents[56], and consequently the Budget Committee proposed discharging the Secretary-General. The corresponding resolution[57] followed the same line, although it adopted less polemic tones than the report. During the short debate, Nicolas Margue, Vice-President of the Budget Committee, provided clarification, or at least tried to soften the blow:

> *It is not a case of preventing in any way the mission of the Auditor as this is intended in agreement with the four Presidents who instruct him. It is simply a question of separating the results of his work, in the sense that the reports sent to the Assembly should contain aspects relating to the direct responsibilities of the Auditor. However, there is nothing to prevent the Auditor from carrying out other important tasks and studies that the Committee of Presidents asks or allows him to do*[58].

The following year, the report on the financial statements for the third financial year[59] reiterated the same criticisms with less polemic and perhaps more resigned tones:

4. Your Commission wishes to avoid repeating the criticisms made last year; it would simply like to observe that the Auditor chooses to send the Community institutions too many questionnaires, requiring too much additional work; it should be pointed out in fact that the Auditor sends out questionnaires even when he has all the documentation necessary to be able to produce his statements without intervention from the administrative services of the institutions.

However, despite certain criticisms, the Auditor concluded that the Common Assembly was properly managed and thus the resolution with which the Assembly discharged the Secretary-General was not controversial in nature[60].

All the reports referred to here were also critical of the length of the Auditor's report. This criticism was confirmed in the report for the fourth financial year[61] and was mentioned in the final resolution inviting the Committee of Presidents to examine ways of reducing the Auditor's report to fair proportions[62]. Apart from that, the report commended the document and underlined the spirit of cooperation fostered between the Auditor and the institutions.

Half-yearly reports[63] are typically technical in nature.

## 8. CONCLUSIONS

The Budget Committee was at the centre of a movement to secure the autonomy of the Common Assembly, at a time when there was a political movement to promote the parliamentary role of the Assembly compared with other institutions. The fact that these two 'movements' came about at the very beginning of the ECSC in an Assembly that had no popular legitimacy and whose members were part of and an expression of the national parliaments is a demonstration of just how strong their European ideal was, with a sense of belonging to an embryonic institution whose development according to the classic concept of parliamentary representation in Europe was necessary to European integration.

This is a position that informed European integration and continues to inform it to this day. Reading the minutes and other documents of the Budget Committee, we detect a certain impetus by some members

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56 BUDG 9, p.9.

57 CA Resolution of 12 May 1955 in 'Debats de l'Assemblée Commune - séance du 12 mai 1955', p. 380.

58 Debats de l'Assemblée Commune - séance du 12 mai 1955, p. 380.

59 BUDG 14.

60 CA Resolution of 20 June 1956 on the 'troisième rapport du Commissaire aux comptes', OJEC 19.7.1956, p. 226.

61 BUDG 17.

62 CA Resolution of 24 June 1957 on the 'quatrième rapport du Commissaire aux comptes', OJEC 19.7.1957, pp. 291-292.

63 BUDG 11, 13, 18 and 20

that does not compromise the establishment of a political line consistently followed by all committee members, regardless of their political affiliation, and which continued in the years after the Common Assembly experiment allowed the European Parliament years later to acquire real budgetary powers, representing the first real power victory by the Community's representative body.

