

Annex I - Definition of the terms coal and steel

1. The expressions « coal » and « steel » cover the products mentioned on the following list.
2. The action of the High Authority concerning special steel products, coke and scrap iron shall take into consideration the particular conditions of their production or trade.
3. With regard to gas coke and lignite used otherwise than for the manufacture of briquettes and semi-coke, the High Authority will exert its powers only to the extent required by any appreciable disturbances which these products might cause on the general market for combustibles.
4. The action of the High Authority must take account of the fact that the production of certain of the products on this list is directly linked to the production of by-products which are not mentioned but whose selling price may influence that of the basic products.

ANNEX II - Scrap iron

The provisions of the present Treaty are applicable to scrap-iron, taking into consideration the following practical procedures which are required on account of the particular conditions of its collection and marketing:

(a) The prices fixed by the High Authority under the provisions of Chapter V of Title Three are applied to purchases by the industries of the Community; the member States will lend their assistance to the High Authority to see that sellers respect the decisions taken.

(b) The following are excluded from the application of Article 59:

- brass alloys whose nature limits their use to foundries not subject to the jurisdiction of the Community;

- scrap iron recovered by the industries themselves and used directly by them; however, the resources resulting from such recovered scrap shall be taken into consideration in the establishment of the bases of distribution for commercial scrap.

(c) For the application of the provisions of Article 59 to commercial recovered scrap-iron, the High Authority, in cooperation with the governments of the member States, will gather the necessary information on availabilities and requirements, including exports to third countries.

On the basis of the information thus obtained, the High Authority will distribute the availabilities among the member States in accordance with the provisions of Article 59, taking into account the most economic ways of utilizing this resource as well as the general conditions of exploitation and supply which affect the different parts of the steel industry subject to its jurisdiction.

The following measures will be taken in order to avoid discrimination detrimental to industries subject to the jurisdiction of any one of the member States resulting from deliveries by one member State to another under this allocation plan, or from the exercise of rights granted to enterprises of one member State to purchase on the market of another member State:

1. Each member State will authorize shipments to be made from its territory to the other member States in accordance with the allocation established by the High Authority; on the other hand, each member State will be authorized to apply the controls required to make sure that the shipments are not greater than the quantities thus provided for. The High Authority is empowered to see to it that the provisions adopted are no more restrictive than their purpose requires.

2. The allocation among the member States will be reviewed at intervals as frequent as necessary to maintain a relationship between the proved resources of each member State and the programmed shipments to other member States which is fair both to local buyers and to buyers in other member States.

3. The High Authority will take care that the regulations adopted by each member State concerning sellers subject to its jurisdiction do not have the effect of applying unequal conditions to comparable transactions, particularly according to the nationality of the buyers.

ANNEX III – Special steels

Special steels and fine carbon steels, as they are described in the draft European customs nomenclature agreed to in Brussels by the Tariff Committee during its meeting of July 15, 1950, will be treated in accordance with which of the following three groups they belong to:

(a) special steels commonly called construction steels, and defined by carbon content below 0,6 percent and of alloys below a total of 8 percent with two or more alloys or 5 percent with only one (1);

(b) fine carbon steels with a carbon content between 0,6 and 1,6 percent; special steel alloys, other than those defined in paragraph (a) above, with an alloy content of less than 40 percent with two or more alloys or 20 percent with only one (1);

(c) special steels not included in the definitions in paragraphs (a) and (b) above.

The products belonging to groups (a) and (b) come within the jurisdiction of the High Authority. For these products, however, the date at which import and export duties or equivalent changes and all quantitative restrictions on their movement within the Community are to be abolished will be postponed until one year after the date fixed for the establishment of the common market for steel. This will permit the study of appropriate methods of application for the Treaty on the basis of the special conditions of the production and the distribution of these categories of products.

For products belonging to group (c), the High Authority will, as soon as the Treaty is signed, undertake studies for the purpose of finding appropriate methods for its application to these various products, taking into consideration the special conditions of their production and distribution; as each of these studies is completed, and within three years at the latest from the date of establishment of the common market, the arrangements to be made for each of these products will be submitted by the High Authority to the Council, which will take a decision in the matter in accordance with the provisions of Article 81. During this period, the products belonging to category (c) will be subject only to statistical control by the High Authority.

K. A.
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(1) Sulphur, phosphorus, silicon and manganese in amounts normally accepted for ordinary steel are not counted as alloys.

Protocol on the privileges and immunities of the Community

THE HIGH CONTRACTING PARTIES:

CONSIDERING that, under the terms of Article 76 of the Treaty, the Community will enjoy on the territories of the members States the immunities and privileges necessary to the fulfillment of its mission under the conditions provided for in an annexed Protocol;

HAVE AGREED to the following:

CHAPTER I – Property, funds and assets

Article 1

The premises and buildings of the Community shall be inviolable. They shall be exempt from search, requisition, confiscation or expropriation. The property and assets of the Community may not be the object of any administrative or judicial measure of constraint without the authorization of the Court.

Article 2

The archives of the Community are inviolable.

Article 3

The Community may hold any kind of currency and have accounts in any kind of money.

Article 4

The Community, its assets, income and other properties are exempt from:

(a) all direct taxes; however, the Community will not request exemption from such taxes, charges and duties as constitute only direct remuneration for public utility services;

(b) all customs duties, prohibitions and restrictions on imports and exports with respect to articles intended for its official use; articles thus imported free of duty shall not be sold on the territory of the country into which they shall have been imported except under conditions agreed to by the government of such country;

(c) all customs duties and all prohibitions and restrictions on imports and exports with respect to its publications.

CHAPTER II – Communications and travel documents

Article 5

For their official communications, the institutions of the Community shall enjoy on the territory of each member State the treatment granted by that State to diplomatic missions.

Official correspondence and other official communications of the institutions of the Community shall not be subject to censorship.

Article 6

The President of the High Authority will issue laissez-passer to the members of the High Authority and to the higher officials of the institutions of the Community. These passes shall be recognized as valid travel documents by the authorities of the member States.

CHAPTER III – Members of the Assembly

Article 7

No restrictions of an administrative or other nature shall be placed on the free travel of members of the Assembly proceeding to or coming from the place of meeting of the Assembly.

As concerns customs and exchange control, members of the Assembly shall be granted:

- (a) by their own governments, the facilities granted to high officials proceeding abroad on temporary official missions;
- (b) by the governments of the other member States, the facilities granted to representatives of foreign governments on temporary official missions.

Article 8

Members of the Assembly may not be examined, held or prosecuted by reason of opinions or votes expressed by them in the exercise of their functions.

Article 9

During the sessions of the Assembly, its members shall enjoy:

- (a) on their national territory, the immunity granted to members of the Parliament of their country;
- (b) on the territory of any other member State, exemption from all measures of detention and from any legal prosecution.

They shall likewise be covered by such immunity when proceeding to or returning from the place of meeting of the Assembly. Such immunity may not be invoked in the case of flagrante delicto, nor may it hinder the right of the Assembly to waive the immunity of any of its members.

CHAPTER IV – Representatives in the Council

Article 10

Representatives in the Council and persons accompanying them officially shall enjoy, during the exercise of their functions and during their travel to or from the place of meeting, the customary privileges and immunities.

CHAPTER V – Members of the High Authority and officials of the institutions of the Community

Article 11

On the territory of each of the member States, and regardless of their nationality, the members of the High Authority and officials of the Community:

(a) shall enjoy, subject to the provisions of the second paragraph of Article 40 of the Treaty, immunity from legal action for acts performed by them in their official capacity, including their speeches and writings; this immunity shall continue after their functions have ceased;

(b) shall be exempt from any tax on salaries or emoluments paid by the Community;

(c) shall be exempt, along with their spouses and the dependent members of their families, from regulations limiting immigration and from formalities for the registration of foreigners;

(d) shall enjoy the right to import their personal property and effects free of duty at the time they initially assume their functions in the country in question, and to re-export such property and effects free of duty to their country of residence when their functions cease.

Article 12

The President of the High Authority shall determine the classes of officials to which the provisions of the present Chapter shall apply. He shall submit the list thereof to the Council and then communicate it to the governments of all the member States. The names of the officials included in such classes shall be communicated periodically to the governments of the member States.

