Views of the Belgian Federation of Coal Associations on the ECSC Treaty (1951)

Caption: In 1951, the Belgian Federation of Coal Associations publishes a brochure criticising the risks of the Schuman Plan for the country's economy, and outlines the main shortcomings of the ECSC Treaty.

Source: Les conséquences du Plan Schuman pour la Belgique. Bruxelles: Fédération des Associations charbonnières de Belgique, 1951. 37 p. p. 3-37.

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Consequences of the Schuman Plan for Belgium, by the Federation of Coal-mining Associations of Belgium (1951)

The Federation of Coal-mining Associations of Belgium, whenever the opportunity has arisen, has always expressed its unreserved loyalty to the principle of the unification of Europe; it would like to reaffirm that loyalty once again here.

However, the proposed ways and means of bringing about European unity through the Schuman Plan make the coal industry extremely apprehensive; it considers that these ways and means pose serious dangers not just to its own future but to that of the whole Belgian economy.

The general public seems not to realise these dangers; the Treaty which gives effect to the Schuman Plan is, true enough, so complicated that the experts themselves can only find their way round it with difficulty and almost nobody knows what it actually contains.

However, now that Parliament is going to have to take a final decision on whether Belgium should join the European Coal and Steel Community, it is essential that Belgians should know what it will mean for them if the Treaty is approved.

This is especially necessary because, by ratifying it, they are committing themselves for a period of 50 years.

That is why the Federation of Coal-mining Associations has felt duty-bound to highlight the consequences it is likely to have for our country if the Schuman Plan is implemented in its present form.

We will, therefore, carry out a brief survey of the main problems that this implementation will create for us, particularly the problem of the disparities in wages between Belgium and other countries, and the problem of the shifts in production levels that it is proposed to impose on us.

I. The problem of the disparities in wages between Belgium and other countries

The fundamental condition for a European coal and steel market to function satisfactorily is that a degree of balance should first have been struck between wages in the various member countries of the pool.

Failing that, the markets in countries with high wages would be invaded by products from low-wage countries and we would head into serious economic and social disruptions.

It would be in the interests of Belgium, more than any other country, for there to be an equalisation.

Why?

Because Belgium is where wages are by far the highest in Europe, as can be seen from the table below, which compares wages in the coal-mining industry in various countries.

Wages and employers' social insurance contributions in the coal-mining sector (in Belgian francs)

Country	Gross daily wage	Daily wages and employers' contributions
Belgium	231	324
Netherlands	155	220
France	177	311
West Germany	158	229

This means that wages and employers' contributions in the Belgian coal-mining industry are 40 % higher than those in the German mining industry and 47 % higher than those in the Netherlands!

Clearly, with disparities on this scale as compared to foreign countries, it would be absolutely impossible for

Belgian industry, which is already disadvantaged in terms of its coal deposits, to face up to competition from other countries, in particular German competition: even our coal mines in the Campine region would be unable to do that.

One of the basic tasks of the High Authority should therefore have been, as in fact was expressly provided for in Mr Schuman's declaration of 9 May 1950, to be able to require low-wage countries to bring pay scales up to the levels in the highest-wage countries.

In fact, the High Authority has no such power.

Although it has been given so many other powers, which are useless for the purposes of establishing the single market, its influence over wages has been reduced almost to nothing in the present text, following opposition from the German delegates at the Paris Conference.

Articles 67 and 68 allow it to act only in cases where an existing disequilibrium is disrupted by action taken by a State; the High Authority has no influence as regards disequilibria existing at the outset or those that may arise later through the interplay of supply and demand for labour.

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Given that the High Authority has no power at all to eliminate disequilibria in wages, one might at least have expected the transitional period to be fixed in such a way as to encourage low-wage countries to bring wages up to the levels in the highest-wage countries. This would have been the case if the end of the transitional period had been conditional on the disappearance of disequilibria in wage levels, because then the low-wage countries would have allowed wages to rise in such a way that they would benefit as soon as possible from the advantages that the single market will, in any case, bring them as a result of their increased productivity.

This is not the case.

The transitional period has actually been set at a strictly fixed term of five years.

The consequence of this is that foreign producers, with a guarantee of being able to reap the rewards of their advantageous position at the end of this period, or at most two years later, will make no effort to bring their wages up to the Belgian level. That is particularly true of Germany. In that country, government, trade unions and employers alike have already decided to contain pressures for wage rises as far as possible; that is seen as a precondition for the economic reconstruction of Germany. And it explains the opposition of the German delegation at the Paris Conference to the idea of setting the transitional period in line with the Belgian point of view, or to equalising wages internationally.

