

# FROM THE SCHUMAN DECLARATION TO THE BIRTH OF THE ECSC: *THE ROLE OF JEAN MONNET*



ARCHIVE AND DOCUMENTATION CENTRE (CARDOC)  
DIRECTORATE-GENERAL FOR THE PRESIDENCY  
EUROPEAN PARLIAMENT

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*Jean Monnet and Robert Schuman in a relaxed moment in April 1950*

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## FOREWORD

This *CARDOC Journal* - published to mark the sixtieth anniversary of the Schuman Declaration, delivered by Robert Schuman, French Foreign Minister, in the Salon d'Horloge of the Quai d'Orsay - is intended as a tribute to Jean Monnet, who inspired this historical speech, defined a route-map for European integration, and subsequently served as the first President of the High Authority of the new European Coal and Steel Community (ECSC).

In publishing this document, which draws upon the European Parliament's historical archives, we wish both to provide new insights into the aspirations and work of the Community's *'founding fathers'* and to promote awareness of our own institution's substantial archives, which contain fascinating documents relating to over half a century of Community and Union history.

The documents show that, as the first President of the High Authority, Jean Monnet established a positive and cooperative relationship with the new Common Assembly, already seeing - with his characteristic far-sightedness and understanding - the central role which the institution could and would come to play in providing a strong, democratic component to the process of European integration.

Monnet's relationship with the embryonic Parliament, evidenced by his statements in plenary and in committee, demonstrates his enthusiasm and passion for finding practical solutions to real problems - and for *'thinking outside the box'*, as we say today. He approached every difficulty by attempting to *'change the context'*. As he famously remarked, *'modernisation is not a state of things, but a state of mind'*. This is why he made such a huge impact on political leaders with whom he worked - whether Roosevelt, Churchill or de Gaulle during the second world war, or all his fellow founding fathers in the late 1940s and 1950s. Monnet is one of that rare breed of figures who truly made a difference.

Sixty years on, this snapshot of the atmosphere and ideas of the 1950s is more than just a tribute; it is an illustration of just how much today's truly continental European Union owes to an ambitious and inspired generation that sought to remake Europe for the better.



Jerzy Buzek

President of the European Parliament



*Jean Monnet*

*Robert Schuman*

**THE SCHUMAN DECLARATION**  
**9 MAY 1950, PARIS**  
**SALON DE L'HORLOGE, QUAI D'ORSAY**

*World peace cannot be safeguarded without the making of creative efforts proportionate to the dangers which threaten it.*

*The contribution which an organized and living Europe can bring to civilization is indispensable to the maintenance of peaceful relations. In taking upon herself for more than 20 years the role of champion of a united Europe, France has always had as her essential aim the service of peace. A united Europe was not achieved and we had war.*

*Europe will not be made all at once, or according to a single plan. It will be built through concrete achievements which first create a de facto solidarity. The coming together of the nations of Europe requires the elimination of the age-old opposition of France and Germany. Any action taken must in the first place concern these two countries.*

*With this aim in view, the French Government proposes that action be taken immediately on one limited but decisive point.*

*It proposes that Franco-German production of coal and steel as a whole be placed under a common High Authority, within the framework of an organization open to the participation of the other countries of Europe.*

*The pooling of coal and steel production should immediately provide for the setting up of common foundations for economic development as a first step in the federation of Europe, and will change the destinies of those regions which have long been devoted to the manufacture of munitions of war, of which they have been the most constant victims.*

*The solidarity in production thus established will make it plain that any war between France and Germany becomes not merely unthinkable, but materially impossible. The setting up of this powerful productive unit, open to all countries willing to take part and bound ultimately to provide all the member countries with the basic elements of industrial production on the same terms, will lay a true foundation for their economic unification.*

*This production will be offered to the world as a whole without distinction or exception, with the aim of contributing to raising living standards and to promoting peaceful achievements. With increased resources Europe will be able to pursue the achievement of one of its essential tasks, namely, the development of the African continent.*

*In this way, there will be realised simply and speedily that fusion of interest which is indispensable to the establishment of a common economic system; it may be the leaven from which may grow a wider and deeper community between countries long opposed to one another by sanguinary divisions.*

*By pooling basic production and by instituting a new High Authority, whose decisions will bind France, Germany and other member countries, this proposal will lead to the realization of the first concrete foundation of a European Federation indispensable to the preservation of peace.*

*To promote the realization of the objectives defined, the French Government is ready to open negotiations on the following bases.*

*The task with which this common High Authority will be charged will be that of securing in the shortest possible time the modernization of production and the improvement of its quality; the supply of coal and steel on identical terms to the French and German markets, as well as to the markets of other member countries; the development in common of exports to other countries; the equalization and improvement of the living conditions of workers in these industries.*

*To achieve these objectives, starting from the very different conditions in which the production of member countries is at present situated, it is proposed that certain transitional measures should be instituted, such as the application of a production and investment plan, the establishment of compensating machinery for equating prices, and the creation of a restructuring fund to facilitate the rationalization of production. The movement of coal and steel between member countries will immediately be freed from all customs duty, and will not be affected by differential transport rates. Conditions will gradually be created which will spontaneously provide for the more rational distribution of production at the highest level of productivity.*

*In contrast to international cartels, which tend to impose restrictive practices on distribution and the exploitation of national markets, and to maintain high profits, the organization will ensure the fusion of markets and the expansion of production.*

*The essential principles and undertakings defined above will be the subject of a treaty signed between the States and submitted for the ratification of their parliaments. The negotiations required to settle details of applications will be undertaken with the help of an arbitrator appointed by common agreement. He will be entrusted with the task of seeing that the agreements reached conform with the principles laid down, and, in the event of a deadlock, he will decide what solution is to be adopted.*

*The common High Authority entrusted with the management of the scheme will be composed of independent persons appointed by the governments, giving equal representation. A chairman will be chosen by common agreement between the governments. The Authority's decisions will be enforceable in France, Germany and other member countries. Appropriate measures will be provided for means of appeal against the decisions of the Authority. A representative of the United Nations will be accredited to the Authority, and will be instructed to make a public report to the United Nations twice yearly, giving an account of the working of the new organization, particularly as concerns the safeguarding of its objectives.*

*The institution of the High Authority will in no way prejudice the methods of ownership of enterprises. In the exercise of its functions, the common High Authority will take into account the powers conferred upon the International Ruhr Authority and the obligations of all kinds imposed upon Germany, so long as these remain in force.*



*Robert Schuman*

## ROBERT SCHUMAN

Jean Baptiste Nicole Robert Schuman was born in Luxembourg on 29 June 1886 and died in Scy-Chazelle in the Moselle on 4 September 1963. He was a German citizen by birth: his father was a German from the Alsace region, while his mother was from Luxembourg.

He went to school in Luxembourg, but took his school-leaving exams in Metz, then a German city, in 1904. He went to university in Germany, graduating from Berlin in 1910 with a first-class honours degree in law.

In 1912 he opened a law firm in Metz, where he became a municipal councillor in 1918. That same year, after France annexed Alsace Lorraine, he became politically active in the Lorrain Republican Union, a Christian Democrat party founded to protect the local laws of the Lorraine region. The party won 65% of the votes in the 1919 elections, when Schuman was elected as a member of the French National Assembly, an office he continued to hold until 1940. He made a name for himself in the parliamentary battle to maintain the Concordat in Alsace Lorraine. In 1939 he was appointed as Undersecretary of State for Refugees.

Returning to Lorraine, he was arrested by the Gestapo and imprisoned first in Metz and later in Neustadt, in what is now Rheinland-Pfalz, from where he escaped in August 1942.

After the end of the Second World War, he was re-elected as a member of the French National Assembly in 1946, remaining in office until 1962. In 1946 he was appointed Finance Minister, and in the following year became Prime Minister. In 1948 he was appointed Foreign Minister, a post that he held until 1952. In 1955 he became Justice Minister.

Robert Schuman was the first President of the European Parliament (1958-1960).

His name remains synonymous with the declaration he made on 9 May 1950 in the Salon de l'Horloge, or Clock Room, of the French Foreign Ministry in the Quai d'Orsay. The declaration launched the proposal for the European Coal and Steel Community.



*Jean Monnet*



*Robert Schuman*



*Jean Monnet*

## JEAN MONNET

Jean Omer Marie Gabriel Monnet was born in Cognac on 9 November 1888 and died in Bazoches sur Guyonne (Yvelines) in 1979. At the age of 16 he left school to work in the family's cognac export business, moving to London two years later and making numerous business trips to North America.

In 1914 he submitted a proposal to the then Prime Minister, René Viviani, to set up a Franco-British maritime hub for the transport of military supplies, and two years later became the inter-allied head of military supplies. And so began a career as a senior civil servant which led him in 1919 to contribute to the formation of the League of Nations. Appointed Deputy Secretary-General of the League of Nations the following year, in 1923 he went back to work for the family business.

He then pursued a career as a businessman in France and the United States. He managed a bank, first in San Francisco and later in China, where he became adviser to Chiang Kai-shek in the efforts of the Peking Government to modernise the country.

In 1938 he returned to France, but a year later went to London, where he chaired the Anglo-French committee for the coordination of war supplies.

He remained as chairman of the supply committee and in August 1940 went to the United States to persuade President Roosevelt to develop the production of military supplies.

In 1943 he went to Algiers, where he convinced General Giraud to leave the Vichy government and later became a member of the French National Liberation Committee. In 1944 he negotiated the first US loans to France after the liberation. Between 1947 and 1952, he was Planning Commissioner, responsible for organising France's reconstruction, and it was in this role that he suggested to Schuman the idea of integrating the French and German coal and steel industries, which was behind the proposal to create the ECSC. Jean Monnet was appointed the first President of the High Authority in August 1952, a role he would retain until May 1955.

He then founded the Action Committee for the United States of Europe, which he chaired until 1975.



## **PART 1**

# **FROM THE SCHUMAN DECLARATION TO THE BIRTH OF THE ECSC: *THE ROLE OF JEAN MONNET***



## CHAPTER ONE: THE ORIGINS OF THE ECSC

### 1. THE GERMAN QUESTION

The Schuman Declaration of 9 May 1950 not only displayed brilliant insight, but was the result of a carefully thought-out solution to the economic and legal problems of Germany's international status and their implications for France. This might seem simplistic, but many great ideas, such as European integration, are realised only when they become the solution to contingent problems. It might also seem simplistic because the declaration explicitly mentions the objective of resolving the problems of just the two countries, and it was only afterwards, albeit immediately afterwards, that the plan to create a coal and steel community was extended to the three Benelux countries and to Italy<sup>1</sup>.

To understand the underlying reasons behind the Clock Room Declaration and its causes, we first need to take a brief look at Germany following the constitution of the Federal Republic of Germany, placing them in the context of the organisation of the two blocs and examining the areas of potential conflict with France (which were economic, rather than political).

Following the London Six-Power Conference on Germany in June 1948<sup>2</sup>, in 1949 the Federal Republic of Germany was created. Its sovereignty was severely curtailed by the Allied High Commission, whose occupied zones lay within the new state. This body had extensive powers of veto, and from the outset one of the chief objectives of the Adenauer government was to claw back sovereignty, seeing Germany's solid integration with the West as the way to do this. It was a question of building trust with the Allies, and the first step towards this was the signing of the Petersberg Agreement with the High Commission on 22 November 1949. Under the agreement, the dismantling of Germany's heavy industry by way of reparation was limited to military production, and Germany was admitted as a full member, with voting rights, of the International Authority for the Ruhr<sup>3</sup>, in which it had until then only been an observer. The Petersberg Agreement also opened the way to Germany's membership of the Council of Europe, a subject of intense debate in the Bundestag, since it coincided with the admission of the Saar region, at that time under French control, and the Social Democratic opposition saw it as an endorsement of the separation of this territory from Germany.

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<sup>1</sup> To a British journalist who asked how many countries would be needed to create the Community, Schuman replied that '*talks would continue even if there were only two countries*'. J. Monnet, *Mémoires*, op. cit., p. 363.

<sup>2</sup> In this paragraph the 'Six' refers to the Western powers that won the Second World War or were assimilated thereto under international treaties at the time: Belgium, France, Luxembourg, the Netherlands, the United Kingdom and the United States. Note that on 20 March 1948, when the Soviet Union left the Allied Control Council, the four victorious powers formally separated their respective policies towards Germany: the three western zones on the one hand, and the Soviet zone, on the other.

<sup>3</sup> See further on in this paragraph.

In its plan to become integrated with the West, Germany was supported by the United States, which believed that this was necessary if Europe was to strengthen its defences against the Soviet bloc. It saw Germany's membership of NATO, which was created in 1949, and its rearmament, as a natural result of integration. Although military integration followed a parallel path to the political and economic integration outlined by Schuman, it must be taken into account to gain an overall understanding of European construction. It also touches on the ill-fated plan for a European Defence Community.

One area of conflict between Germany and France was the Ruhr, a mining region which was the cradle of heavy industry and traditionally seen as Germany's armoury. The Allies had placed this strategic region under a special regime with an International Authority responsible for controlling coal and steel production and apportioning it between domestic consumption and exports. The Ruhr Statute was adopted during the London conference on the initiative of France.

## 2. THE MODERNISATION OF FRENCH INDUSTRY AND ITS PROBLEMS

Post-war France had to deal with the problem of reconstruction, which, as Planning Commissioner, Jean Monnet had been involved in since the war. He prepared a document entitled the '*Plan de Modernisation et d'Équipement*', a revival and modernisation plan for France, which focused particularly on the coal and steel industry, at the time considered the key sector of an economy and essential for reconstruction. Monnet looked at France's economic problems from an international perspective. He saw the Ruhr as the backbone of Germany's power, which France would have to control if it were to become the backbone of European industry.

Nevertheless, control of the Ruhr, whose mineral deposits were mainly situated in the US and British zones, was exercised jointly by the Allies, which looked to the region's development to cover the costs of occupation. In general, the Marshall Plan, which provided aid for all of Western Europe<sup>4</sup>, sought to rebalance the German economy, and that of other European countries, by 1952, while endeavouring to prevent it from becoming autarkic. In 1947, two years after its defeat and in spite of the dismantling process, Germany's steel industry was using all of the coking coal extracted from the Ruhr, preventing the steel industry elsewhere in Europe from having access to this resource<sup>5</sup>. France was worried by the situation and Jean Monnet wrote that:

*By 1947, we were no longer interested in the political dismemberment of the former Reich. However, all factions, all authorities, all private interests supported, to varying degrees, our diplomatic efforts to delay Germany's inevitable recovery<sup>6</sup>.*

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<sup>4</sup> Eastern European countries, which had been invited to take part, had refused under Soviet pressure.

<sup>5</sup> J. Monnet, *Mémoires*, *op. cit.*, pp. 324-325.

<sup>6</sup> *Ibid.*, p. 325.

### 3. TOWARDS THE CLOCK ROOM DECLARATION

The creation of the first European Community formed part of the wider context of international relations at the time and the hegemonic role that the United States assumed in Europe, not only due to the military presence it maintained there, but because of the Marshall Plan, the massive aid plan which made a huge contribution to the rebuilding of the Old Continent. The reasoning behind the plan was largely anti-Soviet<sup>7</sup>, although it also sought to promote the free trade values which underpinned the economy and society of the United States. The US had established a '*special relationship*' with the United Kingdom, prefiguring a North Atlantic axis which, thanks to the Commonwealth, was potentially extended to large parts of the world in a sort of global response to the Soviet challenge.

Germany, where the economic transformation was under way, was a potential part of the North Atlantic axis, and it was becoming vital for France to establish its own special relationship with its neighbour on the other side of the Rhine, putting aside historical opposition and abandoning the hegemonic aspirations it had already cultivated.

Jean Monnet offered this geopolitical vision the ideal ground on which to develop, at the same time satisfying France's own requirements in terms of modernisation: namely the political fusion of the coal and steel sectors of the two countries. Monnet wrote that:

*If the fear of German industrial domination could be allayed, the greatest obstacle to European Union would be lifted. A solution that put French industry on the same footing as German industry, while freeing the latter from the discrimination born of defeat, would restore the economic and political preconditions for the mutual understanding so vital to Europe. It could, in fact, become the germ of European unity<sup>8</sup>.*

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<sup>7</sup> To prevent attempts at destabilisation by European countries taking advantage of the widespread shortage resulting from military destruction and demobilisation.

<sup>8</sup> J. Monnet, *op. cit.*, pp. 346-347.

At the end of April 1950, he drew up a proposal for the then Foreign Minister, Robert Schuman. After examining the proposal during the weekend of 29-30 April, Schuman was won over by it. The declaration of 9 May, which incorporated Monnet's proposal, was drafted by Schuman and his closest advisers<sup>9</sup> and was kept secret until the last minute from the public and from the government.

Chancellor Adenauer, informed on 8 May or the morning of 9 May, depending on the source<sup>10</sup>, could only be in favour of a plan that would replace international control over the Ruhr with a new supranational organisation in which Germany had much more say.

The date of 9 May was not chosen at random. The following day the Allies would meet in London to discuss the future of Germany and the increase in its production. Schuman did not know what his position on this should be, and Monnet thought that it was a good opportunity to upset the apple cart with the proposal for the iron and steel community. This meant that the proposal had to be unveiled before the Allied meeting<sup>11</sup>, which explains the evident haste in the run-up to the declaration<sup>12</sup>.

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<sup>9</sup> In this respect, see J. Bariéty, 'La déclaration Schuman du 9 mai 1950 d'après les publications allemandes récentes (archives et travaux)', in M. Catala (ed.), 'Histoire de la construction européenne - Colloque international de Nantes 11, 12 et 13 mai 2000', Nantes (Ouest éditions), 2001, p. 21. Monnet claims that he was actually responsible for the wording of the declaration. *Mémoires, op. cit.*, pp. 352-356.

<sup>10</sup> On the question of the dates and the corresponding sources, see J. Bariéty, *op. cit.*, pp. 21-23, where the importance of the issue is also illustrated for the purposes of understanding Germany's acceptance of the Schuman proposal.

<sup>11</sup> J. Monnet, *op. cit.*, p. 348.

<sup>12</sup> In this respect, see J. Bariéty, *op. cit.*, p. 25, where this haste is not seen in a negative light, since the declaration corresponds to 'the profound and real forces and the permanent facts, as it were, of Franco-German relations'.

#### 4. NEGOTIATIONS AND THE TREATY

Belgium, Italy, Luxembourg and the Netherlands were involved in the negotiations for the creation of the ECSC. The United Kingdom refused to take part, knowing that it would be unable to accept the restriction on national sovereignty which was its underlying premise<sup>13</sup>. The talks took place between June 1950 and April 1951<sup>14</sup> in the midst of a difficult international climate. War had broken out in Korea, leading to expectations that the Cold War would turn 'hot'. There was a further push for rearmament in Europe and in Germany itself, now openly supported by the Americans. This would mean expansion of the steel industry, which had already survived the economic downswing of the first half of 1950.

The Benelux countries, fearing the hegemony of France and Germany, formed the Council of Ministers, which would act as a counterweight to individual governments and to the High Authority, where voting was by simple majority and the three Benelux countries, according to expectations at the time, would have three of the nine members<sup>15</sup>.

Signed on 18 April 1951 in Paris, in the same Clock Room where it all began, the ECSC Treaty was swiftly ratified without difficulty in the three Benelux countries.

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<sup>13</sup> J. Monnet, *ibid.*, pp. 362-368, mentions conversations that took place with British representatives on the issue and the UK's conclusive memorandum.

<sup>14</sup> J. Monnet dedicates an entire chapter of his memoirs to the negotiations. We refer to these chapters, since we do not think it in keeping with the philosophy of an institutional publication to reproduce information and opinions which are not backed up by other sources. *Ibid.*, pp. 373-392.

<sup>15</sup> Following the negotiations, the original proposal, in which all nine members were appointed by national governments – two by the three largest states (Germany, France, Italy) and one by each of the Benelux countries – had been transformed into the definitive solution described in the following chapter, which also illustrates the composition of the first High Authority, in which the Benelux countries actually had four of the nine members.

## CHAPTER TWO: THE INSTITUTIONAL AND FINANCIAL FRAMEWORK OF THE ECSC

### 1. THE FIRST HIGH AUTHORITY

On 10 August 1952, the High Authority of the ECSC met in Luxembourg. In accordance with the Treaty, it was composed of nine members, eight of whom were nominated by mutual agreement of the Member State governments and one of whom was nominated by the High Authority itself. The Authority initially consisted of two French members, two German members, two Belgian members and one from each of the three other Member States.

The President was Jean Monnet who, following the French National Assembly's refusal to ratify the Treaty establishing the European Defence Community on 30 August 1954, said that he did not wish to be re-elected after his term of office ended on 10 February 1955, but would remain in office until the end of May pending the appointment of his successor. The First Vice-President was Germany's Franz Etzel<sup>16</sup>, the Second Vice-President was Belgium's Albert Coppé<sup>17</sup>. The other members were Paul Finet (Belgium)<sup>18</sup>, Heinz Potthoff (Germany)<sup>19</sup>, Léon Daum (France)<sup>20</sup>, Enzo Giacchero (Italy)<sup>21</sup>, Albert Wehrer (Luxembourg)<sup>22</sup> and Dirk Pieter Spierenburg (Netherlands)<sup>23</sup>.

Beneath the High Authority, the first officials of the ECSC, or the first management unit, to be more precise, were mostly members of the delegations to the negotiations and officials from the French Planning Commission who had worked alongside Jean Monnet. The number of officials transferred to the ECSC was such that the first President of the High Authority was obliged to say in his Memoirs that he had left the 'Plan' in good hands<sup>24</sup>.

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<sup>16</sup> 1902-1970. Lawyer and notary in Duisburg and member of the Christian Democratic Union of Germany (CDU). At the time of his appointment to the High Authority, he was a member of the Bundestag, an office he held until 1955.

<sup>17</sup> 1911-1999. An economist and member of the Christian Democrat Party (CDV).

<sup>18</sup> A member of the High Authority and co-opted by it. A trade union representative from 1897-1965, he was President of the High Authority from 1958 until 1959.

<sup>19</sup> 1904-1974. A company director and trade union representative, he was also a senior official in the German Federal Government and a member of the Social Democratic Party of Germany. At the time of his appointment to the High Authority, he was Germany's representative on the International Authority for the Ruhr.

<sup>20</sup> 1987-1966. A director of a steel company, he came from a family of glassmakers in Nancy and was the son-in-law of French Prime Minister Raymond Poincaré.

<sup>21</sup> 1912-2000. Italian member of the Christian Democrat party.

<sup>22</sup> 1895-1967. A diplomat, he was Ambassador to Paris during the negotiations for the creation of the ECSC and took part in these.

<sup>23</sup> 1909-2001. A politician and diplomat, he led the Netherlands delegation in the talks for the creation of the ECSC.

<sup>24</sup> J. Monnet, *op. cit.*, p. 439. Contains a list of the first members with a few comments in praise of each one.

## 2. THE ORGANISATION OF THE HIGH AUTHORITY

One of the first tasks the executive had was to organise itself. Jean Monnet submitted a report on this to the Organising Committee of the Common Assembly three months later<sup>25</sup>. The general criterion that guided the High Authority in its decision-making was to divide the largest departments reporting directly to the executive into functions without distinguishing between coal and steel, since the general vision, problems and rules were the same for both commodities and it was crucial that the approach should be the same. Jean Monnet wrote that:

*If we had divided our administration into coal and steel, then inevitably, whatever the High Authority did, there would have been differences and the fundamental object of creating a common market naturally would have been in jeopardy<sup>26</sup>.*

Consequently, the Divisions established were as follows: Production (essentially in charge of supplies and management of quotas in the event of a crisis), Economic Questions, Investments, Finance, Social Problems, and Control, in charge of matters which today are grouped together under the heading 'competition'.

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<sup>25</sup> Annex II, pp. 5-8.

<sup>26</sup> *Ibid.*, pp. 5.

A different organisational approach was adopted for the Common Market Division. This was created by the Treaty and politically was the most significant function of the ECSC. It consisted of a committee of three members: François Vinck (Belgium), an expert in coal, Tony Rollmann (Luxembourg), an expert in steel, and Hermann Dehnen (Germany)<sup>27</sup>. Jean Monnet explained this choice as follows:

*We have a Market Committee. I say "Market Committee", because the issues that the market raises, given the uncertain economic climate, supplies and any redistribution in the event of a shortage, prices and compliance with competition rules, are vast and extremely complex. They are also evolving because the economic climate is changing. It is a difficult area, because the common market has not existed before, and will cover the six countries of the Community. We find ourselves facing new and uncharted territory. The Treaty makes provision for an open market and describes how it must function, but in practice, these are issues that have never been tackled in this way before, at least not together<sup>28</sup>.*

In January 1953, the High Authority had 280 members, 60 of whom worked for the translation service<sup>29</sup>.

Its working method was to involve external resources, national officials, producers, trade union representatives and experts in order to bring together information that already existed but which was fragmented<sup>30</sup>.

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<sup>27</sup> Unlike for the other two committee members, Jean Monnet's 'Mémoires' contain no information about Dehnen's professional qualifications. After a quick search on the internet, the author of this document thinks he was an expert in coal, since in 1956 he was, together with Vinck, one of the two people in charge of coal in the Common Market Division.

<sup>28</sup> Annex II, p. 6.

<sup>29</sup> Annex III.

<sup>30</sup> Annex II, pp. 7-8.

### 3. RELATIONS BETWEEN THE HIGH AUTHORITY AND THE COMMON ASSEMBLY

The subject of this section cannot be wholly likened to relations between a national government and parliament, as has historically been the case in European countries, since there is no political relationship between the High Authority and the Common Assembly, an essential and significant fact for the latter. Whereas a national government is the embodiment of a parliamentary majority, which places every trust in the government, the Community executive, under the Treaty of Paris, represents only the governments of the Member States. Similarly, in the Common Assembly, which represents national parliaments, while bringing together the various opposing views and groups prevalent in European politics (essentially Christian Democrats, Socialists and Liberals), there is no majority party or Opposition through which the various groups can pursue an end goal of either supporting the government or defeating it.

The Treaty of Paris gives the Assembly a general supervisory power, although this essentially takes the form of discussion of the general report on the activities and the administrative expenditure of the Community, presented each year by the High Authority in mid-April, about a month before the session opens<sup>31</sup>. Article 24 of the Treaty allows a motion of censure on the *report*, and not on the High Authority itself, obliging the members of the High Authority to resign as a body, subject to the motion being carried by a two-thirds majority of the votes cast, representing an absolute majority of the Members of the Assembly.

In his first address before the Assembly<sup>32</sup> on 11 September 1952, Jean Monnet emphasised the importance of the general report under the Treaty, but more importantly called for an ongoing relationship between the two institutions:

*But, in addition, independent of the sessions we feel that it is necessary for us to discuss our work with you freely as we progress. The High Authority would welcome your Assembly's electing already at this session a large General Committee with whom we would meet at regular intervals, not to discuss particular technical problems but to acquire the habit of seeing the Community's problems as a whole and to compel us, the High Authority, to discuss with you extensively the pursuit of the policy which the Treaty has entrusted to us. We would then work out together with your Committee, as the High Authority develops its organization in meeting the problems facing it, what concrete forms our co-operation could take.*

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<sup>31</sup> Article 22 of the ECSC Treaty made provision for an annual session which began on the second Tuesday of May.

<sup>32</sup> Annex I.

The idea of the General Committee fell by the wayside and the Common Assembly chose to adopt the traditional system of specialised parliamentary committees, which were, from the outset, the scene of intense dialogue between the two institutions. However, it is worth noting the attitude of Jean Monnet, who from the outset considered the Assembly not a consultative institution, but a real political force. This attitude was confirmed on 20 June 1953, when Jean Monnet again stressed, in passing, the need for a permanent and regular form of relations between the two institutions, *as this was essential to bring our institutions to life, a process in which, by necessity, this new European Parliament must play an essential part*<sup>33</sup>. Note the use of the expression 'European Parliament'; only in 1961 did the institution officially take this name.

Three days later, Jean Monnet returned to the issue with a more structured approach, proposing that dialogue between the two institutions should not be concerned with an assessment of *faits accomplis*, but of plans for the future<sup>34</sup>.

In his memoirs Jean Monnet recalls another episode, not directly linked to relations between the two institutions, but essential for the autonomy of the Common Assembly, and perhaps even the entire ECSC. Before the first session of the Common Assembly on 5 September 1952, at a time when the organs of the parliamentary institution were not yet established, the Secretary General of the Council of Europe tried to ensure that he and his staff would be responsible for the Secretariat of the Common Assembly. Jean Monnet speculates that this stemmed not so much from the ambitions of a much-respected international official, but from a political move to implement the 'Eden Plan', with which the Council of Europe sought to absorb the ECSC. Jean Monnet, who had the task of convening the first session of the Assembly, managed to sidestep the proposal – technically faultless in itself – by involving the six national parliaments in the planning and administration of the session and holding the first session in Strasbourg, not at the Council of Europe, but at the local Chamber of Commerce. At this point, according to Monnet, *'the Eden Plan ceased to exist'*<sup>35</sup>.

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<sup>33</sup> Annex IX.

<sup>34</sup> In the years following Jean Monnet's presidency, the question of relations between the two institutions resurfaced from a different and more hostile angle in an opinion from the Committee on Rules of Procedure relating to the enforceability against the Committee on the Common Market by the High Authority of confidentiality in the transmission of sensitive documents. EP, *'The Committees of the Common Assembly'*, *op. cit.*, p. 114.

<sup>35</sup> J. Monnet, *op. cit.*, pp. 444-446.

#### 4. THE FINANCIAL RESOURCES OF THE ECSC

Based on the Treaty of Paris, the financial resources of the High Authority (although it would be more accurate to say ‘*of the Community*’) came from levies on production and from loans and gifts (Article 49). The levy was applied to products based on a percentage of their average value – usually below 1%<sup>36</sup> – and paid for the functioning of the Community and its ordinary activities (Article 50). The funds obtained by borrowing from the financial markets were exclusively intended for loans to enterprises (Article 51)<sup>37</sup>.

The levy would play a fundamental part in guaranteeing the loans taken out by the High Authority<sup>38</sup>, and the corresponding rate was adjusted according to the conditions of the guarantee. Set at 0.9% from 1 July 1953, it fell to 0.7% from 1 July 1955 and 0.45% from 1 January 1956. These reductions were in response to requests made by the Assembly’s Investments Committee, but went as far as to raise doubts among the members of that parliamentary committee<sup>39</sup>.

During the parliamentary debate on the issue, Monnet defended<sup>40</sup> the decrease in the levy adopted by the High Authority, both in terms of method and, in response to a specific criticism levelled by one MEP, on the lack of consultation of the Assembly. On this point, the President of the High Authority claimed that the new rates were consistent with the predetermined investment targets, largely endorsed by the Assembly and which, with its permission, would be pursued. Less clear, although carefully worded, were the reasons adopted in support of the lack of consultation of the Assembly: Monnet praised the decision, which was a credit to the High Authority, but effectively dodged the issue.

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<sup>36</sup> Levies on production gradually increased from 0.3% in January 1953 to 0.9% in July 1953. In the first few months of the ECSC, they were used to cover administrative expenditure and to repay start-up loans granted by Member States. The surplus was used to set up a guarantee fund, which would allow loans to be arranged (speech by François de Menthon, Consultative Assembly, verbatim report of the proceedings, sitting of 20 June 1953, pp. 155-156). During a committee meeting, the ceiling limit was criticised by Pünder, who referred to complaints made by German industry and asked the High Authority for the reasons for the levy. The High Authority replied that essentially, as things stood, only administrative expenditure could be envisaged without referring to the other criteria (minutes from the afternoon meeting on 16 June 1953, pp. 3-4).

<sup>37</sup> This extract is taken from: *EP, Les Commissions de l’Assemblée Commune, op. cit.*, p. 30.

<sup>38</sup> In this respect, see the speech by Jean Monnet (Annex VI). The President of the High Authority was vindicated by the loan granted by the United States, which Jean Monnet proudly describes during his speech before the Assembly on 12 May 1954 (Annex XII). A key extract from this speech can be found in the next chapter.

<sup>39</sup> On this point, see: *EP, The Committees of the Common Assembly, op. cit.*, p. 39.

<sup>40</sup> Annex X.

