

University of Missouri, St. Louis

IRL @ UMSL

UMSL Global

1-1-1986

Solving the Ruhr Problem German Heavy Industry and The Schuman Plan

John R. Gillingham

Follow this and additional works at: <https://irl.umsl.edu/cis>



Part of the [International and Area Studies Commons](#)

Recommended Citation

Gillingham, John R., "Solving the Ruhr Problem German Heavy Industry and The Schuman Plan" (1986).

UMSL Global. 131.

Available at: <https://irl.umsl.edu/cis/131>

This Article is brought to you for free and open access by IRL @ UMSL. It has been accepted for inclusion in UMSL Global by an authorized administrator of IRL @ UMSL. For more information, please contact marvinh@umsl.edu.

Occasional Papers

The Center for International Studies of the University of Missouri-St. Louis issues Occasional Papers at irregular intervals from ongoing research projects, thereby providing a viable means for communicating tentative results. Such "informal" publications reduce somewhat the delay between research and publication, offering an opportunity for the investigator to obtain reactions while still engaged in the research. Comments on these papers, therefore, are particularly welcome. Occasional Papers should not be reproduced or quoted at length without the consent of the author or of the Center for International Studies.

Solving The Ruhr Problem:
German Heavy Industry and
The Schuman Plan

by

John R. Gillingham

Solving The Ruhr Problem:
German Heavy Industry and
The Schuman Plan*

John R. Gillingham
Professor of History, and
Research Associate, Center for
International Studies
University of Missouri-St. Louis
St. Louis, Missouri 63121-4499

October 20, 1986

*The author would like to thank Professor Edwin Fedder, Director of the Center for International Studies, UM-St. Louis, for providing research assistance in support of this project.

The diplomacy which led from the 9 May 1950 proposal known as the Schuman Plan to the creation eleven months later of the European Coal and Steel Community (ECSC) ended one era---World War II and its aftermath---and began another---the great boom which continues, peaceful and uninterrupted, to the present. The Treaty of Paris, which concluded the negotiations for the heavy industry pool, did not provide the framework for a grand European settlement like Westphalia or Versailles, which shaped the politics and diplomacy of Europe for decades; limited in scope to coal and steel, it changed no borders, created no new military alliances, and resolved only a few of the commercial and financial differences between states that stood in the way of Europe's development into a single economic entity. Nor did it create an institutional equivalent to such a grand settlement: the ECSC did not live up to the high expectations it raised. While certain of its detractors have branded it a supercartel, and others dismissed it as a mere empty shell, only those with a personal stake in its creation still insist that it served as the crucible of a new "European spirit" strong enough to have overcome the forces of destructive nationalism.¹ Yet the formation of the ECSC was indisputably the first step towards the more ambitious ventures in supranational cooperation which have since taken hold in Europe; it solved the Ruhr Problem without which West German industry could not have become an engine of prosperity for the economy of the region, without which the fragile new structures of political democracy in Bonn might well have been irreparably weakened, and without which Franco-German reconciliation might well have been delayed or have never even occurred.

No single person, interest, or nation solved the Ruhr Problem. Jean Monnet, the true author of the Schuman Plan and the conductor of the Paris negotiations, intended, in the name of Europe, to impose long-term controls on

the German coal and steel industries in order to guarantee French security but succeeded instead only in liberating them from Allied occupation authorities and restoring their traditionally dominant position in the economy of Western Europe. For their part, the managers of Ruhr heavy industry wanted, plain and simple, to resurrect the international cartels of the interwar years, which they had led. These were private organizations whose activities the governments of the period either supported or chose to overlook. But the captains of West German industry would no longer be able to exercise sole command in the coal-steel field. They emerged from the Schuman Plan as partners in a large, new neo-corporatist enterprise with labor, the state, and the other member-states of the ECSC. This arrangement resembled nothing more than an intricate sphere-shaped puzzle: painstaking to assemble and always subject to collapse until, with all parts firmly interlocking, the smooth, round object almost inexplicably became nearly as difficult to tear apart as it once had been to put together.

While the 9 May 1950 announcement put the Ruhr Problem at the head of the European agenda, it was not solved at the official coal-steel pool conference in Paris but in collateral discussions that grew out of it. These took place between the United States, France and Germany, within the Federal Republic itself, and among the six participating nations. They concerned matters deliberately excluded from the Paris sessions such as those arising from the occupation, questions left unresolved by them such as the organization of the High Authority, and issues whose development the Schuman Plan proposal affected such as the distribution of economic power in the new West German state.

The Paris Conference, together with its many working parties, settled mainly secondary matters of interest to the less influential of the Six.