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It is easy to foresee what the consequences of these serious shortcomings will be for Belgium:

If, at the end of the transitional period, Belgian wages are still, as they are now, higher than wages paid abroad, and there is no reason to think otherwise, one can predict several likely outcomes:

— either they will have to be brought down to the levels of the competition. **What do our workers think of that?**

— or the State, by means of subsidies, will have to support the gap between Belgian and foreign wages, which will put an intolerable burden on government finances. **What does the taxpayer think of that?**

— or the wage balance will have to be restored by devaluing the franc; this was, in fact, the undisguised view of certain foreign delegations in Paris. **What do all Belgians of any kind think of that?**

— or, lastly, if none of the above happens, Belgian coal extraction, under pressure from foreign competition, will have to be reduced even more than would come about as the result merely of the difference between productivity levels, with all the consequences this would have from both an economic and a social point of view. **What do our miners think of that?**

In any event, the effects of the shortcomings of the Treaty in the area of wages will be extremely damaging to our country.

This is why the Central Council for Economic Affairs, in the opinion it delivered on 4 April 1951, considered it had a duty to make the following point **unanimously**:

'As regards the disequilibria caused by workers' living standards and working conditions, these should be eliminated as soon as possible and, at the latest, **on the expiry of the transitional period. Should there still be substantial disequilibria in this field at the end of that period, the Council considers that the whole situation should be reviewed and that Belgium could not be required to join the single market without restrictions at that time**.'

Despite considerable efforts on the part of the Belgian negotiators, however, this basic necessity was not taken into account.

II. Shifts in coal production levels

The basic principle underlying the Schuman Plan is that of developing coal and steel production in regions where such production can be carried out most economically, at the expense of regions where productivity is lower.

That is certainly an attractive proposal in theory; before adopting it, however, we need to realise what effect it is likely to have in practice where Belgium is concerned.

It is a well-known fact that coal industry productivity has always been higher in the Ruhr than in Belgium. The work being put into retooling the Belgian coal industry at the moment, which will be pursued energetically for several more years, will no doubt bring our costs down to some extent; but it can never bring them down to the level of German costs. This is because of the special difficulties of our deposits, a feature of which is that the seams are thin and highly irregular, making yields as high of those in the Ruhr impossible to obtain.

The result of this is that the High Authority, pursuant to the Treaty, will have to develop coal production in the Ruhr by every possible means and, on the other hand, make sure that Belgium reduces its output. It will give German coal mines financial aid to complete their retooling while forcing Belgium to cut its production potential.

Some people, influenced as they are by the current fuel shortage, imagine that the Belgian coal industry is in no danger; they think that during the transitional period the High Authority will not exercise its right to impose production cuts on this country; and that during the final period it will slow down shifts in production levels in such a way as to avoid fundamental and persistent disturbances (Article 2) and the inconsiderate exhaustion of natural resources (Article 3(d)).

They are seriously mistaken.

It is no doubt correct that during the transitional period Belgian coal will remain outside the common market, meaning that Belgium will be able to maintain its customs barriers temporarily as regards foreign coal. However, the High Authority will be entitled to impose on it, in the form of recommendations, production cuts of up to 3 % of the previous year's output plus, where appropriate, an economic downturn weighting calculated on the basis of an overall reduction in the output of the complex. In the wording of the

Treaty, recommendations 'shall be **binding** with respect to the objectives which they specify but shall leave to those to whom they are directed the choice of appropriate means for attaining these objectives' (Article 14).

To grasp the real intentions of the promoters of the Plan in this area, one needs to know how the special arrangements drawn up for Belgium came into being; their origins are described in a document of 11 November 1950 by the French Planning Committee. This says that the starting point for the whole system was the presumption that, in 1955, Germany will have an exportable surplus of more than 10 million tonnes more than the present surplus. What was needed then, in fact, was to find an outlet for this additional 10 million tonnes. France would absorb half of it, or five million tonnes, while Belgium would import the remaining five million tonnes.

To be able to absorb this quantity, Belgium would have to reduce its own output by the same amount within five years, hence the length of the transitional period. In relative figures, furthermore, the five million tonnes would represent 15 % of our national output. Spread over five years, this figure gives an annual cut of 3 %. The equalisation calculations were also based on the premise of a five-million-tonne reduction in our production potential.

