

## Proposals made by the German Trade-Unions Association (DGB) regarding the reorganization of the German Coal Sales Organisation (20 August 1951)

**Caption:** On 20 August 1951, the German Confederation of Trade Unions (DGB) submits its proposals relating to the future of the Deutsche Kohle-Verkaufs-Gesellschaft (DKV), the sole selling agency for Ruhr coal, which it would like to see changed rather than abolished.

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The German Trade-Unions have continually declared themselves as opposed to cartels which use their power to the detriment of the General Economy and primarily of the Consumer. On the other hand they have always emphasized that they deemed it necessary to have organizations regularizing the market, where an unhindered free competition could be prejudicial to the Producer as well as to the Consumer. In their opinion, this applies especially with regard to the raw-material industries and primarily to the coal industry, particularly because here equal competitive conditions necessary to a free competition have not been naturally provided. Without any regularizing intervention, heavy damages must arise equally for the producer as for the consumer, especially in view of the fluctuating market conditions. However, the trade Unions have always been of the opinion that such organizations, which have a more or less strong similarity to a cartel must be submitted to Public Control.

It is on the basis of this fundamental opinion that the Trade Unions (i.e. the Deutscher Gewerkschaftsbund as the central organisation of all the German workers, and likewise the I.G.B. as representing the German miners) have appraised the German coal sales body established by the English Coal Control Group. After conscientious studies they came to the conclusion that this organization represents, purely from the exterior aspect of course, a cartel-like structure. But its functions are in the first place considerably limited by the fact that the price of coal in Germany is fixed by Authorities and is subject to the approval of Parliament. The most important function exercised by an actually powerful cartel, i.e. the fixing of prices, is thus excluded.

The DKV is essentially a purely distributive organization. According to the opinion of the Trade Unions and also of all other groups of German Industry (Trade — Consumers and Producers) the DKV has fulfilled well its regularizing functions, equally as well during the period of coal shortage — a period which was prevailing during the time of its existence — as during the time of surplus (summer 1950). It has undertaken the balancing of the qualities which is so important owing to the special geological situation of the German Ruhr mines, and has thus created the basis, as much for an equal employment as for a rational winning of the German coal deposits. It has furthermore brought about a rational solution to the particularly difficult transport problem due to the shortage of wagons still suffered by the Bundesbahn.

According to the general opinion no prejudice has occurred to the consumer, on the contrary a rational supply to all groups of consumers has been achieved. From no side, incidently not even from the Allied side, have reproaches ever been made to the DKV as to having misused its “Power”.

Under these circumstances the Trade Unions must attach the greatest value to the maintenance of one common sales organization. As must be expressly confirmed once more, they have therefore also most strongly declined the proposals of the Federal Government for the dissolution of the DKV, such proposals being stated in the memorandum dated 14 March 1951.

They have declared themselves in favour of a transformation of the existing organization, but not for its dissolution, as also it is expressly provided for in Law No. 27. At the time of the constitution of the joint commission to study this question, they have therefore also stood firm against any limitation of the functions such as stated particularly in Article 6, Para 1, of the Terms of Reference issued by the Allied High Commission, and have made their appointment of a representative to this commission conditional upon a very generous interpretation of these Terms of Reference.

The Trade-Unions propose the dissolution of the DKV in its present form and a reorganization on the following basis:

- 1) The mining enterprises of the Ruhr will, for the regularization of common sales associate in a “Vertriebsgemeinschaft Ruhrkohle” (Ruhr Coal Sales Association). The mining enterprises which do not join voluntarily, can be included in the Association by the Federal Minister of Economics, if this proves to

be necessary in the interests of the general economy.

2) The Sales Organization will be constituted as a Limited Company. The shares remain in the possession of the individual participating associates.

3) The Sales Organization of Ruhr Coal will be submitted to public control on a democratic basis. For this purpose a Verwaltungsrat will be formed. Producers, Consumers and Trade Unions will each have 7 representatives in this body. The appointments will be proposed by the interested organizations. After the coming into force of the Schuman-Plan these appointments will be made by the High Authority. (The competent organisation for producers will be for the time being the DKBL and later the "Association des Ruhrbergbaus". The representatives of the consumers will be chosen by trade, Public Authorities, Big Consumers and Consumers-Associations. The representatives of the Trade Unions will be proposed by the D.G.B. as the central organization of the trade unions which, as can be proved, has organized exclusively almost all of the employees in the mining industry).

4) The Federal Minister of Economics or the High Authority will appoint the Chairman of the Verwaltungsrat who has a casting vote.

The Verwaltungsrat determines the directives concerning the management of the sales organization. In times of coal shortages it establishes the allocation plan for supplying the coal available to the consumers. This plan is subject to the approval of the Federal Government. In times of coal surplus it makes proposals concerning quota allotments to individual enterprises. These proposals are also subject to the approval of the Minister of Economics or the High Authority. Special committees could be constituted in order to deal with specific problems.

The Directorate of the Sales Organisation will be appointed at the General Meeting. The choice must be confirmed by the Verwaltungsrat. The activities of the Directorate are under the control of the Verwaltungsrat.

The trade-unions consider that the form of control broadly described here can guarantee that no misuse will be made of the power which without any doubt is vested in such an organization.

It is important that price-fixation continues to be made by the Federal Government.

The Trade Unions wish to stress that a simple allocation-system, such as that which was unfolded to the trade-unions representatives during the Hgel deliberations, cannot satisfy the specific demands of the German situation. Although such a system can resolve the question of coal allocation to individual economic groups during coal shortages, it can never cope with the difficult distribution problem. This system can neither effect the balancing of qualities, nor the balancing of employment which is so important for social/political reasons. It also cannot assure the progressive winning of coal-deposits which is so exceptionally important in the interests of the German and European coal supply.

The Trade Unions consider that the solution of these problems calls for the maintaining of a central sales organization, which must include of course the indispensable democratic controls.