Minor producers of coal and steel, the Dutch were painfully aware of being dependent on and at the economic mercy of Germany, objected to all measures impeding her revival, and wanted institutional guarantees to prevent their being imposed. They succeeded early in the negotiations in winning Monnet's grudging assent to the superimposition of a Council of Ministers, representing the member governments, on the proposed central coal-steel directorate.² The Belgians and Italians were no less successful in pursuing their particular aims, which were economic in character. At Paris both secured guarantees of huge subsidies, the one for ailing coal mines, the other for highly capitalized new steel mills built far from sources of raw materials.³ As for tiny Luxembourg, whose economic existence depended largely on the exports of a single huge steel producer, its delegates preferred as a matter of principle to negotiate on a private basis and played a largely ceremonial role at the Schuman Plan discussions.⁴ By necessity rather than choice this supporting cast of coal-steel players, while preserving the convenient fiction of European participation, depended on the French and the Germans to work out a satisfactory solution to the Ruhr Problem.

France's Post-World War II policy towards the notorious German industrial complex is now attracting considerable historical interest, and properly so. While the French conviction that the Ruhr was the source of German power, as well as their own humiliations, could border on the obsessive, underlying it was a practical concern: never was France's dependence on the coal of the region greater than after 1945. Fuel scarcity was endemic during these years and, if it had persisted, might have imperilled the ambitious steel investment schemes of the Plan de Modernisation et d'Equippement popularly called the Monnet Plan.⁵ And what catastrophes might ensue, when German steel, with the experience of occupation behind it, once again tried to reenter world markets?

Understandably, as Raymond Poidevin first stated in 1979, "The Ruhr question was the main issue in all French efforts to solve the German problem after 1945."⁶ In dealing with it they sought to obtain two things, adequate supplies of coal and a measure of control over future developments which could be exercised until the Germans had proved by good behavior that the need for this had passed. Although emphasis shifted from time to time between these two priorities, there was never any break from the policy itself. What changed were its modes of application.

The figure of Jean Monnet is of inestimable importance in this respect. While by 1950 numerous plans for a Franco-German reconciliation by means of a heavy industry pool were in circulation, the 9 May proposal bears the distinct imprint of his ideas. Even more importantly, the coal-steel community might either have remained on paper or developed in a quite different direction had he not occupied unique positions of trust within the United States and influence within France. Monnet had been a vendor of cognac to Eskimos in the first decade of the century, an allocator of shipping space in World War I, a senior civil servant at the League of Nations in the 1920s, an international investment banker in the early 1930s and the director of an ill-fated industrial development scheme in Chiang Kai-Shek's China during the latter years of that decade. But the United States was both the most decisive influence on Monnet's life and the main source of his power. Rather than join de Gaulle after the fall of France, Monnet, who during World War I had headed the joint Anglo-French supply committee, accepted appointment as head of the British Supply Council in Washington and soon found himself administering Lend-Lease operations. Recognizing his unique range and depth of experience, President Roosevelt requested him shortly thereafter to direct the conversion of the American civilian economy to armaments production; thus the Victory

Program was born. Jean Monnet returned to France at the end of the war having accumulated an immense capital of goodwill and acquired a group of highly influential friends including Henry Stimson, Averill Harriman, and John Foster Dulles. But Monnet went home with something else as well: a conviction that survival required the "Americanization" of French industry---the creation of giant production units and the introduction of enlightened management methods.⁷

He was equally convinced that this could be accomplished by applying approaches used to mobilize the US war economy. One of them was the directorate principle, and it involved endowing a dynamic individual with the authority necessary to override entrenched economic and bureaucratic interests. The other was public relations-as-politics. It involved clothing official policy, however pedestrian or self-serving, in a lofty language of high principle and could easily be mistaken for demagogy.

Since 1946 Monnet had run the Plan de Modernisation et d'Equippement along these lines, in the process generating diffuse public support on the one hand and intense industrial and bureaucratic opposition on the other. The political independence, indeed the very survival, of the French Plan was due singularly to Monnet's American connection. It was this which enabled him to raise the so-called Blum loan of May 1946 without which French reconstruction would have collapsed.⁸ He was also the man to whom Washington looked when trying to decide how to dole out Marshall Plan funds. In short, Monnet was Paris' invaluable link to Washington and Washington's extremely useful lever of policy in Paris, and his unusual amalgam of strengths and weaknesses, of virtues and vices, would bear heavily on the settlement of the Ruhr question. Here he could count on the unequivocal and unstinting support of the United States, would have to reckon with bitter and impassioned opposition from

within France, and could expect to encounter awe, but inspire fear and distrust as well among the Six.

How did German industry view the announcement of the Schuman Plan? In the only way imaginable under the circumstances: as the grant of a reprieve from the sentence hanging over its head. The radio address delivered by France's Foreign Minister on 9 May 1950 concluded the worst five years in the history of the Ruhr. Since the war both coal and steel had operated at huge losses and, while the condition of the mines gradually improved, no new investment whatsoever had taken place at the mills, a situation in sharp contrast to that prevailing in the rest of Europe.⁹ But this was the least of it. There seemed to be little chance after 1945 that either private ownership or the maze of interconnected pipelines constituting the energy exchange grid known as the Verbundwirtschaft (tied-in economy) would ever be restored. For whole months at a time the very physical existence of key production installations even seemed in jeopardy. The Ruhr's list of woes began with physical damage to plant caused during the war, which reduced steel outputs from 18.3 million tons in 1944 to 1.5 million tons in 1945. The war also reduced the number of mines in operation by a third, but an even more serious coal problem was the ugly, nagging reality of human fatigue: years of overexertion and undernourishment resulted in catastrophic reductions in miner daily output which took many more years to overcome. It was not until mid-1948 that production took a decisive turn for the better and acute coal shortages throughout the economy of Germany and Western Europe ended.¹⁰