So the whole transitional arrangement, allegedly set up to help Belgium, had no objective, in reality, other than to create an outlet for Germany's production surpluses; the payments for equalisation boiled down in the end to the price the Germans were paying to buy our market.

This clearly demonstrates that, from the outset, the reduction in Belgium's production potential was seen as one of the aims to be achieved; **so there can be no doubt that as soon as the economic circumstances permit, the High Authority will exercise its right of recommendation to impose the planned reductions on Belgium**.

But the situation will be even more serious once Belgian coal has been incorporated into the common market, i.e. at the latest, seven years after the Treaty enters into force.

Contrary to what is generally believed, the High Authority will actually, from that moment on, have **no means** of exercising any kind of control over shifts in production levels. This is an absolutely crucial point for Belgium because it exposes our country to being swamped with German coal **without either the Belgian Government or the High Authority being able to adopt the slightest measure to protect our coal industry**.

Under Article 4 of the Treaty, in fact, there can be no question of re-establishing import duties or quantitative restrictions, even temporarily. The only means of which the High Authority could avail itself to prevent excessively brutal shifts in production levels would be to re-establish production quotas, under Article 58, so as to reduce the exportable surplus of the large producer countries.

But the establishment of such quotas by the High Authority requires the assent of the Special Council of Ministers; without it, the High Authority will not be entitled to set up such a system.

However, in contrast to the High Authority, which must look only to the interests of the Community as a whole, **the Special Council of Ministers is the expression of the national interests of each of the member countries**. Each minister there will defend the interests of the country he represents. Of the six countries in the Council, there are two whose costs are notably lower than in Belgium: Germany and the Netherlands. These countries will have nothing to gain from quotas being established; they will want to take advantage of times when the markets are low in order to take control of the Belgian and French markets. What is more, four of the countries represented on the Council depend on imports for a high proportion of their supplies: these are France, Italy, Luxembourg and the Netherlands. Apart from possibly France, they will have nothing to gain either from a quota system being set up — quite the opposite, in fact.

In other words, it is certain that there will practically never be a majority in the Council in favour of

such a system, and that the assent needed for quotas to be established will not be granted.

This means that, **in practice**, the High Authority will have no way of opposing shifts in production levels to Belgium's disadvantage.

It will thus find that it is virtually impossible for it to achieve objectives which are nevertheless essential to the Community, namely, those of avoiding the creation of fundamental and persistent disturbances (Article 2) and preventing the inconsiderate exhaustion of natural resources (Article 3(d)).

Article 37 affords no remedy for this state of affairs; it deals with the redress available to countries which suffer fundamental disturbances to their economies but allows the High Authority to take action only 'under the terms of the present Treaty'. This means that the High Authority may neither re-establish obstacles to the free movement of coal, which is prohibited by Article 4, nor impose a quota system without the agreement of the Council (Article 58), which, it is assumed, will be opposed to it.

Under Section 26 of the Convention on the Transitional Provisions, it is likely that Belgium will be entitled to pay subsidies to its coal industry in order to offset certain additional operating expenses and thereby keep it in operation; this latitude, however, is subject to approval by the High Authority and monitoring by the Council. It is clear, in any case, that a policy of this kind can only be pursued as an exceptional measure, as the burden would be bound to be too heavy for this country to bear.

So let us be under no illusion; under pressure from foreign competition, Belgium will be compelled to give up a sizeable part of its coal production potential. This was highlighted only recently by Mr Martens, chief engineer and director at the General Directorate of Mines, in an article published in the *Annales des Mines* under the title: 'Developments in mining law and certain aspects of the future of the Belgian coal industry'.

In this study, Mr Martens had this to say, among other things: '**Even if we mortgaged our future, a dangerous step to take, by giving up the less rich parts of our deposits, the implementation of the single market in coal would inevitably lead to the closing of most of our coal mines extracting bituminous coal, as well as some others producing low volatile coal with too poor a bulk yield.**'

More recently, when the Schuman Plan was debated in the Dutch Second Chamber, Mr Van den Brinck, Minister for Economic Affairs, stressed that, at the end of the transitional period, the mining sector in Belgium will shrink in the face of competition, whereas it will grow in Germany.

