

'Implementing the Schuman Plan' from La Libre Belgique (10 August 1952)

Caption: On 10 August 1952, the day on which the High Authority of the European Coal and Steel Community (ECSC) takes up its duties in Luxembourg, Fernand Baudhuin, Professor of Economics at the Catholic University of Louvain, attempts to evaluate, in the columns of the Belgian daily newspaper La Libre Belgique, the consequences of Community policy for the coal and steel industry in Belgium.

Source: La Libre Belgique. 10.08.1952, n° 223; 69e année. Bruxelles: Société d'Édition des Journaux du Patriote. "La mise en action du Plan Schuman", auteur: Baudhuin, Fernand, p. 1.

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Implementing the Schuman Plan

Effects on Belgium

Today, in Luxembourg, the Schuman Plan became a reality. Its leading bodies were constituted, and their members will meet with a view to tackling the initial problems of the institution of the European Coal and Steel Community .

As we have already had the opportunity to say, it is an interesting experience, but one that nevertheless bears a number of concerns, even a certain amount of scepticism. There are serious weaknesses that became quite clear to most countries during the appointment of delegates to the High Authority. Politics has usurped a particularly important place, and there is the fear that it will continue to do so.

As far as Belgium is concerned, we have a representative with a fighting spirit, who specializes in coal issues. This leads us to hope that the interests of Belgium will be well defended and that state intervention will not have completely free reign.

In weeding out the formal language and diplomatese that necessarily impregnated the text of the Treaty, how does one determine the essence of the Schuman Plan? It is a plan that aims to form a single market, within which the basic materials of coal and steel will be produced and flow freely, according to the regulations dictated by economic factors. Coal and steel will be produced wherever this can be done with a minimum of human effort, and they will be placed in the best conditions available to consumers, who will accordingly be able to make the best use of them.

It is a good idea one that could be fruitful. In short, it leads to the achievement of an integral free trade, at least within a sizable territory and for significant products. But it runs up against inconveniences that the Schuman Plan advocates have perhaps underestimated, and that will undoubtedly reveal their harmfulness in use.

For Belgium, there is first and foremost the fate of the coal industry, which finds itself in unfavourable conditions, due to poorer deposits that are not as easily exploited as in foreign countries.

To this effect, pessimists affirm that competition from other countries in the Schuman Pool will force Belgium to abandon a major part of the coal deposit it has exploited until now and to reduce production levels significantly. It is quite probable that certain mines will not withstand the competition and that, moreover, we will need to increase the thickness used to determine whether a vein is exploitable.

Will Belgium be able to withstand this change? It would seem to be a question of measure. We could not go so far as to sacrifice a high proportion of our mining reserves, but we do have to allow for a reasonable elimination of non-profit earning exploitation. The big question is whether, by sacrificing its poorest mines, Belgium will reasonably be able to ensure coverage for its needs, in case of necessity.

Wage levels also pose a problem for Belgium: admittedly, one that will be solved given the required time, but the same cannot be said for our coal deposits. It should also be noted, in this respect, that the stagnant productivity in Belgian coalmines, which have nonetheless been re-equipping with fervour for three years now, is disappointing and deeply concerning.

For other countries, France in particular, the danger of the Schuman Plan is somewhat different. Firstly, it remains to be seen whether too many unproductive coalmines should not be eliminated. The problem is not as acute as in Belgium, but it nevertheless exists. The French iron and steel industry is especially at risk of being crushed by the German competition. Of course, the intensive re-equipment from which France benefited due to the Marshall Plan constitutes in this respect a significant contribution that will help improve its position, but the danger nevertheless exists.

From now on, the priority for the products in question will be the suppression of customs duties between the

countries in Schuman's Europe, i.e. between Belgium, France, Germany, Italy, Luxembourg and the Netherlands. These customs duties are not a terrible nuisance at the present time, considering that there is a lack of steel, but they could become so once again. It can be observed, moreover, that if coal prices are higher in Belgium, then steel prices are lower. And when Belgium exports steel, as it does extensively at the present time, not only to the Netherlands, but also to Germany, it exports at prices higher than those of the domestic market, which are not sufficient to ensure the normal operation of the Belgian iron and steel industry.

It is quite likely that the High Authority will endeavour to avoid jolts, as much for the coal as for the iron and steel industries, and that it will organise importations with a sluice system to ensure that certain markets are not flooded. And at the expense of this effort, the Schuman Plan could endure, for if it caused the sudden shutdown of either coalmines or factories in whatever country, the resulting economic and social consequences would go against the objective sought.

Experience will determine whether the administrative weight of the Schuman body will not hinder the institution's efficiency. There was talk at first of a total staff of 500 for the High Authority, but this seems to have been greatly underestimated. While initial plans were for all communication to be conducted through the medium of three languages, now a fourth has now been added; each increase necessitates the recruitment of a certain number of translators and civil servants who are familiar with the language. All of this represents not only an additional cost, but also a cause of paralysis or at least of slower decision-making.

The danger awaiting the Schuman Plan is nevertheless more of a political order, than one that is of an economic or even administrative nature. The example of what occurred in Paris, during the designation of the Schuman Plan headquarters, is in this respect disappointing and disturbing. If things are to continue as they have begun, then it must be considered that the Schuman Plan is doomed to fail and that it would be better not only to distrust it, but also to refuse to collaborate.

There do exist, nevertheless, chances for success and each member country of the Schuman Plan, Belgium in particular, must endeavour wholeheartedly to ensure that the chances for success materialise, as opposed to the risks. It is in this frame of mind that we must take the means necessary to carry out the Schuman Plan, by placing our confidence, as for the rest, in the vital forces of the nation as well as in the reactions that will undoubtedly occur should the Schuman Plan fail to achieve its objectives.

The Treaty has been concluded for 50 years, but obviously there is more intention here than certitude. We would be wise, in the end, to remember that this is an international treaty that, in accordance with jurisprudence, is subject to revision on the basis of the unpredictable. We know, in effect, that an international agreement is only valid for as long as the circumstances have not been altered in a significant way. The Pool will only last if it satisfies: no country could continue to be a member if doing so resulted in disastrous consequences.