## CHAPTER THREE: THE COMMON MARKET

### 1. THE CREATION OF THE COMMON MARKET

The creation of the common market in coal and steel was the primary objective of the Community, almost a prerequisite for that pooling of production which was the 'manifesto' of the Schuman Declaration. Nevertheless, the problems inherent in this objective seemed, maybe even to the architects of the Community themselves, much greater than when the idea of the ECSC was first floated, or indeed during the negotiations. The fact that the common market was realised within the timeframe envisaged by the Treaty is probably the greatest accolade that can be paid to the first High Authority.

Absent from the inaugural address given by Jean Monnet on 11 September 1952<sup>41</sup>, the President of the High Authority broached the subject of the common market for the first time in his speech of 12 January 1953<sup>42</sup>, describing the size of the market – approximately 15% of industrial production of the Six – and more importantly the revolution that was taking place. He omitted the distinction between national production and imports, which had been, and still were, the key to domestic markets and the barriers erected by States in terms of tariffs, volumes and prices, not only for imports, but for exports too. Even when customs duties on coal were abolished because of a shortage, imports were controlled and competition was eliminated from the choice of grades that could be imported.

*Once the common market is open, there will be no more customs duties, no more import or export restrictions, no more dual prices. Opening the common market does not mean, however, that producers who have until now been acting in isolation and in conflict will suddenly come into contact with one another: this is a continuous development, involving a number of adjustments, a live process; it is a vast operation that will take place as rapidly as possible with a range of safeguards applied in the common interest<sup>43</sup>.*

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<sup>41</sup> Annex I.

<sup>42</sup> Annex III.

<sup>43</sup> Annex III.

Jean Monnet describes the philosophy behind the creation of the common market, which would later be adopted by the EEC. The problems raised by the common market in coal and steel are described in more detail in the statements made by Monnet before the Assembly's Common Market Committee. The first statement on 8 February 1953 was lacking in this respect.

However, an account of the issues involved in opening the common market can be found in Monnet's speech of 19 April 1953<sup>44</sup>. This occurred between two milestones in European history: the opening of the common market in coal, iron ore and scrap metal on 10 February 1953, and the opening of the common market in steel on 1 May 1953.

Regarding the former, the President of the High Authority announced that the six national governments had agreed to abolish State obstacles to the free movement of goods<sup>45</sup>, while the High Authority, in tandem, had taken steps to eliminate the most serious discrimination in terms of transport<sup>46</sup>. One aspect that was particularly significant – being unprecedented in Community policy – concerned the coal pricing mechanism that the High Authority had adopted. This consisted of setting prices to prevent the sudden liberalisation from triggering a price increase, particularly for grades that were in high demand<sup>47</sup>. The lowest possible average prices and price ceilings were established for each coal-mining region and for each category of coal, according to the economic situation in each Member State. The pricing mechanism gave enterprises a certain amount of flexibility and was accompanied by the temporary approval of State subsidies.

Conversely, the iron ore market was wholly liberalised, while the market in scrap metal, more susceptible to market fluctuations, required a price ceiling to be introduced, an equalisation system between scrap collected within the Community and imported scrap, in addition to authorisation from a special temporary service (until the end of 1953) for scrap consumers, permitted to negotiate imports of this material but without the power to sign agreements. This service reported to the High Authority.

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<sup>44</sup> Annex IV.

<sup>45</sup> *'...customs duties, export duties, restrictions on the quantities imported and exported, restrictions on the retailing of foreign exchange and dual prices have been abolished by Member State governments within the Community'*. Report by Guy Mollet, CARDOC AC AP PV/ MACO.1953 MACO-19530419 0020.

<sup>46</sup> In this respect, see the chapter on the Transport Committee.

<sup>47</sup> National governments adopted various ways of maintaining strict control over coal throughout the first half of the 19th century. The ECSC attempted to do likewise, and it will be for economic historians to determine whether it was successful. In this respect, it is worth underlining that with regard to coal, the primary source of energy at the time, it was widely recognised that state control was necessary because the coal market was an *'artificial market'*, to use the definition supplied by Schöne at the meeting of 14 March 1955 (cf. minutes, pp. 17-18), in turn quoting Ludwig Erhard, Germany's Minister of the Economy, who, despite his liberal ideas, recognised the impossibility of creating a free market in coal.

With regard to the common market in steel, Monnet, on behalf of the High Authority, pronounced his faith in the free market and competition, while promising to remain vigilant: he warned that an alignment of European prices, which up until that point had been variable, would amount to an agreement, something that the Executive wished to prevent. There was a need to tackle certain existing practices in national markets, which were heavily state-controlled. In general, however, the High Authority intended to use its powers sparingly but with resolve, in the light of how prices fluctuated. Monnet outlined the major distortions of the market and the measures that the High Authority proposed taking.

During the sitting of 19 April 1953, the President of the High Authority added to his report, explaining that the Executive would intervene in accordance with the Treaty if agreements between enterprises triggered an increase in prices, even if demand was slack once the market was opened<sup>48</sup>.

On 15 June 1953<sup>49</sup>, Jean Monnet reiterated these concepts to the Assembly, explaining the difficulties encountered:

*In establishing the common market we have sought to take account of the particular difficulties, differing in each case, a country or production region might encounter. As you saw from the reports submitted to you, we have spared no effort to seek solutions that are compatible with the general application of the common market rules, while also avoiding any sudden shocks and ensuring that this is a gradual process.*

*At times we had to take difficult decisions that affected certain customs or interests or ran counter to government decisions or positions.*

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<sup>48</sup> The sections in small font are taken from *The Committees of the Common Assembly, op. cit.*, pp. 10-11.

<sup>49</sup> Annex VI.

## 2. AGREEMENTS AND CARTELS

Fundamental to the creation of the common market was<sup>50</sup> Article 65 of the ECSC Treaty, which prohibits agreements between enterprises ‘*tending directly or indirectly to prevent, restrict or distort normal competition within the common market*’, but which allows the High Authority to ‘*authorise specialisation agreements or joint-buying or joint-selling agreements in respect of particular products*’, which might have a positive impact on production or distribution and satisfy certain conditions essentially aimed at maintaining competition between enterprises not party to the agreement.

In May 1954, Jean Monnet informed the Assembly that the High Authority had considered some authorisation requests in the coal sector to be contrary to the Treaty and had opened a dialogue with the organisations concerned<sup>51</sup> – or with the governments, when the non-conforming practices were legally founded – in order to put an end to such practices. However, the difficulties were considerable, since, as the President of the High Authority told the Assembly in November<sup>52</sup>.

*We find ourselves up against systems which are accepted through force of habit, though the compromises on which they were based are no longer in keeping with the new circumstances of the market. This, I would remind you, is the first time that anti-cartel rules like those of our Community have been applied in Europe.*

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<sup>50</sup> Annex XII.

<sup>51</sup> As inferred from the speech given on 30 November 1954 (Annex XI), these were essentially centralised organisations buying or selling coal in the Ruhr (GEORG), Belgium, Luxembourg and France (ATIC). GEORG was abolished on 15 February 1956 and, after a long stand-off, partly justified on legal grounds, the High Authority ordered the French Government to dismantle ATIC on 1 January 1958. *EP, The Committees of the Common Assembly, op. cit.*, pp. 18-19.

<sup>52</sup> Annex XIII.

### 3. THE SIGNIFICANCE OF THE COMMON MARKET

The two speeches given on 30 November 1954<sup>53</sup> and 10 May 1955<sup>54</sup> are important<sup>55</sup>, because Jean Monnet had already decided to step down as President by the time he gave the former, and had officially resigned and remained in office pending the appointment of his successor when he gave the latter. More importantly, both speeches acknowledge the successful launch of the single market, and Jean Monnet expresses the pride of the man responsible for it. On 1 August 1954, with the opening of the market in special steels, delayed over fears of upheaval which proved to be unfounded, the common market was essentially complete, although a few problems remained in the transport sector, where the Community's powers were confined to land transport tariffs for coal and steel. By 10 May 1955, many of these issues had been resolved, and an agreement was reached on direct international tariffs for rail transport, to be rolled out in two stages according to three basic principles: the blanket application on all users, the abolition of cross-border transit tariffs and a system of sliding tariffs. The difficulties in terms of transport on inland waterways seemed greater, and efforts at harmonisation continued because *'transport tariffs have such a decisive impact on trade in heavy goods, such as coal and minerals, that the elimination of trans-shipment interruptions would be tantamount to a second foundation of the Common Market'*<sup>56</sup>.

Nevertheless, Jean Monnet grasped the deeper meaning of the common market:

*Before the creation of the common market, the instinctive reaction of enterprises was to try to defend their sales or their profits by means of protective measures which they sought from their governments, with consumers having to bear the brunt. The common market has improved the prospects of expansion for every business, and the only way in which enterprises can now defend their interests is by constantly endeavouring to improve their conditions of production and their cost prices. This stimulates a constant quest for corporate organisation, modernisation and rationalisation for the benefit of all consumers*<sup>57</sup>.

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<sup>53</sup> Annex XIII.

<sup>54</sup> Annex XIV.

<sup>55</sup> A list of the various measures taken in order to bring about the common market can be found in the speech given by Jean Monnet to the Assembly on 14 January 1954, to which we refer (Annex XII).

<sup>56</sup> Annex XIV.

<sup>57</sup> Annex XII.



## CHAPTER FOUR: INVESTMENT POLICY AND THE AMERICAN LOAN

### 1. THE AIMS OF THE INVESTMENT POLICY

Title Three of the Treaty establishing the European Coal and Steel Community deals with '*Investment and financial aid*'. More specifically, it sets out that the High Authority may grant loans to undertakings or guarantee loans used for investment, to finance works and installations which contribute to an increase in production, to the lowering of production costs or to facilitating the marketing of products in ECSC sectors, or which encourage technological research and provide financial assistance for re-employment of workers made redundant following the introduction of new technologies. This raft of measures was put to good use in the coal and steel sector in 1953, when there was an upsurge in demand as a result of the Korean War. At a meeting of the Common Assembly's Committee on Investment, Jean Monnet presented a report that he had received<sup>58</sup>.

Domestic production could not cope with the rise in consumption of both coal (at the time the main source of energy) and steel, which was essential for the growth in production of capital goods and consumer durables<sup>59</sup>. Huge quantities of coal had to be imported from the United States: between 1946 and 1952, coal imports totalled 96 million, representing almost USD 2 billion of the balance of payments of the Six. For steel, the situation was different, with exports of the Six totalling 33 million tonnes between 1949 and 1952 and worth EPU 3 billion. These exports were vital for the European economy, and had to be sustained and stepped up if the European steel industry was to become more competitive.

In reality, over the previous 40 years the European steel industry had lost market share compared with the United States and the Soviet Union: in 1913, the amount of steel produced by the Six was barely less than that of the United States, and six times that of the Soviet Union; in 1952, however, production in the Six was equivalent to half of US production and barely exceeded Soviet production<sup>60</sup>.

The main aim was to ensure that over the ensuing four to five years, European industry would be capable of satisfying domestic consumption by increasing productivity, at a time when credit was not particularly conducive to securing (cheap) funding, leading to a negative impact on prices. Despite this, investments by enterprises, according to a

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<sup>58</sup> Annex V.

<sup>59</sup> The High Authority predicted that coal consumption would rise from 260 million tonnes in 1952 to 280 million tonnes in 1957, while steel would increase from 42 million tonnes to 50 million tonnes over the same five-year period.

<sup>60</sup> According to the data supplied by Monnet, in 1913, the Six produced 25.2 million tonnes of steel, the United States 31.8 million tonnes and Russia, as it was then, 4.4 million tonnes. In 1952, the Six produced 41.8 million tonnes, the United States 83.2 million (in despite of prolonged industrial action) and the USSR 34.5 million, excluding production in the satellite states.

survey conducted by the High Authority, totalled USD 5 billion, USD 2 billion of which had already been spent. This meant that from 1956, the production targets set by Monnet would be exceeded.

According to the statements made by Monnet, the Community intended to pursue these targets without resorting to authoritarian dirigisme. The President of the High Authority believed that it was up to the various enterprises concerned to identify the projects that required investment. In this context, investments eligible for Community funding would be selected based on a single criterion, namely the general objective enshrined in the Treaty, whereby the Community *'shall progressively bring about conditions which will of themselves assure the most rational distribution of production at the highest possible level of productivity'*<sup>61 62</sup>.

In addition to these objectives, there was another objective of a more social nature: to build housing for coal and steel workers, one fifth of whom (350 000 people) suffered from poor living conditions. This was the biggest possible improvement to workers' conditions, as the President of the High Authority would explain in his address to the Assembly on 15 June 1953<sup>63</sup>.

In his address of 14 January 1954<sup>64</sup> on investment policy, Jean Monnet described how the funds would be used. There would be no rigid allocation plan, but based on the resources available and the requirements of the Community, requests made by enterprises would be taken into consideration based on the relevance of the corresponding projects. Nevertheless, there were priorities, not least of all the increase in coal and iron ore extraction, the construction of power stations linked to mines and the development of coking factories. The construction of workers' housing was the next priority, since Jean Monnet, who did not dwell on the issue, considered its financing part of the first phase of the investment policy. The steel industry would indirectly benefit from these measures, but would be funded directly only where this was possible.

The overall objectives of the financial measures would be calibrated to the growth in demand for iron ore and coal, which would be monitored on an annual basis. This ruled out the alternative option of a compulsory declaration of investment, which might however be envisaged once the common market was firmly established.

For the steel sector, where production was, as we have seen, not eligible for funding during the first phase, the growth in production, estimated at 50 million tonnes over four to five years, would be achieved by modernising installations rather than building new

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<sup>61</sup> Annexed to the summary report of 5 May 1953, p. 14. This is a quotation from Article 2 of the Treaty.

<sup>62</sup> The sections in smaller font are taken from *The Committees of the Common Assembly, op. cit.*, pp. 31-32.

<sup>63</sup> Annex VI.

<sup>64</sup> Annex XI.

ones. This would also help lower production costs, because improved competitiveness was essential for the future of the steel industry.

Jean Monnet was concerned about the social impact of the modernisation process, which would mean gradually replacing the least efficient installations with more economical plants, with the attendant job losses that this might cause. This gave rise to a need to provide the underemployed segment of the workforce with the wherewithal to cope with the burden and risks of the necessary changes, using the measures provided for by the Treaty. A raft of options existed for retraining, depending on the situation. These options ranged from direct assistance for workers to financing the industrial conversion of enterprises wishing to restructure or diversify their business.



*Robert Schuman and Jean Monnet*

## 2. THE FINANCING OF INVESTMENTS

The survey conducted by the High Authority into the financing of investment in European industry shows how necessary it was to secure additional resources to those currently available and to endeavour to reduce the cost of future borrowing<sup>65</sup>.

Of the USD 530 million invested in 1952 and the USD 550 million invested in the following year, just over half was covered by self-financing and bond issues on the financial markets, while the remainder was covered by short-term bank borrowing and state subsidies. These figures related to European industry as a whole, and the coal and steel sector was no exception. Borrowing rates were also high, at around 7-8% or more. This was particularly problematic for base industries where installations were depreciated over the long term, making it hard for them to compete with firms in the United States and the United Kingdom, where depreciation rates were around 50% less.

Community intervention came in the shape of a lower standard rate of borrowing, more favourable repayment terms and, although limited, new sources of finance for enterprises which had hitherto been denied access to them, contributing to the harmonisation of financing conditions from other sources.

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<sup>65</sup> Annex XI.

### 3. THE US LOAN

The loan of USD 100 million granted on 23 April 1954 by the United States at a rate of 3.875% and repayable over 25 years after the third year played a fundamental role in financing Community assistance. Jean Monnet emphasised the importance of the loan before the Assembly's Committee on Investments<sup>66</sup> and before the Assembly itself. Speaking before the Committee, the President of the High Authority acknowledged the 'revolutionary' significance of the American loan:

*It represents a turning point in the financial policy of the United States towards Europe. The loan has replaced donations, which were raised from taxes; in other words, the American taxpayer. This was justified when it was a question of rebuilding Europe, but it is impossible for the US Government to levy taxes to develop the economic power of Europe, which would then become a major competitor of the United States.*

This extract shows the pride of both a European conscious of having completed the rebuilding phase and a President of the High Authority who sees solid prospects for the coal and steel industry, although these concepts are strangely absent from the speech made to the Assembly<sup>67</sup>, where, with similar pride, two aspects of the loan are underlined, one political, the other financial<sup>68</sup>.

'The finalisation of this loan is first of all a clear indication of the credibility that our institutions enjoy: by this I mean the political credibility of the entire Community and the financial credibility of the High Authority, which from day one declared that its levy policy would be aimed at laying the foundations of a new European credibility allowing the Community's enterprises to secure funding that was previously unavailable to them.'

Finally, reference is made to a communiqué issued after the loan negotiations had ended: this preliminary stage would later be followed by agreements to use US private equity in investments in the European coal and steel industry<sup>69</sup>.

<sup>66</sup> Common Assembly, Committee on Investments, *Minutes of the meetings of 29 and 30 April 1954*, pp. 9-11. EP CARDOC.

<sup>67</sup> In actual fact, on 19 June 1953 (Annex VI), Jean Monnet, commenting on an exchange of letters between the US President and the Chairmen of the Foreign Affairs Committees of the United States Congress on the possibility of granting loans to the ECSC, declared that 'The free aid generously given by the United States to a devastated Europe has helped to re-establish its production and rebuild its ruins. But, once it served its purpose, and apart from special projects, this aid could not continue in this form for long without jeopardising relations between Europe and America by the very sentiments that it would end up causing on either side. The new Europe does not ask for aid. The project we have embarked on, by increasing production and improving productivity, must ensure its solvency. Europe must be allowed to do everything it can to meet the financial commitments that it is now capable of assuming... From United States aid to the various countries of Europe, we will progress to cooperation between the United States and Europe on the road to unity.'

<sup>68</sup> Annex X.

<sup>69</sup> This information is taken both from the minutes of the Committee on Investment and the speech made by Jean Monnet before the Assembly (Annex XII). On the management of the loan, see *EP The Committees of the Common Assembly, op. cit.*, pp. 38-39.

In the resolution on the second report of the High Authority, the Assembly declared that it was satisfied with the signing of the agreement, which:

- a) proves that a European supranational organisation can facilitate the transition from aid to normal economic relations,*
- b) confirms the credibility enjoyed by the Community,*
- c) signals the end to the first part of the search for new resources in which, with the help of the US Government, private equity could increasingly be deployed in Europe,*
- d) will help to free up the European equity market<sup>70</sup>.*

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<sup>70</sup> Resolution of the Common Assembly of 19 May 1954 relating to: 1. The general report on the activities of the Community during the period 1953-1954; 2. The statement of administrative expenditure of the Community during the period 1953-1954; 3. The general estimate for the period 1954-1955, in OJEC, 9.6.54, pp. 413-416. The extract mentioned in the text is a quotation from the joint declaration of the two parties to the loan agreement, in which they express their shared intention to deploy US private equity.

## CHAPTER FIVE: EXTERNAL RELATIONS

### 1. EXTERNAL RELATIONS IN GENERAL

The creation of the ECSC altered the pattern of international relations, the importance of which was patently obvious even outside the Six Member States. In the previous chapter, we saw how, with regard to the US loan, relations with the United States were from the outset established on the basis of cooperation, aimed at replacing and at the same time continuing the Marshall Plan. As Jean Monnet pointed out in his address on 19 June 1953<sup>71</sup>, President Eisenhower, based on his experience as Commander of the Allied Forces in Europe, had expressed a view that the unification of Europe was necessary for the peace and prosperity of Europeans and of the whole world. This view remains the key to deciphering Euro-US relations in the 1960s.

For other European countries, particularly Austria, Sweden and Denmark, relations had always been geared towards controlling their respective interests in the coal and steel sector, while relations with the USSR were described in the address that Jean Monnet gave on 16 June 1953<sup>72</sup>, not because there was a special relationship with that country, but because it was the other face of the western world to the one represented by the ECSC. The key to relations with the USSR, according to the President of the High Authority, *'is that we should believe in ourselves and in our abilities and only thus will we build a western world that offers all of civilisation peace, and to America and Russia, a security that would not otherwise be possible'*.

The crux of the ECSC's external relations lies however in its relations with the United Kingdom, which was initially invited to take part in the creation of the ECSC, but which refused.

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<sup>71</sup> Annex IV.

<sup>72</sup> Annex V.

## 2. THE REFUSAL OF THE UNITED KINGDOM TO TAKE PART IN ECSC NEGOTIATIONS

The French Government, for their part, took the view that the first step in the execution of their plan must be an international conference of countries prepared to accept a commitment in principle to pool their coal and steel resources and to set up a new high authority whose decisions would bind the Governments concerned.

In the view of the French Government, the negotiations should be aimed, in the first instance, at the preparation of a treaty embodying these principles, and establishing the High Authority, to be submitted to ratification by the national parliaments.

The British Government did not feel able to accept in advance, nor did they wish to reject in advance, the principles underlying the French proposal. They considered that a detailed discussion, which would throw light on the nature of the scheme and its full political and economic consequences, was a normal and indeed essential preliminary to the conclusion of a treaty.

The British Government felt that there was a substantial difference of approach between the two governments as to the basis on which the negotiations should be opened. An unhappy situation would arise if, having bound themselves to certain principles without knowing how they would work out in practice, they were to find themselves, as a result of the discussion, compelled to withdraw from their undertakings.

They accordingly, to their regret, found it impossible, in view of their responsibility to Parliament and the people, to associate themselves with the negotiations on the terms proposed by the French Government<sup>73</sup>.

With this response to the Schuman Declaration, the British Government rejected the proposal, despite the attempts of Jean Monnet himself, with his 30 years' experience of British politics and economics, to persuade the United Kingdom to take part in the initiative<sup>74</sup>.

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<sup>73</sup> Taken from the *British communiqué of 3 June 1950* on the European Navigator website <http://www.ena.lu>.

<sup>74</sup> The talks held over the 20 days following the Schuman Declaration are described in J. Monnet, *op. cit.*, pp. 362-370. It should be noted that Monnet does not quote from the official communiqué, but refers to a disparaging comment from the British Embassy in response to the communiqué from the Six, which, also on 3 June 1950, announced that they accepted the French proposal.

### 3. THE ASSOCIATION TREATY WITH THE UNITED KINGDOM

The reason for the refusal was not the idea of cooperation in the coal and steel sector, but the idea of an entity endowed with supranational powers. In view of its international role and the importance of its coal and steel industry, the United Kingdom had to establish a special relationship with the ECSC. Therefore, on 23 August 1952, a few days after the High Authority took office, the Foreign Office announced Britain's intention to establish a close and lasting association with the ECSC, with concerted action and shared responsibilities, rights and obligations on an equal footing.

Jean Monnet broached the subject in his first address to the Assembly on 12 September 1952<sup>75</sup>, describing the preliminary negotiations with the other party:

*We are all aware of the tasks, interests, and ideals linking Great Britain to our Community. We are not going to try and predict or in any way to set down beforehand the developments which might result from our day-to-day co-operation with the permanent delegation accredited by the British Government to the High Authority. The task entrusted to this delegation is entirely new and consists in laying progressively, in co-operation with the High Authority and in conformity with the Treaty, the foundations of a close and lasting association between Great Britain and the Community.*

On 17 November 1952 a joint committee was set up to draft an association treaty, which was signed on 29 April 1954.

On 14 May 1953, Jean Monnet, addressing the Assembly<sup>76</sup>, used the opportunity to call on Member States to ratify the agreement and underlined its deeper meaning:

*The association with Britain is a practical achievement that will be accomplished, on the one hand, to the extent that the Community becomes a reality and, on the other hand, if our work with the UK is performed steadily and regularly and if we advance step by step from day to day.*

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<sup>75</sup> Annex I.

<sup>76</sup> Annex XVI.



## CONCLUSIONS

To conclude this CARDOC Journal with a look at what the future held for the European Communities, and what is now a reality today, we will use an extract from the speech given by Jean Monnet on 10 May 1955<sup>77</sup>, which is the best way of explaining how the work started by him would develop over the following years:

*The action that has been taken has obvious limitations. Coal and steel are two basic commodities. They influence the development of all economic activities. However, they only have an indirect effect on individuals' standards of living. If these standards are to be raised more quickly and more directly, it will be necessary to go further. It is very clear that we shall not reap the full benefits of the common market until those limitations have been gradually overcome by means of a broader integration process which expands the pooling of resources and promotes the introduction of a common economic policy covering a wider range of activities.*



*Robert Schuman and Jean Monnet at the signing ceremony for the Treaty of Paris, with Konrad Adenauer in the background*

<sup>77</sup> Annex XIV.



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## **PART 2**

### **ANNEXES**

Of the 47 documents attributed to Jean Monnet and kept in the European Parliament's archives, the following are annexed to the present document.

These documents have been translated specifically for this publication, since there was no official translation into English at the time.



## **ANNEX I**

**Debates in the Common Assembly – Session of 11 September 1952**

**Opening address to the Assembly concerning the High Authority's programmes**

**Jean Monnet**, *President of the High Authority (FR)*. – Mr. President, Ladies and Gentlemen, in addressing you for the first time I am very conscious of the importance of the relationship about to be established between the Assembly of the European Coal and Steel Community and the High Authority.

The satisfactory operation and the future of our Community will depend above all on our two institutions, on the action they take and on the relations they maintain.

This Community is based on the separation of powers. The task of the Court of Justice is to ensure the rule of law in the interpretation and application of the Treaty. The principal task of the Council is to make possible the necessary adjustments between coal and steel, which from now on is the field of action of our Community, and the other fields which will continue under the sovereignty of the States. The High Authority has been entrusted with the implementation of the objectives laid down in the Treaty. It is to you, and to you only, that the High Authority is responsible.

Within the limits of its competence your Assembly is sovereign. It is the first European Assembly endowed with the power of decision.

This responsibility makes you and us the trustees of the entire Community and together the servants of its institutions.

In the exercise of their functions the members of the High Authority have solemnly pledged themselves to neither request nor accept any instructions and to abstain from any actions incompatible with the supranational character of their mission. Your mission has the same character. In the performance of your duties you will be the representatives of the Community as a whole.

In order to maintain this sovereignty and your freedom of decision we have entrusted with the preparations for this first session a strictly temporary and completely independent secretariat, a Committee composed of the Secretaries-General of the Parliaments of our six countries and of the clerk of the Consultative Assembly.

I want to thank them for the great work they have accomplished. I also want to thank the Secretary-General of the Council of Europe for the valuable assistance he has given us. This temporary committee will report to you on the fulfilment of its mission.

At your January session the High Authority will have to submit to you a general report on the situation of the Community. This report will be accompanied by an estimate of expenditures which will in fact constitute the first European budget and which will carry the obligation to levy the corresponding financial resources,

the first European tax. Indeed, the resources required to fulfil the tasks of the Community and to allow for the working of its institutions, and particularly the budget of your own assembly, will proceed not from contributions made by the states, but from levies directly assessed on production within the Community. In your regular session in the month of May of next year the responsibility the High Authority has towards you will come into operation.

The Treaty provides that an extraordinary meeting of the Assembly can be convened at the request of the Council, of the High Authority or of a majority of the members of the Assembly. We attach great importance to these provisions. We on our part have the intention to make use of this right frequently in order to ensure that we proceed in agreement with you.

But, in addition, independent of the sessions we feel that it is necessary for us to discuss our work with you freely as we progress. The High Authority would welcome your Assembly's electing already at this session a large General Committee with whom we would meet at regular intervals, not to discuss particular technical problems but to acquire the habit of seeing the Community's problems as a whole and to compel us, the High Authority, to discuss with you extensively the pursuit of the policy which the Treaty has entrusted to us. We would then work out together with your Committee, as the High Authority develops its organization in meeting the problems facing it, what concrete forms our co-operation could take.

The task which we shall fulfil together is, for the first time in European history, to create a single market for 155 million consumers now separated in six countries. It is true that in the beginning this single market will be established only for coal and steel, but our economic system is entirely dependent on these two products.

In the past year the industries of the Community have produced 230 million tons of coal and almost 40 million tons of steel. At this level each inhabitant of our Community has on average only half as much coal and steel as a citizen of the United States. In undertaking to create this vast European market for coal and steel, which is as important as the market in the U.S., we shall eliminate the obstacles preventing the development of production; we shall give producers the possibility to arrive at mass production; we shall help to bring about conditions making for an increase of the standard of living of the European population. Gradually the standard will be brought up to the one which the descendants of the emigrates who came from the old European continent have already reached on the far shores of the Atlantic Ocean. We shall particularly improve the living conditions of the 1,500,000 workers who are employed in the mines and factories of the Community.

In order to attain these aims it is our duty to do away with customs barriers, to eliminate cartels, to prevent excessive concentrations of economic power.

The creation of this single market — without barriers, without discrimination, without domination — will ensure the pooling of resources. It will give the enterprises equal access to supplies and markets, and it will give the consumers equal access to all the sources of supply of the Community. In this way, production will develop under the most favourable conditions and will be utilized in the common interest.

The High Authority after its establishment on August 10 immediately began to prepare the initial measures necessary for the creation of this common market. The measures are complex and manifold. I name some of the most urgent ones.

Already at this early date the High Authority must survey the supplies and the requirements of the Community in order to decide to which extent an allocation of supplies will be necessary for the beginning of 1953 and in what manner it will be possible to integrate its action with that of the Organization for European Economic Co-operation.

Negotiations will have to take place which will make it possible to eliminate customs tariffs and quotas between the six countries without other States being able to claim to benefit from these provisions under the most favoured nation clause.

The High Authority together with the Governments will undertake to examine the provisions in the field of legislation and regulation, mainly regarding taxes and the fixing of prices, which might unbalance competition in the common market. A Committee will be convened to suggest measures to eliminate discrimination in the field of transport.

The Consultative Committee composed of representatives of producers, workers, consumers and dealers will be constituted within a short time. We will work in collaboration with Governments, enterprises, workers, consumers and their associations. In organizing our services we intend to create the most limited administrative organization possible and to rely as much as possible on the knowledge and experience acquired outside our institution by the heads of our industrial enterprises, the leaders of our trade unions and by international organizations.

At your January session we shall submit to you the first report on the general situation of our Community. We shall not aim at accumulating statistical data but at ascertaining the position of our industries and their prospects within our economies and on the world markets in a way which will give those who take part in the life of our Community an overall picture which can guide them in their actions.

The establishment of our Community will transform not only the relations among our six countries, but also those between other countries and Europe.

On the morrow of the assumption of functions by the High Authority, the British Government, pointing out its intention to establish the closest possible association with the Community as soon as the High Authority was established, communicated their readiness to enter into talks with the President of the High Authority.

Following this declaration I had talks in London on behalf of the High Authority with the representatives of the British Government.

We are all aware of the tasks, interests, and ideals linking Great Britain to our Community. We are not going to try and predict or in any way to set down beforehand the developments which might result from our day-to-day co-operation with the permanent delegation accredited by the British Government to the High Authority. The task entrusted to this delegation is entirely new and consists in laying progressively, in co-operation with the High Authority and in conformity with the Treaty, the foundations of a close and lasting association between Great Britain and the Community.

You will no doubt share the satisfaction experienced by the High Authority and the members of the Council in seeing England associate herself on the very first day with our European work.

On the very morrow of the assumption of functions of the High Authority and as soon as the British Government re-affirmed their will of association, the Secretary of State declared in Washington that it was the intention of the United States to give the Coal and Steel Community the vigorous support justified by its importance for the political and economic unification of Europe and that in view of the entry in force of the Treaty, the United States will henceforth deal with the Community as far as questions of coal and steel are concerned.

We were sure to get the support of the United States but its decision to associate itself with the Community constitutes a new development in its policy, the extent of which we appreciate.

When we received the representatives of the U. S. Government to our Community I could not help conjuring up the moment when the nations of the old Continent, by receiving the first ambassadors sent by America, gave strong support to the formation of the American Federation. Like the Americans of that day, the Europeans of to-day need loyal, trustworthy friends to support them in their efforts.

It is in this spirit that we wish to establish a real, tangible co-operation with the Council of Europe and I am happy to see on these benches such a great number of people who for years have been fighting for Europe in this same hall. The Protocol signed by the Foreign Ministers at the same time as the Treaty provides for the liaison between the Council of Europe and the European Coal and Steel Community. The President of the Committee of Ministers of the Council of

Europe has sent me the resolution inviting the Secretary-General to take up contact with the High Authority in order to set down the most appropriate form of this co-operation.