III. Impact of shifts in production levels on the workforce

There is a temptation in certain circles to play down the impact of shifts in production levels on the jobs of the workforce in the mining industry.

The fact is that the 3 % per year reduction in production potential in the five years of the transitional period could, by itself, cause 25 000 miners to lose their jobs; and that would only be the start because, after the transitional period, the situation is likely to deteriorate considerably.

Some people are inclined to think that to prevent this unemployment all we have to do is send the many foreigners working in our mines back home.

This shows ignorance of the facts of the problem.

Foreigners, who account for a third of the total workforce in the coal mines, are, in fact, engaged solely in coalface work, a kind of work which more and more Belgian workers are giving up. In extraction, for example, 70 % of the workers are currently foreigners.

The Belgians, who form two thirds of the total workforce in the mines and the whole of the pithead workforce, will never agree to move to other coalfields to replace the foreigners working underground. Therefore, only a third of the workers dismissed after the closing of the coal mines could be sent back to their countries of origin, while two thirds will go to swell the ranks of unemployed Belgians.

Section 23 of the Convention on the Transitional Provisions does, of course, provide for a readaptation mechanism and for the creation of new types of activity to absorb members of the labour force dismissed from coal mines which have had to close.

It would be naive, though, to place too many hopes in moves of this kind. There are already 200 000 unemployed people in Belgium at the current time, for whom no jobs can be found. Will things be better when there are even more?

Setting up new industries, moreover, creates serious difficulties of which the backers of the Plan seem to be completely unaware.

To start with, there is the question of what kinds of new activity to create. We would be happy to receive specific suggestions on this from those who mooted the idea.

Then there is the problem of retraining large numbers of mineworkers as workers in other occupations such as mechanics, cabinetmakers, weavers, shoemakers, watchmakers and so on. Such a process cannot be carried out in the space of just a few years; it has to be developed over a very long time.

There is also the fact that the new factories will have to be ultra-modern, i.e. require comparatively few workers, and specialised ones at that; so setting them up will not solve the problem of how to soak up mass unemployment.

Lastly, these ultra-modern undertakings, if they are to produce economically, will have to be high-output operations and work at full pressure. Where are new outlets to be found for this additional output, when in most fields needs are already being met to saturation point?

In any case the problem has already been considered by certain parastatal bodies, which have not managed to find any satisfactory solution to it. Britain also experimented with it before the war in the depressed regions of the North, and its attempts fell a long way short of success.

The conclusion to be drawn from this is that **in practice it will be extremely difficult to absorb the unemployment which will inevitably be caused by shifts in production levels**. What is likely to make the consequences of these even more serious is that their effects will be especially felt in certain parts of the country where the coal industry is at present almost the only resource; this will apply particularly to the Borinage. These regions, after a few years, are likely to be reduced to complete joblessness and the people living there to abject poverty.

This, to borrow the strong words used by one of our former ministers, will turn them into ‘economic corpses’.

IV. Impact of shifts in production levels on fuel supplies to consumer industries

Opening the borders to foreign coal would be fatal to the coal industry and its workforce, but would it at least bring some advantages to the consumer industries?

Some people, attracted by the prospect of cheap fuel, are inclined to believe that it will.

That is not, however, the view of the great majority of our industries. They are perfectly well aware that over and above the question of prices, and much more important than it, is the question of supplies: the Belgian economy, which is based on heavy industry and consumes huge amounts of fuel, has, before anything else, to be guaranteed regular supplies.

This applies especially during boom periods, as the present situation shows very convincingly. If we were dependent on foreign countries for coal at the moment, our position would undoubtedly be quite different from what it is; in particular, we, like all the other European countries, would be forced by lack of fuel to reduce our industrial output. Steel production in France has had to be reduced to 85 % of capacity for lack of coke. In Britain, although it was once Europe's main coal producer, a serious fuel shortage is forecast for this winter and electricity supplies will have to be cut drastically. Fuel shortages in the Netherlands have forced the government to maintain rationing. Because of the electrical power shortage, it has been decided to cut shop and display window lighting, as well as heating and lighting in trains, trams and trolleybuses, by half this winter, from 12 November to 2 February, and to ban illuminated advertisement hoardings altogether. The only reason we have not been reduced to such extreme action is that we have a coal industry within our borders that is strong enough to meet our requirements.

