

'The Schuman Plan and German industry' from Combat (7 June 1950)

Caption: On 7 June 1950, the French daily newspaper Combat prints the comments of several German trade unionists and employers on the plans for a European coal and steel pool.

Source: Combat. de la Résistance à la Révolution. dir. de publ. SMADJA, Henry. 07.06.1950, n° 1842; 9e année. Paris: Combat. "Le plan Schuman et l'industrie allemande", auteur:Gauthier-Walter, A. , p. 1; 3.

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The Schuman Plan and German industry

The bosses are enthusiastic but the unions are reluctant

They fear a dictatorship of the monopolies

From our special correspondent A. Gauthier-Walter

Frankfurt, June. – During a ‘Forum for French and German Journalists’ held recently in Stuttgart, we were able to interview a number of manufacturers and trade union activists. We spoke to manufacturers from a wide variety of industrial sectors in the three western zones. Most of them run medium-sized businesses employing from 500 to 3 000 workers.

We asked them to comment on the reservations expressed by a large section of French industry regarding ‘unfair competition’ from German producers. German industry operates under more favourable financial conditions, namely cheaper coal, lower social security contributions and lower taxes and salaries.

We asked them whether they would be willing to give up their natural advantages and align their cost prices with French cost prices in order to create a level playing field.

One single answer is enough to summarise all those we received. The general response reflects a consensus in German industry far exceeding that in French industry.

Mutual sacrifices

We were told that the Schuman Plan would require industry in both countries, not just one of them, to make sacrifices. Some factories would have to specialise and change their production range, and the economy would have to rationalise and further adapt to real needs. We would also have to consider financial compensation, perhaps even monetary union, as well as a common investment and loan plan. However, the immediate and inevitable sacrifices would be accompanied by advantages that would, again, benefit both countries and far outweigh their sacrifices. These advantages would not only benefit producers but also employees and consumers. The Schuman Plan would facilitate cheaper production and, thus, lower prices and higher salaries.

A joint military defence system would be much less of a burden on national budgets, not least because it would then be fighting on only one front, not two. Export between continents would be greatly facilitated. However, this would require agreements with the United States, where the prospect of competition from European exporters was already causing some concern.

Alignment as regards social security

As for alignment regarding social security (social security contributions, child benefits, social security, taxes, salaries), the consensus was that they were prepared to consider this, but that it would be inappropriate to deal with social security issues before outlining the general framework of common production. Social security contributions were not always straightforward: for instance, while German employers contributed half as much, on the whole, to child benefits, workers’ pensions were higher. At all events, the question of social security adjustment would be quite different once the supranational framework was established. French industry maintained all too often that cost prices could not be reduced. In the words of one textile manufacturer: ‘I reduced mine by cutting my product range from 2 000 items to just 40. Rationalisation of production programmes, mass production and specialisation will greatly facilitate the ability to reduce cost prices and increase productivity.’

Employers are very understanding

Regarding real salaries, several manufacturers said they should not be judged on the sole basis of hourly

rates because production bonuses significantly increased the wages actually paid.

Virtually all of our interviewees gave us the impression that they were almost 'enthusiastic' about the prospects of the Schuman Plan. If their French colleagues asked them to consider making certain sacrifices, they would be met with a very understanding and positive attitude.

The pool privilege must be extended

Several concluded that what had been done for coal and steel should also be done for credit, transport, electricity, etc. Europe will be built by common European agencies. Trade unions and consumers must be involved in these agencies in order to ensure that they do not become private cartels or European 'superstate' cartels. All those concerned must cooperate in the running of a 'mixed economy' and not passively accept the directives of a planned economy and an international bureaucracy.

A German trade unionist's view of the coal and steel pool provides a fitting conclusion. He admitted, first of all, that the German unions did not yet share their employers' enthusiasm for the Schuman Plan. They were waiting until they could be certain that a new monopoly was not in the offing, and they were waiting to be rallied to a joint effort. He added that German employers were often too hasty and the French too careful and set in their ways.

A. Gauthier-Walter