The political problems of heavy industry remained even more persistent. The Allies, though seldom in agreement as to method, were unanimous in desiring to punish "The Ruhr" for having presumably brought Hitler to power and masterminded his policy of aggression. The campaign to destroy the

coal-steel complex continued to be waged long after the war was over. In July 1945 the British seized Ruhr industrial assets, declared them forfeit, dissolved all cartels as well as other producer associations dating from the Third Reich, and set up control boards to administer the coal and steel industries. In December 1945 they arrested nearly all senior managers of Konzerne in their Zone of Occupation and interned them for periods of from six to eighteen months in labor camps (Arbeitserziehungslage) such as the one at Bad Nenndorf. German memorists attribute these incarcerations, never publically explained by the Allies themselves, to an intention to silence critics of the decartelization and dismantlement plans then being hatched.¹² These included, first of all, the set up in July 1947 of the Deutsche Kohlenbergbauleitung (DKBL) (German Coal Mining Management) to serve as trustee for the industry until, at some undisclosed future date, the Germans themselves would be allowed either to nationalize it, as the British wished, or break it up into small, competitive production units as desired by their American Bizonal partner.¹³

But the locus of power in the Ruhr Konzerne was in steel and here the British proceeded more slowly. They started the process of reorganization in 1946 with "Operation Severance," in which, as the name implies, small new production companies were carved out of the trusts. But these become only nominally autonomous. Deconcentration did not resume until November 1948 when, with the publication of UK Military Government Law 56 along with its American counterpart Law 75, a bipartite Steel Group was set up to supervise the industry. This board, however, became the scene of almost uninterrupted Anglo-American squabbling over both the ownership issue and the future role of the German coal-steel complex. The United States fully intended that Ruhr industry, once purged of "cartelism," should reach a maximum level of

competitiveness so that it could serve as motor of European economic recovery. To the UK representatives, this policy made no sense. Their heavy industry had been thoroughly cartelized between the wars with government encouragement and was then in the process of being nationalized; to them US anti-trust theory was at best economic mumbo-jumbo and at worst a self-serving formula for domination of world markets. The main British concern was to protect their own vulnerable industry, and they were certainly in no hurry to revive a fearsome competitor. The Bizonal partners could in fact agree only on one thing, to assign responsibility for directing the reorganization of the steel industry to the German steel trusteeship (Stahltreuhandvereinigung). But the trusteeship's planners themselves soon got bogged down in a futile attempt to blend British insistence on social responsibility and American demands for market responsiveness with German longings for an economy under collective corporate control (Gemeinwirtschaft).¹⁴ With proposals proliferating and unanswered memoranda piling up, the once-feared "decartelization" policy was rapidly becoming a farce by 1950.

Not "decartelization" but dismantlement headed the lengthy list of German worries. Although long planned, this began in earnest only at a late date, in Fall 1947, when a list of 682 factories deemed either "armaments-related" or "excessive" was published. The importance of the dismantlement effort should not be underestimated merely because it seems inconsistent with US recovery policy. Heated protests from both the European Recovery Program, which administered Marshall Plan aid, and the US Congress---not to mention threatening mass demonstrations in the Ruhr---succeeded in having the dismantlement list reduced but not eliminated. By December 1950, when the action officially ended, 140 factories had been "totally" and another 78 "partially" disassembled and removed. The axe fell particularly hard on the

steel industry. The August Thyssen Hütte, the Bochumer Verein, the Heinrichshütte, and the Niederrheinishche Hütte were all prominent casualties.¹⁵ The action was still underway on the day of the Schuman Plan proposal.

But the dawning of the new half-century did cast at least a little light on the Ruhr. For several months there had been a German government in Bonn. It opposed socialization and was doing everything within its still limited power to promote a Ruhr restoration. Producer associations of a distinctly traditional type were also re-forming and drawing together. Like it or not, neither the British nor the Americans could run the West German economy except through local intermediaries and this implied resort to tried and true methods. The directors of the old cartel, the Rheinisch Westfälisches Kohlensyndikat, ran the agency set up by the British to allocate coal, the Deutsche Kohlen Verkauf (DKV), which in fact also occupied the premises of the earlier organization.¹⁶ Although a steel cartel was strictly proscribed, a manufacturers' association named the Wirtschaftsvereinigung der Eisen- und Stahlindustrie (WVESI) provided a forum in which the mill directors hammered out common policy for the industry. WVESI also housed sectional subdivisions for each main steel product line, which had about them the distinct reek of something left over from before the war.¹⁷ In mid-1949 the Bizonal partners ordered Ruhr producers to set up and run the Fachstelle Eisen und Stahl (Office for Iron and Steel), vesting it with the authority to regulate the importation, exportation, and distribution of ferrous products as well as certain raw materials used in their manufacture.¹⁸ By the end of 1949 the capstone to this edifice, the Federal Industry Association (Bundesverband der Deutschen Industrie) was being put into place.¹⁹