Making sure of regular supplies is, in fact, one of the reasons why the iron and steel industry has, historically, always been built right on top of the deposits, either of ore or of coal. If this substratum, vital to our heavy industry, were to disappear, if heavy industry were no longer to be linked to this country by one of the basic raw materials it uses, it would undoubtedly lose a large part of the reasons for its being located in Belgium and would, in the long run, seek to emigrate to other areas.

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It may be said that the Treaty provides for the allocation of coal by the High Authority in the event of a shortage; but we know that producer countries always get priority in that type of allocation. So that clause in the Treaty would not resolve our difficulties at all.

The following extract from the Charbonnages de France annual report for 1950 gives food for thought here: 'It has been proven that, when demand rises, we cannot rely on imports. The European market is completely inflexible and, when it suddenly stretches, the security of France's supplies relies primarily on the output from its own coal mines.'

Understandably, then, the Central Council for Economic Affairs **unanimously** delivered the following opinion on 4 April 1951: 'In view of the above, and of the impossibility of predicting developments in the European economy with any certainty at the present time, the Council considers that, for the transitional period, a decrease in coal production potential cannot be unilaterally imposed on Belgium and that Belgium **cannot give any specific undertaking to that effect at present**.'

V. Impact of shifts in production levels on the Belgian economy as a whole

The consequences of shifts in production levels will be heavier for Belgium than for any other country. The impact of the coal and steel industries, relative to the national economy as a whole, is in fact higher in this country than anywhere else. During the Paris negotiations, the scale of that impact relative to overall national product was estimated as follows (and the estimate was included at the beginning of the explanatory statement attached to the Bill ratifying the Treaty):

Belgo-Luxembourg Economic Union	18.0 %
West Germany	8.9 %
France	5.0 %
Netherlands	3.4 %
Italy	4.4 %

Nor should we overlook the serious disruption that our joining the European Coal and Steel Community will cause to our trade balance. Importing some 10 million tonnes of coal per year would, at current prices, represent an outgoing of 7.5 billion francs in foreign exchange, in other words three times more than what we pay for the whole of our wheat imports.

It is not very likely that we would be able to offset this increase in imports by a corresponding growth in exports of manufactured goods. We will, therefore, experience the same financial difficulties as countries dependent on other countries for their supplies of fuel.

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Joining the common market will, lastly, have far-reaching repercussions for government finances. The State will be forced to pay out large subsidies to the coal industry to enable it to compete with foreign coal or to carry the enormous cost of supporting the unemployed.

The deficit in the National Mineworkers' Retirement Fund will also swell to enormous proportions, as the workers' contributions will no longer be enough. Here again the State will have to intervene to a far greater degree than it does at present.

VI. Is Belgium going to give up the economic policy that has made it prosperous?

Although the High Authority is deprived of the only means which would have been essential for pursuing a **general economic policy** with the potential to ensure that the whole complex ran smoothly, in other words the power to act on wages and the power to supervise shifts in production levels, it has nevertheless been granted a whole range of powers that it can use to interfere in the **individual** affairs of undertakings, in a manner that is in no way useful for the proper functioning of the pool.

The High Authority can set maximum and minimum prices; it draws up production programmes; it can set quotas; it is entitled to impose reductions in production potential on certain regions in the complex, more particularly Belgium; it can require notification of undertakings' investment programmes; it can, if it wishes, raise objections to the implementation of such programmes; it intervenes in the financing of the programmes; it authorises the conclusion of restrictive agreements between producers or raises objections to them; it can impose large fines on producers, of up to twice their turnover, etc. In other words, the High Authority encroaches on everything that normally constitutes the business of an undertaking.

Clearly, interventionism pushed to that extreme can only have the effect of stifling the sense of initiative and drive of company heads and will therefore be extremely damaging to the economy as a whole.

That is, indeed, the reason why Belgium, unlike many other European countries, has never wanted to embark on that kind of path, and it has only gained from that stance.

Also, when the government consulted the Central Council for Economic Affairs on the Schuman Plan last spring, the employers' group of the Council delivered a clearly adverse opinion on it, including the following passage which sums up its whole position: 'these provisions are unacceptable and dangerous because **they completely stifle initiative and responsibility on the part of the undertakings, confer patently excessive powers on the High Authority and will in practice lead to a system of complete international interventionism**.'

