

US memorandum concerning the Schuman proposal (16 May 1950)

Caption: In this memorandum, which precedes the official, favourable reaction of US President Harry S. Truman, the Schuman Plan is presented as an advantageous initiative for US international policy.

Source: Archives historiques des Communautés européennes, Florence, Villa Il Poggiolo. Collections, COL. Sources américaines sur Jean Monnet, JMAS. Schuman Plan, JMAS63.

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Memorandum for the President

DEPARTMENT OF STATE WASHINGTON May 17, 1950

Secretary Acheson has telegraphed that he believed it would be desirable for you to give a word of praise at your press conference tomorrow for Mr. Schuman's proposal for pooling the French and German coal and steel industries. I attach a suggested statement for your consideration.

I am also enclosing a memorandum concerning the Schuman proposal, for your own confidential information.

James E. Webb
Acting Secretary

Enclosures:

1. Statement.
2. Memorandum.

May 16, 1950

MEMORANDUM REGARDING SCHUMAN PROPOSAL FOR POOLING FRENCH AND GERMAN COAL AND STEEL INDUSTRIES

It is the belief of the Secretary and Ambassador Bruce, as well as of the Department and ECA, that Mr. Schuman made his proposal as an attempt to resolve the basic and difficult problem of French-German rapprochement and as a step toward that closer association of the European countries which we have felt necessary if we are to achieve our political, economic and strategic objectives in Europe. We believe that the basic objective of the proposal is to make French and German heavy industry so closely interdependent that the French will actually participate in the policies and development of German heavy industry, thus allaying French fears of the resurgence of German aggression while at the same time giving the Western Germans such a vested interest and stake in Western Europe as to ensure their becoming a part of the Western community.

The Schuman proposal for the pooling of French and German production of coal and steel under a jointly established "high authority" was stated in general terms and without any detailed elaboration of how the proposal would be carried out. Subsequent information which we have received is likewise of a very general character. We expect to get more detailed information in the relatively near future but we cannot expect an exact blueprint. We have had no evidence that the proposal had been worked out to that extent.

The general nature of the proposal is to reorganize the French and German coal and steel industries into a single economic system which will operate on the basis of developing production at the most economic and productive locations, with the objective of increasing the efficiency and productivity of the combined industries. Within the area, customs duties and discriminatory freight rates on coal and steel will be abolished. Reference is also made to improving and equalizing of conditions of work such as wages, social charges and taxes. The industries would be under a "high authority" composed of independent representatives chosen by the participating governments with a presumably impartial presiding officer to resolve differences. The French stress strongly that this is not a cartel proposal emphasizing that its purpose would be to increase production and that it would operate in the open. They suggest a representative of the UN to follow the authority's action and to report publicly to the UN twice a year. The system would be open

to participation by any producing European country.

The Schuman proposal has been widely greeted as an important evidence of French initiative and leadership in making a constructive proposal which can potentially bring about a dynamic movement towards the integration of Western Europe.

The reactions of the Western German Government have been most favorable and there is every reason to believe that that Government will willingly engage in the negotiation of the arrangement. The Italian reaction has been favorable. There has been no official reaction from the Benelux countries. The British reaction has been cautious. While Mr. Attlee has welcomed the French initiative, it is doubtful whether the British will take any firm position until the details of the proposal are worked out to a much greater extent than at present, and until a careful analysis has been made of the impact of the proposal upon British industrial planning and the Government's policies of full employment, high wages, etc.

This proposal has been discussed at some length in the Department. Although the Secretary and the Department have heartily welcomed the French initiative we are waiting for further details before taking a final position. There are, of course, the dangers that are inherent in any proposal for a monopolistic control over important economic activities. We will wish to analyze the effect the proposal would have on our general political, economic and strategic objectives in Europe, upon American business in third countries and upon the development of multilateral non-discriminatory trade. While we see great advantages in the successful implementation of the proposal and desire to give it maximum encouragement, we do not feel that we can endorse it unequivocally until we know more about it.

We do feel, however that the French initiative is very important, that we should not allow it to lapse from neglect or from fears that it might involve restrictive practices. In particular we welcome the re-emergence of France into a position of leadership and as a generator of ideas, especially since this is a gesture toward Germany which has so much more value coming from France than if it came from any other country.

The French Government did not consult the United States, British or any other government before making the proposal.

PROPOSED STATEMENT for PRESIDENT'S MAY 18 PRESS CONFERENCE

Mr. Schuman's proposal for the pooling of the French and German steel and coal industries is an act of constructive statesmanship. We welcome it. This demonstration of French leadership in the solution of the problems of Europe is in the great French tradition. The wholehearted reception of this proposal in Germany is likewise encouraging.

This proposal provides the basis for establishing an entirely new relationship between France and Germany and opens a new outlook for Europe. There will be many difficult problems to solve in developing this far-reaching plan. I am confident, however, that the kind of imaginative thinking that went into the proposal can work out the details in ways that will benefit not only the countries directly concerned, including those who work in these industries and those who use their products, but also the whole free world.