## ANNEX I – MEMBERS OF THE BUDGET COMMITTEE

| *12 January 1953* | *12 May 1954* | *22 November 1955* | *27 November 1956* | *6 November 1957* |
|---|---|---|---|---|
| Blank Martin (DE Lib) | Blank Martin (DE Lib) | Blank Martin (DE Lib) | Blank Martin (DE Lib) | **Armengaud André (FR Lib)** |
| Giovannini Alberto (IT Lib) | **Guglielmone Teresio (IT DC) from 14.1.54** | Guglielmone Teresio (IT DC) | Guglielmone Teresio (IT DC), **Pella Giuseppe (IT DC) from 13.2.57** | **Braccesi Giorgio (IT DC)** |
| Kreyssig Gerhard (DE, Soc.) | Kreyssig Gerhard (DE, Soc.) | Kreyssig Gerhard (DE, Soc.) | Kreyssig Gerhard (DE, Soc.) | Kreyssig Gerhard (DE, Soc.) |
| Margue Nicolas (L DC) | Margue Nicolas (L DC) | Margue Nicolas (L DC) | Margue Nicolas (L DC) | Margue Nicolas (L DC) |
| Mutter André (FR Lib) de Saivre Roger (FR Lib) from 14.1.54 | de Saivre Roger (FR Lib) | Schaus Emile (L DC) | **Crouzier Jean (FR Lib)** | Crouzier Jean (FR Lib) |
| Sassen E.M.J.A., (NL, DC) | Sassen E.M.J.A., (NL, DC) | Sassen E.M.J.A., (NL, DC) | **Janssen Marinus (NL DC)** | Janssen Marinus (NL DC) |
| Singer Franz (FR DC), **Josef Kurtz (FR Dc) from 14.1.54** | Kurtz Josef (FR DC) | Kurtz Josef (FR DC) | **Amadeo Ezio (IT Soc)** | **Simonini Alberto (IT Soc)** |
| Vermeylen Pierre (BE Soc) | **Struye Paul (BE DC)** | Struye Paul (BE DC) | Struye Paul (BE Dc) | Struye Paul (BE Dc) |
| Ziino Vinicio (IT DC) | **La Malfa Ugo (IT Soc)** | Vanrullen Emile (FR soc), Charlot Jean (FR Lib) from 14.3.56 | Charlot Jean (FR Lib) | Charlot Jean (FR Lib) |

NB: The dates at the head of the columns are those of the sittings of the Assembly at which the annual composition of the committees was decided, and the dates in the text are the sittings of the Assembly at which changes were announced (in some cases the substitute had already been attending meetings of the committee); changes are shown in bold type.

## ANNEX II – MINUTES AND REPORTS OF THE BUDGET COMMITTEE

| *Date of meeting* | *Main issues* | *CARDOC class. AC AP PV/BUDG. 1953* |
|---|---|---|
| 12 January 1953 | inaugural with discussion of works | BUDG-19530112-0010 |
| 20-21 February 1953 | discussion and approval of BUDG 1, parliamentary allowances, group financing, linguistic regime | BUDG-19530220-0010 |
| 27-28 April 1953 | discussion and approval of BUDG 2, discussion of the staff regulations | BUDG-19530427-0010 |
| 25 September 1953 | examination of accounts for the 1952-53 financial year, progress update on the drafting of staff regulations, political groups and seat | BUDG-19530925-0010 |
| 11 December 1953 | examination and approval of BUDG 3 and progress update on the drafting of staff regulations | BUDG-19531211-0010 |
| 1/2 April 1954 | half-yearly reports and draft ECSC budget for the period 1954-55 | BUDG-19540401-0010 |
| 11 May 1954 | inaugural | BUDG-19540511-0010 |
| 13 May 1954 | examination and probable approval of BUDG 4 (minutes probably incomplete) | BUDG-19540513-0010 |
| 18 May 1954 | discussion of BUDG 5 and ratification of two resolutions on revenue | BUDG-19540518-0010 |
| 10 July 1954 | examination of BUDG 5 and contact with the Committee of Presidents (see document indicated) | BUDG-19540710-0010 and BUDG-19540710-0820 |
| 11 October 1954 | discussion and approval of BUDG 5 and BUDG 6 | BUDG-19541011-0010 |
| 29-30 October 1954 | discussion of BUDG 7 – examination of the conflict between the Auditor and Secretariat of the Assembly (some parts in closed session) | BUDG-19541029-0010 |
| 29 November 1954 | outcome of meetings with the Four Presidents, | BUDG-19541111-0010 |
| 1 December 1954 | follow-up on the meeting with the Committee of Presidents – institution of Quaestors – Staff Regulations | BUDG-19541201-0010 |
| 17 January 1955 | staff regulations, negotiations with the Bureau | BUDG-19550117-0010 |
| 29 January 1955 | discussion and approval of BUDG 7, discussion of BUDG 8, approval of the opinion on the staff regulations, negotiations with the Bureau | BUDG-19550129-0010 |
| 28 March 1955 | discussion of BUDG 8 with parts in closed session | BUDG-19550328-0010 |
| 22 April 1955 | discussion of BUDG 9, discussion and approval of BUDG 10, press articles about Mr Kreyssig | BUDG-19550422-0010 |
| 7 May 1955 | discussion and approval of BUDG 9, discussion of BUDG 8 | BUDG-19550507-0010 |
| 10 May 1955 | discussion and approval of BUDG 8, examination of problems concerning the institution of Quaestors, question of parliamentary allowances | BUDG-19550510-0010 |
| 13 June 1955 | exchange of letters between the Auditor and Mr Kreyssig, discussion of the staff regulations | BUDG-19550613-0010 |
| 22 November 1955 | inaugural | BUDG-19551122-0010 |