What makes this opinion especially important is that it comes not only from the people most directly concerned, namely, the coal and steel producers, but from all the industrial sectors and from traders, including, in particular, the consumers of the goods in question. Furthermore, some points made in it have been confirmed by the opinion of the Christian trade union group, which has this to say, among other things: 'These members consider that it would be wrong to give the High Authority inordinate powers, because public monopolies are as much of a danger as private monopolies. They also believe that the right of initiative in economic decisions should normally remain with the heads of individual undertakings.'

A majority on the Central Council for Economic Affairs has therefore come out against excessive interventionism by the High Authority.

Another contribution of the greatest interest, in that it is beyond any suspicion of partiality, comes from Mr Clarence Randall, chairman of the American steel company Inland Steel, who was appointed Steel Consultant to the Economic Cooperation Administration (ECA) in 1949.

Mr Randall says: ‘As far as I am concerned, I have come to the conclusion that the risks (of the Schuman Plan) are too great. I cannot believe it is fair that the European steel industry, which has been built by the patience and ingenuity of generations of ironmasters since its beginning in the Middle Ages up to its present position of strength, underlies the prosperity of all the countries concerned and is also vital to our own European rearmament plan, should become the subject of a huge experiment in socialism.’

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‘I therefore share the fears of those who think the Schuman Plan will weaken Europe by extending the takeover of its basic industry by socialism and bureaucracy. I fervently wish that another way can be found of promoting the political unity of Europe.’

What makes the prospect of unbridled interventionism in the coal and steel sectors even more worrying is the fact that the European Pool is not to be limited to those two industries. Its own promoters think the Schuman Plan will only be viable if it spreads very quickly to other sectors of industry until it ends up encompassing the whole economy. So, if it ratified the Treaty in its present form, Belgium would be agreeing to abandon the economic policy which has been the foundation for its prosperity, so as to subject its whole economy to debilitating interventionism from an international High Authority.

That is an outcome which the great majority of the Belgian public certainly do not want to see.

VII. Inadequate guarantees

The creation of the **Council of Ministers**, the body which expresses the national interests of each of the member countries, was proposed on the initiative of the Belgian delegation; the purpose of the institution is to harmonise the steps taken by the High Authority with the interests of each of the countries in the complex and, where appropriate, to enable those countries to oppose measures which would encroach too violently on their national interests.

In fact, the Council will not be able to carry out the latter part of its function. A striking example of this has been given in Section II above, as regards shifts in production levels; it has been shown that the High Authority will, in practice, be powerless to control these and that Belgium will, therefore, be without any defence against the fundamental and persistent disturbances which they will cause.

Another example is the setting of minimum prices. Here again, Belgium will be alongside producer countries capable of putting up with comparatively low prices and consumer countries that will want to take advantage of such prices. Clearly, then, in many cases the Council will oppose the setting of minimum prices that are enough to allow the Belgian coal industry to remain in business.

We are therefore forced to acknowledge that although the Council will be extremely useful when it comes to defending the national interests of most of its partners, this will not be the case as far as Belgium is concerned.

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Just as the interests of Member States are not, in practice, safeguarded by the Council of Ministers, the rights of the industries and undertakings in question are not adequately protected by the **Court of Justice**.

There are two reasons for this:

Firstly, the judges are not irremovable, and here we side with the opinion of Mr Rolin, [1] who considers, rightly, that this system will have the effect of exposing any judge who comes out too clearly against the positions defended by a government, to the risk of failing to have his term of office renewed following a veto from whichever government he has displeased! It is a very strange Court that will be conducting its proceedings under that threat.

Moreover, the right to bring proceedings before the Court, as the opinion delivered in the Central Council for Economic Affairs by the employers' group well shows, will in most cases be illusory. The Court's basic function, in fact, is to rule on proceedings for annulment on grounds of lack of competence, infringement of the Treaty or misuse of powers. The Court may evaluate economic facts or circumstances only where the High Authority is alleged to have misused its powers or to have manifestly failed to observe the provisions of the Treaty. However, the High Authority's powers in the economic sphere have been drawn so widely and in such a general manner that in most cases it will not be possible for undertakings to challenge the legal validity of its decisions.

Lastly, under Article 39, appeals to the Court shall not have the effect of suspending the execution of a decision or a recommendation. Only where the Court considers that the circumstances so demand may it order the suspension of the execution of the decision or recommendation in question.

VIII. A 50-year Treaty

The commitments described above stand out very glaringly when we consider that the Treaty establishing the European Coal and Steel Community is concluded for a 50-year term.