The High Authority will have to deliberate longer to answer the invitation addressed to it by the Council of Europe. But I have already had a first talk with the Secretary-General.

The High Authority has been trying to seek above all the concrete form of the desired co-operation. This must not be set down in advance in rigid lines. The form will have to be defined with respect to definite problems as they arise. The form will have to remain flexible so that it will be capable of development as soon as the character of the institutions originating to-day becomes clearer. If this co-operation is to bear fruit it is essential for the nature of these relations to take into account the basic differences between the institutions of the Community and those of the Council of Europe.

Bearing these differences in mind I have already suggested to the Secretary-General certain forms of co-operation which seem to me to be particularly promising.

Why, for instance, should not the High Authority go before the Committee of Ministers of the Council of Europe — a Committee adapted to these new technical relations — and discuss problems of common interest? Moreover, under the terms of the Protocol which I have just recalled to you, the High Authority has to relay its reports to the Consultative Assembly of the Council of Europe. Your Assembly also will relay its reports. The High Authority would be perfectly willing to answer a request made by the Consultative Assembly of the Council of Europe in case the latter should wish to hear it and discuss with it, and obtain from it, explanations clarifying the reports made.

So far, I have only been dealing with suggestions which do not in any way exhaust all the possibilities.

To my mind, it would be a mistake to draw a rigid and absolute demarcation line between the Council of Europe and the Community; it would be just as much a mistake to mix them up. These two sets of institutions must be provided with links between them and must have a chance of developing alongside each other.

If, while embarking on the process of unification of our six countries, we succeed in maintaining a constant agreement with all the countries of the Council of Europe and the United States, we shall have made an essential contribution to the cause of progress and peace.

Mr. President, Ladies and Gentlemen,

In all our future efforts we shall have to keep in mind that mankind cannot give concrete shape to all the potentialities with which Nature and History have endowed it, if it does not live in harmony with its time.

The single market which we will institute for the first time represents one of the essential elements for achieving great developments in production. These developments are necessary and are possible, but only if we unite.

Such union cannot be based exclusively on men of good will. Rules are indispensable. The tragic events we have experienced and those we are experiencing now may have made us wiser. But we will pass away, others will come to replace us; we will not be able to leave them our personal experience because this experience will disappear with us. What we can leave to them are institutions. The life of institutions is longer than that of men, and thus institutions may, if they are set up in the right manner, accumulate and transmit the wisdom of succeeding generations.

In these days when the first supranational institutions of Europe are being established, we are conscious of the beginning of the great European revolution of our time: the revolution which, on our Continent, aims at substituting unity in freedom and in diversity for tragic national rivalries, the revolution which tends to stop the decay of our civilization and to initiate a new renaissance.

Our common supranational institutions are still weak and fragile; it is our duty to develop them, to make them strong and to protect them from our tendency to reach short-run compromises. For, since they have sprung into being, the Europe which we wish to leave to our children is no longer only an aspiration. It has become a reality.



**ANNEX II**

**Common Assembly – Organising Committee**

**Meeting of 8 November 1952 – Statement**

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AC/ORG/52/D 4

EUROPEAN COAL AND STEEL COMMUNITY

COMMON ASSEMBLY

—————

ORGANISING COMMITTEE

—————

SPEECH BY JEAN MONNET, PRESIDENT OF THE HIGH AUTHORITY, TO  
THE ORGANISING COMMITTEE OF THE EUROPEAN COAL AND STEEL  
COMMUNITY

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Mr President, Gentlemen,

When I had the honour of speaking to you for the first time at the Assembly, I told you that my colleagues and I were very conscious of the importance of the relationship to be established and fostered between the Assembly and the High Authority.

We expressed the wish that this relationship would take the form of regular meetings and discussions of the problems as and when they arose.

In saying all this, we were not simply being polite: it was, and still is, our profound belief that we can only properly accomplish our mission and contribute to the success of our great joint enterprise – which is to unite the peoples of Europe – if we are able to have a frank discussion of any problems that do arise, with you and with all the parties concerned in the Community, be they producers or workers.

This is why we particularly welcome this meeting with you today.

This meeting comes at a good time; I was glad that the date, which had originally been set for mid-October, was put back to today, because we are just at the point when the first working period of the High Authority is ending and the second one beginning.

The most useful thing I can do today is to describe what has occurred during this initial three-month period – in other words, since 10 August, when the High Authority held its first session in Luxembourg – and to outline the problems we find ourselves facing, as well as to explain what we can generally expect from this second period, which will start on 10 November and last until 10 February, when the common market provided for by the Treaty will open. Another very important date is 10 January, when a session of the Common Assembly is scheduled to take place and we are due to give our report on the situation in the Community.

Before I continue, Mr President, with your permission, and with the Committee's permission, I would like to invite several of my colleagues to come up here. Some members may want to ask questions during my speech and it will save time if they can get an answer straightaway. I would therefore like to invite up here some of my colleagues who are closely informed about the issues, namely Mr Uri, in charge of the economic division, Messrs Vinck, Rollmann and Dehnen, who are in charge of the market, as I will explain shortly, Mr Hamburger, who so far has been responsible for the internal organisation of the High Authority, and Mr Kohnstamm, Secretary of the High Authority. I am only inviting these people for now, because they have been with us the longest.

Before embarking on an account of events, I would like to say a few words about the nature of the High Authority's work.

As you know, the Treaty states that the High Authority may adopt decisions based on a majority vote. However, to enable the High Authority to work under the conditions and in the spirit envisaged by the Treaty, and so that we can make the valuable contribution demanded of us – which is not just to solve technical problems, but to create a common point of view – we have realised that we each need to exert ourselves to act in complete agreement at all times.

I have to say that the experience of these first few months has established a common point of view between members of the High Authority. All measures that have been adopted to organise the High Authority and to benefit from the actions we are taking have been based on complete agreement. I have enough experience of people to be able to assure you that the members of the High Authority have now reached the point of complete mutual understanding, inspired by the fundamental idea that Europe is essential for peace. Each of them is convinced that, through its work, the High Authority can make a vital contribution to the establishment of Europe. Consequently, the committee and the Assembly can be certain that what is today the first European executive is a united executive and I am persuaded that it will continue to be so in the face of the difficult problems that lie ahead. I cannot overstate the importance of this attitude.

Over the past three months, we have worked on several fronts: organising the High Authority and relations with Community producers and workers, establishing external relations, particularly with Britain and the United States, setting in motion the common market and preparing the report that we are due to present before the Assembly in January.

This is, of course, a tangled and lengthy process, so I have divided my report into several convenient chapters in the hope that it will be easier to understand.

As I have just mentioned, we have now come to the end of the first period. We have a brand new High Authority which is more or less – if not fully – organised and which functions coherently.

Our external relations are now established.

Finally, as you have seen, relations with the various parties concerned in the Community – producers, workers and others – have been established in the form of committees which have met in Luxembourg.

Now that we are capable of resolving them, we will examine the key issues that the common market raises and direct relations with producers and workers. We will call on qualified experts to help us effectively tackle the difficult issue of the opening of the common market.

In terms of the establishment of the Community institutions, as you know, the Community consists of the High Authority, the Council, the Assembly, the Executive Committee and the Committees.

I have already briefly mentioned the High Authority.

The Council held its first session on 10 September, as envisaged by the Treaty.

The Consultative Committee will be created at the next session of the Council; in other words, in a fortnight's time.

Unfortunately for all these institutions, there is one point to which I must draw your attention: the Court of Justice has not been established. This is a crucial point. I hope – indeed I am in no doubt – that the Council will establish the Court of Justice at its next meeting. It has not yet done so, however, and this is a major failing.

The institutions created by the Treaty are not only designed to enable the whole Community to solve the problems raised by coal and steel within this new European Community, but they also prefigure the institutions of a united Europe.

The Assembly has sovereign powers; the High Authority represents the start of an executive. We need a Court of Justice to which the institutions can turn in the event of disagreement over the interpretation of their powers, and so that the parties concerned have a means of redress if they believe that the High Authority has failed in the mission entrusted to it by the Treaty.

There is no doubt that establishing the Court of Justice is crucial if the ECSC Treaty is to function correctly and if the institutions are to convey the assurances and hope they represent to the public.

I hope, therefore, that the Council will resolve this matter at its next session.

I should add that there is an important administrative aspect to all this. In early January, we are due to present to the Assembly a provisional estimate of expenditure of the High Authority and of the entire Community, including the Court, the Assembly and the Council. Now, the Treaty states that this provisional estimate must be prepared by a committee composed of the President of the Assembly, the President of the Court, the President of the Council and the President of the High Authority. Admittedly the President of the Court has been appointed, but as there is no Court, he cannot take office. This means that unless the Court of Justice is appointed soon, we will find ourselves in the most awkward position when it comes to preparing the provisional estimate of expenditure under the terms of the Treaty.

I would now like to explain how we organised the High Authority, how we divided up the work, and how we intend to proceed. Following lengthy

discussions and research, we decided to develop a structure suited to the work we had to do and the problems that we needed to solve. We did not want an abstract organisation. We eventually settled on the one that I am about to describe to you.

We did not think that coal and steel should be split into separate sections, because our task is not to produce coal and steel but to monitor production, and to oversee compliance with the same common rules. The technique is of course different in each case, but the general view, the principles and the rules, are the same. It is vital in fact that there should be no difference in approach or rules in this common market, regardless of whether it concerns coal or steel. If we had split our organisation into coal and steel, then inevitably whatever the High Authority did, different methods would have been used and the fundamental goal of establishing a common market would naturally have been under threat. This way we will have an overview in each case.

Obviously there will be some coal experts and some steel experts in each division, but we believe that they will work towards the same goal encompassing the entire coal and steel market.

First of all we have a production division, which will deal with the specific issues of coal and steel production, and particularly the supply conditions. It will liaise with undertakings and look after quotas in the event of an emergency.

We have a Market Committee. I say 'Market Committee' because the issues that the market raises, given the uncertain economic climate, the nature of supply and any redistribution in the event of a shortage, prices and compliance with competition rules, are vast and extremely complex. They are also evolving because the economic climate is changing. It is a difficult area, because the common market has not existed before, and will cover the six countries of the Community. We find ourselves facing new and uncharted territory. The Treaty makes provision for an open market and describes how it must function, but in practice these are issues that have never been tackled in this way before, at least not together.

We realised that we could not take the standard administrative approach to this problem. The conventional way would have been to set up a division managed by a director, but we did not think that this would be wise.

We reached the conclusion that a balanced opinion was needed. I confess that this is harder to establish than an administration with a director. This is why we set up a committee with three members, Messrs Vinck, Dehnen and Rollmann, who have vast experience of the coal and steel industry and of international affairs. They are jointly accountable towards us, and so when they examine the issues, they will do so together and as a whole. We believe that this approach is

crucial, particularly in this market, with such complex and changing issues as those I have just described.

Conversely, the investment division will have a director, as will the department in charge of transport, the finance division and the social affairs division. Likewise the control section – a poor choice of name, but one that we will continue to use until we have found a suitable alternative – will also have a director. This division will implement the provisions of Articles 65 and 66 of the Treaty on concentrations, cartels and restrictive practices.

So far, then, we have made arrangements for production, the market, the general economic division, investment, finance, social affairs, control, statistics and transport.

Separately from this, it is also our intention to organise the internal administration and secretariat of the High Authority itself.

We would like this administrative system to be as small as possible in terms of the number of officials it employs. We will endeavour to pick the best, but we will only be looking for a small number of people. I cannot tell you at this point how many we will recruit, because until we have entered the common market it is difficult to know for certain. But under no circumstances will we set up an administration. We want to keep our organisation as small as possible and avoid any bureaucracy. We are all convinced that we need to keep the number of officials to a minimum.

In terms of the work itself, the divisions will rely on external consultation with officials, producers and experts; in other words, we will get as much help as we can from the outside, rather than do the work ourselves, because so much of the information we need is already out there.

This will also enable us to benefit from the experience and knowledge that exist not only among producers, but among governments, and in some cases among workers.

On this basis, I cannot tell you exactly what the estimated budget will be for the High Authority. It will be a little while yet before we have a clear picture.

In terms of financing the expenditure of the High Authority, as you know the Treaty makes provision for a levy on coal and steel production of up to 1%. What form this levy will take is a rather difficult question. A committee of government finance experts and interested parties met recently and was able to reach a consensus on how best to impose the levy. If you want to know the details, Mr Daum, who chaired the committee, and Mr Uri, who prepared the report, can tell you more.

We have formed a number of committees so that we can be directly in touch with all producers, consumers and trade unions in the Community. This will also allow us to obtain the information we need to draw up the Community budget, which we have to present to you in January, and to find out what these parties think about certain key issues during the countdown to the common market.

We have held meetings with these committees over the last few weeks, with the last meeting due to take place next Thursday. Once this takes place, we will have met with around 250 representatives of producers, trade unions and governments. It is our impression that, through these meetings, we have made contact with every sector affected by our work.

We have essentially set up:

a transport committee dealing with transport discrimination issues, which is due to present its proposals before the launch of the common market;

an investment and productivity committee, whose job it is to examine the development prospects of Community coal and steel production over the next few years and to draw inferences in terms of the necessary investment;

a committee of economic experts, who will advise us on how they think consumption will grow over the next few years;

a supply and demand committee, whose task it is to draw up a provisional estimate of resources and requirements in 1953 and, more specifically, to predict the market situation over the coming months.

I would like to dwell on this for a moment or two, because the common market is due to start on 10 February.

What will the situation be when this happens? Will it be a time of crisis, a time of shortage, or will the situation have reached a status quo?

We cannot answer this question by speculating: we need a definite answer that will to a large extent shape the way in which the common market is launched.

Although the common market for coal, iron ore and scrap is due to open on 10 February, and the common market for steel is expected to be launched two months later, the Treaty states that depending on the state of the market at that time, particular measures should or may be taken.

In addition, the market for the various products – coal, iron ore and scrap – is not necessarily the same, so the Treaty contains safeguard clauses.

In short, the conclusions we reach – and the High Authority is essentially responsible for this – and the measures that accompany the launch of the

common market to a large extent depend on how we view the market at the time.

Now, we have always been convinced that the view we take will not be in isolation. We do not necessarily have to agree with the prevailing opinion, but we think it is vital, at such a crucial time, when hitherto compartmentalised markets are undergoing this transformation, that the producers concerned express an opinion on this key point.

We have therefore consulted them, and we will go on consulting them. We can in fact predict what the situation will be on 10 February, although there are no guarantees. This is one of the questions that were put to the coal, iron ore and scrap committees, and which will be put to the steel committee on Thursday.

It is still too soon for me to give you the results of the opinions expressed so far.

However, I can tell you that, with regard to coal, it seems – indeed it is to be hoped – that the situation will continue to remain as it is, in other words a status quo. Yet it is too soon for anyone to be sure, because as you know, calls for a reduction in working hours in some countries could have serious consequences.

This is a major issue. I stress this, so that people realise that the launch of the common market is not an administrative matter. It is a near-revolutionary act that has never happened before and which takes place in a situation that could still change. We are therefore extremely conscious of the enormous responsibility that weighs on us in terms of how we judge the situation, which will determine the measures we have to take. We do not want to shoulder this responsibility alone. We have started to discuss this with the producers concerned throughout the Community, and we will continue to do so right until the last minute, so that we are as informed as possible.

We need to be ready for when the day comes and we have to make decisions. From an administrative point of view, we are preparing ourselves, although it will all depend on the market at the time. For now we are optimistic, although certain aspects of the situation could change, which may then lead us to rethink our position.

Apart from these committees, there is also the investment committee and the workers' housing committee.

We suspect that when we present our estimate of Community expenditure in January, you will want more than a statistical opinion. We see this report as being of monumental importance. It will also be the first time we have ever presented a report of this kind on such an unprecedented matter to an Assembly.

These types of reports are generally presented to governments and experts. However, this time it will be presented publicly, to an Assembly. This is hugely significant, not only due to the impact that the report will have, but the reception that it receives in the Assembly, which will inevitably resonate throughout our countries and probably outside the Community as well.

Therefore, we think it is essential that we give not only a snapshot of the present, but a prediction of the future, because the very nature of our Community and its work is forward-looking. Should we fail to do this in our report, we would be remiss in the most important aspect of our duty. It is not a particularly easy thing to do, but neither is it impossible. We will adopt a fundamental and expansive view. This is our view, it is the view of the Treaty and we believe that it is the view of our time. We also believe that the creation of the common market will bring about the development of production, an improvement in productivity and an improvement in living conditions for workers.

To help us in our task, we have asked a committee of economists chaired by Mr Tinbergen, a Dutch economist who is both capable and pragmatic, to estimate the probable increase in consumption over the next few years, so that we can align our investment forecasts with the projected growth in consumption.

It is not the first time that this has been done. Some international organisations, such as the OEEC, are of the opinion that over the next five or six years, growth in consumption, or rather of national income, could be in the region of 20 to 25%. These estimates are never very precise. In any event, the general view is that national income will increase over the next few years.

The common market will make it even more possible to improve production. The view we take ourselves is that it is infinitely probable, if not certain, that we will see an increase in consumption and production in the Community, and that we need to prepare for this so that we have the resources that will allow us both to produce more and to produce better.

We are convinced that this prospect of an increase in production must go hand-in-hand with an improvement in workers' living conditions, and that there is no better way of expressing this than through housing. We believe that in our countries, mineworkers and steelworkers will benefit most from an improvement in living standards, more so through housing than through any other means. Housing is also one of the most urgent issues we face. Under the aegis of the investment committee, we have created a subcommittee for workers' housing so that we could give you an idea of the increase in production and the reduction in costs through modernisation of the construction of workers' housing.

We hope to give you a better indication of the housing necessary so that mineworkers and steelworkers in the Community can have decent housing,

with the new houses that will be needed to accommodate the additional workforce necessary for the increase in coal production, and to give you a comparative view of the costs in the various countries, because construction prices could vary considerably. If, as I sincerely hope, the High Authority, using the financial resources at its disposal, is able to support this programme, then evidently it is in everyone's interests that we should have the best housing for as little cost as possible. If we succeed in our mission, everyone will benefit from the comparison of the construction market in the various Member States of the Community.

You have been given the complete list of these committees. We have asked Mr Daum, a member of the High Authority, to chair the investment committee.

To chair the committee on workers' housing, we have asked Mr Ernst, the Minister of Labour of Westphalia, who is in charge of the construction of workers' housing. He is extremely competent and has already made a significant contribution to this task.

Time is short. You will appreciate that to do all this work, to organise the High Authority, to prepare the report and to draw conclusions that will survive the cold light of day is no mean feat. We do not strive for perfection, but we will do our utmost to represent as best we can the situation in the Community and its prospects for the future when we present our report to you in January.

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As you know, the High Authority's mission once it took office was to allocate coal resources under the conditions stipulated in Article 59 of the Treaty. However, in view of the balance that currently exists in the coal market, it has not had to do this.

For the fourth quarter of 1952, we have simply noted the unanimous decision of the Council of the International Authority for the Ruhr, adopted on 7 August 1952, concerning the allocation of Ruhr coal for the fourth quarter of 1952. We also left it to the OEEC Coal Committee to draw up recommendations for imports and exports of coal for the member states of that organisation. For the first quarter of 1953, the High Authority consulted governments to determine whether it needed to exercise the powers vested in it by Article 59(3); in other words, whether it had to allocate coal resources.

The High Authority has obtained assurances from the Community's exporting countries that the quantity of coal and coke available for export in the first quarter of 1953 will be at least equal to, if not more than, the quantity available in the fourth quarter of 1952. The Community's importing countries have agreed to keep their projected demand within the tonnage limits they accepted

for the fourth quarter of 1952. Following this consultation, the High Authority concluded that there was no reason to activate the mechanism provided by Article 59.

The French have a superstition of touching wood if we think we have tempted fate. I have to say that we have been fortunate because, for the entire time that the Schuman Treaty was under discussion, many people told me that what I was doing was absurd, because the coal and steel industries were always experiencing a shortage or a crisis. Things were never normal. Yet this is precisely what is happening and where we are at the moment. There is no doubt that it was largely because of this situation that the Schuman Plan came about. Is that providence, or fate? If there were an imbalance, then we would be compelled to act. However, given that our organisation is still in its infancy, clearly this would be difficult.

I can't help reflecting on this circumstance, which is extremely favourable to us. Perhaps what we considered to be the exception in the past was much more normal than we were prepared to admit.

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Over the last three months, we have also had to build the Community's relationships with the outside world. We were helped in this by Great Britain and the United States, which both took the initiative. We were keen to point out from the outset that the Community is not self-sufficient, that it is not restrictive or exclusive, but on the contrary wants to be open to the world. We are all particularly aware of the vital importance – not only for the Community in its current form, but for the development of Europe as a whole – of the links that should unite this Community and this emerging Europe to Britain in particular, to the United States and, in a different way, to every other country represented within the Council of Europe.

I say 'a different way' because clearly if we want the association with Britain to become a reality, it will be very different from our relationship with Greece or Turkey.

As soon as the High Authority took office, the British Government issued a declaration, as did the US Government. It is worth rereading the British Government's declaration and the response we gave. The British Government said that it wanted to establish 'a lasting and intimate association' with the Community. Mr Acheson, speaking on behalf of the United States Government, said that it would now deal with the Community in all coal and steel matters which it had previously negotiated with national governments. Expressing how much we value these two declarations is, I think, crucial. They need no interpretation. What they imply is that both the British Government and the

United States Government see the Community as a new sovereign entity, a European coal and steel state, and that they will deal with the institutions of this Community (the High Authority, the Executive, the Assembly, the Council and the Court) in the same way that they would deal with any sovereign power.

I have had direct dealings and conversations with these two governments in which these very issues were discussed, and I can tell you that each one deliberately used the word 'association'. You will find this in the documents.

We still need to define the exact meaning of this word 'association' with the British Government, but I can do no better than to remind you of the views exchanged here on various occasions between representatives of the British Government, some of my colleagues and myself, on the form of our relationship.

We and the British Government eventually want to have a relationship that fosters a real common interest. We will work together to try to define this common interest, and this will probably take a number of months. In the meantime, the High Authority and representatives of the British Government in Luxembourg will together tackle the problems as and when they arise. I informed the British Government – and it confirmed this – that the High Authority and the representatives of the British Government will together look at how the problems facing us – which, according to the Treaty, must be resolved in a certain way – are the same as those facing the British Government, and what relationships and agreements we might implement to solve these problems in our best interests. If we succeed in this – in other words, if we find a relationship that creates a common interest and which means that we and Britain are reading from the same rulebook – then, through the European Coal and Steel Community, we will have begun to unite the countries of Europe, and at the same time we will have found a way in which this new European entity can work together with Britain.

If we resolve this issue, it is likely that we will have opened the way to a new type of relationship between a united continent and a Great Britain which wants to cooperate but which, for various reasons, does not want to delegate part of its sovereignty.

It is difficult, but not impossible. When we broached the Schuman Plan, it was probably just as difficult, and some of my colleagues sitting around this table who took part in the negotiations know that we only solved the problem by making a continual effort at goodwill and by discussing problems as and when they arose, determined as we were – and this is key – to identify a common solution together.

We succeeded with the Schuman Plan. As far as the High Authority is concerned, we are absolutely determined to continue working with the British in the same

spirit. I think they feel the same way. This is why we are hopeful that we will find a solution to this difficult problem.

We have gone about this in the same way as we did for the Schuman Plan. We suggested to the British Government that we set up a joint committee so that the British and the High Authority can meet regularly. We will lay our cards on the table. We will share information and look for solutions.

It is not through prescribed solutions or generic texts that Europe will achieve unity, that we will find a solution to Britain's collaboration with Europe. It is through action and determination. But we are determined, and I believe that the British are too. This is why we have real hopes of succeeding in the end, even though it may take a long time.

In any case, if this is to be a lasting solution, it has to be a long and drawn-out process. If not, it will be a hollow success.

Once we have got somewhere with the work we are doing with the British on the joint committee, we will embark on a similar process for our association with the Americans, conscious that it cannot have exactly the same form or be based on the same point of view.

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As you know, the Americans and the British have sent a large delegation to Luxembourg, which is to remain here permanently and which is in constant contact with us.

Apart from Britain and America, you probably saw in the press that we received a request from the Swedish Government to establish a relationship with the High Authority.

We naturally replied that we would be happy to receive the Swedish delegation. The Swedish Government has asked the High Authority if it will send a delegate to Stockholm to advise them on how a Swedish delegation in Luxembourg might be arranged, as well as on the form that a relationship between Sweden and the Community might take.

The High Authority has therefore asked one of its members, Mr Spierenburg, to go to Stockholm.

I stress that, as far as Sweden is concerned, we did not take the initiative.

As far as Britain and America are concerned, the initiative was taken by the British and American governments, although we were in dialogue with them before these declarations were made.

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On another equally important matter, problems have emerged with relations between the High Authority (on behalf of the Community) and international organisations such as the OEEC and GATT, which is currently based in Geneva and is causing us a great deal of concern. Allow me now to hand over to Mr Spierenburg, who can tell you more about this. (See enclosed annex.)

To conclude the topic of the Community's relations with international organisations, I come now to the Council of Europe.

Before the Assembly session, I received a letter from the Committee of Ministers of the Council of Europe, presided over by Turkey's foreign minister at the time, in which the Council of Europe informed the High Authority of resolutions that had been taken in May concerning relations between the Council of Europe and what were referred to as 'restricted' communities. This was directed at the Schuman Plan.

Following this letter, I had a conversation with the Secretary-General of the Council of Europe – this was before the Strasbourg meeting – during which I told him that we were extremely anxious to form the closest possible ties with Council of Europe countries and with the Council itself. However, we wanted these relationships to be clearly defined and useful in order to avoid any confusion, which ultimately would benefit no one. I then floated the idea of the High Authority going before the Committee of Ministers of the Council of Europe.

However, some people are yet to understand that the Community is a new and sovereign entity, that the High Authority is the executive of this Community, that the Assembly of this Community is sovereign in matters of coal and steel in the same way as national parliaments have sovereignty over a wider area. Consequently, since Council of Europe countries have an interest in coal and steel, it is only natural that this new Community, through its executive, should appear before the Council to have an informed discussion with these countries.

I suggested at that point to Mr Paris that this seemed to me to be a useful form of cooperation.

For there are no secrets. There will be no need for observers to report on what happens in the High Authority or in Community affairs. If you have read the Treaty, you will know that the High Authority cannot adopt decisions until these have been discussed by the Consultative Committee, unless explanations have been given to the Council of Ministers and a public account given of the reasons.

One only needs to look at the approach we have taken in consultations with parties concerned to see how transparent and public everything is. There is no need for any safeguards against any actions by the High Authority or the Community.

If a particular member of the Committee of Ministers of the Council of Europe wishes to tackle a particular issue and does not wish to come to Luxembourg to discuss it, we are willing to go to the Committee and sit down around the table with the other countries present so that we can discuss the matter.

We believe that this is a concrete approach in which everyone knows their place and which does not create confusion. We are convinced that good may come of it.

This proposal was taken up again in the Strasbourg resolutions. We are ready to proceed in this manner and are keen to do so, conscious of how important it is that the Community should develop with everyone's knowledge and – provided they are willing – cooperation.

Our door is open; anyone wishing to come in need only enter. We are not building a little Europe of restricted communities. Using our approach, we can remove the barriers that separate people. Those who want to join in our efforts may do so simply by removing their barriers. There is no exclusivity. The Schuman Declaration explicitly stated this, and it was repeated in the Treaty ratified by our parliaments.

We believe that the real forms are those we are looking for with Britain. We hope that this association will lead to common rules and advantages, but also to obligations, because there cannot be an association without common interests, rules and obligations. Without these, we are living in cloud cuckoo land.

I told Mr Paris what I have just told you.

In terms of the recent vote by the Consultative Committee on observers taking part in debates, I informed Mr Paris and the British delegates that the Assembly is for coal and steel and has sovereign powers in the same way as any of our parliaments, the only difference being that our Assembly has sovereign powers over coal and steel, while other parliaments have sovereign powers over a much wider area. But in principle there is no difference, because sovereignty is intangible.

So what will the position of the Assembly and the High Authority be?

When the Assembly meets in January, we will explain how we are working with the British as part of our report on the situation in the Community.

Take an example. We will explain the approach set out above – which we and the British delegation have applied by common consent – to the Assembly in

January. A British observer from the Council of Europe who does not represent the British Government stands up and criticises everything we are doing. He is entitled to do so. But then how do we explain to the Assembly that the British person speaking is not the British representative we are dealing with? In any case, there is the risk that this could cause even more confusion. And who would benefit from this?

We all stand to lose a great deal.

I told the representatives of the British Government in Luxembourg that I do not know how far the association between Britain and this new European Community can go. It all depends on the obligations that they are willing to accept. If we eventually draw up a treaty between the ECSC and Great Britain, on the basis of common rules and reciprocal obligations, then who can say whether there might be, at some point in the future, a form of British representation in our institutions? However, there must be obligations. We need rights and advantages, of course, but they must come with reciprocal obligations. This is not cloud cuckoo land, and we would at the same time be building Europe and its association with Britain.

We are compelled to do this. As I said to the British Government on behalf of my colleagues, I fail to understand what there is to gain if, just as we are building a genuine association with Britain, a British observer in the Assembly then objects to what his government is achieving here with us. There is no guarantee that this will be avoided and in any case, the British person has a right to act in that way. You are all politicians. You know what impact speeches of this type can have in a public debate. How do we explain the finer points to the public?

As long as all we do is discuss, then what is not yet real will continue to make sense. But once we embrace the reality of our association with Britain, it becomes nonsensical and runs counter to the real progress we can achieve in building Europe and the association with Great Britain.

I fully understand that other countries such as Greece, Turkey or Iceland need to know what is happening and need to be kept informed, so that we do not give them the impression that they are being excluded. This is problematic. It could be resolved through reports by the High Authority to the Committee of Ministers of the Council of Europe. But there may also be other forms, and we need to look into these.

A protocol has in fact been proposed. It would be very useful if we could develop the types of relationship that it proposes. This would avoid confusion and sometimes very serious consequences.

During the speech that I have had the honour of making before you, I have tried to explain that we have new institutions which are young and fragile.

The unification of Europe probably depends on their development, so it is very important that we respect them.

I told the British that in my opinion, of all the countries in Europe, they had the best institutions. Yet they are much too preoccupied with what they have to lose. I asked them to show the same respect towards our institutions that they had for their own institutions, and that they wanted us to have for their institutions. Institutions cannot be treated lightly. In my opinion, there can be no compromise when it comes to the functioning of our institutions. Institutions are nothing unless certain fundamental principles are respected. And Europe will be nothing without common rules and institutions.

This is why I am so anxious, as the High Authority itself is, to preserve the purity of the institutions, to make them work, to help them develop and improve, but without jeopardising our success by compromising here and there. If we did, we would risk sacrificing their essential character, which Europe is seeing for the first time.

It would be a mistake to lose all interest in the legal form, because we need to know whether in fact it is legally possible. I know that the Bureau of the Council of Europe met with the Bureau of the Common Assembly in Paris and that they have requested a legal consultation to answer the serious question of whether, legally, the resolutions of the Council of Strasbourg are applicable without changes to the Treaty, and by this I mean changes that must be voted on by the parliaments.

The Bureau of the Council of Europe and the Bureau of the Common Assembly have requested a legal consultation. We will await the results, which I suspect will be drip-fed to us. For my part, I think that we should focus on endowing our institutions with their own character, and at the same time look for concrete and practical forms for our relations with all member states of the Council of Europe, while our Community pursues a special relationship with some of them, as I have just described to you.

To finish, I would like to take this opportunity to thank the Luxembourg authorities for the way in which we have been received here. Look at this wonderful building that the Luxembourg Government has allowed us to use. The High Authority could have been here for decades. I cannot thank enough those who have arranged this welcome.

Mr President, that is all that I wanted to say, and I apologise if I have gone on for too long.

### **ANNEX III**

**Debates in the Common Assembly – Session of 12 January 1953**

**Address concerning the High Authority's first budget**

**Jean Monnet**, *President of the High Authority (FR)*. – Mr President, Madam, Gentlemen, at your first session we explained to you the spirit in which we were addressing our task. Today we are presenting, in accordance with the Treaty, the first general report on the situation of the Community. Perhaps you have not had time to examine this document in depth, but we are sure you understand the difficulties that prevented the High Authority from submitting it sooner. The meeting, between the sessions, of your Steering Committee in Luxembourg gave us the opportunity to hold very frank and in-depth discussions. My task here today is to give you a brief report on the High Authority's activities to date.