The steel crisis of 1949, temporary though it turned out to be, also

beamed a few rays of hope into the Ruhr, if only indirectly. By rekindling fears that excess steel capacities would plague international markets as in the 1920s and 1930s, the crisis caused European producers to seek some form of accommodation with their German counterparts. Their concerns were understandable enough: although in 1947 only 26 million tons of steel were produced, the industry would have 41 million tons of capacity by 1951. What would happen once Germany had returned to world markets? An agreement to limit outputs seemed called for.²⁰ In September 1949 the steel committee of the OEEC proposed the introduction of coordinated planning of production and exports. This presumed the resumption, in some form, of the friendly relationships maintained between the wars by the leading members of the international steel cartel, Germany, France, Belgium, and Luxembourg.²¹ This was something the steelmen of the Ruhr had only dreamt of since VE-Day.

The Internationale Roheisen Gemeinschaft (after 1933 officially the Internationale Roheisenexportgemeinschaft), although a red flag to US policy-makers after World War II, was considered by European industrialists and statesmen alike to have been one of the few real achievements of interwar foreign and commercial policy.²² The International Steel Cartel (ISC) was anchored in an agreement between French and Ruhr industrialists concerning sales in South Germany and the Saar but soon grew into a general understanding among all West European steel producers to share world export markets. The 1926 agreement is due part of the credit for ushering in the Franco-German détente of the late 1920s. Although neither the thaw nor the steel cartel itself survived the ravages of the depression, the ISC was revived in 1933. This time it worked, stabilizing steel export prices and enabling most producers to operate at a profit despite a persistent lag in demand on foreign markets. By 1939 the ISC controlled over eighty-five percent of the world

trade in steel, all producing nations with the exception of Sweden and Japan being affiliated with it. Complementary agreements in the Western European coal trade also cropped up during the 1930s.²³ These provided at least some basis for hope that international agreements like those in steel could gradually be extended throughout industry and eventually culminate in pacts between national producer associations. This became a major goal of "economic appeasers" in the months after the September 1938 Munich Conference, and although this policy proved hopelessly inadequate as a means of averting war, the good relations prevailing within West European heavy industry survived both battles and occupation.²⁴ This was a reality that post-1945 political conditions could mask but not fundamentally change.

France provided the key to the revival of traditional arrangements in West Europe heavy industry. Nothing could have been done in this respect prior to 1947, if only because business travel to and from the British Zone was all but impossible.²⁵ A change in atmosphere first occurred with the June 1947 Marshall Plan announcement, which pointedly mentioned the need for a German contribution to European reconstruction. The Ruhr soon took up the cue. In August a former steel association executive named Fritz Hellwig produced a lengthy policy statement entitled "Lorraine Steel instead of Ruhr Steel?" which, although an attack on French policy, proclaimed a German readiness to make substantial concessions in order to restore traditional friendships in heavy industry.²⁶ In December 1947 Robert Pferdmenges, the Cologne banker who served as Adenauer's personal economic advisor, sweetened the deal: he approached the de Wendel interests with an offer of nothing less than a 50 percent participation in the Ruhr steel industry. The French did not rise to the bait.²⁷ Hermann Pünder, the former head of the proto-government set up by the Anglo-Americans known as the Economic Council,

delivered his famous "Word to France" in order to convince the French of the seriousness of German intentions to make amends. Noting that the Marshall Plan had smoothed the way to a new type of European cooperation, Pünder acknowledged the justice of France's historic grievances and admitted that any attempt to redress them with mere words would fail. He pleaded only that Frenchmen temporarily suspend judgments to enable Germans to prove by deeds that they could be "good neighbors and eventually even friends in an organized Europe."²⁸ In an effort to head off the impending dismantlement of the August-Thyssen-Hütte an offer like that of Pferdenges was again made in October 1949, this time as the so-called Lehr Plan. Named after the mayor of Düsseldorf, who also sat on the supervisory board of the Vereinigte Stahlwerke, it contained a detailed, carefully constructed scenario for the French takeover of this, the largest pre-war German heavy industry Konzern.²⁹

French readiness to consider such offers grew as the restoration of German power approached. If with the announcement of the Marshall Plan the makers of French policy resigned themselves to an eventual cooperative arrangement with a revived West Germany, both timing and terms still remained to be worked out. The proposal to create an International Ruhr Authority (IRA), an issue discussed and debated interminably at the 1948 London tripartite conferences over the future of Germany, was the first important French initiative to foresee some such accommodation with the neighbor to the east. Although IRA was to make provision for a measure of eventual German representation, the specifics of the arrangement are unimportant since, in spite of all the trouble that went into its making, the organization was stillborn. This dismal failure did not prevent France from desiring a closer relationship with Germany. Such a wish increasingly pervaded French policy-making after January 1948. It was then that Foreign Minister Georges