Belgium would thus deliberately agree for 50 years, which might just as well be forever, to consequences most of which it knows in advance will be disastrous for it, while giving up the right for itself, where appropriate, to take whatever steps it needs to take to defend itself and leaving its fate in the hands of a High Authority eight of whose nine members will be foreigners.

This is literally unbelievable.

There is a very recent experience which should make Belgium look very carefully at what it is doing: the misadventures it was put through in the European Parliamentary Union (EPU).

The agreement setting up the EPU, although the risks it contained with regard to Belgium were minimal, was only signed for a period of two years. After being in existence for only a few months, however, all the forecasts made at the outset were overturned and urgent steps had to be taken to alleviate the situation.

Belgium was able to take these steps itself because the agreement had been drafted in line with the old principle of cooperation between completely free and sovereign States, and allowed each of the States concerned to adopt safeguarding measures in the event that an exceptionally dangerous and unforeseen situation occurred.

What would have happened if the EPU had been run by a High Authority?

We would certainly have been forced to step up our credits to the other partners even further, as the good of the Community — meaning, in practice, the good of its most influential members — would have had to take precedence over our own interests.

IX. The Schuman Plan paves the way for political dominance by the partner with the most economic power

Despite the extremely serious economic consequences for Belgium of being incorporated into the European coal and steel pool, some people think the Treaty should be ratified for reasons of high international policy. According to them, we should sign up to anything which will in some way or another contribute to the unification of Western Europe.

Of course, in the present international political situation, the idea of a united Europe can only be welcomed, and no clear-sighted person dreams for a single moment of disputing it; even so, within the new entity there must be a guarantee of political equality for all the partners.

The Treaty establishing the European Coal and Steel Community, however, as tabled before the two Houses for ratification, is anything but reassuring on this point. It might even be said to be paving the way for the domination of one member over all the others, in a short space of time.

The basic idea of the plan, as we have already seen, is to gradually shift production by the two basic industries from lower-productivity regions to those where productivity is higher, and this is to be done under the supervision of an international organisation responsible for accelerating the process.

Everyone knows, however, that when it comes to coal, Germany already has a distinct advantage over the other countries in the future complex: its productivity is higher, and can be further improved; German output accounts for more than half the output of Western Europe.

As for the German steel industry, it is retooling and in a few years' time will have ultra-modern resources; it has a hard-working and disciplined workforce; and it is located right where the least expensive types of fuel are to be found. The shifts in production levels for coal which are planned from the outset will therefore, sooner or later, be extended to steel. French steelmakers are seriously afraid that this will happen, especially as all limits on German steel production will be lifted.

So the centre of gravity of the whole heavy industry of Western Europe is to be systematically shifted towards Germany, which will inevitably have the effect of establishing German economic dominance over the rest of the complex.

How can anyone fail to see that by doing this we are deliberately placing a major political trump card in Germany's hands? Just imagine the pressure that Germany will be able to exert once France, Belgium and the Netherlands are dependent on it for 25 % or 30 % of their coal supplies and its steel output outstrips the others' by a large margin.

There will no doubt be optimists who think that the High Authority will be there to make sure a balance is maintained. To suppose any such thing has more to do with wishful thinking than with common sense; no one has ever seen an instance of economic reality having to yield to an institution; what happens is that in the end the institution has to give way to the economic reality, and it is certain that as soon as the shifts in production levels which the champions of the Community regard as so desirable have gone far enough, Germany, with the power that its economic dominance gives it, will be able to impose its will in the political arena.

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What were the people who wrote the Plan actually aiming to do?

They wanted to contribute to the unification of Europe by approaching the question from an economic angle.

In doing this, however, they are bound, as we have just demonstrated, to end up setting the seal on the dominance of the economically strongest partner — Germany — over all the others, especially since Britain is staying out of it.

No national parliament mindful of its responsibilities would ever accept such an approach if it were imposed upon it openly. The only condition on which the political unity of Europe would be acceptable to all the partners would be that it should not place any of them in an inferior position.

If this is to be avoided, it is vital that no side should give up the economical assets it possesses, so long

as political unification has not been brought about with guarantees of complete equality for all, and that it should be robust enough not to be in danger of falling apart to the advantage of the strongest partner.

Only then will it be sensible to carry out a geographical redistribution of production.

Conclusion

Inside the European Coal and Steel Community, Belgium runs greater risks than any of the other partners.

