Doc. 25
08 August 1950

International control of the European coal and steel industries (Schuman Plan)

Motion for a resolution
tabled by Lord Robert BOOTHBY and other members of the Assembly

That this Assembly, Recommends to the Committee of Ministers that the following proposals for the regulation and development in common of the coal and steel industries of Europe be transmitted to the French and other Governments participating in the Paris discussions on the Schuman Plan; believing that on the basis of these proposals a larger number of the Member States of the Council of Europe than those now taking part would find it possible to respond to the French Government's initiative.

The Treaty and machinery therein contained will be established for the following reasons :

– recognising that world peace is the aim of Western civilisation and that to eliminate the old conflicts and hatreds within Europe is an essential step in that direction;
– acknowledging the debt which the world owes to the French Government for the initiative in putting forward the Schuman Plan to achieve this reconciliation between ancient rivals,
– believing that the unity and defence of the peoples of Western Europe will be most speedily and securely established by making the best use of their economic resources and by progressively raising the standards of living,
– realising that these purpose can be brought within the grasp of the peoples of Europe if the coal and steel industries in their countries are developed in common,
– the contracting parties shall undertake progressively to establish a single market in coal and steel and shall jointly be responsible for mitigating any adverse social or other changes which are involved in the transition to a single market.

The contracting parties will therefore :

– take the necessary steps, in accordance with a timetable to be mutually agreed, to remove in respect of the markets in coal, steel and steel-making materials in their metropolitan territories all tariffs, quotas, differential transport rates and other restrictive arrangements and abolish all subsidies or similar measures;
– not themselves enter into or permit concerns under their jurisdiction to enter into restrictive agreements detrimental to the objects of the Treaty ;
– take the necessary steps to see that the powers given to the coal and steel authority can be exercised and enforced in their countries ;
– develop a common export policy for markets outside Europe having regard to the preferential arrangements which exist or may exist between a metropolitan country and its overseas territories and associated countries.

For achieving these objectives the members of the Committee of Ministers of the Council of Europe, whose states are contracting parties to the Treaty, shall form an economic subcommittee of the Committee of Ministers, hereinefter called "the Ministerial Committee".

Each member of the Ministerial Committee shall have one vote.

The Ministerial Committee shall set up and appoint the members of an authority to carry out the duties laid down in the Treaty in regard to the coal and steel industries of the contracting parties. Provisions for the conditions of service and replacement shall be determined by the Ministerial Committee.

The members of the authority shall be drawn from representatives of the interests concerned, namely employers, trade unions and consumers. An independent chairman shall be appointed by the Ministerial Committee. The members shall choose from their own number two executive boards to carry out their task in regard to the coal and steel industries respectively.

The voting power of each member of the Authority and of the two executive boards shall be in proportion to the production and consumption of coal (or steel) in his country. Decisions shall be taken by a simple majority of these votes.

During the first five years special provisions shall be made for an appeal to the Ministerial Committee from decisions taken by the Authority on the ground that they adversely affect the basic economic, social or strategic policy of a member. Any member of the Authority or of the Ministerial Committee may make such an appeal. The Ministerial Committee shall confirm the decision by a two thirds vote with the proviso that if the question under review affects one country only the member representing that country can A'oto the decision. The working of this rule shall be reviewed in the light of experience.

A member shall have the right to withdraw from the Ministerial Committee, and in consequence from the Authority, on giving twelve months' notice. The Ministerial Committee may by two-thirds vote compel a member to resign from its body and from the Authority.

The terms and conditions of the Treaty shall impose upon the Authority the duty of contributing by all means in its power to the efficient production of coal and steel, the expansion of markets, full employment and rising standards of the peoples concerned. In particular it should :

– strive for the supply of the products of the industry on equal terms to all consumers in the member countries, and in such quantities and of such qualities as will meet the economic needs of the domestic and overseas markets of the member countries;
– endeavour to secure and maintain fair, nondiscriminatory and stable prices;
– promote the modernisation of production and co-ordinate development programmes in order to achieve, subject only to overriding social and strategic considerations, the most efficient production throughout the area covered by the member states;
– endeavour to eliminate as rapidly as possible all artificial factors which obstruct a single market ;
– promote higher living standards for those engaged in the industry and for the consumers of its products;
– preserve existing machinery for collective bargaining, and undertake the responsibility for mitigating any adverse social effects of carrying out the policy of a single market.

