

Reaction of the Luxembourg Iron and Steel Industries Group (GISL) (29 October 1951)

Caption: On 29 October 1951, the Groupement des industries sidérurgiques luxembourgeoises (GISL), an employers' organisation involving the three Luxembourg iron and steel companies, namely ARBED, the S.A. des Hauts-Fourneaux et Aciéries de Differdange-St.Ingbert-Rumelange and Minière et Métallurgique de Rodange, delivers its opinion on the Schuman Plan to the Luxembourg Government.

Source: Archives de la Présidence des Aciéries Réunies de Burbach-Eich-Dudelange (ARBED), [s.l.]. Plan Schuman, 61.

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Reaction of the *Groupe des industries sidérurgiques luxembourgeoises (GISL)* (Luxembourg Iron and Steel Industries Group) (29 October 1951)

[...]

Conclusions

We can only confirm our agreement in principle to the main political and economic objectives of the Plan. But we cannot see our way to agreeing to the distortions which the original ideas have undergone.

It is questionable whether the Plan, as put before us today, can have any useful effects. It contains the seeds of serious disputes between the States and the High Authority, between the latter and the industries concerned, and between the States and the workers.

It cannot be said that the huge and complicated apparatus which will have to be set up will make it possible to produce a single tonne of steel or coal more efficiently, organise the market more rationally or cushion any crises. The attainment of these objectives could have been attempted using much simpler means, without this concentration of immense powers in a few hands and without the overblown interventionism we are bound to descend into — since one measure leads to another and one can never predict all the effects of a decision at the outset — and without the industries being placed under proper supervision.

Will it serve the cause of Europe? Probably not, so long as it remains an isolated experiment applying only to coal and steel and that the participating States do not commit themselves officially to harmonising their economic, monetary, social, tax and transport policies; in other words, to bringing about the gradual and comprehensive elimination of fundamental imbalances.

There are, therefore, grounds for serious fears that the Treaty, if it is implemented, will be an instrument of disunion rather than union and will not fulfil the hopes placed in it at the outset.

The decisions to be taken by the supranational authority, because of its very structure, are likely to pay little regard to the interests of the smaller countries, such as ours, which will be committing practically its whole economy to it.

Unreserved ratification would, therefore, in our opinion, be very dangerous.

Whatever happens, an official reservation should be entered regarding the duration of the Pact and of the transitional period. We do not think we can commit ourselves for 50 years on the basis of texts which are so flawed and diffuse as these.

We are told that if the other countries ratify we cannot stay out on a limb. We were well aware of this. But we think that before these ratifications take place, our Government's diplomatic efforts should, in fact, be directed at trying to get our future partners to adopt reservations similar to ours.

This would make it possible for Governments to work together to revise the texts before they are put into effect. That would certainly be the most reasonable, and the wisest, solution.

The points which, we think, need revising or recasting flow from the above analysis. To summarise them:

1) Interventionism to be abolished. Powers of the High Authority to be limited so that it does not, in effect, gain control over the management and the future of the Community's undertakings. The clauses relating to the status of producers' associations to be revised so as to ensure that the undertakings concerned work together closely with the High Authority; these undertakings and their associations to play a real part in the tasks of the Community and in solving problems of production, distribution and prices.

2) The chapters relating to producers' combines to be revised; it being understood that the High Authority,

as guardian of the general interest, will keep a close watch on any concerted action by producers.

- 3) The provisions relating to concentrations to be eased.
- 4) Investment to be deregulated. The clauses governing the financing of such investment by the High Authority to be revised.
- 5) The system of fines and penalties and the appeals system to be revised.
- 6) Wages — Provisions to be drawn up or a commitment given to equalise these progressively.
- 7) Transport — Tariffs to be harmonised in practice; intermediate reloading within the single market to be abolished.
- 8) Duration — Revision or withdrawal to be allowed where implementation of the Plan would lead to intolerable situations.
- 9) A new study to be undertaken regarding the transitional period, the end of which should be determined by unanimous recognition on the part of the Council that the fundamental imbalances between the Member States' economies have disappeared.

Supposing, however, that the other five countries ratify the Treaty in its present form and without the least reservation, which seems to us highly unlikely and would be the worst-case scenario, our country is entitled to enter reservations, if only as regards the length of the transitional period and the duration of our commitment, given the vital importance of this question to it.

In other words, should the worst happen, we think we should ratify only subject to the following reservations:

- 1) Following the six- and eight-month deadlines from the time when the High Authority took up its duties, the common market would be set up only if the Council, having regard to the economic situation at the time and to the studies carried out by the High Authority during what has been termed the preparatory period, acknowledged by unanimous decision that it could be done. Were it to conclude that the risks were too great, the requisite temporary arrangements would be decided upon by common agreement.
- 2) The transitional period should not be regarded as over until the Council unanimously decides that the fundamental imbalances between the Member States' economies have disappeared.
- 3) Should the implementation of the Plan lead to genuinely intolerable situations for our industry and for the country, we should be able to withdraw from it.

We consider, lastly, that since the Plan will only be as good as the people who administer it, the requisite care should be taken in selecting candidates to serve in the various bodies for which it provides.