Those activities have pursued four main objectives: we have set up our services; we have prepared for opening the common market; we have laid the foundations for the development of the Community's industries; lastly, we have created closer links with other countries and, in particular, made more solid progress towards our association with the United Kingdom.

All those activities, which are closely interlinked, are described in the report that has been distributed to you.

Our services are now largely organised. It was not an easy task. We were greeted warmly in Luxembourg. However, the fact that it is not the definitive seat creates many difficulties for those working with us.

Until the Committee of the Four Presidents of the Community institutions draws up the staff regulations of our officials, pursuant to Article 78 of the Treaty, we will be employing our staff on limited contracts. We do not want to create a bureaucracy. Our method is to consult producers, workers, users and officials as widely as possible and in Luxembourg we have already convened committees and working parties made up of many of the most highly-qualified people in our six countries.

We have a staff of 280, of whom more than 60 work in translation and interpretation, which is essential in an administration such as ours.

You will find the basic figures on the Community's administration and on the forecasts of expenditure relating to its four institutions in the estimate that has been distributed to you.

The most pressing task we had to carry out was to prepare for the common market. The coal, iron ore and ferrous scrap market will open in the next few weeks.

Doing away with the divisions of the past, the six countries have chosen to pool: resources that, equivalent to US\$ 5 or 6 thousand million a year, account for

15% of their industrial production; industries that, directly employing 1 750 000 individuals, provide jobs for one in ten workers; products that, at 300 million tonnes a year, account for more than 40% of the total tonnage carried within the Community. In 1952 the six countries produced 240 million tonnes of coal and 42 million tonnes of crude steel.

Those are the orders of magnitude that characterise the market that is about to open in a few weeks' time, ensuring the free movement of two fundamental products over an area of 1 300 000 km<sup>2</sup>, with more than 150 million consumers.

Before taking the necessary decisions, the High Authority engaged in very wide-ranging consultations.

In November, it convened a committee of producers to Luxembourg in order to determine the current supply and demand situation, together with market prospects for 1953. We have been holding talks for some weeks now with experts from each country, following a series of earlier meetings in Luxembourg. As soon as this Assembly has completed its work, we will hold an exchange of views with the Council of Ministers. Lastly, the decisions we have prepared will be submitted to the Consultative Committee before they are finally adopted.

What needs to be changed, and by what stages can we do so?

Hitherto, each country's action was marked by a fundamental differentiation between its own production and production originating in other countries, between its own consumers and those of the other countries.

That is why those barriers were set up: customs duties that raise the price of imported products to ensure that they do not compete with national production, quotas that directly limit that competition by restricting the amounts that can be imported.

Generally, there are no customs duties on coal at present because since the war, and apart from certain intervening times, production scarcely satisfied demand. Coal may be imported, however, only within the framework of programmes; and competition is eliminated by the choice of the grades on which imports concentrate.

In its turn, discrimination between users takes the form of raising the price to be paid by external users; that is the purpose of the export taxes imposed by each Government or the dual prices the producers themselves set with its encouragement. Acting even more directly, each country tries to reserve its own resources by setting export quotas for the products that are actually in most demand.

Currently, dual prices apply to brown coal, coal, ore and steel.

There are export restrictions on certain grades of coal, on ore and on ferrous scrap.

These discriminatory or defensive measures are always accompanied by excellent justifications but we can see that in fact all the countries are losing out. By restricting the movement of these products, they are not increasing resources but simply preventing them from being used in an optimum way. If one country raises the price of its ore, another will raise its coal price and another its ferrous scrap price. The overall result is then that total production is lower, it is more expensive and all the countries taking separate or even opposing action have managed jointly to do is to prevent any rise in their standard of living and to reduce their capacity to export what they need to survive.

Precisely because we are facing a tangled network of separate and conflicting measures, it is clear that we cannot achieve everything overnight. Once the common market is open, there will be no more customs duties, no more import or export restrictions, no more dual prices. Opening the common market does not mean, however, that producers who have until now been acting in isolation and in conflict will suddenly come into contact with one another: this is a continuous development, involving a number of adjustments, a live process; it is a vast operation that will take place as rapidly as possible with a range of safeguards applied in the common interest. The Treaty shows the direction we must take and the changes that will have to be made as soon as possible. It provides instruments to ensure that these adjustments take place gradually.

The primary purpose of the talks we are having is to adjust our measures to situations as they arise so that they can be applied at the very moment when they are needed; accordingly we are looking at the market situation day by day, product by product. We will also take account of the difficulties every country inevitably encounters when it comes to making such a profound change to all the practices it has followed hitherto; we must jointly define the necessary measures, in a climate of mutual trust and understanding.

At the same time as the High Authority was organising and preparing its immediate action, it was concerned with laying the foundations for industrial growth in the Community.

Given that our industrial investment projects take three, five or ten years to carry out, we clearly need to determine the likely growth in coal and steel consumption we will be facing. A very senior group of economists, chaired by Professor Tinbergen, whose reputation you all know, met in Luxembourg to study prospects for growth in the long term.

Although the evaluations they produced and which are set out in the report distributed to you may be revised, the general import of that study is quite plain: in the modern world, the number of consumers is increasing,

productivity is growing and, it follows, global income is growing. That means the Community needs more coal and steel to satisfy a growing demand. If we did not acknowledge that demand, Europe would decline. Even if producers are sometimes worried about temporary fluctuations in demand, the underlying trend is that consumption will continue to grow.

Within that general framework we have held further consultations within a Committee on Investments made up of producers, workers and officials. We reached the conclusion that if we are to manage to create a balance between production and consumption and export needs, the Community must be able, four or five years from now, to produce 47 to 50 million tonnes of crude steel and at least 275 million tonnes of coal a year, i.e. 6 to 8 million extra tonnes of steel and at least 35 million extra tonnes of coal. We can achieve most of that by further modernising existing industrial plant and increasing output, which will, at the same time, bring about a substantial fall in production costs in the Community.

In the context of that general development prospect, the High Authority is now endeavouring to define objectives by industries, which it will submit to the Consultative Committee. That will provide undertakings with a common overview of the development of production and demand, which will guide their actions and the initiative they must retain in drawing up their own programmes.

These production and modernisation objectives are inseparable from the objectives of improving workers' living and working conditions. All consumers will benefit from the creation of the common market. The High Authority has a special responsibility, however, towards the Community's workers. We were struck by the inadequate housing situation of coal and steel workers in most Community countries. An initial survey of workers' housing undertaken by the Commission showed that nearly one fifth of workers in those industries have either no or inadequate housing.

Our early estimates indicate that over the next few years we will have to build at least 50 000 to 60 000 homes a year in the Community's industrial areas. We must proceed at that pace if we are to satisfy the most urgent needs within four to five years.

An overall programme of that magnitude will enable us to seek to lower construction costs by rationalising building methods, setting up rolling programmes and disseminating technical progress.

Workers' conditions will be improved not only by investment and building measures. The High Authority is preparing to use all the means provided for in the Treaty in the interest of workers.

There can be no progress without change. We will be implementing the Treaty provisions on readaptation so that workers can envisage the changes demanded by progress without the fears of the past and, as a result, improve their standard of living. Moreover, the forthcoming Consultative Committee meeting in which workers will play an important part, together with their participation in our committees' activities, will ensure that they are involved in the actual running of the Community.

Undertakings are currently encountering great difficulties in trying to ensure the necessary development of investment and housing. Excessive self-financing on their part would risk increasing the price of basic products and place a burden on the economy as a whole. So how can we find external resources for undertakings? Current financing costs are abnormally high in almost all Community countries. Interest rates are reaching at least 8-10%, as against 4-5% in the United States; that is a serious source of weakness in Europe.

One of the High Authority's main tasks is to contribute to financing essential programmes. That is one reason why we have decided to collect, without delay, the levy provided for under the Treaty. The other reason is the Community's obligations towards workers.

The levy provided for under the Treaty is unprecedented. Only a small fraction of it represents a tax to cover the expenditure of all the Community institutions. Above all, it has been introduced in the interests of undertakings and workers. It is designed to help implement readaptation measures in cases where that may prove necessary. Its other object is to ensure that a guarantee fund is set up for loans contracted by the High Authority or guaranteed by it. By collecting that levy as of next February, the High Authority will demonstrate its financial capacity and, having in this way established its credit, it will endeavour to give European undertakings open access to financial markets currently closed to them.

Over a full year our resources will come to the equivalent of some US\$ 50 million, levied on the Community's coal and steel production and collected in various Community currencies.

The conditions for assessing and collecting that levy were established with the aim of setting up an extremely simple system: the undertakings themselves will calculate the amount of their contributions and will pay that amount into the High Authority's accounts. The first European tax will not require the creation of a European tax administration.

The development of our Community is not limited to internal concerns. Since your last session we have established closer links with the other countries. Sweden, following the United States and the United Kingdom, has in its turn set up a permanent representation in Luxembourg with the task of working,

in the common interest, towards achieving close cooperation to promote the growth of international trade and of production. The 34 States participating in the General Agreement on Tariffs and Trade have acknowledged that, in regard to that Agreement, the Community is a single partner enjoying the same rights and subject to the same obligations as every participating country.

A permanent link has been established with the OEEC to ensure useful coordination in terms of studies and the necessary contacts in terms of action.

Above all, however, we have actively sought to achieve a concrete form of association with the United Kingdom. In October, the High Authority and the British Delegation decided to set up a Joint Committee.

The task of that Committee and its working parties is to define, in practical terms, the form to be taken by the close and enduring association between the Community and the United Kingdom. The Community and the United Kingdom are already exchanging all the relevant information.

The High Authority regards the development of that association as one of its essential tasks. It has defined the objectives to be achieved with a view to taking concerted action with the United Kingdom and establishing shared responsibilities, rights and obligations on an equal footing. The understanding shown by the British Delegation and the will to cooperate of its head augur well for the success of this joint enterprise. If we manage in this way to give a new form to the association between the Community and the United Kingdom we will have opened a door to the development of Europe, in close union with the United Kingdom.

The High Authority expresses the same concern for concrete achievements in its talks with United States representatives, for whom special forms of association with the Community must be established, and with all the other countries that are or may consider joining us.

At the same time as engaging in this association policy, the High Authority is seeking to achieve the closest possible cooperation between the Community and the Council of Europe, which organises general cooperation among the countries of Western Europe.

That was the purpose of the statements made by Lord Layton and myself, of which the President of the Assembly informed you the day before yesterday.

The High Authority has just submitted the report on the situation of the Community to the Consultative Assembly and, as we proposed, we will appear before its committees to provide any necessary clarifications.

We are now entering a new phase of our mission. The preparatory phase is near completion; we will now be responsible for taking action, and you will be authorising that for the first time next May.

I would not like this session to close without putting to you, in very simple terms, some thoughts drawn from our experience.

The first thing we have learned from our experience is that the countries of Europe no longer carry the same weight at world level.

Politically divided, weakened by the war and by the fear of wars, they have certainly not lost their vitality; the way they recovered after the last war is further proof of that. Yet each of them, by trying to win a precarious advantage at the expense of the others, ultimately succeeds only in weakening its own position in relation to outside competitors.

It is because of their divisions that the countries of Europe do not carry the same weight in the global economy as the United States of America does today or the Soviet Union may do in the near future.

Nothing else can explain the low level of European consumption: 200 kg of steel per capita per year in the Community, as against 600 kg in the United States.

Nothing else can explain why the pace of economic progress is slowing down in Europe. While European countries are preoccupied with the concerns of another age, the United States and the Soviet Union are developing their strong markets with the strength and security born of their mass and size.

– In 1929, the six countries that now form the Community produced a total of 35 million tonnes of steel, as against 57 million in the United States and only 5 million in the Soviet Union.

– In 1952 the 42 million tonnes of steel produced by the six countries compare with a production of some 100 million tonnes in the United States and more than 35 million in the Soviet Union.

That means that over a period of some 20 years, Europe's production increased by only one fifth; in the United States, steel production increased by two thirds; in the USSR it increased sevenfold.

The creation of a large internal market is vital if we want to give Europeans another chance to recover their position and play their part in the progress of the free world.

That transformation can be achieved only on the basis of common institutions and rules. That is the second lesson we have drawn from our first months of activity.

The way the Community institutions function on a day-to-day basis shows us that we cannot resolve any of our problems, be they introducing the levy, preparing to open the market, or investment and financing, by bargains or compromises between national interests. In our institutions, every action must be governed by our common objective.

We must seek to maintain and develop those institutions. They are still young and there is still a strong temptation in our countries to sell out the institutions in order to respond to practical difficulties, to seek compromises to mask the basic problems.

It is my personal conviction that the reason why European countries have become weaker is not only because of their divisions, but because they are so ready to question the functioning of their institutions. It is striking to see the continuity and quiet resolution with which the United Kingdom and the United States respect their institutions.

It is institutions that govern relations between men and it is they that form the real pillar of civilisation.

Thanks to our experience we can identify the various fixed points needed to build Europe. Only a common perspective, common rules, common institutions will allow us to rally. That is the new reality born of our experience. It respects the profound national realities, it does not exclude either the diversity of temperaments and ways of life, nor respect for the traditions and characteristics peculiar to each country, but it sweeps away the vestiges of another age, mutual fear and the protection of small, closed markets. By pooling their resources, people will rid themselves of suspicion and mistrust.

The debates held here over the past few days give us hope that our countries will learn to understand this, and understand it in time.



**ANNEX IV**

**Common Assembly – Common Market Committee**

**Meeting of 19 April 1953 – Statement**

EUROPEAN COAL AND STEEL COMMUNITY  
COMMON ASSEMBLY

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COMMON MARKET COMMITTEE

Annex 1

to the Minutes of the meeting  
of 19 April 1953

Subject: Presentation by Mr Jean Monnet,  
President of the High Authority

AC. 148

19 April 1953

PRESENTATION BY MR JEAN MONNET,  
President of the High Authority,  
to the  
Common Market Committee of the Common Assembly

Mr President, gentlemen,

Since our last meeting, the development of the Coal and Steel Community has taken a major step forward with the establishment, on 10 February, of the common market in coal, iron ore and scrap. On 1 May another milestone will be passed with the establishment of the common market in steel.

My colleagues from the High Authority and I are happy for this chance of a broad discussion with you today on the decisions taken in respect of coal, iron ore and scrap and on all those still to be taken on steel. You know, gentlemen, what great store we set by the method of public accountability and, more especially, by all meetings which help to strengthen still further the institutional ties and mutual trust between the Assembly and its committees and ourselves.

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Let me tell you first of all what we have done for coal, iron ore and scrap, with a quick summary of the points we discussed in February and which are set out in detail in the High Authority's General Report. That report has been circulated to you, and it will be debated in Strasbourg in a few weeks' time.

As intended and as we had announced, Member State governments have abolished, within the Community, customs levies, export duties, quantitative restrictions on imports and exports, restrictions on the allocation of currency and dual pricing.

The High Authority, together with Member States, has also acted to eliminate the most blatant cases of discrimination over transport. Thus, for example, the following measures have been taken:

extension of the tariff applicable to German coal to coals from the Saar and Lorraine has cut transport costs for the latter by 10% over short distances and up to 20% over longer distances;

the introduction in France of a single tariff for iron ore from Lorraine, regardless of whether it is destined for the French or the Belgian steel industry, means a saving of 8 to 10% in transport costs for iron ore going to Belgium;

the application in Belgium of a uniform tariff for steel exports from Belgium, Luxembourg or France reduces the transport costs for French steel.

The decisions now in force do not remove all the discrimination identified by the High Authority, but they already apply to a total volume of more than 30 million tonnes of goods, representing a saving of 2 million units of account per year.

The High Authority will continue its work in this area with a view to harmonising tariff levels across the Community.

The High Authority has decided, as we told you it would, to set maximum prices for coal rather than allow prices, hitherto set by governments, to find their own level all at once.

If price freedom had come overnight, the trend would inevitably have been for prices to shoot up, especially those of coal grades for which demand is greatest and of which the Community remains a net importer.

In setting maximum prices for each coalfield, we have endeavoured to set these as low as possible, and at the same time to avoid disturbances to the economy of the Community countries. Establishment of the common market of itself entails major changes. These changes have, amongst other things, resulted in the abolition of dual pricing, discriminatory transport costs, etc.

We felt that it was already enough of a task absorbing all these changes and taking them on board. Consequently, apart for those changes that were essential, we thought it was a good idea to keep the new prices as close as possible to the existing level of prices in our countries. We were careful, in setting coal prices, to leave a degree of flexibility in the price lists so that undertakings can adjust to the new conditions which establishment of the common market has created for them.

In the first place we have set average ceiling prices for each category of coal that cannot be exceeded. Then, for each of these categories, there are absolute maxima which may not be exceeded by the price of any type in the category.

Lastly, it was necessary to set special maximum prices for a number of critical types, the market in which is under pressure. We managed nevertheless to

limit them to just a few types, totally exempting those categories where no difficulty is being experienced.

The High Authority's pricing policy will necessarily be revised later on, depending, amongst other things, on the situation of the market.

Temporarily, and with an eye to avoiding disturbances to the economy of the Community countries, the High Authority has authorised a number of practices in relation to subsidies, zone prices or special charges applying to certain coalfields.

For France, subsidies have been significantly reduced; zone prices in France and Germany had to be authorised in order to guarantee uninterrupted supply to certain centres of consumption. In Germany, price reductions for a number of consumer sectors have already been abolished. For the Netherlands, a solution involving the operation of a compensation fund has also been reached. All these arrangements are provisional. They will be reviewed by the High Authority at intervals and by 31 March 1954 at the latest.

The equalisation scheme for Belgian and Italian collieries has been put in place and will operate in a way that allows Belgian coal to be included in the common market straight away.

I will say a quick word or two about the establishment of the common market in iron ore, which was less problematic because of market conditions and the Community's ability to meet its shortfall out of imports from non-Community countries, at prices close to those of the home market.

Before the common market in iron ore came into being on 10 February 1953 French undertakings operated a system of dual pricing, keeping the price on the home market low and charging prices for their exports that reflected the world price.

As of 10 February 1953 this dual pricing has disappeared. It was unanimously agreed that the situation did not warrant a declaration of shortage, or the setting of maximum prices. Since the common market came into being, pricing in the iron ore market has been entirely free. French domestic prices, which were far too low, have been raised and export prices brought down to an intermediate level.

By contrast, the situation concerning scrap was very complicated. Distribution systems varied greatly from one country to the next, from total freedom on the Belgo-Luxembourg market to tight administrative control in France and the Netherlands. Prices for the same grade of scrap ranged, at one time, from \$22.50 in the Netherlands to \$58 in Luxembourg, but these differentials have since been significantly reduced and, by the time the common market was established, scrap prices in Germany, France, Belgium and Luxembourg, as

well as on the domestic market in Italy, had more or less evened out. Only in the Netherlands, where prices were fixed by the government, has the level remained exceptionally low.

The Community's resources are not enough to meet the steel industry's requirement for scrap, but the shortfall is relatively small and has been covered so far by imports from non-Community countries. However, as scrap is a product highly sensitive to market fluctuations, there was a risk that when prices were freed up totally, they would shoot up: on the one hand there would be huge pressure on domestic resources, scrap being cheaper inside the Community, and, on the other hand, additional imported supplies would tend to push up prices throughout the common market.

This being so, the High Authority took the view that narrowing the price differentials within the Community was not enough to allow the establishment of a common market with accompanying precautionary measures, hence the setting of maximum prices. Thinking along those same lines, it authorised the continued operation, under its supervision, of a mechanism for equalising the prices of scrap collected within the Community and of imported scrap.

With the aim of maintaining a minimum of clarity within the market the High Authority has also authorised the creation of a Joint Office of Scrap Consumers. The job of this Office will be to keep the High Authority informed of needs and availability and to conduct joint negotiations for the importation of scrap from non-Community countries, though it will not have the power to conclude contracts.

The High Authority has taken special care not to give this organisation any powers that might run counter to Treaty provisions on agreements. Authorisation of the Joint Office only runs up to the end of this year.

Broadly speaking, gentlemen, these are the measures which the High Authority has taken to establish the common market in coal, iron ore and scrap.

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Let us turn now to the establishment of the common market in steel, which comes into effect next month on 1 May.

I should like first of all to explain to you the factors which motivated the High Authority in its approach to the problems of establishing the common market in steel.

In line with the Treaty, the High Authority is resolved to establish a free and competitive common market in steel. We said as much yesterday before the Council of Ministers. While we intend to consult the Council formally on the

expediency of setting maximum prices, we have already said that the High Authority has no plans to do this at present; the current state of the market means that is not necessary. However, it has some concerns regarding the reported intentions of some producers to try to equalise their prices at a level which, for many of them, would mean an increase.

If, once the common market was in place, prices hitherto different were equalised, that would indicate agreement amongst producers to escape competition.

The High Authority favours price freedom in competition and I would stress that any setting of prices would be done not by an agreement of the parties concerned but by the High Authority itself, which would, moreover, use all means open to it under the Treaty in the interest of the Community as a whole – producers, workers, users and consumers.

The High Authority appreciates only too well that for the past 15 years or more, steel prices have been government-controlled in all countries, and that enterprises as well as consumers must learn from the beginning how to make use of their newly won freedom. It also knows that powerful involuntary reactions and old memories may cause quite a number of people to seek protection against the effects of free competition in more or less rigid price or market agreements. Already, the downward trend on export markets has been halted by the conclusion of an agreement amongst producers and the High Authority will review this to check its compatibility with the Treaty.

The High Authority, as guardian of the rules laid down by the six countries which have signed and ratified the Treaty, cannot remain blind to the conclusion of agreements which run contrary to the provisions of the Treaty, nor can it remain inactive in the face of the repercussions of such agreements.

It has drawn broadly on the knowledge of industrial experts in studying all the issues: it has asked them to prepare and coordinate ancillary elements associated with price lists, such as a nomenclature for extras in the scrap industry; it has also approved the creation of a joint body for the equalisation of purchases from outside the Six.

The development of steel prices following the establishment of the common market will be the High Authority's decisive criterion concerning any action it might need to take to ensure that the rules of the Treaty are duly observed.

Turning to more technical matters, I should like to look at one or two issues facing the High Authority in the area of steel.

One particular problem has arisen over 'extras'.

In each of the national markets there is currently a single list of 'extras' constituting, for each country, the scale by which base prices are increased to reflect extra specifications as to size, grade, tolerance, etc.

The six existing lists are national lists and, in a common market, will make it very hard for the buyer to compare prices. The High Authority regards it as an urgent priority to have a common nomenclature.

The High Authority does not, however, think it a good idea to have an agreement setting price differentials on the basis of this nomenclature. That would strip competition of one of its major features.

Healthy competition must be able to develop on the basis of exact specifications to the greatest possible benefit of consumers, just as it is beneficial to producers to be able to compete on certain products without having to change their base prices, that is to say the price of all other products in the same category.

Under the terms of the Treaty the High Authority has to ensure that all discriminatory practices are eliminated.

On the matter of methods of quotation the Treaty, as you know, allows for a system of multiple basing points in the common market. To date none of the Member States of the Community has applied this system fully.

Germany combines a system of a rate for the Ruhr with a system of all-inclusive prices for deliveries travelling further than 220 km.

In France the system of a rate ex-Thionville, plus special charges for transport, equates in reality to a system of zone prices.

Belgium and Luxembourg operate an all-inclusive price across the board.

Italy theoretically charges a price ex-works although, in practice, each undertaking gives rebates to align its prices with those of its competitors.

The Netherlands has three different rates.

The Treaty replaces these widely differing systems with the system of multiple basing points. As stipulated in Article 60(2)b of the Treaty, this allows any seller to apply the same delivered price as an enterprise which bases its quotation on another basing point, provided the adjustment is made with the aim of lowering the price.

The High Authority does not currently feel it needs to exercise its right under the Treaty to limit reductions until such time as experience indicates that this is necessary.

On the matter of sales, it is not for the High Authority to give preference to, and prescribe, any particular form of selling organisation and, in the early days of

the common market, it wishes to make only the minimum of changes needed to eliminate discrimination.

Talks between the High Authority and German experts about the system of reductions on the global reference price as practised in Germany may perhaps yield solutions. Accepted global reference prices would have to place German and non-German consumption, German and non-German consumers on the same footing, and likewise dealers – regardless of whether they sold their products on the German market or any other market.

With experience, other forms of discrimination may emerge or, on the contrary, may disappear as a result of competition. So this is an area where we must move forward in stages.

Thinking along those same lines the High Authority has considered the question of financial arrangements favouring certain privileged consumers. Regarding, for example, the levy in Germany which allows the freight charges to consumers located in areas with a high refugee population to be reduced, the High Authority has made it known that, for social reasons, it raises no objection to retention of the system even if the necessary funds are derived from a levy on total consumption including imports, provided the rebate per tonne is the same for every user, regardless of the supply source. In this way, the conditions of competition implicit in the Treaty will be respected.

## TAXES

The High Authority previously talked to your Committee at our last meeting about arrangements for the sale of coal and steel in the common market by producers from different countries who have retained their different tax regimes.

We emphasised that this question of what happens when our two common market products move from one tax regime to another is extremely important and that the High Authority did not want to take its final decision on selling arrangements until it had seen the findings of a fully objective study on the matter. To that end the High Authority set up a Committee of Independent Experts under the chairmanship of Professor Tinbergen, with a remit to acquaint the High Authority with all the facts which would enable rules compliant with the Treaty and favourable to the operation of the Common Market to be applied to this situation. An order of 5 March 1953 setting out the composition and remit of this Committee of Experts was published in the Official Journal of 15 March 1953.

The members of the Committee, in addition to its Chairman Prof. Tinbergen, were Professors di Fenizio, Dupriez and Reddaway. Six highly qualified and

independent figures, chosen from nationals of the six Community countries, were appointed to assist the Committee.

These were Professors Schmoelders, Coart-Fresart, Reuter, Visentini, Smeets and Mr Wirtgen. The Committee was tireless in its work and has delivered its report to us, which has been circulated to you and published. The Committee has also provided a summary of its report setting out the essence of its conclusions.

The High Authority is grateful to these eminent figures and members of the Committee for kindly completing this work on behalf of our Community. It also wishes to express its sincere thanks to the experts who assisted the Committee and to the governments and associations which helped supply the Committee with the information it needed.

Everyone involved in the Committee's work was impressed by its totally objective approach to the issues it was called on to address.

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The High Authority feels able to consult the Council of Ministers and the Consultative Committee on potential discrimination by undertakings over taxes. It is consulting these bodies on a text which defines as a discriminatory practice, prohibited by Article 60 of the Treaty, any inclusion in the price quoted to the buyer of taxes or dues in respect of which the seller is entitled to exemption or refund.

**ANNEX V**

**Common Assembly – Committee on Investment**

**Meeting of 5 May 1953 – Statement**

ANNEX to the Summary of Proceedings of 5 May 1953

5 May 1953

Mr President, Gentlemen,

1. This is the Committee's first working meeting. In January of this year in Strasbourg, the Committee only had time to engage in a preliminary exchange of views. Accordingly, no discussions were initiated on the two chapters concerning investments and financing respectively of the statement presented to the Assembly in January. The High Authority therefore wishes to take this statement as a basis for discussion with a view to learning the Committee's opinion on the Authority's approach to the investment problem; it will provide the Committee with additional information on the studies and enquiries it has conducted over the past three months and on the outlook for its work on investments in the coming months.

**I. GENERAL AIMS**

2. In the month of November, the High Authority appointed a committee on the long-term development of the coal and steel markets. That committee, whose terms of reference had been defined by a group of economists, was given the task of assessing the long-term outlook for coal and steel demand in the Community.

It set about its task by examining the relations that exist between demand for coal or steel and the general level of output, in other words the level of national income in real terms. These relations are close:

- in the case of coal, this is because all economic activities, including household activity, entail the consumption of energy, of which coal is the main source;
- in the case of steel, the relationship is close because growth in national income implies investment and generates an increase in acquisitions of consumer durables, such as motor cars and household appliances, all of which require steel.

Demographic and economic studies allow us to hypothesise about the development of national income. From these hypotheses, predictions can be made with regard to future trends in demand for coal and steel. On this basis, the committee on long-term development arrived at the conclusion that, five years from now, Community demand for coal would be of the order of

280 million tonnes, compared with some 260 million in 1952, while demand for steel would amount to about 50 million tonnes, as against 42 million in 1952.

The High Authority is fully aware of the conjectural nature of these forecasts. It knows that the hypotheses which have been advanced will not all be confirmed in practice. Whatever the temporary fluctuations in demand, however, one thing is certain, namely that the increase in the population, technical progress, industrial development and the improved standard of living imply higher energy and steel consumption, which will not be possible unless the corresponding means of production exist.

3. In order to sketch out a general outline of the investment efforts to be made in the Community, the High Authority assembled a number of top-level experts selected from producers, workers and users in the Community. It asked them to collect information on the current state of production, on the existing production capacity and on present investments.

In this way, it was able to draw up an initial review of the situation within the Community.

A number of simple conclusions may be drawn from this review:

(a) The first is that Community production is not yet able to match the total demand for coal and that costly imports are needed to top up the Community's coal supplies. From 1946 to 1952, almost 100 million tonnes were imported from the United States at a cost of almost 2 000 million dollars in today's prices. That is an extremely heavy burden on the balance of payments of member countries, which would have been unbearable for them without American aid.

#### IMPORTS OF US COAL

	<u>in millions of tonnes</u>	<u>in millions of dollars</u> <sup>78</sup>
1946	11.2	136.4
1947	25.8	313.1
1948	15.3	185.5
1949	8.8	106.7
1950	0.1	1.4
1951	18.4	400.8
1952	16.4	349.1
<b>TOTAL</b>	<b>96</b>	<b>1 493</b> <sup>79</sup>

<sup>78</sup> Average price, including carriage to Europe, at the time of delivery.

<sup>79</sup> Equivalent to 2 000 million dollars at 1952 prices.

It is important, however, to note the current trend towards the reduction of these essential imports. In the first half of 1953, imports of American coal have amounted to scarcely two million tonnes, compared with almost seven million tonnes in the corresponding period in 1952.

**(b)** The second conclusion is that steel exports play a very important role in the economy of the Community.

From 1949 to 1952, the Community's net exports of steel exceeded 33 million tonnes, which, at today's prices, represents a value of some 3 000 million EPU accounting units. These figures show that steel exports are a vital component of the economies of the Community countries. Their high levels in the most recent years are due in part to exceptional circumstances. It is essential for our countries that these levels be maintained and even increased in future. If that is to happen, Community production must be competitive.

It is striking to note the extent to which the development of the European steel industry has fallen behind that of its American and Soviet counterparts over the past 30 to 40 years. In 1913, the countries of the present Community were producing almost as much steel as the United States and six times as much as Russia. Today they produce only a third of US output and scarcely any more than the Soviet Union.

#### COMPARISON OF STEEL OUTPUT (in millions of tonnes)

	1913	1929	1948	1952	
- Community	25.2	35.3	22.9	41.8	
- United Kingdom	7.8	9.8	15.1	16.4	
- United States	31.8	57.3	80.4	83.2	[b]
- USSR and satellites [c]	7.9	9.0	34.8	45.1	[a]
- USSR alone	4.4	4.9	18.8	34.5	[d] [a]

[a] estimate

[b] after a loss estimated at around 20 million tonnes resulting from the steelworkers' strike

[c] source: *Statistisches Vierteljahresheft*, July-September 1952

[d] source: *The Economist*, 2 October 1952

**(c)** The third conclusion to emerge from the analysis of the present situation concerns the inadequacy of workers' housing conditions in some countries of the Community. The industries covered by the Community employ about 1 750 000 people, almost a fifth of whom do not have housing or are inadequately housed.

(d) Lastly, conditions in the Community for the funding of investments are unstable at the present time. Companies are uncertain about the scope they have for a sustained effort to upgrade their equipment, they cannot rely on continuity of financing, and they have to bear the burden of high interest rates and redemption conditions which weigh heavily on their prices.

