

'It all starts with coal' from the Süddeutsche Zeitung (10 February 1953)


Caption: On 10 February 1953, the German daily newspaper Süddeutsche Zeitung considers the implementation of the common market for coal and iron ore in the six Member States of the European Coal and Steel Community (ECSC).

Source: Süddeutsche Zeitung. Münchner Neueste Nachrichten aus Politik, Kultur, Wirtschaft und Sport. Hrsg. Friedmann, Werner; Goldschagg, Edmund; Schöningh, Dr. Franz Josef; Schwingenstein, August. 10.02.1953, Nr. 33; 9. Jg. München: Süddeutscher Verlag. "Mit Kohle fängt es an", auteur:Slotosch, Walter , p. 1.

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It all starts with coal

by Walter Slotosch

Today marks the practical beginning of the European Coal and Steel Community that has been in gestation for so long. From this day on, there will be a common European market, stretching from Hamburg to Naples and from Brest to Venice, for coal, iron ore and scrap metal. Customs duties and restrictions on import and export volumes through a system of quotas, as well as discriminatory measures, will be abolished. In other words, a partial customs union is born.

Although that customs union today only covers the market in coal, and two months hence the steel market, it nevertheless encompasses the two industries that are at the heart of any modern economy, and these account, within the area of the ECSC, for 15 % of the combined industrial output of the six countries concerned. Admittedly, the proportion of the aggregate national product of the ECSC countries, for which borders are being removed and free undivided trade is becoming possible, is small at only 6 %.

Although many fundamental decisions have yet to be taken and it can in no way be predicted how this experiment will work out, many commentators are already convinced that the ECSC, far from representing a cornerstone for Europe, is, in fact, a highly explosive charge waiting to go off. Others, on the other hand, are only too ready to heap as yet unearned praise on the project. We believe it is good that a first step is being taken, a practical step. For this is no longer about theory and debate, but about the power of decision of a European Assembly vested with real authority. Only some of the measures will come into effect today, measures that will only attain their goal after years of transition.

The abolition of coal duties makes no material difference as they have already been suspended, only they are now being lifted *de jure*. Coal prices will also remain unchanged for the time being. Today, the Official Journal of the High Authority will be publishing the price lists that will apply from 1 March. There has been disappointment in France at the fact that the current West German coal prices have been approved as ceiling figures by the High Authority, as it had been hoped that German export prices would fall. The decision on the date for opening the scrap metal market again fails to take into consideration France's wish for that date to be put back somewhat in view of the very depressed scrap prices currently prevailing in France. The prohibition of varying discounts and surcharges for identical transactions, as well as the prohibition of action to circumvent price equality by modifying other conditions applying to the transaction, will be effective forthwith.

Eliminating subsidies, compensation payments and discriminatory freight tariffs will require extensive investigation and a step-by-step approach. Transitional solutions will have to be accepted to avoid the sort of disruptive crises that could result from the introduction of abrupt measures. A sharp increase in the demand for German export coal cannot, according to reports from the Ruhr, be expected with current price relativities. The question of reducing West German export coal prices by the amount of the sales tax refund is, however, still an entirely open one. Price policy must not be aimed at stabilising the prices and profits of manufacturers — the ECSC would then be no more than a super-cartel — the task is rather to develop a market for buyers and consumers which offers reasonably uniform costs and delivery conditions throughout the ECSC.

We are fully aware that joining the ECSC brings with it a range of serious responsibilities and risks. Our starting position has been significantly weakened by the rigid and arbitrary break-up of West Germany's heavy industry, disrupting a configuration that has developed naturally over time. We are also submitting ourselves to the investment decisions of the High Authority. But the other countries, too, will have to make concessions. The critics who mock the 'spirit of the Schuman Plan' and who regard the ECSC as a mere continuation of the occupation policy by different means, rejecting it as a scheme to stabilise and expand the market for a French steel industry that has enjoyed excessive growth thanks to the Monnet Plan and as an attempt to supply France with cheap coking coal, these clever characters have nothing to offer us apart from an ever-proud recommendation to go for economic expansion under our own steam. A somewhat outmoded recipe that rather fails to recognise the political situation of the Federal Republic.

Completely equal competitive and sales conditions could never be achieved in a common market if Europe's economic integration were to stop at coal and steel. The road to a fully effective European Coal and Steel Community is still long. Today, on 10 February, the first steps were taken. The ultimate goal of the six governments remains, however, that of constituting as comprehensive as possible a political community in Europe.