The contracting parties shall agree that the Authority shall develop and supervise à common price policy for coal, steel and steel-making materials. The immediate aim shall be to charge the same prices at the pit-head or ex-works to all buyers whose demands are similar. Such a policy may either give freedom to each producing unit to set and publish his own list of ex-works prices or provide for the setting of prices on agreed principles for groups of producers whether such groups are formed on a national or regional basis. Such prices shoujd achieve reasonable stability and as far as possible reflect the long-term trend of costs.

The Authority shall make a distinction between those factors which result in different prices for similar products which are the consequence of natural or geographical conditions and those which are the consequence of artificial or governmental action. In the interests of efficiency the natural advantages should be developed as freely as possible. Where this leads to the reduction or closing of less efficient units the Authority will be empowered to take steps to mitigate the economic and social consequences by a levy on the production of the units which benefit from this rationalisation to be used for such purposes as guaranteeing the service of loans, or other measures which may be required.

In no circumstances shall the Authority seek to achieve a common price policy by lowering the living standards or impeding a rise in the living standards of the workers in one unit in order to equalise costs between thai unit and another unit wherever situated. On the contrary, the Authority shall aim to secure that the common price-policy leads to a levelling up of wages and conditions.

The Authority shall have powers to collect information on all subjects that are deemed necessaiy for the execution of its task including production, consumption, exports, imports, prices, agreements, productivity, costs, developments, modernisation and investment programmes, etc. The achievement of efficient production and expanding markets will be greatly assisted by the publication of information and by the expression of opinion on that information.

The Authority shall have powers to initiate and co-ordinate technical and market research.

It shall be the duty of the Authority to draw up programmes for short-term and long-term production. For this purpose the representatives of each country shall submit to the Authority once a year programmes of production and investment. The Authority shall have regard to the demand for the product in each country when considering that country's production and investment programmes. Where the Authority decides that the production in any country from its existing capacity shall be for a period less than the volume proposed in that country's programme the government of that country shall have the right to purchase and stockpile the difference provided that this tonnage shall not be sold within five years of its purchase without the consent of the Authority. For the purpose of drawing up the long-term investment programme all major proposals for modernisation and expansion of capacity shall be submitted to the Authority. In the event of refusal by the Authority for a proposal a member may, if it considers that the provisions of Article 9 apply, appeal to the Ministerial Committee.

The Treaty will contain a number of general provisions including :

a. The Authority shall be financed by a levy on production of coal and steel.

b. The Authority shall in no way interfere with the system of ownership in the country of any member.

The Authority shall make an annual report to the Ministerial Committee. It shall be open to the Authority to include in the annual report suggestions for the modification of the Treaty. The Ministerial Committee shall transmit the report to the Committee of Ministers of the Council of Europe who shall cause it to be laid before the Consultative Assembly for discussion.

A court of appeal composed of five members to be appointed by the International Court of the Hague from nationals of the contracting parties shall hear complaints of infringements of the Treaty referred to it by any member of the Ministerial Committee.

The Treaty shall be ratified by the Parliaments of the contracting parties.

Signed *(see overleaf)*

Signed:

BOOTHBY Robert, United Kingdom
ECCLES David, United Kingdom
FOSTER John, United Kingdom
LAYTON Walter Thomas, United Kingdom
MACMILLAN Harold, United Kingdom
MAXWELL FYFE David, United Kingdom
OHLIN Bertil G., Sweden
ROSS Ronald D., United Kingdom
SANDYS DUNCAN, United Kingdom
SMITT-INGEBRETSEN Hermann, Norway