| | | |
|---|---|---|
| 21 January 1956 | discussion of BUDG 11, organisation of the Secretariat of the Common Assembly, discussion of BUDG 15, staff regulations | BUDG-19560121-0010 |
| 24 February 1956 | discussion and approval of BUDG 11 | BUDG-19560224-0010 |
| 17 April 1956 | discussion of BUDG 12, 13 and 14 | BUDG-19560417-0010 |
| 29 May 1956 | discussion and approval of BUDG 12, 13, 14 and 15 – questions about the staff regulations | BUDG-19560529-0010 |
| 27 November 1956 | inaugural | BUDG-19561127-0010 |
| 19 December 1956 | implementation of the staff regulations within the Common Assembly, protest of the Auditor before the Committee of Presidents, supplementary estimate of expenditure to the High Authority | BUDG-19561219-0010 |
| 7 February 1957 | reorganisation of the library of the Common Assembly, organisation and staff of other institutions | BUDG-19570207-0010 |
| 25 February 1957 | examination of the half-yearly report of the Assembly, organisation and staff of other institutions (cont.), | BUDG-19570225-0010 |
| 13 March 1957 | discussion of BUDG 15, organisation and structure of the obligations of the Common Assembly, effectiveness of the reorganisation of the Assembly Secretariat | BUDG-19570313-0010 |
| 9 April 1957 | discussion and approval of BUDG 16. | BUDG-19570409-0010 |
| 16 May 1957 | discussion and approval of BUDG 17, discussion of BUDG 18 | BUDG-19570516-0010 |
| 6 June 1957 | discussion and approval of BUDG 19 | BUDG-19570606-0010 |
| 6 November 1957 | inaugural, discussion of BUDG 20 | BUDG-19571106-0010 |
| 4 December 1957 | organisation of Assembly staff, approval of the Kreyssig opinion on the revision of the Treaty, discussion of BUDG 20 | BUDG-19571204-0010 |
| 13 January 1958 | discussion and approval of BUDG 20, discussion of BUDG 21 | BUDG-19580113-0010 |
| 4 February 1958 | discussion and approval of BUDG 21, financial obligations for transition to the Parliamentary Assembly | BUDG-19580204-0010 |
| 24 February 1958 | opinion on the agreement to be signed in application of Article 6(2) of the Convention relating to certain institutions common to the European Communities (AC4054 annexed to the minutes) | BUDG-19580224-0010 |

NB: The archive dossier number of minutes in the CARDOC system is obtained using the sequence AC AP PV/BUDG.1953 BUDG- the date of the meeting written out in eight digits in year, month and day order with no spaces or punctuation signs. For instance, the dossier for the meeting of 12 January 1953 is: AC AP PV/BUDG.1953 BUDG-19530112. The 'minutes' document or report is normally shown by the digits 0010 following the dossier number.

