

'Schuman Plan guarantees ...' from the Luxemburger Wort (17 April 1951)

Caption: On 17 April 1951, on the eve of the signing of the Treaty establishing the European Coal and Steel Community (ECSC) by the Six in Paris, the Luxembourg daily newspaper Luxemburger Wort publishes an article emphasising the implications of the Schuman Plan for European integration.

Source: Luxemburger Wort. Für Wahrheit und Recht. 17.04.1951, n° 107; 104e année. Luxembourg: Imprimerie Saint-Paul. "Schumanplan-Garantien", p. 1.

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Schuman Plan guarantees ...

No European press has been unreservedly enthusiastic about the Schuman Plan. In their analysis of the new institution, many journalists with experience of economic matters have steered a course between the exaggerated pessimists and the unthinking optimists. While some have raised doubts as to whether the Plan will ever become reality, others underline its positive elements.

Apart from the fierce opposition of the West German Socialists, led by the Social Democrat, Kurt Schumacher, nowhere can a clearly political opposition to the Plan be detected. Although this opposition is almost exclusively politically motivated, it must be expected that, in the political circles of the other countries as well, the Plan will be torpedoed by trade union arguments when it is being ratified by the respective parliaments. That applies particularly to countries which see the necessity of cost reduction in the Common Market as a danger. Although a transitional period of five, or at the most seven years, may be envisaged for the coordination of economic conditions, that is no guarantee that the pool will result in a profit for every coal and steel industry.

The Foreign Ministers of the six countries taking part in the Plan are currently putting the final touches to it. They have already agreed on the composition of the supranational authority, in so doing taking into account the wishes of the Benelux countries and already providing a guarantee that will make the subsequent parliamentary procedures somewhat easier. It seems as though the main difficulty hampering the implementation of the Plan is resistance in the individual parliaments, particularly the German Bundestag. In the other countries, too, certain groups will make their aversion to the Plan clear through the mediator body and their parliament's letter box.

Only in these debates will it become clearer to the public what the Plan actually contains, in terms of both dangers and guarantees. Only then will the experts who have been immersed in the texts of the Schuman Plan for over a year in Paris come out and tell their countrymen what guarantees for their own economy they have fought for and won in the negotiations.

Naturally, we are more than a little interested in what the Schuman Plan has in store for us. In saying that, we are thinking exclusively of the interests that the country has in the implementation of the Plan, and the various concerns of the directly affected industries are of lesser importance to us. We are not interested in splitting hairs about privatised or nationalised industry. Our only wish is for the Plan to bring about a partial Western European economic union, the consequences of which will be the rationalisation of key industries, an increase in production in general and, hence, an improvement in living standards. The Plan as it is today contains something for everyone. The advocates of neo-liberalism can see the principle of free competition in it; the supporters of state intervention the principle of central planning. Competition through central planning. That is something new, at least! Maybe tomorrow it will be nationalisation through rationalisation and equalisation of costs. It is entirely plausible. And, if the Plan were to work, this would by no means be a disaster.

For the Plan to run smoothly for now, the current economic situation is important. It makes the process of adapting that much easier. In the next few years, the High Authority will have to deal primarily with the question of distribution. It will have to curb competition rather than encourage it. For the near future, production restrictions do not constitute an option. As we work within the bounds of relatively high production costs, the fact that prices are high, as determined by economic conditions, means that our entry into the Plan will not be difficult. In other countries, this particularly favourable starting point will give those works operating at higher cost because of a lack of modernisation more time to adjust.

The subsequent abolition of customs duties — an essential part of the standardisation of the Market — will have little effect on us, as the *ad valorem* customs duties levied to date were very low and our imports in this respect are, at all events, not considerable.

Because of the one-sided structure of our economy, we shall not be greatly affected by whatever consequences the coal and steel pool may have for those branches of the economy directly involved. On the

contrary, the adjustment that will necessarily follow in this sector will reduce the gap between prices in industry and agriculture, and that will facilitate the modernisation that our economy so desperately needs.

Surely these are all guarantees rather than dangers!