Article 13

Privileges, immunities and facilities are granted to members of the High Authority and to officials of the institutions of the Community solely in the interest of the Community.

The President of the High Authority shall be required to waive the immunity granted to an official in any case where he deems that the waiver of such immunity is not contrary to the interests of the Community.

CHAPTER VI – General provisions

Article 14

The High Authority may conclude, with one or several member States, complementary agreements adjusting the provisions of the present Protocol.

Article 15

The privileges, immunities and facilities granted to the judges, clerk and personnel of the Court shall be governed by its code.

Article 16

Any dispute concerning the interpretation or application of the present Protocol shall be submitted to the Court.

Done at Paris, the eighteenth of April, one thousand nine hundred and fifty-one.

ADENAUER.

Paul VAN ZEELAND.

J. MEURICE.

SCHUMAN.

SFORZA.

Jos. BECH.

STIKKER.

VAN DEN BRINK

Protocol on the Code of the Court of Justice

THE HIGH CONTRACTING PARTIES:

DESIROUS of establishing the Code of the Court of Justice provided by Article 45 of the Treaty,

HAVE AGREED as follows:

Article 1

The Court of Justice established by Article 7 of the Treaty shall be constituted and shall perform its duties in accordance with the provisions of the Treaty and of the present Code.

TITLE I — The Judges

Oath of office

Article 2

Before commencing his duties, each judge shall take a public oath to discharge his duties conscientiously and with complete impartiality and to preserve the secrecy of the Court's deliberations.

Privileges and immunities

Article 3

The judges shall enjoy legal immunity. They shall retain this immunity after their term of office for all acts performed by them in their official capacity including their statements and writings.

The Court, sitting en banc, may suspend this immunity.

Only the courts with jurisdiction over the highest members of the national judiciary in each member State shall have jurisdiction in criminal proceedings against judges whose immunity has been so suspended.

The judges, without regard to their nationality, shall also enjoy within the territory of each member State the privileges enumerated in paragraphs (b), (c), and (d) of Article 11 of the Protocol on the privileges and immunities of the Community.

Conflicts of interest

Article 4

Judges may not hold any political or administrative office.

They may not engage in any business or professional activity, paid or unpaid, except by specific exemption granted by a two-thirds majority of the Council.

They may not acquire or hold, directly or indirectly, any interest in any business related to coal or steel during their term of office and during a period of three years thereafter.

Remuneration

Article 5

The salaries, allowances and pensions of the President and the judges shall be fixed by the Council on the proposal of the Commission provided by paragraph 3 of Article 78 of the Treaty.

Termination of office

Article 6

In addition to the provisions for regular changes in membership, the term of office of any judge shall be terminated by death or resignation.

In case of resignation, the letter of resignation shall be addressed to the President of the Court for transmission to the President of the Council. The latter notification shall cause such office to become vacant.

Except for instances in which Article 7 below shall be applicable, each judge shall continue to hold office until his successor shall enter upon his duties.

Article 7

The judges may be removed from office only if, in the unanimous opinion of the other members of the Court, they no longer fulfil the requisite conditions thereof.

The President of the Council, the President of the High Authority and the President of the Assembly shall be notified thereof by the clerk.

Such notification shall cause such office to become vacant.

Article 8

A judge who is appointed to replace a member whose term of office has not expired, shall finish the term of office of his predecessor.

TITLE II — Organization

Article 9

The judges, the Court advocates and the clerk must reside at the seat of the Court.

Article 10

The Court shall be assisted by two Court advocates and one clerk.

Court advocates

Article 11

The function of the Court advocates shall be to present publicly and with complete impartiality and independence oral reasoned arguments on the cases submitted to the Court, in order to assist the Court in the performance its duties, as defined in Article 31 of the Treaty.

Article 12

The Court advocates shall be appointed for a term of six years in the same manner as judges. There shall be a partial change in membership every three years. The Court advocate whose term expires at the end of the first period of three years shall be designated by lot. The provisions of the third and fourth paragraphs of Article 32 of the Treaty and the provisions of Article 6 of the present Code shall be applicable to the Court advocates.

Article 13

The provisions of Articles 2 to 5 and 8 above shall be applicable to the Court advocates.

The Court advocates may be removed from office only if they no longer fulfil the requisite conditions thereof. This decision shall be taken by unanimous vote of the Council, upon the advice of the Court.

Clerk

Article 14

The clerk shall be appointed by the Court, which will fix the rules of his office according to the provisions of Article 15 below. He shall take an oath before the Court to discharge his duties conscientiously and with complete impartiality and to preserve the secrecy of the Court's deliberations.

The provisions of Articles 11 and 13 of the Protocol on the privileges and immunities of the Community shall be applicable to the clerk; however, the powers conferred by such Articles on the President of the High Authority shall be exercised by the President of the Court.

Article 15

The salaries, compensations and pensions of the clerk shall be fixed by the Council on the proposal of the Commission, provided by paragraph 3 of Article 78 of the Treaty.

Personnel of the Court

Article 16

The Court shall have functionaries or employees to permit the performance of its duties. They shall be directed by the clerk, under the general supervision of the President. Their rules of office shall be fixed by the Court. The Court shall designate one of them to act as alternate for the clerk in the event of the latter's absence or incapacity.

In cases of necessity, and in accordance with the conditions to be fixed by the rules of procedure provided in Article 44 below, qualified special masters may be asked to participate in the examination of cases pending before the Court and to cooperate with the reporting judge. Their rules of office shall be fixed by the Council on proposal by the Court. They shall be appointed by the Council.

The provisions of Articles 11, 12 and 13 of the Protocol on the privileges and immunities of the Community are applicable to the functionaries, employees and special masters of the Court; however, the powers conferred by such Articles on the President of the High Authority shall be exercised by the President of the Court.

Functioning of the Court

Article 17

The Court shall sit permanently. The length of its judicial recesses shall be fixed by the Court, with due regard for its judicial obligations.

Composition of the Court

Article 18

The Court shall sit en banc. However, the Court may establish within its own membership two divisions composed of three members each, in order to conduct preliminary examinations or to decide certain categories of cases, under the conditions provided by rules which the Court shall establish to that effect.

The Court shall only validly sit with an uneven number of members. The deliberations of the Court sitting en banc are valid if five members are present. The deliberations of the divisions are valid only if they are conducted by three judges: in the event of the absence or incapacity of one of the judges of the division, a judge of the other division may be asked to sit, in accordance with conditions which shall be established by the rules provided hereunder.

Appeals by States or by the Council shall, in all cases, be decided en banc.

Special rules

Article 19

The judges and the Court advocates may not participate in the disposition of any case in which they have previously participated as a representative, counsel or advocate of one of the parties, or as to which they have been called upon to render judgment as a member of a tribunal, of a commission of inquiry or in any other capacity.

If any judge or Court advocate, for a special reason, deems improper his participation in the judgment or the examination of a particular case, he shall so notify the President. If the President, for a special reason, deems it improper for a member of the Court or a Court advocate to sit or argue in a particular case, he shall so notify the person affected.

The Court shall resolve any difficulties arising from the application of the present Article.

A party may not invoke the nationality of a judge, or the absence from the bench or from one division of a judge of its own nationality, in order to ask a change in the composition of the Court or of one of its divisions.

TITILE III — Procedure

Representation and appearances of the parties

Article 20

The States and the different institutions of the Community shall be represented before the Court by representatives appointed for each case; the representative may be assisted by an advocate admitted to the bar of one of the member States.

Enterprises and all other individuals or legal entities must be represented by an advocate admitted to the bar of one of the member States.

The representatives and advocates appearing before the Court shall have the rights and guarantees necessary for the independent performance of their duties, under the conditions fixed in rules to be established by the Court and submitted to the approval of the Council.

The Court shall have, with respect to the advocates who appear before it, the powers normally recognized in this regard to courts and tribunals, under the conditions fixed by the same rules.

Professors of the member States whose national law allows them to plead shall have the same rights before the Court as are recognized to advocates by the present Article.

Phases of procedure

Article 21

The procedure before the Court shall be composed of two phases: written and oral.

The written procedure shall include communications to the parties, as well as to the institutions of the Community whose decisions are in dispute, petitions, memoranda, defences and observations and answers, if any, as well as all documentary evidence and supporting papers or certified copies thereof.