Bidault instructed French Military Governor Koenig that "German recovery in the cadre of Europe should take place as rapidly as possible."³¹ The desire for reconciliation is equally evident in numerous position papers produced over the year by the Quai's central European desk and in business circles as well.³² The first actual initiatives also date from 1948. In mid-September "major French industrialists" met at Essen with German counterparts to arrive at ways and means to establish "closer financial and economic ties."³³ On 3 February 1949, the President of the Metallgesellschaft, Richard Merton, learned to his pleasant surprise from a Mr. Marx of the German section of the Quai that both Foreign Minister Robert Schuman and French High Commissioner André François-Poncet were keen to establish "lasting and completely forthright cooperation with Germany."³⁴ This was more than a mere wish. In mid-summer 1949 Monnet directed the Plan to produce a series of comparative studies of the French and German economies for possible use in "future cooperative projects." Significantly, he also requested the ministries of the Federal Republic, which eagerly complied, to supply the plan with raw data---statistics concerning population, land use, industrial outputs, levels of capacity utilization, energy consumption, cost of living and transportation. The studies were supposed to focus on practices of dual pricing, comparisons of real wages, and a number of other issues in the fields of transport, energy and tariffs.³⁵

The first joint economic conference at the ministerial level took place on 29 August 1949 in Tübingen, when Foreign Minister Schuman and French High Commissioner François-Poncet met with the West German Minister for the Marshall Plan, Karl Albrecht. The most interesting proposal to emerge from the encounter was Albrecht's suggestion for a new agreement along the lines of the 1921 Wiesbaden Accord between German Foreign Minister Walter Rathenau and

French Minister for Reconstruction Louis Loucheur, which called for the French to assist in raising Ruhr coal outputs and the Germans to guarantee coal deliveries in exchange for French grain. Although never ratified, this deal represented the most serious post-World War I attempt to work out a Franco-German economic settlement. In addition to a new Wiesbaden Accord, Albrecht proposed joint energy planning and the canalisation of the Moselle. Schuman responded enthusiastically to all these ideas and suggested in conclusion that discussions be continued between the responsible West German Ministries and the French Plan.³⁶

Still another important meeting, this one between French and German parliamentarians, took place on 26 and 27 November 1949 in Bernkastel at the behest, it appears, of the French Socialist André Philip. The dreaded impending steel glut was the main issue at hand. Philip sought to persuade the Germans to support his attempt to work a new international steel cartel, negotiations for which had then already started, into the framework of a general heavy industry settlement for Western Europe. Although not about to drop French insistence on the need for a special Allied office to supervise Ruhr heavy industry, Philip did propose that an additional new international steel authority be set up to administer the national industries of all the nations of Western Europe, including France. This was the first official hint that the French might be willing to cede a measure of sovereign power in the interests of reconciliation with Germany. The responsibilities of the new organization, Philip went on, would extend to overall investment policy as well as the allocation of coal, ore, and other raw materials used in steel-making. Philip further pointed out the desirability of providing for union representation at the seat of the new authority, a suggestion well-received by Carlo Schmidt, the SPD representative in attendance, and

accepted as sound by Günther Henle. A CDU Bundestag delegate, Henle was chairman of the Board at the Klöckner Konzern and one of the few politically-minded among leading steel industrialists. While hardly enthusiastic about possible power-sharing arrangements with the SPD, Henle recognized that its support for a proposal like Philip's would be essential, as otherwise "...the value of any treaty would have to be devalued by forty percent."³⁷ As a sequel to the conference Philip barnstormed the Ruhr in January 1950, triggering an immense outpouring of enthusiasm for his ideas.

In the meantime, negotiations for a new international steel cartel proceeded laboriously. This is not surprising: it had taken over a year to work out the Saar arrangement in which the 1926 agreement was anchored.³⁸ And the Adenauer government in Bonn, only recently installed in its offices, still had to tread softly. Yet pressing problems with the regard to the Saar were begging for a solution. These were caused by the 11 February 1950 tariff agreement with France. The Ruhr was highly dissatisfied with it because the French refused to allow Bonn to extend the German tariff around their Zone of Occupation, leaving open a "gaping hole in the west" through which goods could flow onto German markets. To stem this, Ruhr steel producers demanded freight rate reductions from the Bundesbahn and "private understandings" with French iron and steel over South German markets, any more binding form of agreement being strictly forbidden.³⁹ In early March 1950 a delegation from the Société Commerciale de Fonte headed by a M. Lequipé came to Bochum to seek additional concessions from the Germans claiming to possess a special mandate from his organization to discuss a general export agreement. Suspecting him of being interested only in immediate advantages, the Ruhr refused to talk. M. Lequipé, who could make no further progress, in concluding discussions reiterated that French producers---and specifically the Société des Produits

Sidérurgique (--the general industry cartel)---were determined, indeed had resolved unanimously, to "pursue an export understanding with Germany." He promised to take all necessary measures to "promote the idea of such an agreement among the membership of the SCF."⁴⁰

Another meeting took place between M. Lequipé and Ruhr producers on 18 March but it was limited to export arrangements for the Halberger Hütte, Brebach/Saar. A third round began on 14 April and was still under way when the 9 May announcement intervened.⁴¹ Whether in the absence of the Schuman Plan proposal these talks might eventually have resulted in the conclusion of another 1926-like arrangement is a matter for conjecture. Certain it is, however, that any such deal would have needed the approval of US High Commissioner John J. McCloy.