4. These general observations enable us to define the direction in which it is desirable to guide investment programmes in the Community. If it is to strike a balance between production on the one hand and consumption and export requirements on the other, the Community must be able to produce, within four or five years, about 50 million tonnes of crude steel and some 280 million tonnes of coal. These figures compare with an output in 1952 of approximately 42 million tonnes of crude steel and about 240 million tonnes of coal.

This growth in capacity will not be achieved without a parallel effort on the part of the industries of the Community to improve their productivity in such a way as to enhance the quality of their products, lower their cost price and improve the working conditions of the labour force.

Particular emphasis should be placed on the improvement of workers' housing, which is not only a prerequisite for the commitment of the workforce to the effort to enhance productivity but also a means of achieving the improvement in the standard of living which is one of the main objectives of the Community.

## **II. CURRENT STUDIES AND ENQUIRIES**

5. Within this general framework, the High Authority is conducting studies and enquiries, from which the following points have emerged to date:

### Coal

Our studies clearly indicate the need for the rapid investment of funds in coal mines, coking plants and iron-ore mines. The creation of the essential conditions for the development of a competitive steel industry depends on the extent to which it can obtain raw materials in greater quantity and more cheaply.

The problem of investments in coal mines cannot be treated in isolation; it is inseparable from the problem of consumption and that of prices. What the High Authority therefore seeks to achieve is a general programme relating to the production and depletion of coal. In the current market situation, some categories of coal exist in sufficient or even surplus quantities in the Community. This applies particularly in the case of bituminous coals, which

are increasingly exposed to competition from other forms of energy, especially heating oil. It should be noted, however, that the commissioning of new facilities, such as modern thermal power stations, will permit better use of the available quantities.

Our present work on coal has a twofold aim – first, to increase the available volume of the rarest quality grades; second, to engage in a systematic search for modified techniques likely to pave the way for wider utilisation of the quality grades which exist in abundance.

With regard to coals that lend themselves to coking, the programme could comprise both short-term measures and longer-term action.

Our studies on the short-term measures focus primarily on the following points:

- systematic exploitation of any capacities that may be underused at the present time,
- increased manpower and improved productivity in these same areas,
- better use of coking coal with a view to avoiding its use for purposes that could be served by other quality grades.

In the longer term, efforts should focus especially on the following points:

- reduction of the consumption of mine-mouth coal, particularly through the modernisation of power stations,
- construction and modernisation of washing plants,
- development of equipment and of mechanisation,
- creation of new headquarters,
- recruitment of additional labour by means of a housing and immigration policy.

A parallel programme for the development and modernisation of coking plants should be pursued, especially as a number of the existing installations in the Community are outdated and some are scheduled to close in the next few years.

## 6. Iron ore

As far as iron ore is concerned, investments are imperative, both to achieve the increase in production that is required for the planned development of the steel

industry and to enhance the ability of Community iron-ore mines to compete with the modern and profitable mines in other producer countries.

Facilities for the preparation, sorting and agglomeration of iron ore must also be developed and modernised.

## 7. The steel industry

Our studies on the steel industry are continuing, and our conclusions are still of a general nature at the present stage. The essential objective for the steel industry is the reduction of cost prices through improved productivity. Besides modernisation activities, which relate primarily to rolling mills but also to many of the blast furnaces belonging to steelworks, investments should serve chiefly to harmonise the various production stages in companies so as to eliminate the bottlenecks that exist in many cases.

The figures cited above show the place of the steel industry in terms of its contribution to Community exports. Investments in the steel sector should therefore be targeted mainly at making the European steel industry more competitive.

One key element from this point of view is the quest for improved product quality and more regular deliveries. Progress in these areas is essential for the processing industries, which, for their part, must be able to adapt to technical progress and to the requirements of competition. They will be able to do these things if the European steel industry becomes a high-quality industry.

This quest for quality will be greatly facilitated by the greater degree of specialisation made possible by the creation of the Community. The specialisation of steel plants which was hard to imagine in the isolated economies of the six countries has become a prime objective with the arrival of the Common Market.

## 8. Workers' housing

Parallel to the aforementioned efforts are our activities in the realm of workers' housing. The Committee on Social Affairs of the Assembly will be responsible for studying this matter in detail, but we shall provide your Committee with a general picture of all the investments in the Community, for the problem of improving workers' housing conditions cannot be dissociated from that of investments in production.

## 9. Technical research

Besides its investment activity, the High Authority has been entrusted by the Treaty with the task of promoting 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. The High Authority is already examining the conditions in which it could devote certain funds to research work of incontestable interest to the entire Community in cases where the pace of such research is currently restricted by funding difficulties. This applies especially to some techniques which are new or are being perfected, such as the generalised use of oxygen in basic Bessemer steel plants, continuous casting, low-shaft furnaces and new processes for coking bituminous coals. This can also be the case with research into ways of rationalising the construction of workers' housing.

### **III. SUMMARY OF THE INITIAL DATA OBTAINED FROM THE QUESTIONNAIRES SENT TO COMPANIES**

10. The High Authority wishes to pursue this task of formulating production and modernisation objectives in the same spirit that has characterised all of its work to date, that is to say in wide-ranging consultation with producers, workers and users. Direct contacts have already been established between the High Authority and the heads of the main production companies in the major industrial centres of the six Community countries. Site visits have been made and will be continued.

In addition, a study has been initiated on current investments, on the burdens they will entail in the coming years and on the purpose of each investment.

### **IV. COMPANY RESPONSES TO THE QUESTIONNAIRE ON CURRENT INVESTMENTS IN THE COAL AND STEEL INDUSTRIES**

A questionnaire was sent to each company to find out about the size and nature of its current investments. Companies were asked to specify the amount of money already disbursed and the charges that remained to be met in the course of the next few years and to indicate the production and modernisation objectives that the investments would enable them to achieve.

Almost all of the companies' responses to these questionnaires have now been returned to Luxembourg and serve to paint an initial picture. The figures, however, should be treated with caution. The aggregate totals actually seem to indicate very high levels of investment expenditure, particularly on the part of the steel industry and for the year 1953. We ask you to what extent they, or

at least some of them, reflect the hopes of companies rather than forecasting their likely investment expenditure. We have begun to check these estimates, and we shall continue to do so, since that is the only way to obtain an accurate assessment of the real situation, and we believe this will cause a different picture to emerge.

These figures, then, are no more than a working basis for the High Authority at the present time; nevertheless, it wishes to give them to the Committee for information purposes, subject to the foregoing caveat.

**11.** According to the companies' responses, the total value of current investments as of 1 January 1953 for both Community industries amounted to almost 5 000 million dollar accounting units, of which about 2 000 million had already been disbursed, while almost 3 000 million dollars was yet to be spent.

Of the total amount yet to be disbursed, the expenditure predicted by the companies would be distributed as follows:

- about 1 000 million dollars for steel, including coking plants for blast furnaces,
- about 1 000 million dollars for coal, including other coking plants and briquette factories,
- about 260 million dollars for power stations fired by mine-mouth coal,
- about 300 million dollars for the manufacture of lignite briquettes,
- about 100 million dollars for iron-ore mines.

**12.** According to the responses to the questionnaire, current investments would pave the way for an increase of about eight million tonnes in steel-production capacity.

In the case of coal, the figures suggest an increase in capacity amounting to roughly 28 million tonnes by 1956 and some 14 million tonnes in subsequent years.

As regards iron ore, the responses to the questionnaire show that ore production, which reached a level of about 64 million tonnes in 1952, could be increased by approximately 14 million tonnes by 1956.

## VI. FINANCING

13. The chances of actually making these investments depend above all on the financing conditions. Three funding sources exist for companies: resources obtained from an investment margin included in prices, recourse to loans or the capital market in each country and, possibly, recourse to capital from other countries.

The indispensable investments will have to be made; in most of our countries, the present state of the capital market does not allow companies to find the requisite funds with the necessary security and continuity. For this reason, at least during an initial period when European industry must make a decisive modernisation effort, external resources will be needed; in their absence, an increase in the investment margin included in prices would thus be inevitable.

14. At this point I should like to refer to the spirit in which the High Authority is tackling the task which the Treaty assigns to it in the realm of investment. Our principle is that it must be left to the initiative of each company to determine which projects it pursues. The High Authority has no wish to engage in authoritarian *dirigisme* or to exercise what must remain companies' own responsibility. The role of the High Authority is one of guidance; it is in a position to know the extended market of the Community well and to let companies benefit from that knowledge. This is why it will periodically define general production and modernisation objectives, which is the purpose of its current activity.

As for the form that any financial intervention would take, the Treaty provides two options: the High Authority can either guarantee loans taken out individually by companies or act as a lender itself by making direct loans to companies.

The High Authority does not start out with any preconceived intention with regard to loans. It is at the service of the Community and seeks to act in accordance with circumstances, adopting the procedure that will be most effective for the Community. If it seems that the best results can be achieved by granting guarantees to companies wishing to borrow, that is the method the High Authority will adopt. Conversely, if its own loans, by virtue of their amount or their conditions, appeared to offer the Community industries the opportunity to engage in more lucrative financial transactions, it would intervene directly.

As for choosing the investments that could be the subject of financial assistance from the High Authority, we are keenly aware that this will be an extremely difficult task for us, but we are ready to perform it. In so doing, we shall be

guided solely by the general aim of the Community as defined by the Treaty, namely progressively bringing about conditions which will of themselves ensure the most rational distribution of production at the highest possible level of productivity.

As far as workers' housing is concerned, setting priorities will be very tricky, given the inadequate housing conditions that exist in many parts of the Community. Our line of approach in this matter will be simple, in that we shall seek to improve housing conditions in those places where production processes are developing in the most rational and economical manner.

The High Authority has already received requests for financial assistance from various companies. It does not intend to take a decision on these requests until the definition of the general objectives it is working to achieve has been formulated more precisely, and it will keep the Committee informed of its course of action.

**15.** It was in preparation for these tasks that the High Authority set the levy on coal and steel production at a graduated rate, which should reach 0.9% with effect from July of this year. Whatever form its subsequent financial intervention might take, the first duty of the High Authority was to establish its own credit and, to this end, to start building up the guarantee fund prescribed by the Treaty. This guarantee fund will reach a volume of about six million dollar accounting units at the end of this first half-year and some 20 million by the end of 1953. All other things being equal, it should then grow by about 20 million dollars per half-year.

You know that the mechanism for assessing and collecting the levy was created on the basis of extremely simple arrangements and that it is working very satisfactorily. Recoveries amounted to about 1 500 000 dollar accounting units from production in the month of January and about 1 350 000 dollar accounting units for February, the rate for these two months having been 0.3%, and about 2 400 000 accounting units from production in March, when the rate was 0.5%.

The guarantee fund is distributed among the various national currencies on the basis of the percentage of levy revenue contributed by each country. The financial guarantee that the High Authority can provide is therefore a material guarantee reflecting the value of the Community's coal and steel output and constitutes a solid basis for efforts to lend financial assistance for the benefit of the Community industries. It will be the task of the High Authority in the course of the coming months to use the facilities that have been mustered in this way in the interests of the Community.



## **ANNEX VI**

**Debates in the Common Assembly – session of 15 June 1953**

**Address concerning the first General Report of the High Authority  
on the activities of the ECSC**

Common Assembly – Sitting of Monday 15 June 1953

**Jean Monnet**, *President of the High Authority (FR)*. – Mr President, Madam, Gentlemen, the High Authority has come here to report on the action it has taken to establish the first large European coal and steel market. That is its responsibility towards you. The debate that is beginning is the first in the history of our continent in which a European executive submits itself to the judgment of a sovereign European Assembly.

The common market in coal and steel has become a reality. The institutions of the new Europe are in place and are working. The allocation of responsibilities has been organised. Decisions are accepted and enforced. The experience of these ten months has proved Europe's ability to get both institutions of a federal nature and a large market of 150 million consumers up and running.

We told you in the reports we submitted to you on coal and steel about the measures taken to ensure that the common market functioned. Customs duties and entrance and departure quotas between our six countries have been abolished and the currency needed for payments is now issued to purchasers without restriction.

We have endeavoured to define a policy appropriate to the market for each product. In the case of coal, we have continued to fix maximum prices, endeavouring to make the procedures more flexible in order to smooth the transition from regulated national markets towards a large free market. We have freed ore prices again.

In the case of ferrous scrap, after a brief period of allocations we have arranged for imported ferrous scrap price equalisation to avoid the rises that might have resulted from a massive transfer of demand from more costly, imported ferrous scrap towards less expensive supplies from the common market.

In the case of steel, we felt that the economic situation allowed us to establish the European market under liberal conditions. Producers fix their own prices. Yet that freedom has its price, which is competition. We will ensure strict compliance with the Treaty rules, which prohibit any agreements between producers on prices or market allocation.

In establishing the common market we have sought to take account of the particular difficulties, differing in each case, a country or production region might encounter. As you saw from the reports submitted to you, we have spared no effort to seek solutions that are compatible with the general application of

the common market rules, while also avoiding any sudden shocks and ensuring that this is a gradual process.

At times we had to take difficult decisions that affected certain customs or interests or ran counter to government decisions or positions.

Indeed, as of January, we introduced levies on coal and steel production. We abolished or reduced government subsidies to producers and the privileges enjoyed by certain classes of consumers; we asked certain governments to amend or withdraw decisions they had taken and, on the very important issue of taxes, you are aware of the decision the High Authority has taken.

The levy is collected regularly every month. The High Authority's decisions are applied in the six countries and by our industries as a whole. There has been no attempt to circumvent or thwart them and in the event that any governments or industries dispute them, they must institute proceedings before the Court of Justice, whose decisions will be binding on the opposing parties and applicable in all Community courts.

This authority wielded by the Community institutions is underpinned by ongoing consultation, the broad lines of which are prescribed by the Treaty itself, between the High Authority and all those concerned in our six countries. We have not confined ourselves to consulting the Consultative Committee and the Council of Ministers in cases where the Treaty obliges us to do so. We have initiated wide-ranging exchanges of views with the Council itself, with a view to mutual information and understanding. We have taken the initiative, on the most important issues, of supplementing the consultations provided for under the Treaty by consulting your Assembly's committees as well.

We do not form opinions or take decisions without preparing for them by repeated talks and meetings of committees or working parties, where top experts and producers, consumers, and workers tell us of their concerns and give us the benefit of their suggestions and experience. A few days ago, a meeting of steel consumers was held in Luxembourg.

It is not just the difficulties and interests of producers that we must take into account. We must consider the Community's broader interests. Production is there not for the producer but for the consumer. We intend to reiterate that emphasis on consumers and develop our contacts with workers.

There is, therefore, not a single High Authority decision applicable to our six countries that has not been discussed with all those it concerns, or explained at a whole range of meetings. That is how we make sure we have not neglected any important aspect of the complex issues that arise. All those who take part in those meetings, be they producers concerned about their undertaking or ministers returning to their national duties, are becoming accustomed to

adapting their position and their action to the prospect of the larger market that is now opening and the European Community to which they now belong.

Thanks to that general consultation we have managed to keep the number of staff in our services within the limits to which we had committed ourselves and, as you may have seen from the report submitted to you, to set the administrative expenditure of our institutions at an extremely reasonable level. We ourselves proposed to the Committee of the Four Presidents that a report be drawn up at regular intervals to enable you to monitor the implementation of the draft budget without delay.

Today we can say that the first European institutions of a federal nature are functioning effectively and efficiently. We owe that to the wisdom of the Treaty, which clearly sets out the allocation of responsibilities among the Community institutions. The very wide-ranging consultation makes a vital contribution to the decision-making process. It is up to the executive both to take the initiative and to assume responsibility. For the sake of European democracy, we need a strong executive, an independent judiciary, and an assembly that monitors and decides whether to approve the executive's action without wishing to take its place.

Since the decisions set out in the High Authority's report were taken, that action has continued. It has four main objectives. We must contribute to the development of Community production and to financing that development. We must give workers the wherewithal so that they too can benefit from the advantages of improved and increased production. We must complete the establishment of the common market by bringing an end to the obstacle of cartels. We must give concrete form to the association between the United Kingdom and the Community and tighten our links with the other countries.

The objectives of a first development programme are, firstly, to increase our coal resources, especially coking coal, both to get rid of the dollar deficit resulting from anomalous imports of American coal and to ensure that the iron and steel industry obtains the regular supplies it needs in order to increase production. Another objective is to reduce the cost of producing coal and, moreover, to increase the Community's iron ore resources. The talks we have held with coal producers and the surveys we have carried out in major production regions now allow us to give concrete form to the objectives of expanding mining capacity, modernising existing plant and saving on consumption – in particular the consumption of pithead power stations themselves – and the use of coking coal.

We have looked at the ways in which we could finance the projects of undertakings that meet those objectives and at what contribution the Community itself could make to this. The talks we have held confirm our conviction that levies create the basis for the loans the Community is in the process of contracting. How

could the Community seek external competition if it could not prove in the first place that it had made the necessary effort to offer lenders the most secure guarantees?

That levy and those investments form a vital part of the action the Community is taking for the benefit of workers, in the fields of housing, readaptation and the free movement of labour.

Expanding production and increasing productivity require a broad programme of workers' housing, with the houses built in the very areas where production is to be expanded and modernised. In today's Europe, no progress is more decisive to the situation of workers than the renewal and development of workers' housing.

We want to ensure that everything is in place in the event that the Treaty provisions that safeguard workers from the risks of unemployment due to technical progress or the effects of competition have to be implemented. In part, the levy is intended to cover the Community's contribution to readaptation costs. We are contacting the Governments to ensure that they are, where appropriate, adopting the necessary provisions to cover the share of those costs for which they are responsible, pursuant to the Treaty.

Lastly, offering the Community's labour force the possibility of free movement among our six countries is one means of achieving the equality in terms of progress in living and working conditions that the Treaty promises our industrial workers. It is also a condition for the development of production that forms the basis for raising the standard of living, for the labour force must be able to move to where production is expanding. We have already convened the representatives of the six Governments in order to lay the foundations for achieving the free movement of labour.

We are practical enough to know that the common market is not functioning perfectly yet.

As regards prices, the rises that may have struck public opinion related only to the internal markets of certain countries while in the case of Community consumers as a whole, the abolition of dual prices for both coal and steel eventually produced on average a slight fall in price. Another key result we obtained was that all Community consumers are now placed on an equal footing. Prices can fall more sharply only in the long term, once the way the common market functions makes it possible to reduce production costs and change distribution conditions.

We know that we will still need to be vigilant and take constant action for a long time to come. Yet we must now take a major step forward. We cannot have a common market while still maintaining the cartel organisations that ruled over compartmentalised national markets. We have already taken decisions

to eliminate ferrous scrap purchase monopolies. We are now focusing on the biggest organisations of the market in coal and steel, which are also the best-known ones. We are carrying out direct and specific surveys of each organisation to ensure that they are taking the necessary measures to comply with the Treaty provisions.

On the basis of what we have learned, we shall decide whether more general texts need to be adopted. We are now ready to hold the exchanges of view with the Council to which we committed ourselves, as regards the decision that, in accordance with the Convention, sets the deadlines by which the prohibitions set out in the Treaty will apply to existing organisations.

The action we have taken and the results we have achieved provide us with a starting point from which we can now resolutely embark on the association with the United Kingdom in concrete terms. We already have the Joint Committee meetings at which we regularly exchange information. British experts have been invited to two of our technical committees, in which they take part on the same footing as members of the Community. We will now give real form to these new associative relations by determining the common rules and common institutions we can establish.

Our Community is not closed in on itself: we have already had the pleasure of welcoming delegations from the United Kingdom and the United States to Luxembourg. Over and above those relations, however, we are very keen to see other European nations become members like ourselves of this Community, accepting the same rules and the same institutions. It cannot be repeated often enough that the six countries that form the Community are the pioneers of a larger Europe, whose limits are set only by those who have not yet joined it.

Our Community is not an association of coal or steel producers: it heralds the beginning of Europe. Your Assembly has already produced the plan for a Political Community that will have authority over the Coal and Steel Community and the Defence Community and will eventually lead our six countries to develop into the United States of Europe. It is to that emerging Europe, of which the Coal and Steel Community is the first expression, that President Eisenhower referred when he publicly said, during the trip Mr Etzel, Mr Spierenburg and I made to the United States, that he was convinced it was vital to the maintenance of peace. America is against the maintenance of divisions and supports Europe's efforts to create unity.

That trip made us more convinced than ever that we are pursuing the only road towards Europe's future. Europe's experience to date has been one of tight national markets and the fear of war. What most European countries have experienced was changing institutions. What strikes the United States is the scale of this vast market, the continuity of the institutions and the confidence in the future.

Europe has enough raw material and energy resources, and all the necessary resources in the form of labour, the will to work and inventiveness, to achieve a prosperity comparable to that of America, provided it reverses the course of events that, born of divisions, led it into war and threatened its decline. It is by uniting its peoples, widening its markets, creating and respecting the new institutions it has set up, that Europe will create the conditions for progress and peace. (*Applause*)



**ANNEX VII**

**Debates in the Common Assembly – Session of 16 June 1953**

**Address to the Assembly on relations with the United Kingdom**

**Jean Monnet**, *President of the High Authority*. – Mr President, Mrs Klompé, gentlemen, I will shortly ask my colleague Mr Spierenburg to answer the question posed by Mr de Menthon, and Mr Giacchero to tell the Assembly about the High Authority's intentions regarding information to be given to the public and to non-Member States of the Community.

Mrs Klompé's speech takes us beyond the remit of the High Authority. However, since the committee itself has ventured into areas other than coal and steel, I will go some way towards responding and will share with the Assembly the thoughts that occurred to me during Mrs Klompé's magnificent speech.

Before I do, I would like to answer some of the questions raised in the report by the Community's Political Affairs and External Relations Committee.

Since that first day when I had the honour of speaking before this Assembly, I know that we have often said that our Community is not closed, but is on the contrary open in every respect. We are not self-sufficient in coal and steel and we are not closed from the point of view of the end goal that we have in sight.

This end goal was apparent from day one, when Mr Schuman gave his declaration on 9 May 1950, and when the Treaty was signed in 1952. The end goal is to eliminate barriers between the peoples of Europe; it is to unite these peoples into a single community, which, to quote Mrs Klompé, is 'firm, realistic and idealistic'. I would like these words to underscore the policy and action pursued by the High Authority.

Concerning the expansion of the Community, either in terms of the number of Member States or in terms of the closer cooperation or forms of association that might exist with other countries with regard to coal and steel, we will endeavour, as Mr Wehner said earlier, to do what we can. This is all we can ever do.

On the subject of the association with Britain in particular, you asked me, Mr Wehner, what the end result will be. Naturally everyone is impatient to find out. We are too. Mr Dehousse said that one of the reasons I gave was naive: I pointed out that we needed to take British pragmatism into account. This is a fact. Often naivety is simply recognising the truth. There is no doubt that the British, in their heart of hearts, want an association with our Community.

I have said before and I will say it again: we consider the association between Britain and Europe to be key to Europe's success. However, for this association to happen, it needs to be firmly anchored in reality, and this reality must exist.

I have been convinced from day one that we will see, hopefully before too long, the beginnings of a real association with Britain. I believe this for two very

simple reasons: first, we are in the process of succeeding; second, we bear no ill will towards Britain, indeed quite the opposite.

On the subject of the current forms of our relations, I naively said, Mr Dehousse, that the British are observing us. They want to know if we are going to stay upright, put one foot in front of the other and make decisions, and if our decisions will be implemented.

During a recent visit from a representative of the British Coal Board, we were asked, 'are your decisions implemented?'

If our decisions were not to be implemented, we would have nothing. If, on the other hand, the six countries recognise this joint authority to which six parliaments have delegated responsibilities and powers that we call 'supranational', if the decisions that this authority takes are implemented by the Six, then this means that our Community is a reality and people will be able to do business with us.

How will we achieve this? I will now answer Mrs Klompé, who asked me what we were going to do.

So far we have exchanged information with the British. As I said before, they have been observing us. The common markets in coal and steel are now a reality. There is no turning back and there is no doubt in anyone's mind. The decisions taken by the High Authority have been and are being implemented in the Six.

We have now reached a point where we can look at the coal and steel situation in our Community and discuss what we are going to do with the British; not, as Mr Wehner incorrectly said earlier, devise a cure-all for every situation – that was never our intention and our actions prove otherwise. We will take things one step at a time. In answer to the questions about how we will act, we are going to take the initiative with measures and concrete proposals regarding Great Britain, because we are in a position to do this. We can no longer question the reality of our existence and the success of the European Coal and Steel Community, which we are in the process of proving to the rest of Europe.

The time has come to commit to this path. We will make concrete proposals to the British, taking into account the renewed declarations of the British Government, which in the early days, back in August of last year, said that it wanted to establish a lasting and intimate association with the Community. Personally I am in no doubt that it wants this just as much as we do.

We can now safely sit down with the British and together look at each problem in turn. The High Authority will take the initiative with tabling proposals to the British Government.

We have continued to foster relations with other countries which are not Member States of the Community and with the Council of Europe. Mr Wehner urged me earlier to provide more details on this.

I am reluctant to give you details of our discussions with Sweden or with other countries that have appointed representatives to the High Authority. Why? First of all, because we need to exist, because conversations about hypothetical situations – and this is where I agree with you – are utterly pointless. But now that we do exist, we will be able to expand on these discussions, and I hope that one or other of the countries represented at the High Authority will seek either an association with us, or full participation on the same basis as ourselves, or even a different form of association, as described in the committee's report. We will assist them in this as much as we can.

The report states that whether it is a case of establishing a common market or coordinating separate markets, the same results can be achieved either by creating a supranational authority or by introducing a system of parallel legislation; in other words, harmonised decisions.

In other words, it is a question in each case of establishing a decision-making power: either that power will be given to a joint authority, as in the case of the High Authority and the European Coal and Steel Community, or it will be exercised by separate authorities under a system of parallel legislation – that is to say, common rules.

All this is possible. However, what is not possible, in my opinion, what would be dangerous, what would in fact prevent any chance of fostering associations with other European countries, would be to alter the terms of our Treaty, the powers of the High Authority or those of the other institutions.

In fact, by doing this, we would be casting doubt over what is starting to become a reality. Do you really think for an instant that an association with other countries will come about because we have doubted ourselves and made changes at the very moment when we are starting to thrive? No!

Experience has taught us that any community which changes its institutions just as they are beginning to function casts doubt over the very principles it is applying and the success of the whole enterprise. Aside from which, changing anything in the Community institutions would affect what is probably the core principle of Western Europe: namely the voluntary transfer, voted on by parliaments, of a portion of their sovereignty to a joint authority.

Mr Wehner, you asked me a question earlier and said that you did not understand why I said that it is purely a matter for others to extend the borders of the Six.

What I meant by this was that others need only accept the same revolutionary principle and transfer a portion of their sovereignty to a joint authority. In

Europe, which has been divided for so many centuries and which the conflicts of the last 50 years have led to the brink of disaster, parliaments are finally agreeing to give a joint authority the power to impose the same rules, to make the peoples of Europe one people. As a result, this continent, which has sufficient resources and which probably has the human, intellectual and creative resources to match or perhaps better those found anywhere else in the world, can finally use them to secure its prosperity and happiness rather than its destruction, as it has done for so long.

So, Mr Wehner, that is what I meant by the sentence you mentioned.

Regarding the Council of Europe and other countries, we believe, Mr President, Mrs Klompé, gentlemen, that we should continually try to explain.

As I have often said during these debates, continual explanation is a fundamental principle of the High Authority's approach. We do not adopt decisions without explaining them to the Council of Ministers, to the Consultative Committee. We are now adopting the same habit with your committees.

The same can be said for the Council of Europe. As you know, Lord Layton and I instigated a new approach with the Council of Europe. This has now been set in motion. We have met with the Council of Europe's Committee on Economic Affairs. At the start of next week, your Assembly will hold a joint meeting with the Consultative Assembly. The topics on the agenda will be information and explanation.

We would like countries which are not members of our Community but which have representatives on the Council of Europe to ask us questions. We are willing to provide answers and sincerely hope to go on providing explanations, because Europe can only develop through mutual understanding.

I would like to stress this point: the interest of each one of us is served by the interests of all, and the creation of a European market does not require anyone to make sacrifices. On the contrary, it offers new possibilities. More consumers mean mass production and specialisation. These factors will allow Europe to boost its productivity, which, by reducing costs, will lead to an improvement in the living standards of the entire population.

This is a very simple truth, and one that we are only just starting to realise now. This is Europe, this is the European market. We are seeing it every day.

There was widespread opposition in every country – particularly my own – to the ratification of the Schuman Plan. Today, the same opponents, whether in my own country or elsewhere, are conscious of the truth. They are seeing something that they have never seen before. In the past, they saw their market as restricted, closed and protected, with this protection taking the form of

subsidies and customs tariffs. They were afraid of the slightest change. They failed to understand the possibilities of a market of 150 million consumers.

In our discussions with the Council of Europe, which we hope to be able to continue, we believe that other countries will eventually see things the way we see them. When they do, they will want to join us and so, little by little, your longed-for expansion of the economic market will come about, and Europe will grow through the example it sets, through action and through success.

Mrs Klompé, you talked earlier about the current situation. I did not intend to broach the subject of general politics, but I am going to give way to the temptation and tell you how I feel. I do not speak for my colleagues on the High Authority.

In terms of the USSR, the key question for us is whether we believe in ourselves.

As for the United States, we must act, and this action will suffice.

With Britain, we need to succeed in our venture. That is all.

During our recent trip to the United States, a journalist asked me whether the Europe we are building is the result of Soviet pressure. I replied that no, the Europe we are building does not stem from fear. It stems from the belief we have in ourselves and the conviction that once the people of Europe realise how much they have here in the way of pooled abilities and skills, we will build a Western world that will offer the whole of society, America, Russia, a peace and security that cannot be obtained any other way.

I would like to finish, Mrs Klompé, by reiterating what you said earlier: that there is no other way to unite Europe than through self-belief and a firm, realistic and idealistic policy. (*Loud applause.*)

Mr President, I would now like to hand over to Mr Giacchero, so that he can explain to the Assembly the steps we are taking to keep countries informed.

## **ANNEX VIII**

### **Debates in the Common Assembly – Session of 19 June 1953**

#### **Address to the Assembly on relations with the United States**

*(Exchange of letters between President Eisenhower and the Chairmen of the Foreign Affairs Committees of the United States Congress on the subject of the ECSC and European unification)*

**3. - Exchange of letters between President Eisenhower and the Chairmen of the Foreign Affairs Committees of the United States Congress relating to the European Coal and Steel Community and the Unification of Europe**

*Announcement by the President of the High Authority*

**President.** – The President of the High Authority will now make an announcement.

**Jean Monnet, President of the High Authority.** – Mr President, Mrs Klompé, gentlemen, since our last meeting, President Eisenhower and the Chairmen of the Foreign Affairs Committees of the United States Senate and House of Representatives have published an exchange of letters affirming and defining the policy of the United States administration and Congress towards our Community.

With the permission of the President of your Assembly, these texts, which have only been published in the press in extract form, will be circulated shortly. I must ask you for your attention for a moment so that I may underline, on behalf of the High Authority, the importance of this event, the significance of which, for the very future of Europe and its relations with America, should not escape us in the midst of the events that have shaken the world in recent days.

In the letter from the President of the United States, in the replies of the Chairmen of the Congress committees and in the resolution of the Committee on Foreign Affairs of the House of Representatives, I would first like to emphasise the affirmation that the creation of our Community, as a first step towards European unity by eliminating national divisions in this vitally important part of the world, is essential to the establishment of peace.

‘While in Europe,’ writes President Eisenhower, ‘...my experience there convinced me that the uniting of Europe is a necessity for the peace and prosperity of Europeans and of the world.’

I would like to draw your attention to the sections in which President Eisenhower recommends the involvement of the United States Government in the financing of Community development programmes: ‘In due time the Community will probably seek loans for these purposes from United States and European sources public and private. It appears to me’, continues President Eisenhower, ‘that a portion of the financing of this development program by the United States Government or one of its agencies, out of moneys available for such purposes and under conditions insuring proper use and ultimate repayment, would foster European integration in a tangible and useful way.’