Notices shall be served by the clerk in the sequence and within the time intervals fixed by the rules of procedure.

The oral procedure shall include the reading of the report presented by the reporting judge, as well as the hearing by the Court of witnesses, experts, representatives and advocates and the arguments of the Court advocate.

Petitions

Article 22

Matters shall be referred to the Court by a petition addressed to the clerk. The petition must contain the name and the domicile of the party and the capacity of the signer, the subject-matter of the dispute, the arguments and a short summary of the grounds on which the petition is based.

This petition must be accompanied, where appropriate, by the decision whose annulment is asked, or, in case of an appeal against an implicit decision, by documentary evidence showing the date of filing of the request. If these documents are not annexed to the petition, the clerk shall ask the party in question to produce them within a reasonable period of time, and there shall be no foreclosure if compliance occurs after the time for appeal has elapsed.

Transmittal of documents

Article 23

When an appeal is taken against a decision of one of the institutions of the Community, such institution must transmit to the Court all the documents relating to the case before the Court.

Methods of examination

Article 24

The Court may ask the parties, their representatives or officials and employees, as well as the governments of the member States, to produce all documents and furnish all information which the Court deems desirable. In case of refusal, the Court shall take judicial notice thereof.

Article 25

The Court may at any time charge any person, body, office, commission or organ of its own choice with the duty of making a formal inquiry or expert study; to this effect, the Court may draw up a list of persons or organizations qualified to serve as experts.

Publicity of the hearings

Article 26

The hearings shall be public, unless the Court, for substantial reasons, shall decide otherwise.

Reports of the hearings

Article 27

A report shall be kept of each hearing, signed by the President and the clerk.

Hearings

Article 28

The President shall fix the schedule of the hearings.

Witnesses may be heard under the conditions which shall be determined by the rules of procedure. They may be heard under oath.

During the hearings, the Court may also examine the experts and persons charged with a formal inquiry, as well as the parties themselves; the latter, however, may only plead through their representative or advocate.

When it is established that a witness or an expert has concealed or falsified the truth as to the facts on which he has testified or has been examined by the Court, the Court shall be empowered to refer such misfeasance to the Minister of Justice of the State of such witness or expert, for the application of the appropriate sanctions provided by the national law.

The Court shall have, with respect to defaulting witnesses, the powers which are generally recognized in this regard to courts and tribunals, under the conditions fixed by rules established by the Court and submitted to the approval of the Council.

Secrecy of judicial deliberations

Article 29

The Court's deliberations shall be and shall remain secret.

Judgments

Article 30

Judgments shall set forth the reasons therefor. They shall state the names of the judges who have participated therein.

Article 31

Judgments shall be signed by the President, the reporting judge and the clerk. They shall be read in public session.

Costs

Article 32

Costs shall be determined by the Court.

Summary procedure

Article 33

The President of the Court may make summary rulings, in accordance with a procedure to be established by the rules of procedure and in derogation, to the extent necessary, of certain provisions of the present Code, upon arguments for the granting of suspension of execution provided in the second paragraph of Article 39 of the Treaty, or for the application of provisional measures under the third paragraph of the same Article, or for the suspension of compulsory execution in accordance with the third paragraph of Article 92.

In the event of the absence or incapacity of the President, he shall be replaced by another judge under the conditions fixed by the rules provided in Article 18 of the present Code. The ruling of the President or his alternate shall be provisional in nature and shall not prejudice in any way the decision of the Court on the matter in its entirety.

Intervention

Article 34

Individuals or legal entities establishing an interest in the outcome of a dispute pending before the Court may intervene in such dispute.

The arguments in favour of a petition for intervention may be directed only to the affirmation or dismissal of the arguments of a party.

Judgment by default

Article 35

When, in an appeal to the Court's general jurisdiction, the defendant is duly summoned and fails to file written arguments, a default judgment shall be rendered against him. This judgment may be contested within a month from the date of the notification of the judgment. Such proceeding shall not suspend the execution of the default judgment, unless otherwise decided by the Court.

Contest by third parties

Article 36

Individuals or legal entities, as well as institutions of the Community, may institute third-party proceedings to contest judgments which have been rendered without notification to them, in the cases and under the conditions to be fixed by the rules of procedure.

Interpretation

Article 37

In case of difficulty as to the meaning or scope of a judgment, such judgment shall be interpreted by the Court upon the request of any party or any institution of the Community establishing an interest therein.

Reconsideration

Article 38

The Court may be asked to reconsider a judgment only on grounds of discovery of a fact susceptible of exerting a decisive influence thereon, which was unknown to the Court and to the party requesting such reconsideration prior to the rendering of such judgment.

The reconsideration procedure shall commence with a judgment of the Court explicitly setting forth the existence of a new fact, finding therein the characteristics giving rise to reconsideration, and holding the request for reconsideration admissible for this reason.

No request for reconsideration may be introduced after the expiration of a period of ten years from the date of the judgment.

Time limits

Article 39

The appeals provided by Articles 36 and 37 of the Treaty must be taken within the period of one month provided in the last paragraph of Article 33.

The periods of time based upon distance shall be fixed by the rules of procedure.

There shall be no loss of rights by reason of the expiration of time periods if the party in question proves the existence of an Act of God or force majeure.

Limitations

Article 40

The proceedings provided in the first two paragraphs of Article 40 of the Treaty must be instituted within five years from the date of the occurrence of the circumstance giving rise thereto. This limitation shall be tolled either by the petition to the Court or by the previous request which the aggrieved may direct to the competent institution of the Community. In this last case, the petition must be filed within the period of one month provided in the last paragraph of Article 33; the provisions of the last paragraph of Article 35 shall be applicable where appropriate.

Special rules for dispute between member States

Article 41

When a dispute between member States is submitted to the Court, under Article 89 of the Treaty, the other member States shall be notified forthwith of the subject-matter of such dispute.

Each of the States shall have the right to intervene in the proceeding.

The disputes referred in the present Article must be adjudged by the Court en banc.

Article 42

If a State intervenes in a case submitted to the Court under the conditions provided in the preceding Article, the interpretation given by the judgment shall also be binding on it.

Appeals by third parties

Article 43

The decisions of the High Authority under Section 2 of Article 63 of the Treaty must be notified to the buyer as well as to the enterprises in question; if the decision refers to all or an important category of enterprises, such individual notification may be replaced by publication.

An appeal may be taken, under the conditions in Article 36 of the Treaty, by any person on whom a daily penalty judgment has been levied in application of paragraph 4 of Section 5 of Article 66.

Rules of procedure

Article 44

The Court shall establish its own rules of procedure. These rules shall contain all the provisions necessary for the application and, where necessary, the complementation of the present Code.

Transitory provision

Article 45

Immediately after the taking of the oath, the President of the Council shall proceed to designate by lot the judges and the Court advocates whose term shall expire at the end of the first period of three years in accordance with Article 32 of the Treaty.

Done in Paris, the eighteenth of April, one thousand nine hundred and fifty-one.

ADENAUER.

Paul VAN ZEELAND.

J. MEURICE.

SCHUMAN.

SFORZA.

Jos. BECH.

STIKKER.

VAN DEN BRINK.

Protocol concerning relations with the Council of Europe

THE HIGH CONTRACTING PARTIES:

FULLY AWARE of the need to establish ties as close as possible between the European Coal and Steel Community and the Council of Europe, particularly between the two Assemblies;

TAKING NOTE of the recommendations of the Council of Europe;

HAVE AGREED to the following provisions:

Article 1

The governments of the member States are invited to recommend to their respective Parliaments that the members of the Assembly, which these Parliaments are called upon to designate, should preferably be chosen from among the representatives in the Consultative Assembly of the Council of Europe.

Article 2

The Assembly of the Community will forward annually to the Consultative Assembly of the Council of Europe a report on its activity.

Article 3

The High Authority will communicate each year to the Committee of Ministers and to the Consultative Assembly of the Council of Europe the general report provided for in Article 17 of the Treaty.

Article 4

The High Authority will inform the Council of Europe of the action which it has been able to take on any recommendations which the Committee of Ministers of the Council of Europe might have addressed to it under Article 15 (b) of the Statute of the Council of Europe.

