

'The coal and steel cartel' from Avanti (17 May 1950)

Caption: On 17 May 1950, the Italian socialist daily newspaper Avanti comments on the Schuman Declaration and discusses the advantages and the risks of pooling Franco–German coal and steel output.

Source: Avanti. Quotidiano del Partito Socialista Italiano. dir. de publ. Mazzali, Guido. 17.05.1950, n° 116; anno LIV. Milano: Avanti. "Il cartello del carbone e dell'acciaio", auteur:Matteucci, Lionello , p. 1.

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Last updated: 06/07/2016

The coal and steel cartel

The sensational proposal of the French Minister of Foreign Affairs, Robert Schuman, to form a cartel of the Franco-German coal and steel industries has created a stir in the European political world. So momentous is the problem tackled and so enormous is the number of interests directly or indirectly affected that the proposal has sparked off debate and controversy in the press, forcing Western leaders to state their opinions or express their reservations.

Now we have overcome the initial surprise, let us see what it is all about.

In essence, the French Government proposes in its declaration that ‘Franco-German production of coal and steel as a whole be placed under a common High Authority, within the framework of an organisation open to the participation of the other countries of Europe.’

Hence, the central nucleus, the hinge on which the organisation would turn, would consist of the Franco-German pool, whose total annual production at present is about 170 million tonnes of coal and 20 million tonnes of steel.

The other European countries would merely be invited to ‘participate’.

Is it conceivable, though, that countries like Britain, with its current annual production of over 200 million tonnes of steel, or the Soviet Union (for Mr Schuman, when asked, graciously conceded that it does, indeed, form part of Europe) whose coal and steel output exceeds that of Germany, France and Great Britain combined, might agree to join an organisation of the type proposed by the French Government as mere participants, invited to stand in a circle around the Franco-German founding partners?

No gift of prophecy is needed to predict that, at this level and in this form, Mr Schuman’s idea has little chance of developing from a simple proposal into tangible reality.

What remains, then, is to assess the consequences of a straightforward Franco-German cartel that might be established with the backing of certain forces, and which Italy and Benelux will probably be obliged to join.

No one denies that one of the gravest problems Europe faces is the production and cost of steel. There is no doubt that a greater volume of steel, produced at lower cost, would act as a tonic on the European economy.

The entire engineering industry would benefit and be in a position to withstand the ruinous North American competition. The construction industry, too, would profit from such a situation.

But two conditions must be met for these benefits to be realised:

(1) The cartel should be run not for private profit, which tends to slow down production in order to raise the selling price, but in the higher interest of production itself and of consumers as a whole. There is only one way of achieving this: to nationalise the industries making up the cartel.

(2) Production should be solely for peaceful purposes. To this end, the cartel must be placed under the effective political control of the great powers and principally, let us be quite clear, of the Soviet Union.

In the current political situation, these conditions are far from satisfied.

Mr Schuman himself was careful to state clearly in his declaration that ‘the institution of the High Authority will in no way prejudge the methods of ownership of enterprises.’ So the French and German steel magnates may sleep soundly in their beds.

As an English Labour Party weekly has acutely observed, the cartel ‘will be an association of capitalist enterprises, managed by people with a purely capitalist mentality.’

But it is the paternity of the French proposal that worries us Socialists most. For it is self-evident that the proposal originated in a suggestion from by the Head of the US State Department, Dean Acheson, and that it is a return for the promise he gave France to finance the iniquitous war in Indochina.

Now we are perfectly aware of the main objective of Mr Acheson's mission to Europe: according to the *New York Times*, it is to set up the political conditions necessary for 'the draconian organisation of the military structure of the Atlantic Pact.'

It seems ever more apparent that this military organisation is to be supplemented by the integration of Bonn's Germany into the Atlantic Pact.

These are far from 'peaceful purposes'!

And Italy?

Our ineffable Minister of Foreign Affairs, Count Carlo Sforza, has rushed forward to give his enthusiastic endorsement, in spite of the warning in the Schuman declaration that 'the movement of coal and steel between member countries will immediately be freed from all customs duty.'

Under these conditions, what will become of our steel industry, even on the modest scale of the Sinigaglia Plan, and what will be the lot of its 80 000 workers? Only Count Sforza knows the answer.

Meanwhile, while we wait for the good Count to enlighten us, the workers' political and union organisations will see this episode as yet another vindication of their arduous struggle on two fronts: to preserve the precious prize of peace for the Italian people, and to uphold their sacrosanct right to work.

Lionello Matteucci