During conversations that Mr Etzel, Mr Spierenburg and I had with the President and with the committees of the United States Congress, we demonstrated how our Community is endeavouring to build new foundations for Europe and we expressed the view that, in relations between Europe and America, it should also mark a turning point. The free aid generously given by the United States to a devastated Europe has helped to re-establish its production and rebuild its ruins. But, once it served its purpose, and apart from special projects, this aid could not continue in this form for long without jeopardising relations between Europe and America by the very sentiments that it would end up causing on either side. The new Europe does not ask for aid. The project we have embarked on, by increasing production and improving productivity, must ensure its solvency. Europe must put itself in a position to do everything it can to meet the financial commitments that it is now capable of assuming.

Allow me in passing to note how, by introducing the levy (one of our main objectives), the Community's plans to offer lenders iron-clad guarantees have earned it credibility. The trust that our Community enjoys stems from its own self-belief and the effort it has made.

The initiative of the President and the United States Congress assures us that we can now look confidently towards the development of our industries and of our entire Community. From United States aid to the various countries of Europe, we will progress to cooperation between the United States and Europe, on the road to unity.

This is the first time in history that a great power, instead of basing its politics on maintaining divisions, has offered steady and resolute support for the creation of a great Community founded on the union of hitherto separate peoples.

I am sure that the Assembly will be unanimous in joining the High Authority to convey the importance that we place on the support which has just been publicly given by the President of the United States and the Foreign Affairs Committees of the United States Congress for the development of our Community and the effort that this Assembly is making and that we are all making to remove the barriers between our countries and to create a united Europe which is essential to prosperity and peace. (*Applause.*)



**ANNEX IX**

**Debates in the Common Assembly – Session of 20 June 1953**

**Address concerning the ECSC levy**

**Jean Monnet**, *President of the High Authority*. – Mr President, Mrs Klompé, gentlemen, I must first give apologies for the absence of your rapporteur, who has just been called away to Paris. Before he left, I told him what I am about to say to you now.

The High Authority has listened with enormous interest to the various comments and suggestions made during this debate.

The first key question concerns the form of relations between the Assembly and the High Authority. This question affects investment, the social question and in fact any issues that the High Authority has a mandate to address and on which the Assembly has a mandate to decide.

We believe that probably the most important question of all those we have covered here today relates to the permanent and regular form that relations between the Assembly and the High Authority should take. If we find the right solution to this problem, a huge step will have been taken towards ensuring that our institutions function properly.

Provided you agree, we propose opening the general debate that will take place on Tuesday, I think, with a declaration by the High Authority on this subject. You can rest assured that we will tackle this issue in the same spirit as yourselves; in other words, based on a desire to bring our institutions to life, a process in which, by necessity, this new European Parliament must play an essential part.

Numerous different questions have been asked on the subject of investment. Suggestions have come from all quarters. Hopefully you will understand why we cannot give you any answers today. If we could, it would mean that our work was done.

We are still doing the groundwork. While some people believe – and I am one of them – that the principles of our Community are revolutionary and that we must endeavour to act boldly, we are also cautious.

As I said, we are still doing the groundwork in terms of investment and finance.

We began by establishing our credibility. As you will know from reading the letters exchanged between the President of the United States and the committees of the United States Senate and House of Representatives, the levy played a key part in this. It played a key part for the very simple reason that we had tried to do as much as we could ourselves.

In answer to the question from Mr de Menthon, I will say that it is not our intention to reduce the amount of the levy. We are not going to undermine our credibility by reducing the levy just when it has helped us to earn trust.

We have continued to make enquiries. We already have some views, which are expressed in the report, concerning the general production targets for the Community. However, further investigation is needed. We need to do more work, make new adjustments and continue our discussions.

We now have a glimpse of the possibilities in terms of finance. We are starting to gather information that will allow us to draw up a programme.

However, as we said in the report submitted to you a month ago, we need a few more months to hone our work, to deliberate and discuss our findings. Rest assured that your committee will play a vital role in these discussions.

Consequently, we cannot answer your questions today. I am sure that the whole Assembly understands this, that it will realise that tonight we can only offer you the statement I have just made, and that it will see the relationship between the High Authority and the Assembly – on which we will doubtless agree – as an assurance that the cooperation it seeks will be arranged to its satisfaction, providing answers to the questions raised.

Some of these points can be explained by my colleagues Mr Daum and Mr Potthoff. Mr President, if I may, I would now like to give them the floor. However, as I have just said, their explanations will not answer all of the questions raised. Some of these will need to be addressed in the normal way by the cooperation which will no doubt be established between the Assembly and ourselves. (*Applause.*)



**ANNEX X**

**Debates in the Common Assembly – Session of 23 June 1953**

**Address concerning the relations between the High Authority  
and the Assembly**

**Jean Monnet**, *President of the High Authority*. – Mr President, Mrs Klompé, gentlemen, before the Assembly comes to the discussion of the general motion which must conclude its work, I would like to make a brief statement about the issue of the relations between the High Authority and the Assembly, which has come to be of the utmost importance in these debates.

The High Authority has chiefly been inspired in this by two ideas.

Our institutions cannot contribute to the creation of a new Europe unless we have every respect for the rules assigned to their functioning. These rules are enshrined in the Treaty, of which we are the joint trustees. The principle enshrined in the Treaty is that of the initiative and responsibility of the executive, and sovereign control by the Assembly.

However, our second concern is to establish ever closer and more fruitful cooperation between the High Authority and the Assembly. It is the development and strengthening of this Assembly which, as it has already shown, both during these debates and in the plans for a European Political Community, is today the most direct expression of our growing Community.

Even at our early meetings, the High Authority expressed its intention to establish a more open cooperation with the Assembly and to exercise its right to convene extraordinary sessions. It is conscious that the Assembly cannot be limited to exercising control during a single session each year over information contained in a report published one month in advance. In the same spirit, the High Authority welcomes the formation of fairly broad-based committees that can speak on the key issues in which the Community is engaged. Views have already been exchanged at committee meetings held in Luxembourg, which is of the utmost value to the High Authority and to building a relationship between it and the Assembly.

You are concerned that all the meetings we have together, the ordinary sessions of the Assembly, the extraordinary sessions, the committee meetings, should not just be for the purpose of explaining or examining past actions, but should be an opportunity for the High Authority to outline its intentions and plans and to elicit your reactions and comments on these plans. On this point, the High Authority agrees with the Assembly.

The trust we ask you to place in us, and which you have placed in us, is not meant as a reward for our previous work; it is only meaningful if it looks to the future, if it is placed in us for the work we do in future. It is only justified if the High Authority has revealed its intentions to you. Our meetings will therefore only be profitable for the work of the High Authority if it can discuss its plans with you.

According to the statement I made at the beginning of this session on behalf of the High Authority, we have already set off down this path; I said that the High Authority would focus its actions on four key themes: the development of production, the interests of workers, the elimination of cartels, and the association with Great Britain. These are the issues that will occupy us from now on; it is on these issues that we will ask the relevant committees to meet as often as is necessary. With regard to investment policy in particular, once our plans and financial perspective have reached the stage where they are sufficiently well-defined for us to have a meaningful discussion, we will ask your President to convene an extraordinary session of the Assembly.

These debates do not exempt the High Authority from exercising the initiative conferred on it by the Treaty, nor do they absolve it of its responsibility. However, at the same time as it exercises this initiative and assumes this responsibility, the High Authority will give the Assembly or the relevant committees advance notice of the principles that govern its actions and the general outline of its plans, will ask them to comment and will let them know the reasons for the decisions ultimately adopted. (*Loud applause.*)



**ANNEX XI**

**Debates in the Common Assembly – Session of 14 January 1954**

**Address concerning investment policy**

**Jean Monnet**, *President of the High Authority*. – Mr President, Mrs Klompé, gentlemen, the main purpose of this session of the Common Assembly is to examine the investment policy that the High Authority proposes to follow. This is not a plan as such, but an investment policy; in other words, a course of action that can be adapted to the resources of the High Authority and to changes in the economic or technical conditions that it has to face.

The first ever European common market offers companies a new business arena, a new benchmark for the investments and developments which are possible.

That being the case, the High Authority will now provide the Community with an overall picture of the requirements that need to be addressed and the opportunities for expansion. This overall picture, periodically updated and published, will guide producers and the Community as a whole in their investment activity. It will be further enlarged through our association with the United Kingdom, on which we have just tabled a proposal to the British Government to start negotiations.

In view of the difficult conditions for financing investment in Europe, the High Authority is now committed to searching for new finance opportunities to supplement those that enterprises are struggling to find in our countries.

The High Authority wishes to leave the Assembly and producers in no doubt of the endless obstacles that it will encounter in this search, and of the constant perseverance and creativity that will be required. The High Authority believes that its success in this area is the key to the policy which it has unveiled to you today.

As part of this combined effort, the High Authority has entered into talks with the Government of the United States with a view to arranging a loan. The levy on coal and steel production is crucial to establishing the credibility of the Community in this respect.

I would like to emphasise again that in approaching the United States, the Community is not seeking aid, but a capital loan. By increasing production, the new Europe will give itself the wherewithal to meet its financial commitments.

The High Authority will not draw up a strict plan for the allocation of this capital. Depending on the resources that it obtains and the needs of the Community, it will examine applications made by enterprises, taking into account the value that their projects have for the Community and the effort that they are prepared to make in order to finance them.

First of all, the High Authority intends to contribute towards developing and improving the production of the raw materials necessary for the iron and steel industry and for European industrial production.

In concrete terms, the High Authority initially wants to facilitate schemes which relate to coal production and the increase in output, the construction of pithead power stations, the modernisation and extension of coking plants, and the extraction and processing of iron ore.

The construction of workers' housing is a key part of this initial stage. The iron and steel industry will reap the direct benefits of this non-exclusive initiative; provided that the financing opportunities exist, one of our primary concerns will be to help modernise installations.

To set realistic goals in terms of modernisation, the long-term future of production and the increase in production capacity, the High Authority has compared the probable growth in demand for coal and steel, as forecast by the economic experts consulted last year, with the reality of the operations carried out by the enterprises themselves.

It is to these preliminary findings that the High Authority would like to draw the attention of the Assembly. In accordance with the Treaty, it will submit the overall targets to the Consultative Committee prior to their publication.

This analysis of the probable growth in demand and investment survey will be carried out each year, and the conclusions derived from these by the High Authority will be made public.

In view of the current circumstances, the High Authority has opted for this approach rather than imposing the compulsory advance declaration of all investments.

When the common market was launched, the High Authority in fact made a point of not introducing compulsory advance notification and thus causing concern among producers over the future of existing investments.

I would like to emphasise again how committed the High Authority is in everything it does to ensuring a smooth transition from the national forms to the new forms of the European market. The compulsory notification available to the High Authority will be introduced in a very different climate and under very different conditions once all producers have embraced the common market.

In the meantime, of course, the High Authority could be called upon to use the powers vested in it by Article 54 if its inquiries were to reveal the risk of some schemes being unable to survive without subsidies, contrary to the Treaty.

For steel, a target production capacity of 50 million tonnes in the next four to five years is a reasonably optimistic forecast of growth in demand and reflects the expected results of the actions taken by the enterprises themselves.

In nearly all cases, these increases in production will be obtained through modernisation of existing installations and without building new plants. This modernisation should allow both the increase in production capacity that I have just described and a significant reduction in the cost of iron and steel. The High Authority cannot overstate this point. The future of Community steel production depends on the competitiveness of production, both within the Community and in its export markets; the reduction in iron and steel costs is therefore an essential factor in the overall objectives that the Community intends to pursue.

If we compare the production resulting from this modernisation with the current production of the major steel-producing countries – 101 million tonnes by the United States, 38 million tonnes by the Soviet Union – and if we note the low per capita consumption of steel in the Community (barely 200 kg) compared with that of the United States, where it is more than 600 kg, and the Soviet Union, where it is already 180 kg, there is no doubt that this is a minimum target if Europe wants to start catching up.

In terms of coal, you know from the reports given to you that the economic experts consulted by the High Authority predicted an increase in demand of 25 to 35 million tonnes. However, we should not overlook the fact that coal is suffering increasingly from competition from other sources of energy: electricity, natural gas, fuel oil, perhaps even atomic energy in future. It would also be unwise to expect production to increase to such a point that it could cope with all growth in demand, even during an economic boom, because this could cause problems for workers when demand subsides again; besides, the flexibility required for exceptional periods could come from imports.

These points should be treated with particular caution, especially when it comes to coal. Before settling on a general long-term development strategy, the High Authority considers it its duty to continue with its research and consultation.

Conversely, with regard to the effort to be made over the next few years, several solid conclusions can be made.

To meet the production forecast of 50 million tonnes of steel, an additional resource of around 10 million tonnes of coke would be needed; in other words, 15 million tonnes of coking coal. This overall target corresponds to the programmes implemented by enterprises, according to the research carried out by the High Authority.

In addition, in view of the development of other sources of energy, there is an urgent need to clamp down on the cost of coal and to rationalise its use. Two

immediate courses of action are therefore necessary: on the one hand, to use coal that is difficult to sell for consumption on site, without incurring transport costs. This would result in modern power stations being built to supply mines, as well as allowing the surplus electricity to be made available to other users at a time when developments in hydroelectricity are starting to be limited. In the same vein, research into the total gasification of coal should be actively pursued. Other initiatives must also be taken to modernise production, allowing a significant increase in individual output and a reduction in cost price.

Finally, with regard to iron ore, to produce 50 million tonnes of steel would roughly entail an additional 15 million tonnes of iron ore. Most of this increase could doubtless be obtained from within the Community itself. Most of the Community's mines would be prepared to install the latest technology, bringing about a significant increase in output and a corresponding reduction in cost price.

I have given you a broad outline of these overall objectives, which should act as a guide for the Community's enterprises.

This development and modernisation could lead to a situation in which plants that represent a burden for the Community are gradually replaced by more economical plants. This is essential if living standards are to improve. However, in order for this to happen, a considerable obstacle must be overcome. In European countries, what has often halted progress is the desire to keep obsolete plants in operation, from the fear that workers at these plants will lose their jobs. Maintaining these plants is a barrier both to a reduction in cost price and an increase in wages.

Nothing is more important for the future of the European economy than reconciling this conflict between the desire for stability and the demand for progress. However, for this decisive revolution to take place, we need to help workers at inefficient plants to bear the costs and risks that these changes necessarily entail.

This is precisely the aim and the spirit of the Treaty's provisions on retraining. This is the first time that this problem has been tackled head-on in our countries and that financing has been available to pay for it. Tideover and rehousing allowances and the costs of professional retraining could be covered by the money raised by the levy itself.

The Assembly must understand that in this respect, there is no universal panacea, but that the situation on the ground will require a different solution each time. In order to discharge the Community's obligations, the High Authority has just made a crucial decision: to start using its resources to create a reserve, eventually with a view to supporting workers who may have to leave inefficient plants for those that are more economical.

This direct subsidy for the workforce is also accompanied by other potential new measures. When it looks at investments, the High Authority will take into consideration the transformation planned by some coal and steel enterprises, helping them to remain in business and to safeguard jobs. The construction policy for workers' housing, by facilitating rehousing, will be a vital aspect of this resettlement.

It is not a matter for the High Authority to decide which enterprises must restructure their businesses. It is up to the enterprises themselves to decide in which direction they should head.

However, enterprises will know in advance if these changes are likely to affect workers, and so have a duty to inform the High Authority and governments in time so that any necessary measures can be taken.

In terms of retraining, the Community does not act alone. Under the Treaty, governments have a responsibility to address any resettlement issues that arise.

A study of the resettlement options must be undertaken jointly between the High Authority and governments. The cost of grants must be shared equally by the Community and by governments.

Business development schemes, even outside the coal and steel industries, could be eligible for funding if they are approved both by the government concerned and by the High Authority itself, and provided that the High Authority obtains the assent of the Council. This assent cannot be given if the government concerned does not shoulder some of the responsibility for workers.

Given the importance of the levy, both with regard to retraining and to financing investment, the High Authority has decided to allocate funding depending on the commitments it is required to fulfil. In total, the Community's current resources and the projected revenue for the first half of 1954 are equivalent to USD 48 million.

From this amount, the High Authority has earmarked:

- USD 35 million for the loan guarantee fund;
- USD 7 million for retraining;
- an initial amount of USD 1 million for technical and economic research into production and industrial safety.

In terms of administrative expenditure, the High Authority believes that, for the second half of the current financial year – in other words the first half of 1954 – the expenditure of the four institutions should be capped at USD 5 million; the savings obtained over the past six months will not be affected.

As I mentioned during a previous session, details of this expenditure will be made public.

The High Authority, together with the four presidents, has adopted an approach that ensures complete transparency of how Community funds are used. This approach, which to our knowledge does not exist in any of our countries, consists of publishing a statement of expenditure for each heading, item and accounting entry during the financial year. The statement of expenditure for the first half of the 1953/54 financial year will be published in the next few weeks. The four institutions have already sent the Assembly's Accounts and Administration Committee the statement of administrative expenditure for the first financial year.

It will be immediately apparent that no form of expenditure has been used for purposes other than those specifically relating to the European Coal and Steel Community.

The study carried out by the High Authority into the financing of industrial investment in the Community has highlighted a need to supplement Europe's resources and to start lowering the cost of new financing.

Actual gross investment in the Community's coal industry, converted from the various national currencies, totalled around USD 530 million in 1952 and USD 550 million in 1953.

An examination of the various sources of finance reveals the difficulties that companies face in securing this level of investment. In 1952 and 1953, the traditional approach – using company capital and recourse to the financial markets – covered just over half of the total investment made. Almost half of this investment could only be secured through special channels such as short-term bank lending or government loans.

Financing in the iron and steel industry is generally very similar. We are currently in the process of concluding a study into this and will present our findings to your Investment Committee.

This situation is not new: it can be traced back to the aftermath of the war. However, we are not seeing any improvement. The financial statement shows that enterprises in both the coal and steel industries are flagging, only managing to do essential work by resorting to increasingly precarious and costly borrowing. The interest rates charged are currently between 7% and 8%, sometimes more, for loans that are often for less than five years, when 10 or 15 years is considered long-term. I should not have to remind you that a 6% loan repayable over 10 years represents a total financial cost of almost 14% per year, which must be reflected in prices and is ultimately paid by the consumer.

How can primary industry, where costly investments can only be repaid over the long term, ultimately survive with such high interest rates and such short repayment terms?

At the same time, companies in the United States are effectively borrowing at interest rates of between 3% and 4%, with repayment periods of up to 25 years. In Great Britain, the same repayment terms are accompanied by interest rates of between 4% and 5%.

The contribution made by the High Authority can of course only be part of the financing solution. In our opinion, however, this contribution will be invaluable, because whether through the loans that it arranges or the guarantees that it offers, the High Authority will concentrate entirely on offering firms access to new sources of finance which would not otherwise be open to them.

The High Authority will endeavour to provide enterprises with capital at better interest rates and repayment terms than those they generally receive today. It intends to introduce uniform borrowing terms for all firms concerned, regardless of the type of project being funded. The High Authority believes that this additional funding at a uniform interest rate could sow the seeds for the harmonisation of commercial lending and effectively bring about a much-needed overhaul of financing in Europe.

Regardless of how successful the High Authority is in its endeavours, not all of these financing issues will be resolved. Investing in the Community's heavy industry cannot be guaranteed in the long run if sources of finance in Europe remain so expensive and hard to come by.

Both on this financial issue and on the issue of the growth in consumption of coal and steel, a joint action between the High Authority and governments is crucial.

Increasing and improving production, retraining and searching for new sources of finance: this is the first time that these various initiatives have together been tackled head-on at European level. They will have a profound effect on business conditions for enterprises and on the lives of workers. They will act as a catalyst for the expansion and modernisation of our countries' economies.

If this policy is to succeed, a root-and-branch programme will need to be pursued relentlessly in order to weed out old habits. The High Authority is under no illusions as to the difficulties that it will encounter on the way. It appeals to the understanding of industry and workers, the cooperation of governments and the support of this Assembly, so that our combined will can be equal to this huge challenge. (*Applause.*)

## **ANNEX XII**

**Debates in the Common Assembly – Session of 12 May 1954**

**Address to the Assembly on the second General Report of the  
High Authority on the activities of the ECSC**

## *EUROPEAN COAL AND STEEL COMMUNITY*

**Jean Monnet**, *President of the High Authority*. – Mr President, Mrs Klompé, gentlemen, the European Coal and Steel Community is now a living reality.

In the past year, our institutions have pursued their mission, and the common market is now steadily developing. It is a new beginning for Europe.

Experience has shown us that this is possible by pooling resources and creating common institutions to which sovereignty is voluntarily transferred and which are granted decision-making powers.

In accordance with the rules enshrined in the Treaty, the High Authority now presents the achievements of the past year to this sovereign Assembly for its opinion.

Since last year's ordinary session, the method of consultation of interested parties, governments and the Assembly itself has developed and become established.

The decisions taken by the High Authority have been implemented in our six countries by governments and enterprises. Some decisions have been challenged, and the Court has thus been established as the supreme body guaranteeing respect for the rule of law in the Community. The cases before it today essentially relate to decisions of the High Authority. At the request of the French Government and the Italian Government, the Court must rule on the decision relating to steel prices and, at the request of the Dutch Government, on the decisions concerning coal prices.

These cases allow us to pinpoint one of the fundamental changes that the Community is in the process of introducing in Europe: governments no longer take the law into their own hands, instead they submit to the judgment of a common and sovereign institution.

After some initial and necessary hesitation, the High Authority and the Council have established a form of cooperation aimed at effectively ensuring harmony between the development of the Community and what remains of our national economies.

The Assembly and its committees have played an increasing role. Conscious of the importance of this role, the High Authority proposes that the Assembly should hold an additional session this autumn, so that six months do not go by without any direct contact between the High Authority and the Assembly as a whole.

The details of the administrative management of the Community are now available to the public. Last January, you received the statement of expenditure for the first six months of the year during the implementation of the annual budget. You have also been given the auditor's report for the 1952/53 financial year. I do not think that such detailed and thorough knowledge of public spending exists in any of our countries.

As our Community institutions were becoming established, we proposed to the British Government that negotiations should commence on the forms that the lasting and intimate association between the Community and the United Kingdom should take. The British Government responded to our offer with an invitation to go to London, which we accepted, so that preliminary talks might take place in order to lay the foundations for constructive negotiation and for the ongoing and tangible work that we will need to do together.

The reality that we have created is, through the common market in coal and steel, the first real integration in Europe of hitherto separate economies.

This common market first and foremost represents the elimination of all barriers and obstacles to allow every consumer in this Community of 160 million inhabitants the freedom to buy products from whoever offers the best price.

It is therefore the removal of all forms of discrimination that create artificial imbalances in relations between producers and consumers. It is the establishment of market and financing conditions to allow the development of the best production to help improve living standards.

Finally, it is action aimed at ensuring the continuity of employment and protecting the workforce from the costs and risks that progress necessarily entails.

To eliminate all these obstacles, joint action needed to be taken. There can be no going back. The Community has abolished not only quotas, but customs tariffs and currency restrictions at the same time.

The two-tier pricing system for coal and steel, which undermined competition between users and prevented the development of production, was immediately abolished.

Regarding steel, the High Authority has taken decisions that, while relaxing marketing rules, enforce the provisions of the Treaty on non-discrimination.

Subsidies and special expenditure that had been provisionally authorised by the High Authority were abolished or reduced sooner than expected when the common market was launched.

The special charges imposed for German coal have been abolished. The High Authority has also abolished some of the coal subsidies paid by the French Government. In the Netherlands, the compensation mechanism has been for the most part abolished by the Dutch Government itself, and the High Authority has indicated that it will examine the provisions still in place by 30 September.

For Belgium, where a special scheme is in place for coal, the High Authority has carried out a comprehensive review of the situation together with the Belgian Government with a view to ensuring that the equalisation procedures are effectively designed to integrate the Belgian coal industry permanently into the common market within the agreed timeframe.

In steel, the German equalisation fund for shipments of more than 220 km was transformed on 15 September 1953 to prevent discrimination between national and foreign producers.

Transport tariffs are as effective barriers as customs tariffs, two-tier pricing or subsidies. Without exception, all forms of discrimination in railway tariffs reported to the High Authority have been abolished. This affects 45 million tonnes of trade per year, or 15% of total trade in Community products.

The second stage in the High Authority's work in the transport sector concerns inland navigation and the creation of direct international tariffs.

The High Authority has invited transport ministers to meet and has asked them to embark on a joint action without delay. The expert committee appointed to examine solutions in accordance with the Treaty should publish its findings by 15 May.

The resolution adopted by the six transport ministers suggests that the common will of the Member States will prevail by next October.

In addition to the barriers introduced by the Member States with their customs tariffs and quotas, pricing policies and transport tariffs, the concerted practices of enterprises organised into cartels are also a problem. There can be no real common market based on prices set by national organisations, or on buying or selling controlled by these organisations.

The removal of these barriers to competition has also been undertaken.

The High Authority has set 31 August 1953 as the deadline for the introduction of the ban on agreements envisaged by Article 65 of the Treaty, with the exception of specialisation agreements or joint buying and selling agreements where the enterprises concerned have requested authorisation from the High Authority.

The High Authority has examined requests for authorisation submitted by certain organisations in the coal industry. It has found that some of these organisations or some of their activities are contrary to the terms of the Treaty.

Consequently, it calls this week on organisations or, if based on regulatory provisions, on governments themselves, to engage in the necessary talks for the winding-up or transformation of any business activity which is incompatible with the Treaty.

The High Authority is committed to focusing particularly on the impact that all the measures taken by it have on the workforce. The measures that the High Authority has to take will concern organisations in several countries. They will be implemented simultaneously.

The current sales system in the Ruhr, with a common organisation dominant in six countries, cannot be allowed under Article 65 of the Treaty.

Similarly, certain activities of the Belgian coal association are inconsistent with the provisions of the Treaty.

In addition, the High Authority has entered into talks with the French Government on the subject of the measures to take concerning the operating procedures of the French Coal Import Association.

It will be some time before these measures are implemented. Until they take effect, the High Authority will be unable to liberalise coal prices in the Community's key markets.

Unless the market is able to function freely, the abolition of price caps would not equate to the liberalisation of prices; instead it would mean transferring the power to set prices to organisations not bound by the competition rules enshrined in the Treaty.

In terms of steel, the decisions taken last January are designed to make the cartel system unworkable by establishing a system in which enterprises must adjust prices individually.

Concerning the application of Article 66 on concentrations, the High Authority has just adopted and published three regulations which effectively offer a means of implementing the first European anti-trust law.

The assent of the Council of Ministers, which was necessary for one of these regulations, was given unanimously.

Finally, the High Authority is proceeding with a general study of enterprises with a dominant market position. During this study, it will mainly examine the functioning of Charbonnages de France under the terms of Article 66(7).

Another barrier must also be eliminated, which prevents the free movement of workers in our industries.

The preliminary study identified solutions which have now been submitted to the intergovernmental conference due to meet next week.

We call on all governments, employers and workers to confront this issue without hesitation and with an open mind.

We know, and they should realise it too, that movements of labour between our six countries will not be large-scale. Too many old habits and too many emotional attachments prevent this. However, if the uniform improvement in living conditions promised by the Treaty is to take place, these movements of labour must be allowed, and workers must know that they can look for more lucrative work elsewhere.

The Treaty, in the provisions that oppose wage cuts and exclude any form of discrimination between workers, has found a way of preventing the influx of new workers from exerting pressure on wages in the most favourable regions.

It is only by removing this barrier that we will ensure that competition in the common market helps to raise the living standards of workers.

So where are we one year on from the launch of the common market? Trade between our six countries has increased, the Community has survived, without major upset, the inevitable adjustment following the exceptional demand caused by the Korean War.

The fall in prices driven by competition on the steel market and assisted by the fall in delivered prices of iron ore, scrap and coke has resulted in an upturn in orders which, from less than 2 million tonnes of finished products per month in the first three quarters of 1953, has risen to almost 2.5 million for the first four months of 1954.

For the first time in over a year, the tonnage of orders placed has exceeded that of shipments made by plants.

In 1953, Community coal production remained within less than 1% of the previous year's high level. Trade between Community countries has intensified. Imports have fallen sharply, exports have increased, although mining stocks have risen significantly.

Yet the High Authority is worried about the coal situation in the Community and its long-term outlook. As year-on-year consumption of petroleum products rises, technical advances are resulting in more cost-efficient fuel consumption.

Right now, it is essential and urgent for coal to become a cost-efficient energy source. Coal prices could be lowered as a result of plant modernisation and

rationalisation, and the products from developing coking plants and coal-fired power stations could be exploited.

At the same time as coal and steel resources are being pooled in our six countries, the Community is beginning to create new conditions for development. Consumers need a guarantee that the products available to them are getting better and better. Producers must be forced to lower their prices and to improve production. Finally, workers must be reassured that their job security is not under threat from progress and the changes that this entails.

Two other key initiatives are now in motion, one to do with retraining, the other to do with investment and finance.

The gradual replacement of the least economical plants with the best-performing plants is one of the main effects of this common market. This is a key aspect of the growth in productivity that will bring about an improvement in living standards. However, the changes necessary for progress will be more acceptable if they are accomplished smoothly, by shielding the workforce from the costs and risks that they entail.

The High Authority is now examining the issues of business transformation and labour resettlement together with governments in several different countries.

Already, the introduction of retraining schemes is winning favour with French coal workers in the Centre-Midi region.

I would like to emphasise at this point that this initiative was studied in detail and is now being carried out with the close cooperation of the workers themselves.

Workers forced to switch jobs will receive significant settling-in allowances, will have their relocation costs paid and will be guaranteed housing and more lucrative work.

This is an unprecedented contribution to social policy, to job protection and to the improvement in living standards.

On 23 April, our negotiations with the Government of the United States resulted in a loan agreement being signed between that Government and the High Authority. Several aspects of this are worth noting.

The finalisation of this loan is first of all a clear indication of the credibility that our institutions enjoy: by this I mean the political credibility of the entire Community and the financial credibility of the High Authority, which from day one declared that its levy policy would be aimed at laying the foundations of a new European credibility allowing the Community's enterprises to secure funding that was previously unavailable to them.

The financial terms of the loan granted by the United States Government are indicative of the nature of this credibility. The interest rates and repayment terms are more advantageous than those offered in the past two years to any foreign party borrowing from the United States.

The agreement does not end our negotiations with the US Government, but merely represents a milestone. Negotiations will continue in order to look for new ways through which, with the help of the United States Government, the mobilisation of private equity for investment in the European Coal and Steel Community can be developed.

The High Authority is now in a position to offer enterprises an effective contribution towards the financing of their capital expenditure. It proposes to do this either by borrowing itself and relending the borrowed funds to enterprises, or by guaranteeing loans taken out directly by the enterprises themselves. Our initial programme will only involve a small portion of the guarantee fund which the High Authority is building using its levy on production. The High Authority is particularly hopeful that, in parallel with the implementation of the American loan, intended to subsidise raw materials, it will be able to use some of its financial resources in Europe for the iron and steel industry.

The High Authority is actively seeking to finalise the conditions under which it might provide loans and guarantees, in addition to the criteria that will govern this. Already the High Authority has seen fit to set aside a significant portion of the loan that has just been arranged in order to pay for housing for the Community's mineworkers. It has taken a decision in principle to set aside USD 25 million for this purpose. Assuming that the financial contribution of the High Authority represents one quarter of the financing cost of the corresponding programmes, this means that construction could immediately start on around 20 000 to 25 000 homes in the Community.

These initial efforts to create a new Europe will offer all our Member States what none of them could do alone: new creditability, more favourable financing conditions and more productive use of resources.

Everyone can see that our experiment has paid off. I would like to emphasise again that the making of Europe will be in the pooling of resources, the creation of common institutions to which sovereignty is willingly transferred and decision-making powers granted, the application of common rules to all without discrimination, and a common ideal of freedom and social progress.

In the final analysis, laying the foundations of a new Europe has been easier than some people believed. In less than two years, we have delivered tangible results, without the disasters predicted by some.

Few adjustments were needed – in reality, there is not such a big difference between the nature of the existence of countries in Western Europe. Within each

of our countries, we see more differences between individuals than between the Member States of the Community.

What holds us back is the fear of change, and yet it is on change that our salvation depends.

Between the United States, which, alone, accounts for half of the world's production, Russia, where production is increasing, and even Asia, where there are now signs of movement, how could Europe avoid the need for change?

Our only choice is between the changes that will be forced upon us and those that we want to make.