Article 5

The present Treaty and its Annexes will be registered with the General Secretariat of the Council of Europe.

Article 6

Agreements between the Community and the Council of Europe may, among other things, provide for any other type of mutual assistance and collaboration between the two organizations, and the appropriate forms thereof.

Done at Paris, the eighteenth of April, one thousand nine hundred and fifty-one.

ADENAUER.
Paul VAN ZEELAND.
J. MEURICE.
SCHUMAN.

SFORZA.
Jos. BECH.
STIKKER.
VAN DEN BRINK.

**Exchange of letters between the government of the German Federal Republic
and the government of the French Republic concerning the Saar**

Translation of the letter opposite

THE FEDERAL CHANCELLOR
AND
MINISTER FOR FOREIGN AFFAIRS

Paris, April 18, 1951.

HIS EXCELLENCY
PRESIDENT ROBERT SCHUMAN
MINISTER FOR FOREIGN AFFAIRS
PARIS

MR. PRESIDENT,

The representatives of the Federal Government have declared on several occasions during the negotiations concerning the European Coal and Steel Community that the definitive settlement of the status of the Saar could only be made by the Treaty of Peace or a similar Treaty. During the negotiations they have also declared that in signing the Treaty the Federal Government does not in any way express its recognition of the present status of the Saar.

I repeat this declaration and request you to confirm that the French Government is in agreement with the Federal Government as to the fact that the definitive settlement of the status of the Saar can be made only by the Treaty of Peace or by a similar Treaty, and that the French Government does not consider the signature by the Federal Government of the Treaty constituting the European Coal and Steel Community to constitute a recognition by the Federal Government of the present status of the Saar.

Please accept, Mr. President, the expression of my very high consideration.

Signed: ADENAUER.

DER BUNDESKANZLER
UND
DER BUNDESMINISTER DES AUSWÄRTIGEN

Paris, den 18. April 1951.

SEINER EXZELLENZ
HERRN PRÄSIDENT ROBERT SCHUMAN
MINISTER DES AUSWÄRTIGEN
PARIS

HERR PRÄSIDENT,

Die Vertreter der Bundesregierung haben bei den Verhandlungen über die Europäische Gemeinschaft für Kohle and Stahl wiederholt die Erklärung abgegeben, dass die endgültige Regelung des Status der Saar nur durch den Friedensvertrag oder einen gleichartigen Vertrag erfolgen kann. Sie haben ferner bei den Verhandlungen die Erklärung abgegeben, dass die Bundesregierung durch die Unterzeichnung des Vertrages keine Anerkennung des gegenwärtigen Status an der Saar ausspricht.

Ich wiederhole diese Erklärung und bitte, mir zu bestätigen, dass die französische Regierung mit der Bundesregierung darüber übereinstimmt, dass die endgültige Regelung des Status der Saar nur durch den Friedensvertrag oder einen gleichartigen Vertrag erfolgt and dass die französische Regierung in der Unterzeichnung des Vertrages über die Europäische Gemeinschaft für Kohle and Stahl durch die Bundesregierung keine Anerkennung des gegenwärtigen Status an der Saar durch die Bundesregierung erblickt.

Genehmigen Sie, Herr Präsident, den Ausdruck meiner ausgezeichnetsten Hochachtung.

(gez.) ADENAUER.

Translation of the letter opposite

Paris, April 18, 1951.

MR. CHANCELLOR,

In reply to your letter of April 18, 1951, the French Government takes note of the fact that the Federal Government, in signing the Treaty constituting the European Coal and Steel Community, does not recognize the present status of the Saar.

The French Government declares, in conformity with its own point of view, that it acts in the name of the Saar by virtue of the present status of that territory, but that it does not consider the signature of the Treaty by the Federal Government as a recognition by the Federal Government of the present status of the Saar. It has not considered that the Treaty constituting the European Coal and Steel Community prejudiced the definitive status of the Saar, which is to be decided by the Treaty of Peace or by a treaty taking its place.

Please accept, Mr. Chancellor, the expression of my very high consideration.

Signed: SCHUMAN.

DR. KONRAD ADENAUER,
Chancellor and Minister for Foreign Affairs,
of the German Federal Republic.

Paris, le 18 avril 1951.

MONSIEUR LE CHANCELIER,

En réponse a votre lettre du 18 avril 1951, le Gouvernement français prend acte de ce que le Gouvernement Fédéral n'entend pas, en signant le Traité instituant la Communauté Européenne du Charbon et de l'Acier, reconnaître le statut actuel de la Sarre.

Le Gouvernement français déclare, en conformité de son propre point de vue, qu'il agit au nom de la Sarre en vertu du statut actuel de celle-ci, mais qu'il ne voit pas dans la signature par le Gouvernement Fédéral du Traité une reconnaissance du statut actuel de la Sarre par le Gouvernement Fédéral. Il n'a pas entendu que le Traité instituant la Communauté Européenne du Charbon et de l'Acier préjugeât le statut définitif de la Sarre, qui relève du Traité de Paix ou d'un Traité en tenant lieu.

Veillez agréer, Monsieur le Chancelier, l'expression de ma très haute considération.

signé: SCHUMAN.

Monsieur le Docteur Konrad ADENAUER,
Chancelier et Ministre des Affaires Étrangères
de la République Fédérale d'Allemagne.

Convention containing the Transitional Provisions

THE HIGH CONTRACTING PARTIES:

DESIRING to establish the Convention containing the transitional provisions as provided for in Article 85 of the Treaty,

HAVE AGREED to the following:

PURPOSE OF THE CONVENTION

Section 1

1. The purpose of the present Convention, drawn up in compliance with Article 85 of the Treaty, is to set forth the measures necessary for the creation of the common market and the progressive adaptation of production to the new conditions in which it will take place, in a way which will facilitate the removal of the disequilibria which resulted from previous conditions.

2. To this end, the Treaty will be placed in effect during two periods, to be known as the preparatory period and the transition period.

3. The preparatory period will extend from the date on which the Treaty goes into effect to the date on which the common market is created.

During this period:

(a) the institutions of the Community will be established and the relations among these institutions, the enterprises and their associations, and the associations of workers, consumers, and distributors will be organized in such a way as to place the operations of the Community on a basis of constant consultation and to establish a common viewpoint and mutual understanding among all the interested parties;

(b) the action of the High Authority will involve

(1) studies and consultations;

(2) negotiations with third countries.

The purpose of the studies and consultations is to permit the establishment of an overall view of the situation in the coal and steel industries of the Community and of the problems which this situation involves, through constant cooperation among the High Authority and the governments, the enterprises and their associations, the workers and the consumers and distributors; and to make possible the preparation of the concrete measures which must be taken to cope with those problems during the transition period.

The purpose of the negotiations with third countries is to establish bases of cooperation between the Community and such countries, and to obtain, prior to the elimination of customs duties and quantitative restrictions within the Community, the necessary exceptions to:

— the most-favored-nation clause within the framework of the General Agreement on Tariffs and Trade and of bilateral agreements; and

— the non-discrimination clause governing the liberalization of trade within the framework of the Organization for European Economic Cooperation.

4. The transition period shall begin on the date on which the common market is created and shall end at the expiration of a period of five years following the creation of the common market for coal.

5. The provisions of the Treaty shall be applicable as soon as the Treaty goes into effect under the provisions of Article 99, subject to the exceptions and without prejudice to the additional provisions contained in the present Convention for the purposes defined above.

Except where otherwise expressly provided in the present Convention, such exceptions and additional provisions shall cease to be applicable and the measures taken for their implementation shall cease to have effect upon expiration of the transition period.

PART ONE - Implementation of the Treaty

CHAPTER I – Establishment of the Institutions of the Community

The High Authority Section 2

1. The High Authority shall assume its duties upon the designation of its members.

2. In order to fulfil the mission which it is assigned by virtue of Section 1 of the present Convention, the High Authority shall immediately exercise the information and study functions conferred on it by the Treaty, in accordance with and using the powers specified in Articles 46, 47, 48 and 54, paragraph 3. As soon as the High Authority is established, the governments shall bring to its attention, in accordance with Article 67, any action likely to modify competitive conditions and, in accordance with Article 75, those clauses of trade agreements or of other agreements of analogous effect which pertain to coal and steel.

