

'What would happen without the Schuman Plan ...' from Le Populaire (11 December 1951)

Caption: On 11 December 1951, the French daily newspaper Le Populaire outlines how the European coal and steel market would develop if the Schuman Plan did not exist and reminds its readers of the principles underlying the market.

Source: Le Populaire. dir. de publ. Naegelen, René. 11.12.1951, n° 8 620; 30e année. Paris: Section Française de l'Internationale Ouvrière (SFIO). "Ce qui se passerait sans le Plan Schuman", auteur:Philip, André , p. 1; 4.

Copyright: (c) Translation CVCE.EU by UNI.LU

All rights of reproduction, of public communication, of adaptation, of distribution or of dissemination via Internet, internal network or any other means are strictly reserved in all countries.

Consult the legal notice and the terms and conditions of use regarding this site.

URL:

http://www.cvce.eu/obj/what_would_happen_without_the_schuman_plan_from_le_populaire_11_december_1951-en-df21161b-b5ed-41f6-8490-5c0f761c9543.html



Last updated: 06/07/2016

What would happen without the Schuman Plan ...

by André Philip

In my previous article, I tried to analyse the problems that the coal and steel industries pose for France and the other countries of the Community. What would happen if nothing were done and if the industries in question continued to develop solely along the lines laid down by the separate national policies?

Firstly, were each country to do as it pleased, it is certain that Germany would use and abuse its privileged position of producer that it has secured from the high industrial output of the Ruhr, and its current predominance on the coke markets. Yesterday, we saw that even with the Allied occupation and the International Ruhr Authority in operation, we were not able to obtain the coke necessary for our steel industry, nor were we able to avoid the policy of dual pricing and transport discrimination, a policy that we have nonetheless practised ourselves with regard to products where we had the upper hand. On the basis of current international trends, Germany will inevitably resume its position as an equal alongside the other European countries. If we do not manage now to integrate it within a community where it will be equal to others without being able to claim any privilege, there is no doubt that it will use its coke to give preference to supplying its own industries, to eliminate, if possible, the French iron and steel industry, and to practise, on export markets, at all events, pricing policies of which our iron and steel industry will be the main victim.

Then, if every country does as it pleases and tries to safeguard its industrial status quo through high customs duties on iron and steel and through the fixing of quotas on coal, this would mean that the current irrational transportation systems would be upheld and worsened, it would encourage the technical status quo, since marginal businesses that produce at a high cost would be safeguarded by customs duties, while the better managed businesses would benefit from considerable profits in the form of differential rents. And yet we do not fully realise that customs duties or quotas in this day and age are essentially the capitalist means for exploiting the working people and that they actually constitute a decrease in workers' take-home pay. Quotas and customs duties, in fact, end up by raising the price of products. This increase affects the production line from top to bottom, from raw materials to the finished products. If the iron and steel industry is to be protected by customs duties that allow it to maintain high prices, then the automobile industry that has suffered a handicap from the outset must also be protected, since its sheet metal will cost more than its competitors' and, from one industrial branch to the next, we end up with systematic protectionism, a real economic autarky that cuts France off from the rest of the world, increases costs, encourages the maintenance of out-of-date techniques and, finally, ensures an overall increase in industrial prices, which is a particularly dangerous way of lowering take-home pay.

Furthermore, by increasing the cost prices of French industry, such a policy would make it more and more difficult to export, thus giving rise to permanently unbalanced accounts and further inevitable devaluations, and this while the very existence of the iron and steel industry depends on the possibility of exports abroad.

Finally, with the same causes producing the same effects, there is no doubt that maintenance of the status quo would inevitably lead, as has already occurred twice, to an industrial organisation dominated by the private interests of a European steel cartel that, as experience has shown us, results in price increases and in which France, when negotiating with the stronger German industry, has nothing more to offer than a permanent and systematic limitation of its competitive power and industrial rate of progress.

Because it was aware of the seriousness of these problems, as of 13 December 1949, the Strasbourg Consultative Assembly's Subcommittee on Industry was prompted to lay down the following principles, which are the initial foundations of what was to become the Schuman Plan. Let us recall its resolution. The Subcommittee felt that:

(a) economic equilibrium in the European iron and steel industry could not be attained by an anarchic freedom of national action that would quickly lead to crisis, nor by a cartelisation that would increase costs, but by means of product and investment harmonisation in the steel industries conducted under the direction of the public authorities within the scope of production and overall investment coordination;

(b) to that end, it is necessary to create a public authority for steel, consisting of government delegates, steel producers and steel consumers, an authority that would be given the power to define general industrial policy, in particular for everything relating to investment, production volume and prices;

(c) this authority should be assisted by a consultative court consisting, on one hand, of producers (employers and employees) and, on the other hand, of representatives of the public interest and steel-consuming industries. It would advise the European Authority on subjects of general interest to the industry concerned.

A. P.