In respect to him, Ruhr industrialists had detected more than mere glimmers of hope. Although a faithful servant of American national policy, McCloy had let it be known that he personally had little use for either dismantlement or decartelization. He told the State Department in September 1949, for instance, that "As far as I can see the dismantlement process has little value to us, if any, and its abrasive character is so great that it affects us as well as the British...we are risking some of our main objectives by continuing with it so long after hostilities have ceased...we might give a solid support to the entire framework of the new government by a modification of this policy and at the same time attain certain advantages that [will] move us ahead considerably."⁴² The powerful future managing director of Thyssen, Hans-Günther Sohl, who was then one of the three liquidators of Vereinigte Stahlwerke, recalls in his memoirs that McCloy's sentiments were reflected in the UK/US Steel Control Group, whose American members "...William J.M. Kelly, Mr. Tokish, and Henning B. Dieter were of Irish, Hungarian, and German origins

respectively. They tried to get into close contact with us as soon as possible, leaving no doubt about their critical views concerning decartelization, and were always cooperative..."⁴³ In October 1949 Sohl reported to Mayor Lehr that McCloy had nearly overcome the resistance of High Commissioners François-Poncet and Robertson to settling the dismantlement issue "on German terms." On 23 February 1950 Sohl excitedly wrote Lehr that the US High Commissioner now fully recognized German's need for a continuous wide-strip rolling mill at the August-Thyssen-Hütte in Duisburg-Hamborn. Men from McCloy's staff had even advised him, Sohl went on, to have Bonn prepare an official study to show that production increases at the proposed installation would not force German outputs above the Allied-authorized 11.1 million ton level.⁴⁴ Sohl's news was good indeed: the continuous wide-strip rolling mill was the steel industry Wunderwaffe of the era. The erection of one of these mammoth new plants would bring the Ruhr's return to great power status on world steel markets.

Yet it was anything but certain that this would occur. As of 9 May 1950 the fate of the Ruhr still hung in the balance. While the Schuman Plan proposal did result in a temporary halt to dismantlements, the decartelization policy went on, its execution merely stalled by US-UK disagreement. The Adenauer government, while committed to a Ruhr restoration, had no direct authority in the matter. This was in the hands of Allied-created trusteeship organizations, whose activities mirrored the contradiction and confusion in US and UK Ruhr policy. New investment such as at the proposed massive ATH installation required the approval of Military Security Boards for coal and steel upon which France, which was publically committed to opposing all new plant construction, exercised a veto power.

II

The process set in motion by the Schuman Plan announcement would enable the heavy industry complex of the Ruhr to slip the noose placed around its neck in 1945.⁴⁵ This was not easy, but in spite of chafing and binding---not to mention moments of gagging constriction---it succeeded, if not in winning a pardon, at least in having its sentence suspended and was later released for time served. The purported crime, never completely forgotten, merely faded in memory over the passage of time.

The process itself must first of all be properly understood. It included discussions among the Six but extended far beyond the official sessions held in Paris, encompassing negotiations between the government of the Federal Republic and the Allied High Commission as well as between Ruhr producers, West German industry as a whole, and the unions. The latter never actually ended but rather were institutionalized. The adoption of the extraordinary self-help measure known as the Investitionshilfegesetz (Investment Aid Law) through which West German industry as a whole subsidized the modernization of coal and steel was one by-product of this process. The establishment of co-determination (Mitbestimmung) on a permanent basis in coal and steel was another. Institutionalization took place internationally as well, with the forging of new links between national ministries and producer associations to replace those necessary bridges of commerce and contact blown away during World War II. Directly and indirectly, the Schuman Plan brought the final economic chapter of the occupation to an end on terms extraordinarily favorable to the Ruhr, creating powerful new bonds that secured its power in Germany and Germany's in Europe.

