

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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## EUROPEAN COAL AND STEEL COMMUNITY

### Presentation of Waiver

At a ceremony at the Palais des Nations, Geneva, on 10 November 1952, the Chairman of the CONTRACTING PARTIES presented a waiver of certain obligations under the General Agreement to a representative of the six countries (Belgium, France, Federal Republic of Germany, Italy, Luxemburg and the Netherlands) signatories to the Treaty constituting the European Coal and Steel Community, and to a representative of the High Authority of the European Coal and Steel Community. On this occasion the following speeches were made:

#### M. SÜETENS (Belgium)

Mr. Chairman,

It is an honour for me to receive an instrument whereby the six member States of the Community are granted the waivers of the rules of the General Agreement and which will permit the entry into force and operation of the Treaty constituting the European Coal and Steel Community. I wish to thank you on their behalf. This instrument is the result of long and delicate negotiations. As the States concerned had entrusted me with the task of co-ordinating their action, I take pleasure in recognising the spirit of understanding which the CONTRACTING PARTIES have shown in dealing with the application and the helpfulness with which they have granted the waivers requested. In their action the contracting parties, whether in Europe or overseas, have clearly shown that the importance of the Schuman Plan goes beyond its territorial scope and that the Treaty constitutes, in fact, an achievement of world-wide interest. This leads me to stress the considerable progress achieved in the domain of economic co-operation. It is not only a sense of co-operation which is being developed, but also, and above all, the technical means which permit this co-operation without which an achievement like the Treaty constituting the European Coal and Steel Community would no doubt have been impossible.

Commercial relationships between countries were regulated by treaties which included the most-favoured-nation clause couched in rigid terms. All the efforts made to relax this clause proved fruitless. Thus, the Ouchy Agreement of 1931 which was sponsored by Belgium, Luxemburg and the Netherlands, with a view to lowering tariff barriers and eliminating quantitative restrictions, could not enter into force. The Schuman Plan, with its underlying idea to create a common market between the six member States, that is, elimination of all duties and restrictions inside the Community in the case of two essential categories of goods, thus leading to the

formation of a preferential system between a group of countries, would certainly have met with the same obstacles. Fortunately, conditions have changed. The General Agreement on Tariffs and Trade to which thirty-four States are now contracting parties, provides, in particular in Article XXV under the provisions of which we have been acting, that the CONTRACTING PARTIES may waive certain obligations imposed upon a contracting party, and particularly the most-favoured-nation clause. The General Agreement has also created a forum where questions like the one we are dealing with can be examined, discussed and negotiated. The GATT, as we call this forum in present international phraseology, has given evidence of its usefulness and efficiency. I am all the more pleased to note and stress this fact as I myself presided over its signature in this very room on 31 October 1947.

The authority of the GATT increases as years go by. I wish to pay tribute for this success to its Chairmen, its Executive Secretary and his distinguished collaborators.

I now turn towards the representative of the High Authority, my friend M. Spierenburg. The member States signatories to the Treaty constituting the Community and the annexed Convention had one primary task towards the Community. It was their bounden duty to enable it to create a common market subject to the reservations laid down in the Treaty, and to be in a position to deal with all the questions of commercial policy with the rights and obligations of an individual contracting party, that is, one single entity. That has been done at least as far as the GATT is concerned. We still have further negotiations to conduct but this decision by the CONTRACTING PARTIES will be of considerable help to us in our task. Tomorrow the High Authority will be in a position to start its work smoothly and unhampered. I am convinced that it will fulfil its mission in the liberal spirit underlying the Treaty as recalled in the preamble to the instrument just handed to us. I believe that these two bodies, the GATT and the High Authority, the High Authority and the GATT, will work in a spirit of co-operation and mutual confidence.

M. SPIERENBURG (High Authority)

Mr. Chairman,

It is with a feeling of profound satisfaction and with great hope for the improvement of the economic prospects of Europe and the whole world that I have the honour, on behalf of the High Authority of the European Coal and Steel Community, to thank you and the CONTRACTING PARTIES for the way in which the GATT has welcomed the Community.

The creation of the European Coal and Steel Community, the first step towards European integration, is an event of historical, political and economic significance. The importance of this event has not escaped the attention of the CONTRACTING PARTIES.

In recognising that in matters pertaining to commercial policy with respect to coal and steel, the Community may act and shall be regarded as a single contracting party with the same rights and obligations as any other contracting party and in thus making it possible for the member States and the various institutions of the Community to apply the provisions of the Treaty and the Convention, the GATT has made a gesture of international understanding and co-operation for which, following my friend M. Suetens, I wish to pay tribute and express my admiration to the CONTRACTING PARTIES.

Such a gesture of welcome and such a spirit of understanding cannot, in fact, result from the mere desire of entertaining good relationships between this great international trade body and the first supra-national institution which have been brought together by matters of common concern. They are, in fact, Mr. Chairman, the transposition into the realm of facts of a number of common principles which inspire the GATT and the Community.

These two bodies have undertaken in particular to conduct their endeavours in the field of economic policy with a view to expanding production of goods, increasing the level of employment and raising the standard of living. Both have pledged themselves to promote the expansion of international trade.

No doubt the GATT commands a wider view of things. No doubt the Community is capable of more direct action. But is there anyone who does not see that the one and the other are essential to the achievement of a common ideal: the greatest possible welfare for the greatest possible number?

The objectives of the GATT are known to all of us. The results of its action are felt in international trade.

It would be inappropriate for me, Mr. Chairman, to comment upon them here before you to whom they are due. However, let me say a few words on certain aspects of the European Coal and Steel Community.

