

'Implementing the Schuman Plan: how the negotiations are going' from La Libre Belgique (24 January 1951)

Caption: On 24 January 1951, the Belgian daily newspaper La Libre Belgique outlines the positions adopted by the governments of the Six with regard to the extent of supranationality to be granted to the High Authority referred to in the Schuman Declaration of 9 May 1950.

Source: La Libre Belgique. 24.01.1951, n° 24; 68e année. Bruxelles: Société d'Édition des Journaux du Patriote. "L'évolution des négociations en vue de la réalisation du plan Schuman ", p. 2.

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Implementing the Schuman Plan: how the negotiations are going

Belgian coal is to remain outside the pool for some time

The Belga news agency reports the following information, secured from those directly involved, concerning developments in the negotiations to implement the Schuman Plan.

On several occasions, news has come from abroad announcing the imminent conclusion of an agreement. Dates for the signing of a convention have even been quoted. These announcements have been followed by less optimistic reports stressing the difficulties that have been encountered. These contradictions may be explained as follows. On one side, there is a clear desire manifested by the six countries involved in the negotiations to bring them to a successful conclusion. At each new phase of the negotiations, the delegations which had recently resumed contact with their respective governments, returned with their zeal redoubled and eager to reach an agreement. The advantages, if not the necessity, of pooling the coal and steel industries have been apparent to them from the outset. As the international atmosphere has become progressively more gloomy, this pooling of resources seems ever more urgent. However, as soon as the delegations of the six countries resume negotiations, the difficulties and the risks involved in this bold initiative stand out in a new and clearer light.

Implementing the Schuman Plan will open an unprecedented economic phase, whose first upheavals the experts can attempt to bear, but whose consequences are too far off to be foreseen in their entirety; there can be no doubt that they will be too inevitable for anyone to hope to stop them once they are launched.

The interests of the various parties involved

From the point of view of the negotiators, these risks that the six states in question seem determined to accept only add to the difficulties that are inherent in the planned agreement. An excellent example of this may be seen in the discussions regarding the powers that are to be given to the High Authority that is responsible for the attainment of the objectives set out in the Schuman Plan.

These powers, in France's view, must be sufficiently wide-ranging to enable the High Authority to attain its objectives effectively. They are going to be strictly limited, replies Belgium, whose coal is the most expensive and whose fear is that this High Authority might not raise any objections to the closure of expensive collieries, were this to be undertaken with a view to lowering the average price of coal as much as possible. This is also the reason why, in a measure that runs contrary to the principle of members of the High Authority being appointed solely on the grounds of technical competence, it has insisted that one seat in the High Authority be reserved for a Belgian.

Germany, whose coal is the cheapest and therefore cannot share the same fears, insists with just as much vigour as Belgium that the powers of the High Authority should be limited. Its fear is that through this body France might wield too much influence over Germany's investment policy. Quite apart from this, it wants to stop the High Authority from being able to favour the nationalisation of the mines and the steel industry with the aim of setting up a single sales agency.

It is worried that, through this body, France might influence its investment policy too strongly. Furthermore, it wants to stop the High Authority from encouraging the nationalisation of mines and the steel industry in a bid to establish a single sales agency.

Many of the obstacles raised by the implementation of the Schuman Plan have been removed, even if not all of them have disappeared. Each of the six countries had its objections and its individual interests. Germany wants to keep using Swedish iron, and Italy Algerian coal. The biggest disadvantage for Belgium was the high cost of its coal. How could it bring it into line with its neighbours' prices, without bringing down the wages of its workers or cutting its social welfare contributions?

Belgian participation in the pool and the problem of coal

Meanwhile, the convention under discussion is beginning to take shape. During the start-up period, then during the transitional period, Belgium will participate in the pool only where its steel production is concerned. Its coal will remain outside the pool. Furthermore, Belgium is to receive aid from the High Authority in order to re-equip and to modernise its coal industry so that it can periodically adapt its internal prices to those current in the Schuman Plan countries and, finally, bring them fully into line without damaging its producers. As soon as the pool is inaugurated, it is forecast that the scheduled prices of coal on the Belgian market will initially go down by 10 %. This reduction would not, at first, be borne by the producers, it would be paid to them by the Compensation Fund set up by the High Authority. This Fund would be made up from levies on the production of the cheapest mines.

At the moment it is estimated that the start-up and transitional periods will last for five years. However, if this breathing-space is used by Belgium to re-equip and to modernise its industry and by other countries to raise workers' wages and social welfare contributions to the Belgian level, it will also be used by these countries to re-equip and modernise their businesses. And doubts remain as to the possibility of aligning the prices of Belgian coal with those abroad after five years of efforts to eliminate the fundamental imbalance between the Belgian and German coal industries. Accordingly, the Belgian delegation is calling for this transitional period to be prolonged, if the need arises and on three occasions, for one year at least.

The case of our iron and steel industry

If this request were accepted, Belgian coal would actually enter the pool only after five, six, seven or even eight years, depending on the circumstances.

It is surprising that, despite the difference between the prices of Belgian and foreign — particularly German — coal, Belgian steel is able to enter the pool immediately, given that its price is naturally affected by the price of coal. This aspect of the issue poses a serious problem. Slack coal costs BEF 640 in Belgium as against a maximum of BEF 450 in Germany and a little more than BEF 500 in France. It is obviously essential that the Belgian iron and steel industry should be able to obtain supplies of raw materials at the same price as its foreign competitors very quickly. To this end, Belgium has submitted proposals aimed at adjusting the price of its slack coal thanks to a fairly complicated system whereby this price will fall with the help of subsidies from the Compensation Fund planned within the pool, whilst a corresponding rise in the price of the cheaper foreign slack coal will follow.

(Belga)