These results owe a good deal to Monnet's conduct, or (as critics would describe it) misconduct, of the negotiations: what he set in motion he proved

unable to control. This is partly because his bargaining position was by no means as strong as one might have expected. It is true that the Schuman Plan had immense public appeal, undeniable that the small cadre of technocrats constituting the Monnet team could argue circles around the slightly stodgy bureaucrats representing the other parties to the Paris negotiations, and reasonable to assume that in a crisis Monnet could count on American support. At the same time, he was politically vulnerable at home. Although Monnet could reckon with support from the French coal industry, which was nationalized and at the mercy of the Plan, the more powerful steel industry, dominated by the maitres de forge of Lorraine, was another matter.⁴⁶ Although the largest beneficiary of Plan investment funds, they had come to distrust, even to despise, Monnet himself and spearheaded opposition to the Schuman Plan proposal, which in fact soon thoroughly pervaded French industry. Nor could Monnet draw on reserves of support from within the financial and economic bureaucracies, whose immobility he mocked and whose power he habitually sought either to undermine or circumvent.⁴⁷

Monnet fully intended to dominate the Paris negotiations, conclude a treaty in short order, and be installed as head of a coal-steel directorate with far-reaching powers of intervention into the West European industrial economy. It was not his purpose, as his Memoirs state quite explicitly, to superintend the customary type of international conference in which delegates seek acceptable compromises between diverse national viewpoints---his experience at the League of Nations had convinced him of the futility of this. Instead, discussion was to take place "within the cadre of the Schuman Plan idea," with he, Monnet, acting as concert master from whom the others were to take cues.⁴⁸ This failed to happen. Beginning at a summit of European diplomatic accomplishment, the Paris negotiations followed a tedious,

meandering downhill path only to get bogged down in swamps of bureaucratic maneuvering in the national self-interest.

The 9 May announcement was a public relations coup of historic proportions: the proposed heavy industry pool had not merely to do, according to the Monnet-drafted text whose powerful words French Foreign Minister Schuman read squeakily into the radio microphone, with the settlement of coal and steel problems but with the prevention of future wars by building a new Europe. The message proved irresistible, at least outside of Britain. In agreeing to cede a measure of sovereignty as a condition of entering the Paris negotiations, France, Germany, Italy, Belgium, and Luxembourg all took a step from which there could be no retreat, whatever the practical failures. These would be legion. By the end of Summer 1950 at the latest it was evident that Monnet's plans for a Western European coal-steel pool were in tatters.

This is because the document de travail, the French blueprint for the proposed new organization, was completely unsuitable as a basis for negotiations.⁴⁹ It reflects not only an obsession with the Ruhr Problem but a complete failure to take account of the interests of the other negotiating parties: while demanding that they cede sovereign powers to a proposed High Authority, Monnet failed to provide adequate restraints on their use. Worse yet, this transfer was to occur in the name of a "greater good," which it was politically difficult to oppose, thus compounding fears of interventionism with those of demagogy. The concerns of the negotiating parties were not unreasonable.

The proposed new organization, the High Authority, was to take the form of a board of directors dominated by its chairman and subject to the minimal institutional restraints of a court of appeal and a kind of parliament with power only to interpellate. Three separate committees composed of producers,

consumers, and labor were to advise the High Authority upon request and new regional organizations of producers were to provide the High Authority with information and carry out its orders. Article 19 defines the powers to be assigned the High Authority by the governments of the negotiating parties. These are to include whatever is necessary either to create a "special market" (marché unique) or "pool production." Thus the High Authority is to be empowered to direct the elimination of "all privileges of exit or entry, tax equivalents, and all quantitative restrictions on the circulation of coal and steel within the area of the member states." This would include "all subventions or aids to industry," "all means of differentiation between foreign and domestic markets in transportation rates as well as coal and steel prices," and all "restrictive practices."

Article 17 describes the principles guiding the implementation of this vast array of new powers. These were exalted yet vague and frequently contradictory. Whatever was meant, first of all, by assigning the High Authority the power to assure "identical delivery conditions for coal and steel at the point of departure from mine or mill?" Were the same coal and steel prices to obtain throughout the community in spite of different cost structures? How, secondly, was the High Authority to eliminate the "falsification" of competitive conditions, which no two sellers in the same market and certainly no two governments, could possibly have been able to define in the same way? And how was the "equalization of work conditions and wages" to be achieved without catastrophic inflation? What evils, finally, might materialize from the provision for a proposed "transitional period" of unspecified length during which the High Authority need not be bound by the above guidelines?

The articles dealing with the specifics of prices, wages, production,

investment, and rules of competition were even less reassuring. It was quite literally anyone's guess as to how the High Authority would achieve the noble goals of price policy, as outlined in Article 25. These were the protection of consumers against discrimination and of producers against "disloyal" practices, the "assurance" of steady expansion of markets and outputs, and the creation of conditions "guaranteeing the spontaneous allocation of output at the highest level of productivity." As for the wage policy described in Article 26, the High Authority promised to forbid all reductions as a means of adjusting to slumps, eliminate competition when this "exploits" labor, and "guarantee coal and steel workers the highest standard of living compatible with economic equilibrium." The High Authority further pledged itself to introducing measures aimed at "wage equality" through assessments on production. None of this made much sense. To believe that the High Authority, on its own, could guarantee the steady expansion of markets and outputs needed to raise wages and to reduce prices simultaneously required a bounding leap of faith.

And articles 28 through 30 hinted ominously at a far-reaching appropriation of power at the expense of producers. The High Authority was to be authorized to impose manufacturing programs on firms, steer investments, recommend changes in customs duties, banking rules, and transportation duties, and fine wrongdoing producers.