The creation of the Community constitutes in fact, as I have already said, the first realistic and concrete effort towards European integration. For the first time in history, I believe, this problem is attacked at the very root. The market of products which are the basis of all human activities is being unified; this is a bold undertaking which goes beyond the mere economic level and achieves a highly political significance.

The mere fact that these basic products will move freely in a market of 150,000,000 inhabitants must of necessity further an increase in production and a fall in prices, the essential prerequisites to any economic and social progress.

Now, will the result of such progress accrue to the members of the Community alone?

To this question the Treaty itself gives categorical answers.

The Community shall take account of the needs of third countries; it is committed to further the development of international trade and to see that equitable limits are observed in prices charged in external markets. These are assurances which can be taken literally.

Moreover, the creation of a single market within the Community constitutes a genuine victory over cartels and their protectionist tendencies. In fact the Treaty contains the first European anti-cartel legislation.

Finally, Mr. Chairman, I wish to call the attention of the CONTRACTING PARTIES also to one point: no sooner has the Community come to life than it takes one definite step forward along the road laid out by the GATT towards the elimination of customs barriers. Indeed, as far as coal and steel are concerned, it levels down the tariffs of the six particular States to the lowest rates in force in the Community thereby achieving forthwith the first lowering of the general tariff levels of the member States.

The Community goes even further. It pledges itself to make an additional effort towards the lowering of tariffs before the end of the transitional period. In the last stage, the tariffs of the Community for coal and steel will be some of the lowest in the world. It goes without saying that this harmonisation cannot but facilitate imports from third countries.

As M. Philip has already told you the realisation of the common market cannot be secured without sacrifices, even without occasional pains. Its achievement is not free from any hazards either.

It is certainly fraught with bountiful promises which, if they are to yield their fruit, will need to bloom out in an atmosphere of co-operation and confidence.

That is why the new-born Community, Mr. Chairman, remains wide open to all those who are willing to share in its efforts and in its faith.

M. PHILIP (France)

Mr. Chairman,

On behalf of the country which took the initiative of making the proposal which resulted in the creation of the European Coal and Steel Community, I should also like to thank all the contracting parties for the sympathetic treatment which they were good enough to give to our proposals.

I believe that we are now approving internationally an instrument which gives our European continent a new orientation and which constitutes perhaps a new start in its history. In the past, Europe was one of the groups of countries which initiated and gave impetus to the whole of world economic development. She came out of two dreadful wars weakened, partly ruined,

with depleted means of production and confronted with serious balance of payments difficulties which have compelled her in these last few years to rely on foreign aid to resolve the basic problems of her economy.

But we are aware that we are possessed - in fact between ourselves alone - of all the means to solve our problems and overcome our difficulties. We have at our disposal, now as in the past, the intelligence of our scientists, the spirit of organization of our engineers, the skill of our workers, and we possess resources in raw materials which are second to none in other important parts of the world. Furthermore, we have experienced a growing feeling that our difficulties and our hardships were too often due to the fact that we ourselves did not turn to the best possible use the resources in men, material and equipment which were available to us. The tragedy of Europe today lies in her division. That fact that she is split into small national units does not respond to the economic implications of modern techniques and that is why we are increasingly aware of the need for getting together, for uniting economically first and also politically.

When the French Government submitted the proposal known as the Schuman Plan it was really a novelty which made it possible to pose current problems in a new light and to give them a new slant. As M. Spierenburg rightly said, this is now the first effective and concrete step towards the construction of Europe. The first effective and concrete achievement involved in the creation of a unified common market whereby six countries hitherto divided, also not so long ago divided by unattonable feuds and dreadful violence, in the case of some of them have decided to take the risk of staking their fates together and, as regards their main industry, to join, in spite of all the very acute and very serious problems of adaptation and transition to which the High Authority will have to pay close attention, in a common effort aimed at bringing about the expansion of production, the specialization of undertakings and a general lowering of costs, because we know very well that this is the only means to raise the standard of living of all our peoples through concerted action and in an effective manner.

The Schuman Plan is one first achievement. We believe that following the same pattern of specialized agencies, other institutions will be created which may perhaps have very different structures but which must all be animated with the same spirit and we hope to be soon able to co-ordinate their action through a political body which will enable us to achieve more precise and more complete progress towards the necessary unity.

But I wish to say again that what we are trying to do on the European regional level cannot in any way result in some new kind of regional economic nationalism which would be dangerous and stupid as any local nationalism which prevailed before. Our present effort is part and parcel of the general universal struggle towards the expansion of international trade and better co-operation between all the peoples of the world.

It is not by mere chance that at this same Session, as we dealt with the Schuman Plan we took up again and decided to devote a new study, to a plan for a general automatic lowering of tariff levels which was proposed to

all the nations of the world. It is not by mere chance either that, within the framework of the questions submitted to us, we reached the conclusion (which the Chairman mentioned a few moments ago in his closing speech) that if international trade is to expand, governments in the next few months will have to deal in a constructive manner with all the problems which confront us, that is, the economic and monetary rehabilitation of the world market destroyed during the crisis of 1929 and which until now we have not been able to reconstruct fully and adequately. The struggle of Europe for her unity is being conducted with the awareness of her international responsibilities and the firm intention to become still more prosperous through greater production efforts in order to place steadily growing wealth at the disposal of all and to play our part in the development of international trade and in the tremendous investment efforts in countries in the process of industrialization where our colleagues over and over again rightly call to our attention their problems, their own difficulties and our common responsibility in solving questions which are international and world-wide in character.

I wish to thank all the contracting parties for the sense of responsibility which they have shown in making it possible for those European countries to take their first steps towards economic unification and I can assure them that we shall work to that end fully aware of our international responsibilities and with the firm determination to work towards the edification of a world which will be richer, more prosperous and more likely at last to bring about an enduring peace.