To summarise the main reasons:

(1) Belgian wages are much higher than those of the other coal-producing countries in the complex;

(2) productivity in our coal industry is lower, owing to deposits which are particularly difficult to mine;

(3) the coal and steel industries hold a more important place in the national economy in Belgium than those of any of the other countries, apart from the Grand Duchy of Luxembourg.

Accession to the common market is likely to create fundamental and persistent disturbances in our economy, even though, under Article 2 of the Treaty, these should be avoided, as well as to lead to the inconsiderate abandonment of the development of our natural resources, which would be against Article 3.

If these dangers are to be forestalled, wage costs in the pool's other member countries should first have been brought more or less into line with ours, and there should have been provision for strict supervision to be exercised over shifts in production levels.

The Treaty, however, gives us no guarantees in either of these areas.

Contrary to what was stipulated in the preliminary draft Treaty put forward by Mr Schuman, the High Authority will hardly be able to take any action on wages to bring about some equalisation of wages within the complex. Furthermore, as the end of the transitional period is not dependent on achieving a balance in the terms of competition, low-wage countries will not be encouraged to align their wages to the levels in the highest-paying countries.

As regards 'shifts in production levels', an expression which to all intents and purposes means the development of German mining production at the expense of our own, the High Authority will not be able to keep them under its control. What that means in practice is that, notwithstanding the obligation imposed on it by Article 2, it will not be able to prevent 'fundamental and persistent disturbances' occurring in the Belgian economy. The only means of which the High Authority could have availed itself would have been to establish production quotas, but the adoption of such an arrangement is conditional on agreement from the Special Council of Ministers which in practice will never be secured.

This means that implementing the Schuman Plan as it stands in the Treaty of 18 April would have the effect of irrevocably condemning a substantial part of our coal industry to vanish, with all the economic, social and political consequences such an eventuality would bring with it:

(1) large numbers of Belgian miners would lose their jobs;

(2) coal supplies to the entire Belgian economy would be jeopardised, especially during boom periods;

(3) the equilibrium in our trade balance would be put at risk;

(4) public finances would be undermined by subsidies to coal mines kept in operation, benefits paid to miners who lose their jobs and the deficit in the National Mineworkers' Retirement Fund.

In the face of the huge risks that Belgium will run if the Treaty enters into force, the guarantees it provides are completely inadequate. Action taken by the Council of Ministers will, in practice, be to Belgium's disadvantage; as for the Court of Justice, the way its judges are appointed provides no guarantee that it will be impartial, and most of the time anything it does will be too late and ineffective, especially since proceedings for annulment brought before it will not have the effect of suspending the execution of a decision or recommendation.

As for the role of the High Authority, it is clearly not appropriate to the function assigned to that body by the Treaty; although the High Authority is not given the means it needs if it is to pursue a general economic policy that ensures the smooth running of the single market, it has been given a wide range of powers that it can use to meddle in the individual business of undertakings, which in the final analysis would be highly damaging to the economy as a whole.

What makes the many voids and grey areas in the Treaty particularly significant is that the agreement is being signed for a 50-year term, without giving the signatory countries any way to withdraw, even if they were to suffer fundamental and persistent disturbances to their economies.

On top of all this, the Schuman Plan would not supply any solution to the political problem of Europe, as it would merely consolidate the political dominance of the economically strongest partner, instead of bringing about European unity with equality for all the countries taking part.

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The practical conclusion to be drawn from all this is that if it is ever to be acceptable, **the Schuman Plan would need to be thoroughly redrafted and therefore be put back on the drawing-board**.

Regarding wages, the target of equalising wages, which was accepted at the outset, should be put back in and the High Authority should be given the means necessary to bring it about.

The Treaty should set out practical ways and means of preventing the emergence of fundamental and persistent disturbances in the member countries.

If such disturbances should nevertheless arise, there should be provision allowing each member country, at five-year intervals, to withdraw from the complex.

Only on these conditions could the Treaty establishing the European Coal and Steel Community become acceptable to Belgium..

This booklet has been published by the Federation of Coal-mining Associations of Belgium, which has felt duty-bound to inform the public of the risks to which the Schuman Plan in its present form would expose the entire Belgian economy.

(1) Cf 'La Cour du Charbon et de l'Acier', by H. Rolin, in the *Journal des Tribunaux* of 10 June 1951.