

THE SCHUMAN PLAN A GIGANTIC CARTEL

Speech by Lord Douglas

In the Foreign Affairs debate in the House of Lords on June 28, Lord Douglas of Barloch criticising the Schuman Plan said:—

"As I understand the documents which have been issued by the French Government, particularly the declaration of May 9, the object which they have in view in proposing the establishment of the high authority is to secure the pooling of the coal and steel production of all the countries which accede to the Plan. They go on to say that that production would be offered to the world without distinction or exception. However, in a later passage of the same declaration, that phrase appears to be somewhat modified because it there uses the words: '... on identical terms to the French and to the German markets, as well as to the markets of other member countries.'

"Therefore, if that is the intention, the products will not go on identical terms to the world but to those who participate in this undertaking. It is proposed also that measures should be taken for the equalisation and improvement of the living conditions of the workers engaged in the industry.

"In the working Document, as it is called, which has been issued by the French Government, it is reiterated that the purposes of the high authority are as set out in the original declaration of May 9. They are slightly amplified by the statement that it is intended that there shall be price protection of consumers without discrimination. But again it does not say in the document that that will apply, except to consumers in the member countries. It is said that there will be elimination of unfair trade practices and expansion of production and markets. In one of these documents it is also stated that there must be abolition of customs duties, of quotas, of differential transport rates and, in fact, of all the methods which have been so commonly adopted in the past as a means of discrimination between the nationals of one country and those of another.

"I agree that it is very necessary that something should be done in order to eliminate these discriminatory and

unfair practices. The Economic Commission for Europe recently published a survey of the steel industries of Europe in which it was pointed out that at the time (in the last few months) the prices of coal for export were in many cases 50 per cent. above the internal price and that in some cases the price of iron ore for export was nearly double the internal price.

"I agree that it is highly desirable that these trade discriminations should be eliminated and that some steps should be taken towards placing the trade of Europe upon a fair and equal basis. It is no doubt especially important for the French, who are dependent to a very great extent upon the importation of coking coal in order to utilise their resources of iron ore, that these discriminatory practices should cease. It is, I dare say, important also for the Germans that they should be able to get any iron

ore which they require to import at a fair and equal price, and that they should not be subjected to price discrimination or to the other devices by which the equality of trade is interfered with.

"But is it true that in order to secure these ends it is necessary to create this super-national authority? I should have thought that the abolition of customs duties, quotas, differential transport charges and other interferences with trade in these basic materials of coal and iron ore, could easily have been secured by treaty and agreement between the participating countries, without the creation of any super-national authority whatsoever. To take that step would, in itself, lead automatically to uniformity of prices, equal conditions for the purchaser of the products of this industry, again without the necessity of introducing into the matter any super-national authority.

"I am, indeed, alarmed at the idea that in order to obtain these comparatively easy and simple objectives—simple in principle at any rate, not always simple in practice because there are many divergent interests at work who have a stake in the system of discrimination and of inequality—it is necessary to create this authority. If Governments are prepared to attain these ends by creating a super-national authority, I should have thought it would be equally easy for them to attain them by the mere creation of binding treaties between them which prevented the exercise of these discriminatory and restrictive practises.

"It is said also that one of the objects is to secure a greater production of steel and iron products. That again, it seems to me, can be obtained without recourse to this device of a super-national authority.

"It is proposed that the authority should draw up programmes of development and modernisation and should provide funds by way of loans. Such programmes could be drawn up by other bodies not possessing such drastic powers. Funds can be and have been provided for many such purposes without the creation of any super-national authority.

"It is said to be an object of the Plan that there shall be equalisation and improvement of the living conditions of the workers. If it is desired to secure that, I should have thought that one of the first steps to be taken was to allow workers to migrate with freedom from one country to another in order to take up employment in those countries in which the efficiency of production and the level of wages were highest. But I have yet to learn that there is any proposal of that kind afoot, though that again is a simple solution. If it is desired to equalise

the rates of earnings of the workers who are concerned in the industry throughout Europe, again no super-national authority is needed.

"This I say in all seriousness, without questioning the good spirit and the high intentions which have animated the French Government in making the proposals which they have made. I feel that the creation of a super-national authority of this kind is in effect the creation of a gigantic cartel which will be beyond the control of any Government and which it appears can never be got rid of because Governments are not to be allowed to recede from the undertakings which they are asked to enter into in creating it."