

'Freedom for industry in the Ruhr' from Die Welt (25 July 1952)

Caption: On 25 July 1952, the German daily newspaper Die Welt considers the economic future of the Ruhr in the wake of the imminent dissolution of the International Authority for the Ruhr (IAR), an Allied organ for the regulation of industrial production in this region.

Source: Die Welt. Unabhängige Tageszeitung. Hrsg. SCHULTE, Heinrich ; Herausgeber KOMMA, Alfred. 25.07.1952, n° 170; 7. Jg. Hamburg: Die Welt. "Freie Ruhrwirtschaft", p. 2.

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Freedom for industry in the Ruhr

Fa. — In the preamble of the Ruhr Statute, which came into force on 28 April 1949, the justification for the creation of an International Authority for the Ruhr was given as the need to allocate coal from the Ruhr between the requirements of the home market and the export trade. Once the Schuman Plan comes into effect, this reasoning will no longer apply. The signing of the documents on the dissolution of the Ruhr Authority, which is expected any day now, and the lifting of production restrictions for the German steel industry are the inevitable consequences of the course of development that was ushered in by the Coal and Steel Community.

Although the Schuman Plan and the control of the Ruhr can have no reason to exist side-by-side and the lifting of the Ruhr Statute, therefore, had to be a matter of course, the decision to abolish it, the removal of the restrictions on the production of steel and, as a further logical consequence of the plan for the Community, the end of the need for investment to be authorised by the Allied security authority represent significant material and political progress. Following the formal end of the Ruhr Statute, there are now no obligations other than those set out in the Coal and Steel Treaty, and this was confirmed expressly at the time in a document issued by the High Commissioners.

The liquidation of an international organisation such as the Ruhr Authority is not something that can be accomplished overnight. In fact, it is likely that the transfer of its functions to the High Authority of the Coal and Steel Community will take place in stages and be completed at the latest when the 'common market' comes into effect. In the session of the Council of the Ruhr Authority scheduled for 18 August, an export quota for coal will be set for the last time. The export amount to be determined for the fourth quarter of 1952 will probably take more account of German interests than did various previous decisions. It is only in this way that the authority would be able to make a satisfactory exit and erase memories of unfortunate incidents.

The active function of allocating coal from the Ruhr will now be passed in a considerably modified form to the High Authority of the Schuman Plan. To this authority will also fall the prickly task of working out fair prices and freight charges, which will then be equally binding for all the partner countries.

The abolition of the restriction on steel production had been due for a long time. In reality, the production limit has already been exceeded for some time, and this has been tolerated by the Allies. West German steel production over the last few months is equivalent to an annual steel quota of about 15 million tonnes, as compared to an officially permitted volume of 11.1 million tonnes. However, it should be remembered here that a very considerable proportion of the extra production, between 25 % and 30 %, after all, is based on the use of expensive imported American coal. On the other hand, West Germany had previously been forced to support French iron and steel production with significant shipments of coal and coke — about 1.5 million tonnes per quarter — at relatively low prices and thus did make a decisive contribution to the high production figures being achieved in France.

In this year, too, the demand for coal from Western European industry will not be met by its own output. The import of American coal into Western Europe will admittedly be lower than in the previous year, but it will still amount to about 20 million tonnes. According to the OEEC programme, the German mining industry alone is to increase its output by 15 million tonnes to an annual 150 million tonnes. This kind of rise in coal output, as has been explained several times by the relevant authorities from the German Coal Mining Directorate, assumes the implementation of comprehensive measures to modernise and extend the mines, which, in their turn, are dependent on considerable amounts of investment.

The conditions in the field of the iron and steel industry are not significantly different. The majority of West German smelting and steel works operate with obsolete equipment and plant. If they are to regain a reasonably competitive position, they will require the reconstruction of dismantled specialist factories such as broad-strip mills, heavy forging presses and other plants which have been removed or destroyed, mainly at Krupp in Essen, at the August-Tyssen plant in Duisburg and the former Reich works in Salzgitter. Only recently, the OEEC Steel Committee approved various German investment projects, and these still require approval from the Allied security authority before they can be put into effect, although this is purely a

formality as things stand at present.

On the day when the European Coal and Steel Community Treaty comes into force, the right of veto by the security authority in matters of investment plans of the West German steel industry will also come to an end. Even if the future High Authority by no means grants unrestricted freedom of action to the Member States with regard to investment and works expansions, it will not be able to block investment, provided private funds and not subsidies are involved.

Exploitation of the freedom restored to the Ruhr industry is therefore largely dependent on whether the rapid injection of sufficient funds is successful in achieving the desired increase in coal output and, hence, also on whether the new capacity created in the steel industry can be adequately supplied with fuel. Only then will the formal act to be signed in Paris bear the fruit that we frequently expect a little too soon in similar situations.