

ESCS Treaty

the Treaty establishing the European Coal and Steel Community was signed in Paris on 18 April 1951 and entered into force on 24 July 1952, with a validity period limited to 50 years. The Treaty expired on 23 July 2002

CONSIDERING that world **peace** can be safeguarded only by creative efforts commensurate with the dangers that threaten it,

CONVINCED that the contribution which an organized and vital Europe can make to civilization is indispensable to the maintenance of peaceful relations,

RECOGNIZING that Europe can be built only through **practical achievements** which will first of all create **real solidarity**, and through the establishment of common bases for economic development,

ANXIOUS to help, by expanding their basic production, to raise the standard of living and further the works of peace,

RESOLVED to substitute for age old rivalries the merging of their essential interests; to create, by establishing an economic community, the basis for a broader and deeper community among peoples long divided by bloody conflicts; and to lay the foundations for institutions which will give direction to a destiny henceforward shared,

HAVE DECIDED to create a EUROPEAN COAL AND STEEL COMMUNITY and to this end have designated as their Plenipotentiaries:

WHO, having exchanged their full powers, found in good and due form, have agreed as follows.

TITLE I

The European Coal and Steel Community

Article 1

By this Treaty, the HIGH CONTRACTING PARTIES establish among themselves a EUROPEAN COAL AND STEEL COMMUNITY, founded upon a common market, common objectives and common institutions.

Article 2

The European Coal and Steel Community shall have as its task to contribute, in harmony with the general economy of the Member States and through the establishment of a common market as provided in Article 4, to economic expansion,

growth of employment and a rising standard of living in the Member States.

The Community shall progressively bring about conditions which will of themselves ensure the most rational distribution of production at the highest possible level of productivity, while safeguarding continuity of employment and taking care not to provoke fundamental and persistent disturbances in the economies of Member States.

Article 3

The institutions of the Community shall, within the limits of their respective powers, in the common interest:

- a. ensure an orderly supply to the common market, taking into account the needs of third countries;
- b. ensure that all comparably placed consumers in the common market have equal access to the sources of production;
- c. ensure the establishment of the lowest prices under such conditions that these prices do not result in higher prices charged by the same undertakings in other transactions or in a higher general price level at another time, while allowing necessary amortization and normal return on invested capital;
- d. ensure the maintenance of conditions which will encourage undertakings to expand and improve their production potential and to promote a policy of using natural resources rationally and avoiding their unconsidered exhaustion;
- e. promote improved working conditions and an improved standard of living for the workers in each of the industries for which it is responsible, so as to make possible their harmonization while the improvement is being maintained;
- f. promote the growth of international trade and ensure that equitable limits are observed in export pricing;
- g. promote the orderly expansion and modernization of production, and the improvement of quality, with no protection against competing industries that is not justified by improper action on their part or in their favour.

Article 4

The following are recognized as incompatible with the common market for coal and steel and shall accordingly be abolished and prohibited within the Community, as provided in this Treaty:

- a. import and export duties, or charges having equivalent effect, and quantitative restrictions on the movement of products;
- b. measures or practices which discriminate between producers, between purchasers or between consumers, especially in prices and delivery terms or transport rates and conditions, and measures or practices which interfere with the purchaser's free choice of supplier;
- c. subsidies or aids granted by States, or special charges imposed by States, in

- any form whatsoever;
- d. restrictive practices which tend towards the sharing or exploiting of markets.

Article 5 ↗

The Community shall carry out its task in accordance with this Treaty, with a limited measure of intervention.

To this end the Community shall:

- provide guidance and assistance for the parties concerned, by obtaining information, organizing consultations and laying down general objectives;
- place financial resources at the disposal of undertakings for their investment and bear part of the cost of readaptation;
- ensure the establishment, maintenance and observance of normal competitive conditions and exert direct influence upon production or upon the market only when circumstances so require;
- publish the reasons for its actions and take the necessary measures to ensure the observance of the rules laid down in this Treaty.

The institutions of the Community shall carry out these activities with a minimum of administrative machinery and in close cooperation with the parties concerned.

Article 6 ↗

The Community shall have legal personality.

In international relations, the Community shall enjoy the legal capacity it requires to perform its functions and attain its objectives.

In each of the Member States, the Community shall enjoy the most extensive legal capacity accorded to legal persons constituted in that State; it may, in particular, acquire or dispose of movable and immovable property and may be a party to legal proceedings.

The Community shall be represented by its institutions, each within the limits of its powers.