On the basis of the information received on equipment and on investment programs, the High Authority shall determine the date as of which the provisions of Article 54, other than those referred to in the preceding paragraph, shall be applicable as concerns both investment programs and projects under way on that date. The next to last paragraph of Article 54 shall not apply, however, to projects for which orders were placed prior to March 1, 1951.

Upon its establishment, the High Authority shall, in consultation with the governments, exercise to the extent necessary the powers provided in paragraph 3 of Article 59.

The High Authority shall not exercise the other functions bestowed upon it by the Treaty prior to the opening date of the transition period for each of the products in question.

3. On the dates specified above, the High Authority shall inform the member States that it is in a position to assume each of its functions. Until such notification, the corresponding powers shall continue to be exercised by the member States.

Nevertheless, subsequent to a date which the High Authority will fix upon its establishment, consultations will take place between the High Authority and any member State prior to any legislative or regulatory measures which such State might

propose to take concerning matters with respect to which the High Authority has competence under the terms of the Treaty.

4. Without prejudice to the provisions of Article 67 concerning the effect of new measures, the High Authority will examine with the governments concerned the effect on the coal and steel industries of existing legislative and regulatory measures, particularly those which concern the fixing of prices of by-products outside the High Authority's jurisdiction, as well as of contractual social security systems to the extent that such systems have consequences equivalent to those of regulatory measures. If it finds that, by their own effect or by the discrepancies which they create between two or more member States, certain of these measures could seriously endanger competitive conditions in the coal and steel industries on the market of the countries in question, in the rest of the common market or on export markets, the High Authority shall, after consulting the Council, propose to the governments concerned any action which it deems necessary to correct such measures or to compensate for their effects.

5. In order that its action may repose on bases independent of the varying practices of enterprises, the High Authority shall, in cooperation with the governments, the enterprises and their associations, the workers and the consumers and distributors, seek a way to make comparable:

- the price scales practised for different qualities of products based on the average price for such products, or for the successive stages of processing such products; and
- the calculation of amortisation allowances.

6. During the preparatory period, the principal task of the High Authority shall be to enter into relations with the enterprises, their associations, and the associations of workers and of consumers and distributors, in order to acquire a concrete understanding of the overall situation as well as of the individual situations in the Community.

With the aid of the information which it gathers concerning markets, supplies, production conditions of enterprises, living conditions of the workers and modernization and equipment programs, the High Authority will draw up in cooperation with all interested parties a general review of the situation of the Community in order to enlighten their common action.

The measures necessary to establish the common market and to facilitate the adaptation of production will be drawn up on the basis of these consultations and of this overall understanding.

The Council
Section 3

The Council will meet during the month following the establishment of the High Authority.

The Consultative Committee
Section 4

In order to establish the Consultative Committee in accordance with Article 18 of the Treaty, the governments shall forward to the High Authority upon its establishment all information on the situation of the producers', workers', and consumers' organizations for coal and for steel existing in each country; such information shall cover in particular

the composition, the geographical scope, the statutes, the duties, and the role of these organizations.

On the basis of the information thus obtained and within two months following its establishment, the High Authority shall request the Council to designate the producers' and workers' organizations authorized to present candidates.

The Consultative Committee shall be set up within the month following this decision of the Council.

The Court Section 5

The Court shall assume its duties upon designation of its members. Its first President shall be designated in the same manner as the President of the High Authority.

It shall establish its rules of procedure within a period of three months thereafter.

Appeals may be introduced before the Court only after the publication of these rules of procedure. The levying of daily penalty payments and the collection of fines shall be suspended until that date.

The periods of grace for the introduction of appeals shall run only from the same date.

The Assembly Section 6

The Assembly shall meet one month following the date of establishment of the High Authority to elect officers and draw up its rules of procedure. The first meeting of the Assembly shall be called by the President of the High Authority. Until its officers are elected, the Assembly shall be presided over by its eldest member.

The Assembly shall hold a second meeting five months after the date of establishment of the High Authority to hear a report on the overall situation in the Community, accompanied by the first general estimate of expenditures.

Administrative and financial measures Section 7

1. The first fiscal year shall extend from the date of establishment of the High Authority to June 30 of the following year.

2. The levy provided in Article 50 of the Treaty may be collected as soon as the first general estimate of expenditures is prepared. As a transitional measure and to meet initial administrative expenses, member States shall make reimbursable advances without interest, allocated in proportion to their contributions to the Organization for European Economic Cooperation.

3. Until the Commission provided for in Article 78 of the Treaty has decided upon the number of employees and their status, the necessary personnel shall be hired on a contract basis.

CHAPTER II – Creation of the Common Market

Section 8

After the way has been prepared by the establishment of all the institutions of the Community, by general consultations among the High Authority, the governments, the enterprises and their associations, the workers and the consumers, and by the overall review of the situation in the Community derived from the information thus obtained, the common market will be created in accordance with the provisions of Article 4 of the Treaty.

These provisions shall enter into effect, without prejudice to the special measures provided in the present Convention:

(a) for coal, upon notification by the High Authority that the perequation measures provided in Part Three, Chapter II of the present Convention, have been placed in effect;

(b) for iron ore and scrap iron, on the same date as for coal;

(c) for steel, two months after the date specified above.

The perequation measures provided for coal under the provisions of Part Three of the present Convention shall be placed in effect within six months following the date the High Authority is established.

In case an additional period should be necessary, it shall be fixed by the Council upon the proposal of the High Authority.

Elimination of customs duties and quantitative restrictions Section 9

Subject to the special measures provided in the present Convention, the member States shall eliminate all export and import duties or equivalent charges and all quantitative restrictions on the movement of coal and steel within the Community on the dates fixed for the creation of the common market for coal, iron ore and scrap iron and for steel, respectively, under the terms of Section 8 above.

Transport Section 10

The High Authority shall immediately call into session a Commission made up of experts designated by the governments of the member States, which shall be charged with the study of measures relative to the transport of coal and steel. These measures shall be proposed to the governments in furtherance of the aims defined in Article 70 of the Treaty.

Without prejudice to the provisions of the last paragraph of Article 70, the negotiations required to obtain the agreement of the governments to the various measures proposed shall be undertaken upon the initiative of the High Authority. The High Authority shall also take the initiative in any negotiations which may prove necessary with interested third countries.

The measures to be studied by the Commission of experts are the following:

(1) elimination of discriminatory practices contrary to the provisions of paragraph 2 of Article 70;

(2) for transport within the Community establishment of direct international rates which take into account total distance and are degressive in nature, yet do not prejudice the distribution of charges among the transport enterprises concerned;

(3) examination of the prices and conditions of transport of every nature applied for coal and steel in the case of the different methods of transport, in order to harmonize these prices and conditions within the Community to the extent necessary for efficient operation of the common market, taking account, among other elements, of the real cost of transport.

The Commission of experts must carry out its studies within the following time limits:

— three months for the measures referred to in paragraph (1) above; and

— two years for the measures referred to in paragraphs (2) and (3) above.

The measures referred to in paragraph (1) shall go into effect not later than the creation of the common market for coal.

The measures referred to in paragraphs 2) and 3) above shall go into effect simultaneously as soon as the agreement of the governments is obtained. In the event, however, that the governments of the member States fail to agree on the measures referred to in paragraph (3) above within two and a half years following the establishment of the High Authority, the measures referred to in paragraph (2) shall go into effect separately on a date fixed by the High Authority. In the latter case, the High Authority shall make, upon the proposal of the Commission of experts, such recommendations as it deems necessary to avoid serious disturbances in the field of transport.

The rate measures referred to in paragraph 4 of Article 70, which are in effect upon establishment of the High Authority, shall be brought to the attention of the High Authority, which shall grant the necessary time limits for their modification in order to avoid serious economic disturbances.

The Commission of experts shall seek and propose to the governments concerned the exception which the latter shall authorize the Luxembourg government to make to the measures and principles defined above in view of the special situation of the Luxembourg Railways.

After consulting the Commission of experts, the governments concerned shall authorize the Luxembourg government to continue to apply during the permanent period the solution adopted, to the extent required by this special situation.

Until an agreement on the measures referred to in the above paragraphs is reached among the governments concerned, the Luxembourg government is authorized to refrain from applying the principles set forth in Article 70 of the Treaty and in the present section.

