

'A revolutionary initiative' from Le Monde (11 May 1950)

Caption: On the day after the 9 May 1950 Declaration by Robert Schuman, the French daily newspaper Le Monde analyses the implications of the future European single market.

Source: Le Monde. dir. de publ. Hubert Beuve-Méry. 11.05.1950, n° 1 645. Paris: Le Monde. "Une initiative révolutionnaire", auteur:M. T. , p. 1.

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A revolutionary initiative

Robert Schuman's proposal for coal and steel rests upon economic facts that it would be helpful to recall briefly.

The French economy and the German economy are, up to a point, complementary in this respect. Whilst our iron and steel industry does not have enough coal and coke in France, despite the availability of abundant ore, that of our neighbour is lacking in ore. Consequently, the idea of bringing together, in one form or another, coal from the Ruhr and ore from Lorraine has long been considered. The Schuman proposal, however, goes very much further than this type of *merger* and differs from it completely.

The iron and steel industries of the two countries are, furthermore, in competition. The limits placed by the occupying powers on German output constitute no more than a temporary solution. The question is all the more serious, given that the other European nations are also doing their utmost to increase their own iron and steel production. According to the Economic Commission for Europe, if the programmes submitted to the OECD were put into effect, steel production would overtake consumption requirements in 1952 or 1953. Organisations, such as the International Steel Cartel and various syndicates, were set up in the past to reduce competition between France, Germany and other countries, notably by dividing up the market among themselves. The French Government is looking for a solution to the problem in a totally different way.

Mr Hoffman, the Administrator of the Marshall Plan, has invited Europe to transform itself into a single market within which products would be freely traded. Under the union proposed by the French Government, Germany and France would form a single market for coal and steel. To what extent would this freedom of movement be extended to finished and semi-finished goods? We have not been told. It is probable that this extension will come about gradually. On the other hand, since the union is open to other countries, the single market could gradually widen until it embraced the whole of Europe. The abolition of customs duties, together with competition between companies, would lower cost prices and, therefore, stimulate consumption. Africa, especially, would offer new outlets for European production.

However, this single market would not be free in the true sense of the word. If competition were given free rein, the economies of the two countries might well be disrupted. That would leave a large proportion of our collieries incapable of competing against German coal. As a result, a further proposal has been put forward to create an authority, one which would direct and plan production and investment.

The powers of this body have not been defined, but they would have to be very wide-ranging. If we are to rationalise production and to lower cost prices, we shall have to eliminate the weakest companies, adjust investment and specialise more with regard to manufacturing. We shall also have to make some adjustments where vested interests have resulted from customs protection.

The difficulties will be all the greater since the plans that we have started to put into effect over the last few years were designed within the national context. We have, for instance, implemented a programme that uses coal from Lorraine and the Saar in the iron and steel industry in order to be in a position where, to some extent, we can do without coke from the Ruhr. Giant rolling mills are being constructed in the north and east. How will these programmes be adjusted to an overall Franco-German plan?

The current differences that exist between prices and between wages are not major obstacles. Measures designed to level them out may easily be found. Nonetheless, whether it be done freely or by decree from above, the whole system of production in the coal and steel industries will have to be transformed. It is this that makes the French proposal revolutionary.

M. T.