## ANNEX III – REPORTS BY THE BUDGET COMMITTEE

| *Report number* | *AC number* | *TITLE - RAPPORTEUR* | *CARDOC CLASS. AC AP RP/BUDG. 1953* |
|---|---|---|---|
| BUDG 1 | 1 | Report on: 1. The draft estimate of expenditure of the Common Assembly for the financial year 1953-54; 2. The motion for resolution relating to the preliminary communication to the Common Assembly of the draft estimates of expenditure of other institutions of the ECSC.<br>Rapporteur: Vermeylen (not available in Italian or Dutch) | AC 0001/53-mars 0010 |
| BUDG 2 | 4 | Report on the estimate of expenditure of the Community for the financial year 1953-54.<br>Rapporteur: Vermeylen | AC 0004/53-mars 0010 |
| BUDG 3 | 1 (53-54) | Report on: 1. The draft estimate of expenditure of the Common Assembly for the financial year 1953-54 and on problems relating to the organisation of the parliamentary and administrative services of the Secretariat of the Common Assembly.<br>Rapporteur: Sassen | AC 0001/54-janvier 0010 |
| BUDG 4 | 10 (53-54) | Report on the general estimate of expenditure of the Community for the financial year 1954-55 and half-yearly reports on administrative expenditure from 1 July to 31 December 1953.<br>Rapporteur: Sassen | AC 0010/54-mai 0010 |
| BUDG 5 | 20 (53-54) | Supplementary report on the drafting of staff regulations for Community officials.<br>Rapporteur: Sassen (not available in Italian) | AC 0020/54-mai 0010 |
| BUDG 6 | 1 (54-55) | Report on the Auditor's report for the first financial year ending 30 June 1953.<br>Rapporteur: Kreyssig | AC 0001/54-décembre 0010 |
| BUDG 7 | 3 (54-55) | Report on the accounts of the second financial year of the Assembly (1 July 1953 – 30 June 1954)<br>Rapporteur: Kreyssig | AC 0003/54-novembre 0010 |
| BUDG 8 | 11 (54-55) | Report on the general estimate of expenditure of the Common Assembly for the financial year 1955-56.<br>Rapporteur: Kurtz | AC 0011/55 0010 |
| BUDG 9 | 17 (54-55) | Report on the Auditor's report relating to the second financial year ending 30 June 1954.<br>Rapporteur: Kreyssig | AC 0017/55-mai 0010 |
| BUDG 10 | 20 (54-55) | Report on the general estimate of expenditure of the Community for the financial year 1955-56.<br>Rapporteur: Margue | AC 0020/55-mai 0010 |
| BUDG 11 | 23 (54-55) | Report on the financial situation of the Community at 31 December 1954 and on reports of the Institutions on the state of their administrative expenditure and commitments during the first half (1 July 1954 to 31 December 1954) of the financial year 1954-55 (third financial year).<br>Rapporteur: Blank | AC 0023/55-mai 0010 |
| BUDG 12 | 5 (55-56) | Report on the draft estimate of expenditure of the Common Assembly for the financial year 1956-57 (fifth financial year).<br>Rapporteur: Margue. Not available in French | AC 0005/56-mars 0010 |

| | | | |
|---|---|---|---|
| BUDG 13 | 22 (55-56) | Report on the accounts of the four institutions of the Community for the third financial year (1 July 1954 to 30 June 1955) and on the half-yearly reports of the four institutions on the state of their administrative expenditure during the first half of 1955-56 (1 July 1955 to 31 December 1955).<br>Rapporteur: Blank | AC 0022/56-mai 0010 |
| BUDG 14 | 23 (55-56) | Report on the third Auditor's report (financial year from 1 July 1954 to 30 June 1955).<br>Rapporteur: Kreyssig | AC 0023/56-mai 0010 |
| BUDG 15 | 24 (55-56) | Report on the general estimate of administrative expenditure of the Community for the fifth financial year (1956-57).<br>Rapporteur: Charlot | AC 0024/56-mai 0010 |
| BUDG 16 | 20 (56-57) | Report on the estimate of administrative expenditure of the Common Assembly for the financial year 1957-58.<br>Rapporteur: Janssen?? Text not available | AC 0020/57-mai 0010 |
| BUDG 17 | 30 (56-57) | Report on the auditor's fourth report (financial year from 1 July 1955 to 30 June 1956).<br>Rapporteur: Kreyssig. Text not available in French | AC 0030/57-juin 0010 |
| BUDG 18 | 31 (56-57) | Report on the accounts of the four institutions of the Community for the fourth financial year (1 July 1955 to 30 June 1956) and half-yearly reports of the four institutions of the Community on their respective administrative expenditure in the first half of the financial year 1956-1957 (1 July 1956 to 31 December 1956) and Community finances in the fourth financial year (1 July 1955 to 30 June 1956).<br>Rapporteur: Blank. Texts in French and German not available. | AC 0031/57-juin 0010 |
| BUDG 19 | 36 (56-57) | Report on the estimate of administrative expenditure and on the budget of the Community for the sixth financial year (1957-58).<br>Rapporteur: Charlot. Texts in French and German not available. | AC 0036/57-juin 0010 |
| BUDG 20 | 8 (57-58) | Report on the expense account of the Common Assembly during the fifth financial year (1956-57).<br>Rapporteur: Charlot | AC 0008/57-novembre 0010 |
| BUDG 21 | 13 (57-58) | Report on the expense account of the Common Assembly during the fifth financial year 1956-57.<br>Rapporteur: Charlot | AC 0013/58-février 0010 |
| BUDG 22 | 18 (57-58) | Report on the draft estimate of administrative expenditure of the Common Assembly for the financial year 1958-59.<br>Rapporteur: Janssen | AC 0018/58-février 0010 |

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