At a time when Europeans are uncertain and worried about the future, the High Authority asks the Assembly to send them a message that a united Europe, and the hope that this brings, is possible and that this is becoming a reality. (*Applause.*)



### **ANNEX XIII**

**Debates in the Common Assembly – Session of 30 November 1954**

**Address concerning the activities of the High Authority, particularly with regard to implementation of the common market**

Common Assembly – Sitting of Tuesday 30 November 1954

**Jean Monnet**, *President of the High Authority (FR)*. – Mr President, Madam, Gentlemen, in line with our established custom I should like to begin with a review of what we have accomplished since the last session as part of the remit which the High Authority has been pursuing for more than two years now, with support from your Assembly.

Since May we have focused on five essential tasks in Luxembourg, amongst the many which face us:

- the High Authority has established the common market in special steels;
- it has worked with the governments to resolve the question of transport;
- it has begun work on the very difficult question of cartels;
- it has finalised its loans procedure and laid the foundations for its future borrowing;
- it has negotiated a draft agreement between the Community and the United Kingdom.

On 1 August last the High Authority extended the common market to all special steels. The opening up of this market had been delayed for three months due to fears of disruption. In the event, the disruption expected in a number of countries did not materialise.

This completed the inclusion in the common market of all the products which come under the Community's jurisdiction.

In transport, discrimination as regards railway tariffs had already been eliminated. Two important issues still need to be addressed: inland waterway transport and direct railway tariffs. In this area, the national governments very largely retain their responsibilities.

Regarding inland waterway tariffs, the High Authority has just suggested, for the second time, that the governments agree amongst themselves a solution to end the disparities between controlled domestic freight and free freight which is part of international traffic. There is in fact an urgent need to eliminate a state of affairs which seriously distorts competition between common market producers.

Regarding railway tariffs, possible solutions to the problem posed by direct international tariffs were examined, in May 1954, in a report by the committee of government experts, drawn up jointly with the High Authority.

Three basic principles emerge:

- all users must be able to benefit from direct tariffs;
- all duties at borders must be abolished;
- there must be a harmonised sliding scale for domestic tariffs.

On 1 July 1954, the High Authority laid these three principles before the governments, believing them to be fully consistent with the terms of the Treaty.

Negotiations began in August to consider the three principles and how they might be applied.

In the course of these talks it became apparent that transitional arrangements would be needed to hasten the settlement of technical difficulties and facilitate the entry into force of the definitive solution.

I can assure the Assembly that these transitional arrangements, whose usefulness the High Authority recognises, will not lead to a reduction in the benefits which coal and steel consumers receive from direct international tariffs. The High Authority will do everything possible to ensure that there is no indefinite delay in the introduction of these tariffs.

It is with these aims in mind that the High Authority is actively pursuing its talks, to secure the governments' agreement by 10 February next, the date set in the Treaty.

At the same time we are grappling with the problem of cartels. As emphasised in your committee's report, presented by Mr Korthals, we are no longer talking in general terms. The arrangements are set out in the Treaty. We have to deal, case by case, with situations that are always complex and different every time.

From the discussions between ourselves and your committee you can appreciate the difficulties which have to be overcome. We find ourselves up against systems which are accepted through force of habit, though the compromises on which they were based are no longer in keeping with the new circumstances of the market. This, I would remind you, is the first time that anti-cartel rules like those of our Community have been applied in Europe.

The focus of our activities at present is, primarily, the centralised organisations that buy or sell coal in the Ruhr, Belgium, Luxembourg and France. The High Authority is endeavouring to decide which of the activities of organisations in the Ruhr need to be axed, which ones do not need authorisation and which

might, in certain circumstances, be authorised. The same work is being done with regard to the other organisations, specifically ATIC, France's Technical Association for Coal Imports, and COBECHAR, the Belgian coal association. The High Authority hopes to be taking important decisions by the end of the current coal marketing year, that is to say by 31 March next.

Whilst engaged on these fundamental measures to develop the common market, we also completed the necessary preparations which would allow us to begin our lending operations.

As the Assembly knows, we split the amount of the US loan into two parts: 75 million dollars for industrial investment and 25 million dollars for the construction of housing for workers.

Since your last session, the High Authority has published the general principles of its financial policy and the exact terms on which its loans will be granted.

After these were published, companies put in their applications for loans. These are for industrial investment, to a total of 143 million dollars.

We have just given the Export-Import Bank notice that we shall be drawing a large portion of the loan on 28 December next. The High Authority proposes to lend these funds on to the companies in question straight away.

It has devised a simple procedure for preparing and carrying out these operations.

Regional advisory committees prepare the cases ready for consideration by the High Authority, so that the High Authority, in its investment policy, can take account of each country's own policy. Three such committees have begun work in recent weeks, one in Frankfurt and two in Paris. A fourth will be meeting shortly in Brussels.

Lending operations will be conducted with the help of semi-public banking institutions of established financial repute. They have been chosen in each Community country because they are independent of the interests concerned. This procedure will be less costly than first anticipated and the end cost of credits to companies will be 4.1%, that is to say less than the High Authority announced at the outset.

Regarding housing for workers, the High Authority has divided the 25 million dollars given for this amongst the various coal mining regions of the Community.

Regional committees will ensure that workers have a say in deciding where housing is to be built. In a number of countries, the housing stock will be managed by bodies made up of employers and workers together. This will

avoid any direct tie between the lease on a worker's home and his contract of employment in a given company.

In recent years about 60 000 dwellings have been constructed in the coal and iron mining regions each year. Next year the Community will help with improvements to somewhere between 15 000 and 20 000 workers' homes.

Whilst organising the way in which the American loan was to be used, the High Authority at the same time laid down the basis for its future loans policy. The High Authority obtains guarantees from the companies it lends to, and these constitute a 'common pledge' for the benefit of all present and future lenders to the High Authority. The High Authority has chosen the Bank for International Settlements to manage these guarantees, and the contract between the High Authority and the Bank was signed in Luxembourg on 28 November.

The US Government has agreed to be covered by this common pledge. This is the first time America has been on an absolutely equal footing with all other lenders, without discriminatory terms that favour it, or favour the dollar over the European currencies. These arrangements will create greater opportunities for the Community to borrow within Europe or outside Europe.

As you know, the High Authority has been in talks with the British Government, represented by Mr Duncan Sandys, and has negotiated a draft agreement between the Community and the United Kingdom. It has referred this draft to the Council of Ministers for consideration of those matters which come under the Council's responsibility.

Eight days ago the Council unanimously gave the High Authority the mandate it needed. In our view, the changes requested do not affect the substance of the draft. The British Government is studying them at the moment and we expect a reply from it any time now. The High Authority hopes that this agreement with the United Kingdom can be finalised by the end of the year.

The essence of the agreement is that it embodies an association that is constantly evolving, on a basis of full reciprocity between the United Kingdom and the Community.

Our Community's existence generates a clear mutual interest in a close association between two groupings which together account for the lion's share of coal and steel production and world trade in steel.

The financial agreement between the USA and the Community and the draft agreement with the United Kingdom are tangible proof of the reality of our Community, whose companies will, this year, have produced 240 million tonnes of coal and 43 million tonnes of steel.

In effect, the common market in coal and steel is already operating efficiently.

In the case of coal, establishment of the common market has led to an increase in trade between the countries of the Community.

Due to the inflexibility of operating conditions, colliery production levels remained the same between 1952 and 1954, even though consumption fell last year.

Since August there have been signs of recovery. These first became apparent in the Ruhr, but have now spread to the coalfields in Belgium, Lorraine and the Saar.

The High Authority nevertheless remains troubled by the existence of large stocks, which are only now starting to dwindle, and by the short-time working which some collieries have introduced. This year, for the first time since the common market was established, the Nord-Pas-de-Calais collieries laid people off for two days during October, a peak month for production. The High Authority is currently exploring solutions to this difficult situation with colliery directors.

However, the chief advantage of the common market in coal is that we can work gradually to improve the competitiveness of coal compared with other sources of energy.

New commercial trends are emerging. Users are procuring their supplies from sources which cost them the least in transport charges. This saving means that users get their coal cheaper, without, however, reducing producers' incomes.

Before the common market came into being, some countries felt obliged to keep production going, even though it was expensive, feeling that they could not count on security of supply from abroad. Others were cautious about expanding, fearing that they would not be able to sell their output abroad.

The common market and the new traffic routes it opens up will help to develop better-quality production and enable these better products gradually to replace the less profitable ones.

In France, miners from the Cevennes are starting to move to Lorraine to work. The cost of this adjustment is being shared equally between the High Authority and the French Government. As for the Borinage coalfield, the Belgian Government has submitted its conclusions on the committee of independent experts' report to the High Authority.

These and other measures will improve workers' living and working conditions.

In the case of steel too, the common market is the determining factor in the changes which the industry is experiencing.

This influence is making itself felt in the different regions of the Community. In the case of some French companies it is proving decisive. It was generally acknowledged for years that these companies needed to convert or specialise. Following the advent of the common market they have started to adapt. The High Authority and the French Government are meeting the cost to the company of retaining the workforce in jobs that are not profitable in the short term.

Some German iron mines have reassigned part of their workforce to other activities.

Some Italian steelmakers are also reorganising their production.

At the same time as helping in this way to transform production, the common market in steel has also helped to cushion the blows during recession, and then ease matters during expansion. It has brought greater stability to production and prices.

In 1953 the newly formed common market limited the effects of recession. It allowed producers to find buyers in areas of the Community where demand was relatively high due to economic expansion, without being hampered by the traditionally compartmentalised structure of national markets.

For the first time, a fall-off in activity in the USA had little effect on the countries of the Community. The recovery in our countries began several months earlier than in the USA.

We are now seeing an upsurge in steel production and sales. Exports have remained stable and the whole of the extra demand is coming from the Community itself. The volume of intra-Community trade is currently 75% higher than it was in 1952. Thanks to the common market the recovery has spread rapidly throughout the Community.

German companies are increasing their sales chiefly within Germany. Companies in France and the Saar are sending more of their output to Germany and Belgium, and the Belgian and Luxembourg steel producers are supplying users in Germany, the Netherlands and France.

The current upsurge in production is taking place in price conditions that are quite different from those immediately after the start of the Korean war.

Before the common market, steel producers had to raise their export prices considerably to offset the curbs on domestic prices and the risk of quota restrictions on foreign sales. Thus, in 1950-1951, the price to Dutch and Italian consumers of certain grades of imported steels shot up from 50 to 142 dollars a tonne within twelve months.

Today those consumers pay the same price as consumers in the big producer countries. Steel prices are not set. The common market, however, with its

non-discrimination and publicity rules, has prevented chaos and limited price fluctuations.

For all Community consumers, notwithstanding the recovery which has been under way for six months and has boosted steel production to a level never previously equalled, prices overall are still lower than they were just after the common market was founded. An audit system in steel companies ensures that the rules on pricing are properly applied and the information submitted at intervals to the High Authority is correct.

Fears of shortfalls in supply and the threat of rocketing prices used typically to trigger speculative buying in periods of economic prosperity.

Today, the common market removes these fears and threats because all consumers can draw on the Community's resources, irrespective of nationality.

At this point in our work we are now able to measure the significance of this common market we have created — to date just in coal and steel.

This significance is twofold. For coal and steel, it creates a new situation in which the highly complex problems raised by the structure and evolution of our industries can be solved differently and better than would be the case solely within a national market.

At the same time, however, the very way in which this market operates requires us, in specific cases, on the basis of real experience and as the action unfolds, to devise solutions to problems of a general nature which might crop up in other areas of activity or in all economies, as a consequence of European integration.

The matter at issue, ultimately, is how to reconcile the rights which states still retain with a common market within which they produce and trade. This fundamental problem will arise in any European structure which is not a unitary and centralised state: if Europe succeeds in creating this federation, of which the Coal and Steel Community, in the words of the French Government's declaration of 9 May 1950, is supposed to be the first step, the concrete experience we gain will already have provided solutions to the most difficult questions which a federal structure would raise.

In separate countries, the advantage of each country is limited to the results of its own efforts, its gains over its neighbour, the difficulties it manages to offload on to its neighbour. In our Community, the advantage of each member country derives from the prosperity of the group.

A common market cannot be built in a day and it takes more than trade liberalisation or convertible currencies. The benefits available to all from the common market can be developed in full only if the commonality of the

market is total. No country can surrender its protective mechanisms without a guarantee that the others are in turn surrendering their own protective and discriminatory mechanisms. So common rules are needed, and must be obeyed. The necessary transitional measures and safeguards must also be properly administered.

Hitherto, relations between our countries were dictated by the strongest. One had to resign oneself or fight one's own corner. Today, in matters of coal and steel, the High Authority decides, on the basis of rules that are the same for all. For the first time in the history of relations between our countries, a sovereign Court of Justice will ensure that everyone's rights are upheld, without discrimination. Some governments and some companies have challenged decisions of the High Authority. They have nonetheless abided by them, whilst exercising their right to ask the Court of Justice to overturn them. The first of these appeals was heard in Luxembourg three weeks ago, and the Court will deliver its judgment on 15 December.

Human nature may not change, but human behaviour is shaped by the institutions and economic conditions in which people live. The benefits of a large market can be fully enjoyed, and relationships between peoples transformed, only if we have common institutions. Anyone who doubts this need look no further for proof than the way in which our own Community operates.

A few personal observations now.

As you know, on 10 February next I shall not be seeking renewal of my office and I shall be resigning as a member of the High Authority. The institutions must be stable and the president of the High Authority has a duty to complete his term of office. I shall do that.

I owe it to the Assembly, however, to explain the reasons for my decision.

As I have told the High Authority, it is the desire to be entirely free in what I say and do in my efforts to forge real and concrete European unity which prompts me to stand down on 10 February.

In the words of the French Government's declaration of 9 May 1950 the European Coal and Steel Community is to be the first step in the federation of Europe.

The essential contribution which the Coal and Steel Community has made and will continue to make to European federation lies in moving forward and being successful in the specific area entrusted to it.

However, the institutions of our Community only have those powers that have been delegated to them. It is not their place to broaden them. Any decision to transfer new powers to the European institutions must come from the member parliaments and governments.

So the impetus has to come from outside. I am keen to join forces with those working to continue and broaden the undertaking we have begun. The United States of Europe are not only the great hope but also the great imperative of our time, because they will determine the future prosperity of each of our peoples and strengthen peace. (*Sustained applause*)

## **ANNEX XIV**

### **Debates in the Common Assembly – Session of 10 May 1955**

#### **Address concerning the activities of the High Authority, centring on implementation of the common market**

Common Assembly – Sitting of Tuesday 10 May 1955

**Jean Monnet**, *President of the High Authority (FR)*. — Mr President, Madam, Gentlemen, when the Assembly last met, I told you that I would be leaving my post on 10 February.

I have had to continue to perform the functions of President of the High Authority for reasons known to you. The Treaty prescribes that Members of the High Authority must remain in office until a successor is appointed. That appointment has to be made by the Governments, which, for various reasons, have not yet been able to meet. They have chosen the first of June as the date of their meeting, the purpose of which – besides the appointment of a president and vice-presidents of the High Authority – will be to examine the programme of action to be followed with a view to developing the process of European integration.

At the extraordinary meeting that was held last November, the High Authority announced to the Assembly that action was taking place in four fundamental areas – that the High Authority was addressing the difficult issue of cartels, that it was negotiating with the United Kingdom with a view to concluding an association agreement, that it was trying to obtain the consent of the Governments to the establishment of direct international tariffs and that it was finalising its lending procedure.

Since that date, work in these areas has been completed or is on the verge of completion.

In the matter that is dominating the whole cartel question, namely the organisation of the sale of Ruhr coal, a solution is in sight after numerous difficult discussions; this will form the basis of the parallel initiatives that the High Authority will be taking for the purpose of examining and transforming the centralised purchasing and sales organisations in the six countries. You will be informed about the main aspects of this solution in the course of the debates.

The Agreement concerning Relations between the United Kingdom and the CSCE was signed in London with the British Government on 21 December 1954 by the High Authority and the Member States. It was ratified by the United Kingdom three months ago. The High Authority expects the Governments of the Member States to ratify it in their turn and asks the Members of the Assembly to draw attention to this urgent requirement in their respective countries.

The agreement on direct international tariffs has been achieved. It is being implemented in two stages. The first amendment of the tariffs has been in force since the first of May. The process of harmonising the terms and conditions of transport, particularly on inland waterways, is continuing. The High Authority must stress how crucial the progress made in this area has been. Transport tariffs have such a decisive impact on trade in heavy goods, such as coal and minerals, that the elimination of trans-shipment interruptions would be tantamount to a second foundation of the Common Market.

The High Authority has distributed the 100 million dollars obtained from the US loan. It hopes that its efforts to find loans in Europe itself for the construction of workers' housing will shortly bear fruit, since some technical difficulties have prevented the use of the US loan for that purpose.

Rounding off the summary of our action in these areas are the reorganisation of the compensation mechanisms that regulate the rail market, the reorganisation of the Belgian equalisation system, which the High Authority is in the process of finalising, the development of the High Authority's general coal policy and the essential efforts to define ever more precisely the general objectives proposed to Community enterprises.

In the course of the next financial year, the High Authority will have established the basis of its financial credit once and for all by raising to 100 million dollars the guarantee fund that it has been building up since the birth of the Community with the aid of the levy funds.

With this aim finally achieved, the High Authority, having reserved the funds required for industrial retraining, has been able to take a decision to reduce the levy to 0.7% with effect from 1 July of next year and to 0.45% from 1 January 1956.

Since our last meeting, the Court of Justice has delivered its first judgments. The actions brought before it by the French, Italian and Dutch Governments related to very important decisions taken by the High Authority. The Court has thus been fulfilling its mission by ruling on sensitive issues and interpreting the Treaty.

The present part-session of your Assembly will take us almost to the halfway point in the period of transition envisaged by the Treaty. The full effects of this first European Common Market, in other words, have yet to be felt. Nevertheless, the time has come to review it and assess its impact.

One basic observation that emerges concerns the extent of the changes that the very existence of this large European market has already initiated. While it is true that government action within each Member State can increase production, enhance productivity or redistribute income, there are fundamental effects which could not have been achieved without the Community, namely the

prospects for expansion, the scope for raising the standard of living and the profound change in the attitudes of producers and buyers that results from the concentration of 160 million consumers into a vast single market.

Before the creation of the Common Market, the instinctive reaction of companies was to try to defend their sales or their profits by means of protective measures which they sought from their governments, with consumers having to bear the brunt. The Common Market has improved the prospects of expansion for every business, and the only way in which companies can now defend their interests is by constantly endeavouring to improve their conditions of production and their cost prices. This stimulates a constant quest for corporate organisation, modernisation and rationalisation for the benefit of all consumers.

At the time when the Treaty was being negotiated, each of the national steel industries was apprehensive about the impact of the Common Market. Within each country, companies that had always had a troubled existence, surviving only by virtue of protectionist measures and cartel systems, have been prompted to restructure or to alter their range of activities. In general terms, the steel industries of the six countries are all, without exception, in a better state than they were before the establishment of the Common Market.

A vast market not only makes it viable to introduce modern production techniques; it also serves – and this is perhaps the most important point – to reconcile the struggle against monopolies, the preservation of competing companies, with the development of enterprises that are large enough to employ the most advanced techniques.

In all of our countries, the establishment of the Common Market has generated concentrations of companies, which serve to rationalise and specialise manufacturing processes. Once the Common Market was established, operations that had been recommended for many years quickly overcame the resistance that had continually blocked them in the national markets, and such consolidation, which would have been excessive in a separate national market, actually reflected normal production and sales conditions in the Community market with its 50 million tons of steel.

Thanks to the establishment of the Common Market, the volume of trade within the Community has increased significantly, even more in the case of steel than in that of coal. That increase in sales across the old borders does not, however, provide the best gauge of the successful functioning of the market. The Common Market is gradually effecting a redistribution of sales by cutting transport costs, which makes for both lower prices for consumers and more satisfactory takings for producers. The Aachen coalfield, for example, now makes the bulk of its sales to the countries of Western Europe, while the Dutch Limburg field, which previously had no sales outside the Netherlands, is

increasing the volume of its deliveries to Belgium and France, and the Saar and Lorraine coalfields are developing their markets in southern Germany.

In the steel sector, the fact that trade among the six countries has doubled does not fully measure the impact of the Common Market, for now that suppliers are competing with each other, they are lowering their prices to preserve their markets, and consumers are reaping the same price benefits that they would have obtained by changing suppliers, which is now an option for them in the Common Market.

The enlarged market in which producers are exposed to competition from a larger number and wider diversity of companies and in which consumers know that they can draw on a wide range of suppliers is changing attitudes on both sides throughout the trade cycle.

Since the Common Market was established, we have experienced two different cyclical phases.

During the downturn, producers bucked the normal, perennial trend by not cutting back on their investments; on the contrary, they actually increased the investments that were needed to lower their cost prices.

During the present economic boom, competition between producers in a vast market is limited by the price effect of increased demand. Consumers no longer need to seek security of supply by accumulating excessive stocks at the very time when demand is increasing. The broadening of the supply base and the more widespread demand have served to ensure that there is very little price fluctuation, that prices are virtually stable, in spite of the change that occurred in the cyclical situation a year ago.

To ensure stability in the large producer countries like France and Germany, which consume most of their own production, the governments of those countries previously had to resort to price-fixing and redistribution measures. Those, such as the Netherlands and Italy, which were dependent on external supplies to meet a significant percentage of their needs, saw prices rise from less than 50 to almost 150 dollars at the time of the Korean boom. In the Common Market, such rapid growth in the volume of orders has been able to occur without any appreciable price variation.

This progress in the conditions of production, this rational redistribution of activities and markets and this trend towards price stability are the major contributions made by a vast market, contributions that are generating improvements in the standard of living in each of our countries.

This vast market, the origin and goal of our enterprise, is a pooling of national markets that used to be separate. Our everyday experience confirms that, if this Common Market is to be achieved and if it is to realise its potential, it will

need rules to govern its operation, gradual adjustments to the way in which it is being established and institutions that oversee these rules and transition processes.

There is no point, in fact, in abolishing quotas if they can be replaced by the re-establishment of customs duties or by an increase in existing duties.

There is no point in eliminating both quotas and customs duties if we maintain discriminatory transport tariffs, which have an equivalent effect.

There is no point in eliminating these barriers and these discriminatory terms if the way is left clear for markets to be carved up by agreement between cartels of producers.

These two kinds of measure are inseparable; it is they that distinguish the creation of a common market from piecemeal measures to liberalise trade, which can always be revoked and which are almost invariably neutralised by other means of protection.

The Common Market cannot give rise to the structural transformations and changes of attitude that are essential to progress unless everyone – producers and consumers alike – know that it is a permanent fixture.

Member States, however, cannot be expected to renounce any protection if they do not also have a guarantee that none of them will abuse the opening of the market by taking aggressive economic action.

We cannot ask producers to submit to this wider competition unless they are safeguarded against unfair practices and discriminatory mechanisms.

We cannot ask workers to identify with the necessary changes unless they have received assurances that they will not only be spared by every possible means from the burdens arising from adaptation but will also benefit personally from the general progress that is achieved as a result of those changes.

Nor will the body of consumers enjoy the benefits of the Community unless discriminatory arrangements are prohibited and unless all activities are placed on the same footing and are given the same chance to develop. Only if competition between users is not distorted by discriminatory behaviour on the part of producers or governments will the pooling of markets achieve the most rational distribution of activities and maximise productivity growth.

These changes cannot evolve and be sustained unless they take place in stages where necessary. Transitional measures and safeguard clauses are needed, but their application is non-negotiable. Accordingly, in order to establish the Common Market, it is essential to make common rules to replace the rules governing the separate markets.

To make these common rules and to define and apply transitional measures and safeguards, there must necessarily be common institutions, namely an authority that has received from the national governments the powers it needs to fulfil its mission, judges to settle disputes completely impartially, a scrutinising parliament and constant cooperation between the common authority and the governments of the participating countries.

We are not doing all this work for the sake of having European rules and institutions but to improve living conditions for all people in Europe within a framework focused on the Community.

The action that has been taken has obvious limitations. Coal and steel are two basic commodities. They influence the development of all economic activities. However, they only have an indirect effect on individuals' standards of living. If these standards are to be raised more quickly and more directly, it will be necessary to go further. It is very clear that we shall not reap the full benefits of the Common Market until those limitations have been gradually overcome by means of a broader integration process which expands the pooling of resources and promotes the introduction of a common economic policy covering a wider range of activities.

Some people think that this broader integration should be achieved by pooling new sectors. Others believe it is essential to pursue progressive general economic integration. We, for our part, see no contradiction between these two methods. The European Coal and Steel Community was intended to pave the way for European integration in two senses, that is to say by creating common foundations for economic development while using an initially limited area of industrial activity to pilot the resolution of practical problems posed by the creation of a common market.

In fact, to make our market work, we see the need to resolve, on a step-by-step basis, problems which are not specific to coal and steel and to identify solutions that are immediately transferable to any form of European integration. I should like to cite three striking examples, namely the activity relating to the relocation and retraining of workers, the alteration of transport tariffs and the association with the United Kingdom.

We are gradually amassing valuable experience of the problems that arise when the labour force needs to be redeployed because particular goods are no longer being produced or because of technical progress.

In what conditions is it possible to persuade workers to relocate? When is it necessary to re-employ them locally? How long does it take to retrain people for a new occupation? What financial mechanisms can be brought into play to create new productive jobs within the shortest possible time?

We are already looking at ways of applying the provisions of the Treaty as broadly and as flexibly as possible, but we have come up against the limits imposed by the Treaty on the risks that can be covered by the solidarity of the entire Community. The creation of new activities with the potential to ensure that the labour force is redeployed to good effect poses problems that have not been resolved.

We have also managed to arrive gradually at precise definitions of the discriminatory mechanisms which affect transport tariffs and are incompatible with the operation of a common market. By obtaining the agreement of the six Governments, we have provided a useful model for the elimination of the same barriers to trade in any commodities for which a genuine common market might be established.

As for the agreement concluded between the Community and the United Kingdom, this is the first instrument which, in the context of relations between Britain and the continent, serves to reconcile the parties' respective viewpoints by setting out a common view of the development of the market and drawing the appropriate conclusions in terms of the action that each party should take.

Moreover, it provides for an objective examination of the terms of trade with a view to identifying the solutions that will lead to the greatest economic progress for the whole unified entity formed by the Community and the United Kingdom.

In this respect, the Community's association with the United Kingdom constitutes a new model instrument for tightening the links between Britain and the continental nations as the latter continue their integration process, as was underlined during the ratification debate in the House of Commons.

We once again find ourselves faced with the realisation that people's living standards in Europe cannot be maintained and raised if the European nations do not take another step towards the achievement of unity. It is up to the governments and parliaments of our countries to decide on the ways in which new advances are to be made and the areas to which the gradual establishment of European economic unity is to be extended. Whichever methods are chosen, the effort that we, the common institutions and governments, have made together and the experience we have acquired have laid the first firm foundations of a European federation and have set us on the way to a United States of Europe.

**ANNEX XV**

**Debates in the Common Assembly – Session of 11 May 1955**

**Address concerning the activities of the High Authority, and in particular the ECSC levy rate**

Common Assembly – Sitting of Wednesday 11 May 1955

**Jean Monnet**, *President of the High Authority (FR)*. — Mr President, Madam, Gentlemen, as far as is humanly possible, I should like to limit the scope of this intervention and respond directly to the concern that seems to be felt by the Assembly about the High Authority having set the levy at the new rates of 0.7% with effect from the first of July and 0.45% from 1 January 1956.

Why is this being done? If I understood yesterday's contributions correctly, that is the question which the Assembly is asking the High Authority and to which it expects an answer.

Let me say straight away that the High Authority set these percentages on the basis of its general political objectives, which, I believe, coincide on the whole with those of the Assembly and which I shall enumerate once again. These are objectives that we regard as attainable in the present circumstances.

We are at the disposal of the Assembly for the discussion of the general policy, which we believe to be the right one, underlying our decisions.

I shall quickly summarise the objectives we are pursuing.

We have always said that a permanent guarantee fund of 100 million dollars was necessary for Community loans. I do not wish to go into detail on the question of investments. We shall have the opportunity to debate that issue at a future sitting. A hundred million dollars, the target we have set, is sufficient in the present circumstances, in my opinion – and we shall return to this point when the report is discussed – to establish the credit of the Community on a sound basis and to permit essential borrowing.

As far as the relocation and retraining of workers are concerned, we thought – and we still consider – that an amount of 40 to 50 million dollars derived from the levy and becoming available gradually over the period up to June 1958 would meet the present demand for relocation and retraining and provide amply for the retraining opportunities we can envisage to satisfy the needs of which we are aware at the present time.

As far as technical research is concerned, until 1958, when the planned five-year transitional period comes to an end, ten million dollars should serve to ensure that sufficient funds are available for scientific research.

Lastly, we have set the administrative expenditure for the entire Community at ten million dollars; this amount has been calculated with a view to ensuring that the ceiling is not exceeded.

These are the general objectives we are pursuing.

I do not wish to give you a lesson on accounting.

If you examine, on the one hand, the current statement of Community resources and, on the other hand, the envisaged revenue from the levy during the years from 1955 to 1958 at the new rates set by the High Authority, you will find the exact figures I have just given you.

The Assembly's time is too precious for me to go into detail on the amounts that this levy will provide each year in the periods from 1955 to 1956 and 1956 to 1958. It could be communicated in a document that would be distributed to you this afternoon. I must stress, however, that this levy was set on the basis of the objectives I have just restated, objectives which we regard as reasonable and achievable and which are in line with the general policy that the High Authority intends to pursue and will implement with the agreement of your Assembly.

Mr Sassen asked why we had taken that decision at the very moment when the Assembly was meeting without having consulted it before its regular part-session.

The main reason is that we believe it appropriate – and this is something we have often discussed among ourselves – to take clear-cut decisions on financial matters, such as the creation of a guarantee fund to enhance the credit of the High Authority.

You know perfectly well that, as far as I am concerned and as far as the High Authority is concerned, all issues are examined with the Assembly. As the policy of the High Authority is established and develops, we discuss it with the committees before taking our final decision; they may not always agree with that decision, but at least they are always consulted beforehand.

In our opinion, however, the present case is a special one.

The question whether the fund should be set at 125 million or 75 million may be discussed, but the High Authority has to take a decision.

This is why we took the decision in question. We believe it to be correct, because it benefits the credit of the High Authority. That was our main reason for taking it.

As for the new rate of levy, permit me to point out that it would be wrong to regard it as nothing more than a reduction.

Our concern has not been to lower the levy rate but to set a rate that matches a set of realistic general objectives.

In my view – and I am certain that my colleagues agree with me – it would not have been right, if our objectives are sound, to collect a levy with a view to accumulating reserves for future contingencies of which we are at present unaware. Our credit would not have been enhanced, and it would be illusory to believe that it would have done anything for the atmosphere in the Community.

We can demonstrate that the objectives we have set are defensible, and we can justify the allocation of the financial resources that are needed to achieve them.

From now on, we must set our estimated revenue on the basis of the Community's expenditure and objectives.

That is what we have done.

Had we not adjusted our revenue to match the objectives I have just outlined to you, we should have done nothing to enhance the general credit of the Community or the lending policy we wish to pursue.

Mr Sassen also asked whom we had consulted. I can tell you right away that we consulted no one but ourselves.

The Council asked that we discuss the matter with it, and we acceded to that request. The High Authority also received visits from some groups of industrialists who expounded their points of view to us.

Let me repeat, however – because I want us all to be perfectly clear on this point – that the decision was ours, and its adoption did not depend on our consulting anyone.

We took account of what seemed to have long been the general inclination of the Assembly, which reflected our own view on the question of loans. At the same time, we also examined the scope for relocation and retraining of workers.

As Mr Finet told you a moment or two ago, the demand for relocation and retraining is limited at present.

As of 30 June 1955, there was a total of 16 million dollars in our Readaptation Fund.

I am quoting these figures in dollars, which are used here as an accounting unit. Since these funds are in various currencies, a common currency has to be adopted.

Of this amount of 16 million dollars, we committed ten million to honour promises made to certain countries. In other words, we have not used up all the resources allocated to the Readaptation Fund.

In the course of the 1955-56 financial year, we intend to allocate three million dollars to the fund, followed by annual allocations of 10 to 15 million in 1956-57 and 1957-58, which means that a total of 40 to 50 million dollars in levy revenue will have been allocated to the Readaptation Fund by the end of the transitional period.

