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CABINET

EUROPEAN ECONOMIC CO-OPERATION

Memorandum by the Secretary of State for
Foreign Affairs

My colleagues may wish to have a short account of developments at Paris in the last month on the subject of European Economic Co-operation.

The Convention on European Economic Co-operation

2. On 16th March, 1948, a meeting of the Committee of European Economic Co-operation at the Ministerial level gave instructions that a Working Party be set up to draw up a multilateral agreement containing certain pledges on the part of the participating countries and a constitution for a continuing organisation. Exactly a month later, on 16th April, a further Ministerial meeting was held at Paris at which a Convention was signed on behalf of the sixteen Committee of European Economic Co-operation countries and the United Kingdom - United States and French Zones of Germany, combining the multilateral agreement and constitution in one document.
3. The work done by the Working Party was very satisfactory both from the general point of view and from our own. The Convention and the accompanying protocols and resolutions which will be circulated in the next few days as a White Paper were approved by unanimous agreement. The achievement of unanimity on the wide range of subjects covered within such a short time is a proof of the spirit of urgency, responsibility and of mutual accommodation in which the discussions were conducted. Moreover, the United Kingdom Delegation were successful in achieving the kind of organisation which we were anxious to see set up. This Organisation for European Economic Co-operation comprises a Council of all the members with an Executive Committee of seven, these bodies exercising a large degree of practical control over the actions of the Secretary-General. The Constitution is flexible in detail and will permit the Organisation to develop in whatever way the work which has to be done seems to demand. With this in mind, the Working Party established no fixed rules about the frequency of meetings of either the Council or the Executive Committee nor did it lay down what other Committees should be set up, but left decisions on these points to the new Organisation itself.

Chairmanships, the Secretary-Generalship and Site

4. I would like to add an explanation of the decisions on the site, the Secretary-Generalship and the Chairmanship. It became clear at a fairly early stage in the Working Party that there was a strong body of opinion in favour of Paris as the seat of the Organisation. This was also the wish of the French Government. It had been the policy of His Majesty's Government to secure the Chairmanship both of the Council (at the Ministerial and official levels) and also of the Executive Committee. The Benelux Governments felt strongly that they had the right to the third "perquisito", but at first showed much more interest in the Chairmanship than in the Secretary-Generalship, a point on which we were not disposed to give way to them. While this point was still undecided, M. Marjolin, the French Representative on the Working Party was building up for himself a reputation for capability and fairness which seemed to make him admirably qualified to be appointed Secretary-General. Thus, when, at a later stage, the Benelux countries eventually produced a candidate for the Secretary-Generalship, the majority of the participating countries had already decided that they would prefer M. Marjolin. The Benelux Governments therefore took the line that they could not agree to the French having both the site and the Secretary-Generalship, while Benelux got nothing.

5. This was the deadlock which confronted me when I arrived in Paris. It seemed to me to be both necessary and desirable to accept M. Marjolin as Secretary-General but that the Benelux Governments had something of a case. In order therefore that the Organisation might not start off in the unhappy atmosphere of a political deadlock, I offered on behalf of the United Kingdom to renounce either the Chairmanship of the Council or, if preferred, the Chairmanship of the Executive Committee in favour of Benelux. The first offer was accepted and Belgium was elected Chairman of the Council. This renunciation on our part of an office which we could have retained if we had insisted made a great impression on the other Delegates, and undoubtedly increased their readiness to follow our lead on other matters. In any case, by our occupation of the Chair of the Executive Committee through Sir Edmund Hall-Patch we shall be able to exercise a guiding influence on the day to day work of the Organisation, and I am therefore certain that the step which we took in solving this difficulty will turn out to have been to our benefit as well as to our credit. Two immediate results were that, on the following day, I was able to secure all our objectives in regard to the organisation of the Consultative Council under the Brussels Treaty, and that we have now been invited to provide a Deputy Secretary-General for the Organisation of European Economic Co-operation itself. If, as I hope, we are able to do this, we shall secure a further key position from which to guide the work of the Organisation.

6. I think it would be appropriate for me to conclude by mentioning to my colleagues the great debt owed by all the countries concerned to Sir Oliver Franks and his team of assistants and advisers for the part they have played in bringing this enterprise so successfully to the end of its first stage.

E.B.

Foreign Office, S.W.1.
21st April, 1948.

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