Subsides, direct or indirect assistance, special charges
Section 11

Upon establishment of the High Authority, the governments of the member States shall notify the High Authority of any assistance and subsidies which are being granted to, or any special charges which are being imposed upon the operation of the coal and steel industries within their respective territories. Unless the High Authority agrees to the

maintenance of such assistance, subsidies, or special charges and to the conditions to which such maintenance is subject, they shall be suspended on the dates and under the conditions fixed by the High Authority after consulting the Council, with the stipulation that such suspension shall not be obligatory prior to the opening date of the transition period for the products in question.

Agreements and monopolistic organizations Section 12

All information concerning agreements or monopolistic organizations covered by Article 65 shall be brought to the attention of the High Authority under the terms of Section 3 of that article.

In those cases where the High Authority does not grant the authorization provided in Section 2 of Article 65, it shall fix reasonable time limits at the expiration of which the prohibitions provided in Article 65 shall take effect.

In order to facilitate the liquidation of the organizations prohibited by virtue of Article 65, the High Authority may name liquidators which shall be responsible to it and shall act under its instructions.

With the assistance of such liquidators, the High Authority shall study the problems which arise and the steps which should be undertaken in order:

- to assure the most economic distribution and use of the products, and particularly of the different varieties and qualities of coal;
- to avoid, in case of reduced demand, cutbacks in production capacities which are necessary to the supply of the single market in normal periods or in time of economic prosperity, particularly in the case of coal installations;
- to avoid an inequitable distribution among the workers of such reductions in employment as might result from reduced demand.

On the basis of these studies and in accordance with the missions assigned to it, the High Authority will establish any procedures or organizations permissible under the Treaty which it may deem appropriate to the solution of these problems in the exercise of its powers, in particular under Articles 53, 57, 58, and Chapter V of Title Three. The duration of such procedures or organizations will not be limited to the transition period.

Section 13

The provisions of Section 5 of Article 66 shall be applicable as soon as the Treaty enters into effect. In addition, they may be applied to concentration operations carried out between the date of signature of the Treaty and the date of its entry into force if the High Authority has proof that these operations were carried out in order to evade the application of Article 66.

Until the regulation specified in Section 1 of Article 66 has been issued, the operations referred to in Section 1 shall not obligatorily be subject to prior authorization. The High Authority shall not be obliged to issue a decision immediately on the requests for authorization submitted to it.

Until the regulation specified in Section 4 of Article 66 has been issued, the information referred to in that Section can be demanded only of enterprises subject to the jurisdiction of the High Authority under the terms of Article 47.

The regulations specified in Sections 1 and 4 of Article 66 shall be issued within four months of the establishment of the High Authority.

The High Authority shall gather from the governments, the associations of producers, and the enterprises all information necessary for the application of the provisions of Sections 2 and 7 of Article 66 concerning the situations existing in the various regions of the Community.

The provisions of Section 6 of Article 66 shall become applicable as the provisions which they respectively sanction enter into effect.

The provisions of Section 7 of Article 66 shall be applicable upon the date of creation of the common market under the terms of Section 8 of the Convention.

PART TWO - Relations of the Community with third Countries

CHAPTER I – Negotiations with third Countries

Section 14

Upon the establishment of the High Authority, the member States shall undertake negotiations with the governments of third countries, and particularly with the British Government, on overall economic and commercial relations concerning coal and steel between the Community and such countries. The High Authority, acting upon instructions adopted unanimously by the Council, shall act for the member States as a group in these negotiations. Representatives of the member States may be present at these negotiations.

Section 15

In order to give the member States complete freedom to negotiate concessions on the part of third countries, particularly in exchange for a lowering of customs duties on steel in the direction of a harmonization with the least protective tariffs practised in the Community, the member States agree to the following provisions to take effect upon the creation of the common market for steel

For imports from third countries which fall within quotas to be set in accordance with the fourth paragraph of this section on the basis of domestic consumption of the products in question, the Benelux countries will maintain the duties which they are applying at the time of the entry into force of the Treaty.

The Benelux countries shall subject imports which take place over and above this quota, and which are thus considered to be destined for trans-shipment to other countries of the Community, to duties equal to the lowest duty applied, within the framework of the Brussels Nomenclature of 1950, in the other member States upon the entry into force of the Treaty.

Such « tariff quotas » shall be established annually for each heading of the Benelux tariff code by the governments of the Benelux countries in agreement with the High Authority, subject to revision every three months; they shall take account of the evolution of requirements and of trade patterns. The first such quotas shall be fixed on

the basis of average imports of the Benelux countries from third countries during an appropriate reference period, taking account, if necessary, of new production scheduled to supersede certain of such imports. Excess imports necessitated by unforeseen requirements shall immediately be reported to the High Authority, which may forbid them subject to the application of temporary controls on deliveries from Benelux countries to the other member States, if it should note a sizeable increase in these deliveries solely as a result of such surplus imports. Importers in the Benelux countries shall be entitled to obtain the lowest customs duty only if they agree not to re-export the products in question to the other countries of the Community.

The obligation of the Benelux countries to establish a « tariff quota » shall be terminated as may be provided in the agreement concluded as a result of the negotiations with Great Britain, and in any case not later than the end of the transition period.

If, at the end of the transition period or upon earlier removal of the « tariff quota », the High Authority should recognize that one or more member States are justified in practising toward third countries customs duties higher than those which would result from a harmonization with the least protective tariffs applied in the Community, it may, under the conditions provided in Section 29, authorize these States themselves to apply the appropriate measures to assure, for their indirect imports through member States with lower tariffs, a protection equal to that which results from the application of their own tariff to their direct imports.

In order to facilitate the harmonization of customs duties, the Benelux countries agree to increase their present tariffs on steel within a maximum limit of two points to the extent deemed necessary by the High Authority in consultation with their governments. This obligation shall not become effective until the « tariff quota » referred to in the second, third, and fourth paragraphs of this Section shall be eliminated and until at least one of the member States bordering on the Benelux countries shall refrain from applying the equivalent mechanisms referred to in the immediately preceding paragraph.

Section 16

Except with the agreement of the High Authority, the obligation contracted by virtue of Article 72 of the Treaty shall prohibit the member States from binding through international agreements those customs duties in effect at the time of the entry into force of the Treaty.

Prior bindings resulting from bilateral or multilateral agreements shall be reported to the High Authority, which will examine whether their maintenance appears compatible with the efficient operation of the common organization, and, if necessary, may make such recommendations to the member States as may be necessary to remove these bindings according to the procedures specified in the agreements involved.

Section 17

Trade agreements which are to remain in effect for more than one year following the date of entry into force of the present Treaty, or which contain a clause providing for tacit renewal, shall be reported to the High Authority, which may address such recommendations to the member State concerned as may be necessary to bring the provisions of such agreements into conformity with Article 75 according to the procedures specified in such agreements.

CHAPTER II – Exports

Section 18

Until the provisions of the exchange regulations of the various member States which concern foreign exchange left at the disposal of exporters are made uniform, special measures must be applied in order that the elimination of customs duties and quantitative restrictions among member States shall not cause certain of these States to be deprived of the proceeds in the foreign exchange of third countries earned by the exports of their enterprises. In application of this principle, the member States agree to apply their own exchange regulations in such a way as to permit coal and steel exporters to utilize foreign exchange earnings only to the extent permitted under the exchange regulations of the member State on whose territory the product in question originated.

The High Authority shall be empowered to see to the application of such measures by addressing recommendations to the governments after consultation with the Council.

Section 19

If the High Authority should find that, by substituting re-exports for direct exports, the creation of the common market results in a shift in the pattern of trade with third countries which causes substantial harm to one of the member States, it may, at the request of the government concerned, require the producers in such State to insert a destination clause in their sales contracts.

CHAPTER III – Exception to the most-favored-nation clause

Section 20

With regard to those countries benefiting from the most-favored-nation clause through the application of Article 1 of the General Agreement on Tariffs and Trade, the member States shall take joint action towards the Contracting Parties to the abovementioned Agreement in order to exempt the provisions of the present Treaty from the application of the article in question. If necessary, a special session of the Contracting parties to the G.A.T.T. shall be requested for this purpose.

