Letter from Louis Pierson to Fernand Dehousse (Liège, 19 March 1951)

Caption: On 19 March 1951, Louis Pierson writes to Fernand Dehousse, a Belgian Socialist Senator and a very active pro-European militant, to protest against the attitude in the Belgian coal industry and the Government towards the Schuman Plan.

Source: Archives historiques des Communautés européennes, Florence, Villa Il Poggiolo. Dépôts, DEP. Fernand Dehousse, FD. FD 127.

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Letter from Louis Pierson to Fernand Dehousse (Liège, 19 March 1951)

Louis Pierson rue de Chaudfontaine, 15, <u>Liège</u>

19 March 1951

My dear Fernand,

Congratulations on your article in today's Le Peuple!

In it, you set out lucidly and with that rational approach so familiar to me the <u>evident</u> advantages, both economic and political, of the Schuman Plan.

You have long been aware how concerned I have always been with the problem of coal, <u>in connection with the general economic situation in our country</u>.

That said, it will not surprise you that I am spontaneously addressing these few (?) lines to you.

I am, indeed, truly disgusted to note, first of all, the spinelessness of the government — and it no longer even has the shame to hide it — which is merely a puppet in the hands of private and, what is more, minority interests.

Indeed, we must not forget that more than 1 500 000 Belgian workers are employed in the coal-based processing industry ... and that coal mining employs 150 000 workers (of whom about 50 000 are foreigners)!

The government protects the coal mines across the board but, by a curious aberration, delivers up the processing industry to foreign competition.

The Belgian coal mines have been protected from all foreign competition since 1930, i.e. for 20 years.

The processing industry is <u>forced</u> to buy Belgian coal, <u>which is currently the most expensive in the world</u>, but it has to struggle to export it against competitors who buy their coal at over 200 frances less per tonne.

Worse still, foreign finished products manufactured from cheap coal enter Belgium freely, whereas the Belgian processing industry has no means of defending itself, since it does not have access to sources of cheap coal.

Worse still, last year, Belgian mines sold their coal for export at the world price; foreign industry returned this coal to Belgium by incorporating it in its finished products, while similar Belgian products had to be manufactured from far more expensive Belgian coal.

How is the Belgian economy supposed to survive in these circumstances?

And how is it possible to explain the fact that a preference system is to be applied to our coal mines to the detriment of our economy as a whole?

Where in all this is any concern to avoid unemployment? It looks as though the only concern is to avoid unemployment among miners. As for other workers, it seems that nobody could care less about them, even though they make up the large majority and their fate depends basically on the productivity of the industry employing them, i.e. on coal.

Yet this coal is productive only to the extent that it can be assimilated and is economically viable.

This is no longer the case for Belgian coal, which means that:



— either the coal mines will make the effort required to adjust to the requirements of competition. In this respect, no one can dispute the fact that the Schuman Plan is advantageous: on the one hand, it produces funds for new equipment, which do not, however, have to be levied from the Belgian community; on the other hand, as a result of the very discipline it imposes, it acts as a spur to progress. If the Belgian coal mines were to continue, as they have done for 20 years, to operate under a system of protection, why should they make any effort to get out of their unfavourable situation compared with foreign coal mines? The proof: have we not seen output rise by more than 100 kg per worker (coal face and open-cast combined) for the last year or so ... as a result of the marked fall in government subsidies? In this area, as in all others, effort and initiative are born of necessity;

— or, they will disappear, even if the government were to go on protecting them. How, in practice, could the processing industry continue to survive with such an exorbitant coal price? Who would then consume Belgian coal? Either it would no longer be mined, or it would have to be sold abroad ... at the world price. Under those circumstances, why cannot Belgian industry buy its coal at that price?

I told you earlier that I was disgusted by the anarchy within the government, which appears to be doing its best, unwittingly I would like to think, to undermine our economy.

Yet I am equally dumbfounded to note that, <u>in general</u>, the press is following suit! No sign of any concern for the general national interest! All that counts, it would seem, is the coal companies' own interests.

You think that I am exaggerating? It is <u>impossible</u> to get the press to express an opinion that does not tally with the way the coal companies see things. You, of course, are an exception!

There have been many attempts, but all in vain.

Is it not also rather telling to find that the interests of the Communists and the coal bosses are almost totally identical in terms of opposition to the Schuman Plan? For some time now, the 'Red Flag' has not stopped singing the praises of the most reactionary bourgeois!

What the coal companies and the 'chattering classes' press must absolutely be made to admit is that they desperately want to remain within a system of <u>protection</u> that safeguards their private interests with no regard whatsoever for the general good. However, it has not proved possible to get even one newspaper to say so.

They criticise the Schuman Plan; they make it out to be a spectre, public opinion thinks it is already upon them; yet they take care not to say what they really think, i.e. that their final objective is to maintain protection.

They go even further and protest against what they call the 'central interventionism' of the High Authority, because they are well aware that this could bring an end to a system of plunder, while carefully omitting the fact that, for 20 years, they themselves have been living under a far stronger, one-way interventionist system (highly organised coal mining companies, whose policy is centralised by Cobechar and the Fédération des Associations Charbonnières, thereby eliminating all internal competition; an organisation further strengthened by government protection, thereby eliminating all foreign competition).

I have twice heard a talk given by Mr P. Delville, the coal bosses' delegate to the Schuman Plan negotiations. He went so far as to say that the government was trying to find a safeguard measure (for coal mining interests, of course!) and envisaging a possible withdrawal from the Schuman Plan ... unless it managed to lower the cost price of Belgian coal to the level of the average single market price! He did not say whether, in that event, the coal companies would refund the amounts that their foreign colleagues had received through the equalisation funds!

On an optimistic note, and underlining this point, he did, however, make it clear and demonstrate by diagrams that, with five years of enormous efforts, the average price of Belgian coal could doubtless be brought down from 690 to 620 francs per tonne ... instead of 472 francs (single market price).



And after those five years? Who knows!

He concluded from this that there should be no limit to the period during which the coal mines would receive billions from both the government and the equalisation fund. And he said all of this with an absolutely straight face!

He added that this system should end only when the Belgian coal industry had managed to bring its cost price down to the level of the single market price. But, first, he made it quite clear that this time will never come, because, even supposing that wages and welfare benefits were identical in the countries covered by the Plan, he pointed out that Belgian production costs would still be the highest, since it was inconceivable that a moment could come when Belgian coal output matched that of foreign mines.

What next? Without accepting any responsibility for this, he insinuates that rumours are going round among senior officials in the Schuman Plan Administration to the effect that the only way that Belgium could cope with the difficulties in its coal mining industry would be by devaluing its currency.

There you go! Who does he think he is fooling?

And the battle against the Schuman Plan is only beginning, since its ratification must be prevented at all costs!

My dear Fernand, I apologise for letting myself become carried away by a matter that is so very close to my heart ... and about which I could go on, if need be, for hours on end ...

At all events, I believe that it is now or never for those who have realised that our country's only salvation lies in becoming part of an enlarged area and linking arms to form a bulwark against the wave that will try to break over it in the coming months.

I am, at all events, entirely at your disposal, should you consider that my modest contribution, on the economic aspects, might provide support for the action that needs to be taken without delay.

Yours in friendship, as ever,

Mr Fernand Dehousse Senator rue St. Pierre, 13, Liège

PS. Have you read the report by the American firm Robinson, which carried out a survey of Belgian coal mines last year? This report has remained confidential, and I certainly wonder why, given that the coal mines claim that it is wrong! Why did they not have it published ... and in so doing demolish it! It is rather disturbing. I enclose a copy herewith.

Louis