It will be the middle of 1958 when we reach that amount. At the present time, in fact – and I have no intention of restating the explanations that Mr Finet gave you a short time ago – we have committed about ten million dollars.

To sum up, we are convinced that the general objectives I have indicated to you are not only reasonable but also the most that the Community can do for the time being. We set the levy on the basis of these objectives and these conditions.

I should like to say a word or two about our understanding of the Treaty.

As I told you yesterday, all the institutions of the Community and all the rules that we apply were not simply established for the sole purpose of creating institutions or a common market.

The goal pursued by the Treaty, and indeed its *raison d'être*, is to raise the standard of living.

I tried to demonstrate to you yesterday that, to a certain extent, the very creation of a common market has increased and improved production as well as providing some benefits for everyone.

It is not the task of the High Authority, nor does it even have the power, to determine how output is distributed or the methods that should be used to improve it.

As Mr Finet said a short time ago, the Treaty introduces an innovation. It provides for a mechanism that had never existed before the Coal and Steel Community was created, designed to promote the relocation and retraining of labour and the location of new industries in order to re-employ workers that may be made redundant as a result of technical progress.

We believe that the guarantee fund, the loan facility and the Readaptation Fund, operating in the framework of the resources to which I have just referred, will serve, in the conditions established by the Treaty and spelled out by Mr Finet a few moments ago, to fulfil both of these aims.

Do they serve to fulfil them as much as you would wish? No. As much as we would wish? No.

It is surely necessary, however, to appreciate that only two years have elapsed since the Community was instituted. We need to realise that this is the first

time mechanisms have existed in Europe for the relocation and retraining of workers and for the establishment of new industries with a view to employing the labour pool, that it is the first time Europe has seen the operation of a levy which is, in a sense, the very essence of Community solidarity and that it is the first time there has been a guarantee fund which allows the Community to issue loans.

By applying pressure to us, you are performing your role, but our role is to act within the bounds of the possible. Whether we are dealing with loans or relocation and retraining or whether it is a matter of founding businesses in order to absorb a redundant labour pool, we are confronted with a number of limitations that were imposed when the Treaty was drafted.

It must not be forgotten that the Treaty was drawn up at a time when the Member States had never taken the step of ceding any of their national sovereignty and when each of them reserved the sovereign right to decide on all matters.

It is quite natural that a number of clauses were inserted which require us to consult the Governments.

To judge by all the explanations that were given yesterday, the Assembly seems to consider it natural to go further. That may be so today, but we have to live with what was written five years ago. There is a period of transition through which we must pass. For this reason, we are confronted with difficulties that would thwart any attempt to achieve the goal you envisage. However, let us not lose sight of the fact that what has been done constitutes a giant leap forward from the previous state of affairs.

To sum up, the new rate of levy has been set in the light of the objectives I have just enumerated, which, in our opinion, are as much as we can achieve for the reasons I have explained.

Besides, I believe we are all convinced – the High Authority as much as yourselves – that the main purpose of all the current activity is to improve the standard of living.

In this quest, we are faced with a particular problem, namely the need to provide a certain level of job security for a labour force confronted with technical progress. There are undoubtedly limitations today, but considerable progress has been made in relation to the situation that existed a few years ago.

If you want to go further, there may not be long to wait before your aims become attainable, but please recognise that what is being done today is the maximum that can be achieved and represents progress.

**ANNEX XVI**

**Debates in the Common Assembly – Session of 14 May 1955**

**Address concerning the association of the United Kingdom**

Common Assembly – Sitting of Saturday 14 May 1955

**Jean Monnet**, *President of the High Authority (FR)*. — Mr President, Madam, Gentlemen, following the interventions of the various speakers and the explanations given by Mr Spierenburg, I should like to limit myself to a few brief observations. The proposal made by Mr von Merkatz and Mr Dehousse's remarks on the same subject are very important, but there is truly a need to recognise what reality actually confronts us. We have to tell things as they are. In my opinion and in the view of the High Authority, what is perhaps even more important than legal forms, important though these may be, is the need to make this association tangible. We are far from that goal. It can only be achieved by unremitting efforts. The more the Community becomes a reality, the closer its association with the United Kingdom will be.

It is a matter of urgency that the Governments should ratify the agreement. One may share the views of Mr von Merkatz or Mr Dehousse, but, in today's real world, we need the High Authority to be able to get down to work very quickly with the British Government. For that to happen, the Member States must ratify the agreement, each in its own customary form.

What makes this ratification so important? Because this agreement marks the start of a new form of association, and what is important in this respect, even more than legal forms – and I apologise to Mr Dehousse for speaking like this, though I must say that the legal forms we have are not bad – is educating the public. It is essential that the Parliaments should appreciate that there now exists between the Community and the United Kingdom an agreement which, for the first time, incorporates total reciprocity. They are either unaware or insufficiently aware of that fact.

While there may be some legal arguments against parliamentary ratification in our countries, it has an extremely high intrinsic value. I am pleased to note that the Assembly, in its proposal for a resolution, is calling on the Governments to press ahead quickly with ratification. The High Authority and I wish to see debates on the ratification of this agreement being launched as soon as possible in the Parliaments, firstly so that public awareness is raised and secondly so that ratification enables the High Authority to begin its work.

Let me take a moment to refer to what we have been saying in this chamber for the past two years.

The association with Britain is a practical achievement that will be accomplished, on the one hand, to the extent that the Community becomes a reality and, on

the other hand, if our work with the UK is performed steadily and regularly and if we advance step by step from day to day.

I see this agreement – or this treaty, if you so wish – between Britain and the continent as proof of the very existence of the Coal and Steel Community. This is the first time that Britain has concluded an agreement with the continent as embodied in the form of the Coal and Steel Community.

I do not know whether you have read Hansard, which sets out the very interesting debates occasioned by the ratification process in the British Parliament.

Needless to say, criticisms were voiced. The agreement is certainly far from perfect, as Mr de Saivre quite rightly emphasised a short while ago, but it possesses very important aspects, which were also highlighted when the British Parliament debated it prior to ratification.

I consider it extremely important that, for the first time, an agreement between the United Kingdom and the continent has been debated and approved by the British Parliament.

Britain is a democracy, and her Members of Parliament freely expressed their opinions for or against the agreement. Mr Robens, speaking on behalf of the Labour Party, said these precise words, 'I think that this Agreement is the model of the association which we would be ready to accept in any organisations, any communities that may be set up in Europe to deal with things other than coal and steel'.

In his reply, the Minister of State for Foreign Affairs said, 'I entirely agree with him', i.e. Mr Robens.

We must, therefore, come to recognise the value of the structure that has already been built. We unreservedly acknowledge that we would improve it, that we would take account of Mr von Merkat's concern in future agreements, but we must realise that an initial accomplishment has been achieved, which is extremely important in itself. To make it even more tangible in future, we must start our work; it is therefore essential that the Governments ratify the agreement as quickly as possible.

When the Assembly holds its next part-session, probably in the autumn of this year, I hope that the High Authority will be able to inform it that the Governments have finally completed the ratification process.

For the reasons I stated a few moments ago, this agreement, the first of its type, brings Britain closer to the continent rather than distancing her.

This is plain from a reading of the agreement itself and from the debates in the British Parliament.

Let me re-emphasise that this is an agreement based on total reciprocity.

I see a huge advantage in the fact that this is not simply an agreement between the Community and the United Kingdom but one to which the Governments themselves are party, since it provides for meetings between the Council of Ministers and the British Government.

May I draw your attention to the fact that each participant in those meetings has an equal right to ask any question at all on matters of common interest. I do not know of any other forum where Luxembourg could raise any question it pleased with the United Kingdom and where the United Kingdom would be bound to reply.

That is the case under this agreement, and this rule will apply at the meetings held between the Community, represented by the High Authority and the Council of Ministers, and the United Kingdom.

In conclusion, Mr President, Madam, Gentlemen, let me express the regret we feel at the departure of Sir Cecil Weir, who has been Britain's ambassador to the Community for two years and to whose work we owe much of the mutual understanding that has developed between the United Kingdom and ourselves.

He will shortly be replaced by Mr Meiklereid, to whom I extend a welcome. Mr Meiklereid has been appointed as the British representative who will be working with the Community to implement the new agreement you have just been discussing. *(Applause)*



*Jean Monnet's house at Houjarray in the Île de France. Purchased in 1945, it was the place for his private life but also where he worked on plans that needed thinking over in peace and quiet. It was in this house that Jean Monnet worked on the draft of the Schuman Declaration*



*Inside views of Jean Monnet's house at Houjarray: it was in these rooms that a chapter in the history of Europe was played out*



*Inside views of Jean Monnet's house at Houjarray: it was in these rooms that a chapter in the history of Europe was played out*

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**La France et les origines de l'union européenne, 1944-1952 : intégration économique et compétitivité internationale** / Matthias Kipping. -- Paris : Comité pour l'histoire économique et financière, 2002. -- vii, 411 p. : 22 cm.

Barcode: 0037537

Lavergne, Bernard

**Le Plan Schuman : exposé et critique de sa portée économique et politique** / Bernard Lavergne. -- Paris : Librairie de Médicis, 1952. -- 117 p. : 23 cm.

Barcode: 0044301

Mischlich, Robert

**Une mission secrète a Bonn** / par Robert Mischlich, Henri Rieben. -- Lausanne : Centre de Recherches Européennes, 1986. -- 69 p. : 24 cm.

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Philip, André

**Der Schuman Plan : ein entscheidender Schritt auf dem Wege zum vereinigten Europa** / André Philip. -- Brüssel : Europäische Bewegung, 1951. -- 48 p. ; 21 cm.

Barcode: 0018579

Poidevin, Raymond

**Histoire des débuts de la construction européenne (Mars 1948 - Mai 1950) = Origins of the European integration (March 1948-May 1950) : actes du colloque de Strasbourg 28-30 novembre 1984** / Raymond Poidevin. -- Baden-Baden : Nomos Verlag, 1986. -- 480 p. : 24 cm.

Barcode: 0016757

Reichling, Charles

**Le plan Schuman : objectifs, premières réalisations, perspectives** / Charles Reichling. -- S.l. : s.n., 1953. -- 10 p. : 30 cm.

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Rieben, Henri

**L'Europe, une longue marche** / Henri Rieben. -- Lausanne : Centre de Recherches Européennes, 1985. -- 104 p. : 24 cm.

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**Un changement d'espérance : la déclaration du 9 mai 1950 : Jean Monnet - Robert Schuman** / Henri Rieben. -- Lausanne : Centre de Recherches Européennes, 2000. -- 277 p. : 32 cm.

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Salis, Jean-R. de

**Die Integration des Westens** / Jean-R de Salis, Karl Brunner, Robert Schuman, Kenneth G. Younger, Ludwig Erhard, Paul Rueegger and Alcide De Gasperi. -- Polygraphischer Verlag, 1954. -- 157 p.

Barcode: 0044647

Schuman, Robert

**La déclaration de M. Robert Schuman** / Robert Schuman, 1950. -- 2 p.

Barcode: 0054904

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**Déclaration de M. Robert Schuman du 9 mai 1950 = Der Schuman-Plan und die vierte Tagung des Atlantikrates vom 9. Mai 1950 = Dichiarazione del Ministro Roberto Schuman del 9 Maggio 1950 = Verklaring afgelegd door de Heer Robert Schuman op 9 mei 1950** / Robert Schuman. -- Strasbourg : Assemblée commune, 1950. -- [diff.pag.] : 27 cm.

Barcode: 0046335

Schuman, Robert

**Le plan Schuman** / Robert Schuman, ... [et al.]. -- Strasbourg : Publi-Europe, 1952. -- 127 p. : 18 cm.

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**Origines et élaboration du «Plan Schuman»** . - Bruges : Imprimerie Sainte-Catherine, 1953. - 22 p. ; 25 cm.

Barcode: 0017707

Schwabe, Klaus

**Die Anfänge des Schuman-Plans 1950/51 = The Beginnings of the Schuman-Plan** / Klaus Schwabe (Hrsg.). -- Baden-Baden : Nomos, 1988. -- 475 p. ; 24 cm.

Barcode: 0017242

Wilkens, Andreas

**Interessen verbinden: Jean Monnet und die europäische Integration der Bundesrepublik Deutschland** / herausgegeben von Andreas Wilkens. -- Bonn : Bouvier, 1999. -- 446 p. ; 23 cm.

Barcode: 0028822

Wilkens, Andreas

**Le Plan Schuman dans l'histoire : intérêts nationaux et projet européen** / Andreas Wilkens. -- Bruxelles : Bruylant, 2004. -- 466 p. : 24 cm.

Barcode: 0013046

Willis, F. Roy (Frank Roy)

**France, Germany and the new Europe, 1945-1967** / F. Roy Willis. -- London : Oxford University Press, 1968. -- xiv, 431 p. : 24 cm.

Barcode: 0035724

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**Avis sur la participation des observateurs du Conseil de l'Europe à l'Assemblée Commune et sur la conclusion d'un accord à cet effet = Opinion on the participation of observers from the Council of Europe in the Common Assembly and on the conclusion of an agreement to this effect.** -- Strasbourg : Council of Europe, 1952. -- 23 p. : 20 cm.

Barcode: 0066684

**Besonderer Bericht über die Errichtung des gemeinsamen Marktes für Stahl : special report of the High Authority.** -- Luxemburg : CECA, 1953. -- 57 p. : 23 cm.

Barcode: 0071697

Bok, Derek Curtis

**The first three years of the Schuman Plan / Derek Curtis** Bok. -- Princeton : Princeton University, 1955. -- 79 p. : 23 cm.

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Communauté Européenne du Charbon et de l'Acier : Assemblée Commune

**Résolutions adoptées par l'Assemblée Commune de septembre 1952 à décembre 1955 = Entschließungen, die in der Zeit von September 1952 bis Dezember 1955 von der Gemeinsamen Versammlung angenommen wurden = Risoluzioni approvate dall'Assemblea Comune dal settembre 1952 al dicembre 1955 = Resoluties aangenomen door de Gemeenschappelijke Vergadering in het tijdvak september 1952 - december 1955.** -- Luxemburg : CECA, 1956. -- 30 cm.

Barcode: 0071646

Communauté Européenne du Charbon et de l'Acier : Assemblée Commune

**Listes nominatives et renseignements généraux.** -- [s.l.] : CECA, 1953. -- 61 p. : 15 cm.

Barcode: 0046329

**Correspondance concernant les relations entre la Communauté Européenne du Charbon et de l'Acier et le Royaume-uni = Schriftwechsel betreffend die Beziehungen zwischen der Europäischen Gemeinschaft für Kohle und Stahl und dem Vereinigten Königreich = Corrispondenza concernente le relazioni tra la Comunità Europea del Carbone e dell'Acciaio e il Regno Unito = Briefwisseling inzake de betrekkingen tussen de Europese Gemeenschap voor Kolen en Staal en het Verenigd Koninkrijk.**  
-- Luxembourg : CECA, 1954. -- [diff.pag.] : 21 cm.

Barcode: 0071761

Dijck, Jan Marius van

**L'accord concernant les relations entre la Communauté européenne du charbon et de l'acier et le Royaume-Uni : mémoire** / Jan Marius van Dijck. -- Strasbourg : Université de Strasbourg, 1956. -- 128 p. : 30 cm.

Barcode: 0064499

**Draft treaty constituting the European Coal and Steel Authority : draft convention containing the transitional provisions.** -- Washington (DC) : for sale by the Supt. of Docs., U.S. Govt. Print. Off., 1951. -- 126 p. : 27 cm.

Barcode: 0018065

**Europa : Dokumente zur Frage der Europäischen Einigung** / hrsg. im Auftr. des Auswärtigen Amtes. -- München : Oldenbourg, 1962. -- 3 v. ; 24 cm.

Barcode: 0044781

Ferri, Mauro

**Selection of texts concerning institutional matters on the Community from 1950 to 1982** / Mauro Ferri. -- Luxembourg : PE, 1983. -- 561 p. : 30 cm.

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*Recueil des documents institutionnels de la Communauté de 1950 à 1982*

Barcode: 0036550

*Sammlung der institutionellen Dokumente der Gemeinschaft von 1950 bis 1982*

Barcode: 0036550

Giustino, David de

**A reader in European integration** / David de Giustino. -- London : Longman, 1996. -- xvi, 296 p. : 23 cm.

Barcode : 0044131

Hoffmann, Hans

**Records of the High Authority of the ECSC 1952 : Speeches 1952-1967** / Hans Hoffmann, Rose Doyle, Patricia Robins. -- Luxembourg : OPOCE, 1985. -- 359 p. : 25 cm.

Barcode: 0036709

*Dossiers de la Haute Autorité de la CECA 1952 : Discours 1952-1967*

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Kapteyn, P. J. G

**L'Assemblée commune de le Communauté européenne du charbon et de l'acier : un essai de parlementarisme européen**

Paul J. G. Kapteyn. -- Leyde : A.W. Sythoff, 1962. -- 270 p. : 24 cm.

Barcode: 0087935

Kim, Seung-Ryeol

**Der Fehlschlag des ersten Versuchs zu einer politischen Integration Westeuropas von 1951 bis 1954** / Seung-Ryeol Kim. -- Frankfurt am Main : Lang, 2000. -- 399 p. ; 21 cm.

Barcode: 0016164

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Lagrange, Maurice

**Le caractère supranational des pouvoirs et leur articulation dans le cadre de la Communauté Européenne du Charbon et de l'Acier** / Maurice Lagrange, Maurice. -- Luxembourg, : CECA, 1953. -- 35 p. : 20 cm.

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Legaret, Jean

**La Communauté Européenne de Défense : étude analytique du traité du 27 mai 1952** / Jean Legaret, E. Martin-Dumesnil. - Paris : Vrin, 1953. - 275 p. ; 21 cm.

Barcode: 0035695

Leonard, Dick

**The pro-European reader** / Dick Leonard, Mark Leonard. -- Basingstoke : Palgrave, 2002.  
-- xxii, 254 p. : 23 cm.

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**L'Assemblée Commune de la C.E.C.A** / Jean Lyon. -- [Paris] : [Libraries-Imprimeries Réunies], 1957. -- 67 p. : 25 cm.

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Monnet, Jean

**Allocution de M. Jean Monnet, président de la Haute Autorité** / CECA. -- Strasbourg : CECA, 1953. -- 87 p. ; 20 cm.

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*Ansprache von Herrn Jean Monnet,*

*dem Präsidenten der Hohen Behörde, vor der Gemeinsamen Versammlung*

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Mouvement européen

**La Communauté européenne de défense : historique, faits & structure = Die europäische Verteidigungsgemeinschaft : Entstehungsgeschichte & Struktur** / Mouvement européen.  
- Paris : Mouvement européen. - 21 cm.

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Piodi, Franco

**The Committees of the Common Assembly** / Franco Piodi, Margret Schelling, Donato Antona. -- Luxembourg : EUR-OP, 2008. -- 136 p. : 30 cm.

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*Les Commissions de l'Assemblée Commune*

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*Die Ausschüsse der gemeinsamen Versammlung*

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**Politique financière de la Haute Autorité 1952-1961.** -- [Paris] : Club des sidérurgistes de la CECA, 1961. -- unpagged stappled sheets. : 28 cm.

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**Les premiers pas de la Communauté européenne du charbon et de l'acier : l'installation de la Haute autorité, la représentation britannique, la représentation américaine, la première réunion du Conseil des ministres, textes et documents.** -- Strasbourg : Notre Europe, 1952. -- 127 p. : 19 cm.

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Prieur, Raymond

**La Communauté Européenne du Charbon et de l'Acier : activité et évolution** / Raymond Prieur. -- Paris : Editions Montchrestien, 1962. -- 496 p. : 24 cm.

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**Les relations internes et externes de la Communauté européenne du charbon et de l'acier** / Raymond Prieur. -- Paris : Montchrestien, 1958. -- 311 p. : 25 cm.

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Reuter, Paul, 1911-

**Les interventions de la Haute autorité : rapport** / Paul Reuter. -- Milano : A. Giuffrè, 1957. -- 75 p. : 25 cm.

Barcode: 0044558

Rieben, Henri

**Une Memoire vivante** / Henri Rieben, Bernard Clappier. -- Lausanne : Centre de Recherches Europeennes, 1986. -- 133 p. : 24 cm.

Barcode: 0056000

Rohn, Walter E.

**Europa organisiert sich** / Walter E. Rohn. - Berlin : Erich Schmidt Verlag, 1954. -- 79 p. : ill. ; 21 cm.

Barcode: 0045216

Sahm, Ulrich

**Der Schuman-Plan : Vertrag über die Gründung der Europäischen Gemeinschaft für Kohle und Stahl : Textausg. des Vertrages sowie des Abkommens über die Übergangsbestimmungen und der Zusatzprotokolle /** zusammengest. und erl. von Ulrich Sahm ; mit einem Vorw. von Walter Hallstein. -- Frankfurt am Main : Verlag Kommentator, 1951. -- 300 p. ; 18 cm.

Barcode: 0000611

Salmon, Trevor C.

**Building European union : a documentary history and analysis /** Trevor C. Salmon, William Nicoll. -- Manchester : Manchester University Press, 1997. -- xiv, 297 p. : 22 cm.

Barcode: 0044353

Siegler, Heinrich

**Europäische politische Einigung : 1949-1968 : Dokumentation von Vorschlägen und Stellungnahmen /** zus. gest. von Heinrich Siegler. -- Bonn : Siegler, 1968. -- 460 p. : 24 cm.

Barcode: 0018227

Spierenburg, Dirk

**Histoire de la Haute Autorité de la Communauté européenne du Charbon et de l'Acier : une expérience supranationale /** Dirk Spierenburg, Raymond Poidevin, Jacques Delors. -- Luxembourg : Bruylant OPOCE, 1993. -- 919 p. : 24 cm.

Barcode: 0041970

*The history of the High Authority of the European Coal and Steel Community : supranationality in operation.* -- 1994

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Trausch, Gilbert

**Die Europäische Integration vom Schuman-Plan bis zu den Verträgen von Rom = The European Integration from the Schuman-Plan to the Treaties of Rome : Pläne und Initiativen, Enttäuschungen und Misserfolge : projects and initiatives, disappointments and failures /** Gilbert Trausch (Hrsg.). -- Baden-Baden : Nomos, 1996. -- 426 p. ; 24 cm.

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Van Oudenhove, Guy

**The political parties in the European Parliament : the first ten years (September 1952 - September 1962)** / Guy van Oudenhove. -- Leyden : A. W. Sijthoff's Uitgeversmaatschappij, 1965. -- xv, 268 p. : 24 cm.

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Weir, Cecil McAlpine

**The first step in European integration : the European Coal and Steel Community, the Schuman plan** / Cecil McAlpine Weir. -- London : Federal Educational and Research Trust, 1957. -- 29 p. : 25 cm.

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Wigny, Pierre

**L'Assemblée parlementaire dans l'Europe des Six** / Pierre Wigny, Communauté européenne du charbon et de l'acier.-- Rome, 1958.-- 110p : 23 cm.

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**Le traité C.E.C.A. devant les parlements nationaux.** -- Luxembourg : CECA, 1958. -- 187 p. : 27 cm.

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Anta, Claudio Giulio

**Les pères de l'Europe : sept portraits** / Claudio Giulio Anta. -- Brussels : P.I.E. Peter Lang, 2007. -- 180 p. : 22 cm.

Barcode: 0081552

Audisio, Giuseppe

**Les fondateurs de l'Europe Unie selon le projet de Jean Monnet : Robert Schuman, Konrad Adenauer, Alcide De Gasperi** / Giuseppe Audisio. -- Paris : Salvator, 2004. -- 249 p. : 21 cm

Barcode: 0051625

Bond, Martyn

**Eminent Europeans : personalities who shaped contemporary Europe** / Martyn Bond. -- London : Greycoat Press, 1996. -- xiv, 321 p. : 24 cm.

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Bossuat, Gérard

**Les fondateurs de l'Europe unie** / Gérard Bossuat. -- Paris : Belin, 2001. -- 286 p. : 24 cm.

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Rieben, Henri

**Jean Monnet - Robert Schuman : correspondance 1947-1953** / Henri Rieben, Martin Nathusius, Françoise Nicod. -- Lausanne : Centre de Recherches Europeennes, 1986. -- 188 p. : 24 cm.

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Schuman, Robert

**Für Europa** / Robert Schuman ; Vorwort von Konrad Adenauer. - Hamburg : Nagel, 1963.  
- 234 p. : ill. ; 18 cm.

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*For Europe.* -- 1964

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Smets, Paul-F.

**Les pères de l'Europe : cinquante ans après** / Paul-F. Smets. -- Bruxelles : Bruylant, 2001.  
-- 236 p. : 23 cm.

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Adenauer, Konrad

**Hommage à Robert Schuman** / Konrad Adenauer. -- Paris : France Forum, 1963. -- 36 p. : 27 cm.

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Beyer, Henry

**Robert Schuman : l'Europe par la reconciliation franco- allemande** / Henry Beyer, Henri Rieben. -- Lausanne : Centre de Recherches Europeennes, 1986. -- 171 p. : 24 cm.

Barcode: 0073545

Eldin, Grégoire

**L'Europe de Robert Schuman** / Eldin, Grégoire Eldin. -- Paris : Presses de l'Université de Paris-Sorbonne, 2001. -- 100 p. : 24 cm.

Barcode: 0044460

Fimister, Alan

**Robert Schuman : neo-scholastic humanism and the re-unification of Europe** / Alan Fimister. -- Bruxelles : P.I.E. Peter Lang, 2008. -- 284 p. : 22 cm.

Barcode: 0093479

Hermann, Lutz

**Robert Schuman : ein Porträt** / Lutz Hermann, Lutz. -- Freudenstadt : Lutzeyer, 1968. -- 70 p. : 20 cm.

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Hostiou, Rene

**Robert Schuman et l'Europe** / R. Hostiou, G. Dupuis. -- Paris : Cujas, 1969. -- 156 p. : 22 cm.

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Martino, Gaetano

**Hommage à Robert Schuman : président d'honneur du Parlement européen** / Gaetano Martino, J.M.A.H Luns, Paul de Groot, Alain Poher. -- Luxembourg : Parlement européen, 1963. -- 23 p. : 21 cm.

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Mittendorfer, Rudolf

**Robert Schuman : Architekt des neuen Europas** / Rudolf Mittendorfer; mit einem Vorwort von Alain Poher. - Hildesheim : Olms, 1983. - 577 p. : ill. ; 21 cm.

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Monnet, Jean

**Hommage au président Robert Schuman** / Jean Monnet. -- Lausanne : Centre de recherches européennes, 1964. -- 36 p. : 24 cm.

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Pelt, Jean-Marie

**Robert Schuman : père de l'Europe** / Jean-Marie Pelt. -- Thionville : Serge Domini, 2001. -- 79 p. : 30 cm.

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Pennera, Christian

**Robert Schuman député : 1919-1924** / Christian Pennera. -- 1984. -- 406 p. : 30 cm.

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**Robert Schuman : la jeunesse et les débuts politiques d'un grand Européen de 1886 à 1924** / Christian Pennera. -- Sarreguemines : Ed. Pierron, 1985. -- 324 p. : 24 cm.

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Portevin, Jacques

**Pour connaître et comprendre la vie et l'oeuvre de Robert Schuman : catalogue raisonné des sources archivistiques et bibliographiques** / Jacques Portevin. -- Paris : Fondation Robert Schuman, 2004. -- 42 p. : 22 cm.

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Rochefort, Robert

**Robert Schuman** / Robert Rochefort, A.-M. Carré. -- Paris : Les éditions du cerf, 1968. -- 383 p. : 20 cm.

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Santer, Jacques

**Robert Schuman : christlicher Demokrat und Europäer : Aktualität eines Vorbilds** / Jacques Santer, Egon A. Klepsch. -- Melle : Knoth, 1988. -- 159 p. : 21 cm.

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Brinkley, Douglas

**Jean Monnet : the path to European unity** / Douglas Brinkley. -- New York : St Martin's Press, 1991. -- xxii, 226 p. : 23 cm.

Barcode: 0044299

Delors, Jacques

**Actes du Colloque organisé par la Commission des Communautés européennes à l'occasion du centenaire de la naissance de Jean Monnet** / Jacques Delors. -- Luxembourg : OPOCE, 1989. -- 163 p. : 23 cm.

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Duchêne, François

**Jean Monnet : the first statesman of interdependence** / François Duchêne. -- London : Norton, 1994. -- 478 p. : 25 cm.

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Fontaine, François

**Plus loin avec Jean Monnet**/ François Fontaine. -- Lausanne : Centre de Recherches européennes, 1983. -- 80 p. : 24 cm.

Barcode: 0084875

Fontaine, Pascal

**Jean Monnet, l'inspirateur** / Pascal Fontaine. -- Paris : Grancher, 1988. -- 176 p. : 22 cm.

Barcode: 0039210

Fransen, Frederic J.

**The supranational politics of Jean Monnet : ideas and origins of the European Community** / Frederic J. Fransen. -- London : Greenwood Press, 2001. -- x, 157 p., 10 p. of plates : 25 cm.

Barcode: 0024516

Giscard d'Estaing, Valéry

**Jean Monnet** / Valéry Giscard d'Estaing. -- Lausanne : Centre de Recherches Européennes, 1989. -- 37 p. : 24 cm.

Barcode: 0045090

Hackett, Clifford P

**Monnet and the Americans : the father of a united Europe and his U.S. supporters** / Clifford P. Hackett. -- Washington, DC : The Jean Monnet Council, 1995. -- xii, 268 p. : 24 cm.

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Hackett, Clifford P.

**A Jean Monnet chronology : origins of the European Union in the life of a founder, 1888 to 1950** / Clifford P. Hackett. -- Washington, D.C. : Jean Monnet Council, 2007. -- 294 p. : 24 cm.

Barcode: 0085721

Joly, Marc

**Le mythe Jean Monnet : contribution à une sociologie historique de la construction européenne** / Marc Joly. -- Paris : CNRS Editions. -- 238 p. : 22 cm.

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Kohnstamm, Max

**Jean Monnet : the power of imagination** / Max Kohnstamm. -- Florence : European University Institute, 1981. -- 34 p. : 23 cm.

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Majone, Giandomenico

**Jean Monnet et l'Europe d'aujourd'hui** / Giandomenico Majone. -- Baden-Baden : Nomos, 1989. -- 232 p. : 23 cm.

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Melchionni, Maria Grazia

**Altiero Spinelli et Jean Monnet** / Maria Grazia Melchionni. -- Lausanne : Centre de recherches européennes, 1993. -- 124 p. : 24 cm.

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Mitterrand, François

**Jean Monnet** / François Mitterrand. -- Lausanne : Centre de recherches européennes, 1989. -- 15 p. : 23 cm.

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Monnet, Jean

**Allocution de monsieur Jean Monnet au national Press Club, Washington, le 30 avril 1952** / Jean Monnet- -- 1952. -- 7 p.

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Monnet, Jean

**Allocution de M. Jean Monnet à l'occasion de la remise du «prix de la liberté» à New York le 23 janvier 1963** / Jean Monnet. -- [S.L. : s.n.], 1963. -- 10 p. : 28 cm.

Barcode: 0083878

Monnet, Jean

**Mémoires** / Jean Monnet. -- Paris : Fayard, 1976. -- 642 p. : 24 cm.

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*Memoirs.* -- 1978

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*Erinnerungen eines Europäers.* -- 1988

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Rieben, Henri

**Jean Monnet** / Henri Rieben. -- Lausanne : Centre de Recherches Européennes, 1971. -- 121 p. : 24 cm.

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**A Luxembourg au coeur du chantier européen avec Jean Monnet et Pierre Werner** / Henri Rieben. -- Lausanne : Centre de recherches européennes, 1993. -- 115 p. : 24 cm.

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Roussel, Eric

**Jean Monnet, 1888-1979** / Eric Roussel. -- Paris : Fayard, 1996. -- 1004 p. : 22 cm.

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Schroeder, Holger

**Jean Monnet und die amerikanische Unterstützung für die europäische Integration 1950-1957** / Holger Schroeder. -- Frankfurt am Main : Lang, 1994. -- 585 p. : 21 cm.

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**Témoignages à la mémoire de Jean Monnet.** -- Lausanne : Centre de recherches européennes, 1989. -- 615 p. : 24 cm.

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