As concerns those countries which, while not parties to the General Agreement on Tariffs and Trade, nevertheless benefit from the most-favored-nation clause by virtue of bilateral agreements in effect, negotiations shall be undertaken upon the signature of the Treaty. In the absence of consent on the part of the interested countries, such commitments shall be modified or denounced in accordance with the terms thereof.

Should a country refuse its consent to the member States or to any one of them, the other member States agree to lend effective assistance, which may even extend to denunciation by all of the member States of the agreements concluded with the country in question.

CHAPTER IV – Liberalization of Trade

Section 21

The member States of the Community recognize that they constitute a special customs system in the sense of Article 5 of the Organization for European Economic

Cooperation's Trade Liberalization Code as it stands on the date of signature of the Treaty. They therefore agree to make the necessary notification to the Organization.

CHAPTER V – Special provision

Section 22

Without prejudice to the expiration of the transition period, coal and steel trade between the Federal Republic of Germany and the Russian Zone of Occupation shall be regulated by the Government of the Federal Republic in agreement with the High Authority.

PART THREE - General precautionary measures

CHAPTER I – General provisions

Readaptation

Section 23

1. If the consequences of the establishment of the single market should oblige certain enterprises or parts of enterprises to cease or to modify their activity during the transition period defined in Section 1 of the present Convention, the High Authority, at the request of the interested governments and under the conditions specified below, shall furnish assistance in order to protect the workers from the burdens of readaptation and assure them a productive employment, and may grant non-reimbursable assistance to certain enterprises.

2. At the request of the interested governments and under the conditions defined in Article 46, the High Authority shall participate in a study of the possibilities of reemployment for unemployed workers either in existing enterprises or through the creation of new activities.

3. According to the procedure specified in Article 54, the High Authority shall facilitate the financing of approved programs submitted by the interested governments for the transformation of enterprises or for the creation, either in the industries coming under its jurisdiction or, with the concurrence of the Council, in any other industry, of new, economically sound activities capable of providing a productive employment for workers who have been released. Subject to the concurrence of the government concerned, the High Authority shall give preference in granting such facilities to the programs submitted by enterprises which have been obliged to cease their activity on account of the establishment of the common market.

4. The High Authority shall grant non-reimbursable assistance for the following purposes:

(a) to contribute, in case of total or partial closing of enterprises, to the payment of allowances to tide the workers over until they can find new employment;

(b) to contribute, by means of allotments to enterprises, to assuring the payment of their personnel in case of temporary unemployment necessitated by their change in activity;

(c) to contribute to the payment of allowances to workers for reinstallation expenses;

(d) to contribute to the financing of technical retraining for workers obliged to change employment.

5. The High Authority may also grant non-reimbursable assistance to enterprises obliged to cease their activity on account of establishment of the single market, provided that the sole and direct cause of this situation is the limitation of the single market to the coal and steel industries, and that this situation leads to a relative increase of production in other enterprises of the Community. Such assistance shall be limited to the amount necessary to enable the enterprises to meet payments which are due immediately.

Any request for such assistance shall be submitted by the enterprise concerned through the intermediary of its respective government. The High Authority shall have the right to refuse assistance to any enterprise which shall have failed to inform its government and the High Authority of the development of a situation which might lead it to cease or modify its activity.

6. The High Authority shall subject the granting of non-reimbursable assistance under the terms of paragraphs 4 and 5 above to the payment by the State concerned of a special contribution at least equal to the amount of such assistance, except where otherwise provided by a decision of the Council adopted by a two-thirds majority.

7. The methods of financing specified for the application of Article 56 apply to the present section.

8. Interested parties may benefit from the provisions of the present section during the two years following the expiration of the transition period upon decision of the High Authority taken with the concurrence of the Council.

CHAPTER II – Special provisions for coal

Section 24

It is recognized that precautionary mechanisms are necessary during the transition period to avoid sudden and harmful shifts in production. These precautionary mechanisms should take into account the situations existing at the time the common market is created.

Furthermore, if it should appear that harmful and abrupt price increases might occur in one or more regions, precautions should be taken to avoid such effects.

To cope with these problems during the transition period the High Authority shall where necessary authorize under its supervision:

(a) the application of the measures provided in Article 60, Section 2, subparagraph (b), as well as of zonal prices in cases not covered by the Chapter V of Title Three;

(b) the maintenance or establishment of national compensation funds or mechanisms, financed by a levy on the national production, without prejudice to the exceptional resources described below.

Section 25

The High Authority shall establish a perequation levy per ton of coal sold, which shall represent a uniform percentage of producers' receipts, on the coal production of those countries where average costs are less than the weighted average of the Community.

The ceiling on the perequation levy shall be 1.5 % of such receipts during the first year of operation of the single market, and shall be reduced each year by 20 % of the initial ceiling.

On the basis of such needs as it recognizes to exist under Sections 26 and 27 below and excluding the special charges which might arise from exports to third countries, the High Authority shall periodically fix the amount of the levy to be effectively imposed, and of the governmental subsidies to accompany it, in accordance with the following rules

(1) within the limit of the ceiling defined above, it shall calculate the amount of the levy to be imposed in such a way that governmental subsidies actually paid shall be at least equal to the amount of the levy;

(2) it shall fix the maximum authorized amount of the governmental subsidies, on the understanding that:

— the governments may grant subsidies up to this amount, but shall not be required to do so;

— the assistance received from abroad can in no case exceed the amount of the subsidy actually paid.

Additional charges resulting from exports to third countries shall not enter into the calculation of the necessary perequation payments or into the appreciation of the subsidies to accompany this levy.

Belgium Section 26

1. It is agreed that net Belgian coal production:

— shall not have to bear an annual reduction of more than 3 percent as compared with the preceding year, if the total production of the Community is the same as or greater than that during the preceding year; or

— shall not be less than Belgian production during the preceding year diminished by 3 percent, the figure thus obtained being further reduced by the coefficient of reduction applicable to the total production of the Community as compared with the preceding year (1).

The High Authority, responsible for the regular and stable supply of the Community, shall establish long-term forecasts of production and marketing and, after consulting the Consultative Committee and the Council, shall address to the Belgian Government recommendations setting forth the shifts in production it deems possible on the basis of such forecasts. This procedure shall continue as long as the Belgian market remains apart from the common market under the provisions of paragraph 3 below. With the agreement of the High Authority, the Belgian Government shall decide what steps are to be taken in order to bring about such production shifts within the limits specified above.

2. Perequation is designed, from the beginning of the transition period:

(a) to make it possible to lower the price of Belgian coal to all consumers of such coal in the common market to the vicinity of the forecast costs of production of such coal at the end of the transition period, with a view to bringing it as close as possible to the common market price. The price list established on this basis cannot be changed without the High Authority's approval.

(b) to insure that the Belgian steel industry shall not be prevented by the special system for Belgian coal from joining the common market for steel, and consequently to lower its prices to the level practised on this market.

The High Authority shall periodically fix the amount of the additional compensation for Belgian coal delivered to the Belgian steel industry which it deems necessary for the above purpose, taking into account all elements which affect the operations of this industry. In doing so, the High Authority shall ensure that such compensation does not have harmful effects on the steel industries of neighbouring countries. Furthermore, in view of the provisions of sub-paragraph (a) above, such compensation should in no case lead to a reduction in the price of the coke used by the Belgian steel industry below the delivered price which it could obtain if it were supplied with Ruhr coke.

(c) to grant an additional compensation for such exports of Belgian coal within the common market as the High Authority may determine to be necessary in view of the outlook for production and requirements in the Community as a whole; such compensation shall correspond to 80 percent of the difference, determined by the High Authority, between the delivered price (F.O.B. plus transport) of Belgian coal and the delivered price of coal from other countries of the Community.

3. Notwithstanding the provisions of Section 9 of the present Convention, the Belgian Government may maintain or establish, under the control of the High Authority, mechanisms making possible the separation of the Belgian market from the common market.

Imports of coal from third countries shall be subject to the approval of the High Authority.

This special system shall be terminated as described below.

4. The Belgian Government agrees to eliminate the mechanisms described in paragraph 3 above not later than the expiration of the transition period. After consulting the Consultative Committee and with the concurrence of the Council, the High Authority may grant the Belgian Government not more than two additional one-year periods of grace, if it finds that exceptional circumstances not now foreseeable render such a step necessary.

The integration of the Belgian, coal market into the common market thus provided shall take place following consultation between the Belgian Government and the High Authority, which shall jointly determine the means and procedures appropriate to achieve that end. Notwithstanding the provisions of sub-paragraph (c) of Article 4, these procedures may entail for the Belgian Government the possibility of granting subsidies corresponding to the additional operating expenses resulting from the nature of its coal deposits, taking account of the charges which might result from obvious disequilibria which might increase such expenses. The procedures for granting such subsidies and their size shall be subject to approval by the High Authority, which shall ensure that the amount of the subsidies and the tonnage subsidized are reduced as

rapidly as possible, taking account of the facilities for readaptation and of the extension of the common market to products other than coal and steel, and preventing the displacements of production which might occur from provoking fundamental disturbances in the Belgian economy.

Every two years the High Authority shall submit to the Council for approval proposals relating to the tonnage likely to require subsidies.

Italy

Section 27

1. The Sulcis mines shall be entitled to benefit from provisions of Section 25 above, in order that, pending completion of the investment operations now underway, these mines may be able to face competition within the common market. The High Authority shall periodically fix the amount of the necessary assistance; external aid shall not be granted for more than two years.

2. In view of the special position of the Italian coking plants, the High Authority is empowered to authorize the Italian Government, to the extent necessary, to maintain customs duties on coke coming from the other member States during the transition period defined in Section 1 of the present Convention; during the first year of this period, these duties may not exceed those resulting from Presidential Decree No. 442 of July 7, 1950. This ceiling shall be reduced by 10 % the second year, 25 % the third year, 45 % the fourth year, and 70 % the fifth year, and these customs duties shall be eliminated entirely by the end of the transition period.

France

Section 28

1. It is agreed that coal production in French mines:

— shall not have to bear an annual reduction of more than 1 million tons as compared with the preceding year, if the total production of the Community is the same as or greater than that during the preceding year; or

— shall not be less than production during the preceding year diminished by one million tons, the figure thus obtained being further reduced by the coefficient of reduction applicable to the total production of the Community as compared with the preceding year.

2. In order to assure that production shifts are maintained within the above limits, the procedures outlined in Section 24 may be reinforced by exceptional resources financed through a special levy imposed by the High Authority on the increase in net shipments from outside coal mines, based on French customs statistics, to the extent that such increase represents a shift in production.

For the establishment of this levy, there shall be taken into consideration the quantities representing net deliveries effected during each period in excess of those during 1950, to the extent that they are correlated with a decrease in the production of French mines as compared with 1950, the latter figure being reduced by the same coefficient of reduction as the total production of the Community. This special levy shall not exceed 10 % of the producers' receipts from the deliveries in question; in agreement with the High Authority, the proceeds shall be used for lowering in the appropriate zones the price of certain types of coal produced by French mines.

CHAPTER III – Special provisions for the steel industry

Section 29

1. It is recognized that special precautionary measures may be necessary for the steel industry during the transition period. The purpose of such measures shall be to prevent the production shifts which will result from the establishment of the common market from creating difficulties for enterprises which, after adaptation in accordance with Section 1 of the present Convention, would be in a position to meet competition, as well as from leading to the displacement of more workers than can benefit from the provisions of Section 23. To the extent that the High Authority deems that the provisions of the Treaty – in particular the provisions of Articles 57, 58 and 59 and Section 2 (b) of Article 60 – cannot be applied, it shall have the power to resort to the procedures defined below in the order of preference in which they are listed:

(a) after consulting the Consultative Committee and the Council, the High Authority may limit directly or indirectly the net increase in shipments from one region to another in the common market;

(b) after consulting the Consultative Committee and with the concurrence of the Council both as to the appropriateness of these measures and as to their nature, the High Authority may make use of the means of intervention specified in Article 61, paragraph (b), even in the absence of the finding required by the said article that a manifest crisis exists or is imminent;

(c) after consulting the Consultative Committee and with the concurrence of the Council, the High Authority may establish a system of production quotas, without, however, interfering with production earmarked for export;

(d) after consulting the Consultative Committee and with the concurrence of the Council, the High Authority may authorize a member State to apply the measures provided in Section 15, paragraph 6, under the terms of the paragraph in question.

2. For the application of the above provisions, the High Authority shall, during the preparatory period defined in Section 1 of the present Convention and in consultation with the producers' associations, the Consultative Committee and the Council, fix the technical criteria for the application of the above-mentioned precautionary measures.

3. If the adaptation or the necessary transformations of production conditions cannot be carried out during a part of the transition period due to shortages, to an insufficiency in the financial resources which the enterprises are able to derive from their operation or which can be placed at their disposal, or to exceptional circumstances unforeseeable at this time, the High Authority, after consultation with the Consultative Committee and with the concurrence of the Council, may extend the provisions of the present Section beyond the expiration of the transition period for an additional period not to exceed the time during which the situation referred to above has lasted, or two years, whichever is less.

Italy

Section 30

1. In view of the special position of the Italian steel industry, the High Authority is empowered to authorize the Italian Government, to the extent necessary, to maintain customs duties on steel products coming from other member States during the transition period defined in Section 1 of the present Convention. During the first year of

the transition period, these duties may not exceed those resulting from the Annecy Convention of October 10, 1949. This ceiling shall be reduced by 10 % the second year, 25 % the third year, 45 % the fourth year, and 70 % the fifth year, and these customs duties shall be eliminated entirely by the end of the transition period.

2. The prices practised by enterprises for steel sales on the Italian market, calculated on the basis of the point chosen for the establishment of each enterprise's price scale, shall not be less than the price listed in this scale for comparable transactions, except where authorized by the High Authority in agreement with the Italian Government, without prejudice to the provisions of the last paragraph of Section 2 (b) of Article 60.

Luxembourg
Section 31

In applying the precautionary measures described in Section 29 of the present Chapter, the High Authority shall take account of the exceptional importance of the steel industry in the general economy of Luxembourg and the necessity of preventing serious disturbances in the special marketing conditions which result for the Luxembourg steel industry from the Belgian-Luxembourg Economic Union.

In the absence of any other measures, the High Authority may, if necessary, use the funds which are at its disposal by virtue of Article 49 of the present Treaty within the limit of the possible repercussions on the Luxembourg steel industry of the measures provided in Section 26 of the present Convention.

Done at Paris, the eighteen of April, one thousand nine hundred and fifty-one.

ADENAUER.
P. VAN ZEELAND.
J. MEURICE.
SCHUMAN.
SFORZA.
Jos. BECH.
STIKKER.
VAN DEN BRINK.

- (1) EXAMPLE. – In 1952-total production of the Community, 250 million tons; total Belgian production 30 million tons. In 1953-total production of the Community, 225 million tons. The coefficient of reduction is thus 0.9. Belgian production in 1953 should not be less than $30 \times 0.97 \times 0.9 = 26.19$ million tons. 900,000 tons of this cut in production represents a permanent shift, and the balance, 2,910,000 tons, results from the economic situation.

Protocol of the Conference of Ministers concerning the Interim Commission

The delegations which have participated in working out the Treaty will meet periodically as an Interim Commission during the interval between the signature of the Treaty and the establishment of the institutions of the Community. These delegations will consult with each other on problems interesting the Community and on the measures which the signatory governments might be called upon to take before the establishment of the High Authority.

They will study in particular the question of the seat of the institutions as well as that of the linguistic system of the Community, and will make appropriate proposals to the governments.

In addition, the delegations will study and prepare information to be placed at the disposal of the High Authority concerning the measures to be taken by the latter immediately following its establishment in application of the third paragraph of numbered paragraph 2 of Section 2 of the Convention.

The Conference of Ministers gives to this Commission the task of working out specific proposals concerning the actual allocation of seats on the Consultative Committee to the producers and to the consumers and dealers. For the producers, these proposals will be based on the value of the production in the different regions concerned, and for the consumers and dealers they will be based on the value of consumption, it being understood that these studies shall provide that the Committee will include, both for coal and for steel, at least one citizen of each of the member States.

ADOPTED BY THE CONFERENCE OF MINISTERS.

Paris, the eighteenth of April, one thousand nine hundred and fifty-one.