On 8 August 1950 the German foreign office representative to the Paris negotiations reported that "...the French document de travail has become outmoded in every single point as a result of the recent negotiations and remains only of historical value."⁵⁰ This was only a slight exaggeration. Over the next two years, even months after the Treaty of Paris had been concluded, the Dutch, Belgians, Luxemburgers and Italians would combine with

the Germans not to eliminate the coal-steel pool but to make it work. Parallel to this, producers would resume cartel-like discussions in order to secure their influence within the new European Coal and Steel Community which, although traces of its origins in the document de travail are detectable, would bear the stamp not so much of Monnet's ideas and methods as of German, and West European, industrial tradition.

Initial German reactions to the 9 May Schuman Plan announcement were not necessarily those of surprise and astonishment. Minister for the Marshall Plan Karl Albrecht sent out a circular on the fifteenth of the month to the effect that "...the proposition of the French Foreign Minister was anything but spontaneous and certainly the product of long-term planning." It noted that Schuman had expressed similar ideas for Franco-German cooperation at their earlier meeting, then as at present emphasizing the need for "equal conditions" especially as regards manufacturing costs, "harmonization of outputs," and market sharing.⁵¹

The Schuman Plan proposal also came as no surprise to the business manager of the steel producers' association, the Stahlvereinigung. His wary response was anything but evidence of a new "European spirit." The 9 May radio announcement, as he described it, was full of landmines: its "equal protection" provisions a pretext for forcing the Ruhr to consume more low-grade French ore, the "double pricing" ban both an excuse for imposing uneconomical increases in Ruhr energy costs and a lever with which to pry scarce scrap out of the Ruhr at artificially low prices. Still worse, the "common production" spoken of by Schuman could be invoked to suppress "the greater dynamism which, even after World War II our works manifest by comparison to the French." Concretely, this would mean denial of permission to construct a continuous wide-strip rolling mill in the Ruhr on the grounds

that France would soon dispose of two such units and Belgium and Luxembourg one apiece.⁵² The document nonetheless concludes on a strong positive note of support for the 9 May announcement. How, its author asks, could either freight rates or prices be "equalized" except by means of international producer agreements? It was quite unnecessary to draw the obvious conclusion: if the Americans wanted to have a workable coal and steel community in Western Europe, they would have to be prepared to countenance the restoration, in one form or other, of the international steel cartel and its ancillary arrangements in coal.

This fact, together with a belief that time worked on Germany's side, governed the Federal Republic's conduct of the Paris negotiations. The chief negotiator, Walter Hallstein, was to be placatory: kow-tow to the Schuman Plan idea, let the secondary coal-steel powers do most of the talking, and not press any point that might jeopardize the proceedings, Adenauer and Monnet incidentally having already agreed in May to exclude issues arising from the occupation from discussions surrounding the coal-steel pool.⁵³ As to the shape and scope of the future heavy industry authority, the Germans were guided by the idea, put rather inelegantly by the business manager of the Stahlvereinigung, that "The more we succeed in organizing economic support structures, the greater will be the chances of the [Schuman Plan's] political realization. At the same time, political hopes will be dashed if the coal and steel union is not properly constructed or is overly ambitious."⁵⁴ In a word: he wanted to immobilize any Monnet-headed coal-steel directorate and set up an organization that could be dominated by industry. Thus, he suggests, a college of industrialists should be empowered to run the new High Authority, which would become executor rather than formulator of policy, under the supervision of the participating governments. An organization so constituted,

he concludes, would be a worthy successor to the International Steel Cartels of 1926 and 1933.

This by no means represented the views of only the smoke-stack barons: there existed a solidarity of fact between industry, ministries, and government which, by the time the Schuman Plan negotiations had been concluded, embraced the coal and steel unions and much of social democracy as well---a situation very unlike the one in France. This similarity of views was not always evident. Germany was still under occupation: any mention of cartels was taboo and all assertions of national interest, however legitimate, had to be muted. It was in the nature of Hallstein's task as chief intermediary with the French to speak from time to time "with forked tongue" lest negotiations collapse. Adenauer had to do this too--- make public commitments to imposing economic policies harmful to Ruhr interests that he never intended to keep. He could act without being embarrassed thanks to a knack for maintaining an olympian distance from the hard, and often nasty, elbowing for advantage that increasingly dominated coal-steel discussions: this put him in a position to plead ignorance to unpleasant developments without being dishonest. Adenauer was largely "in the dark" about the Paris proceedings. On 31 June 1951, long after the formal governmental sessions had been concluded but while ministerial-level discussions were still under way, he worriedly inquired of Minister of Economics Erhard whether it might still not be too late to organize a delegation "...as exceptionally well-trained as the [men of] the French Plan, which works relentlessly on the Schuman Plan negotiations."⁵⁵ Tinged with bitter irony since Adenauer distrusted Erhard's free market views and had deliberately given him no role in the Paris negotiations, the Minister of Economics' reply included a lengthy description of the huge, cumbersome, but powerful institutional machinery that had been

grinding out policy for the coal-steel pool over the past year. First of all, Erhard said, a special Schuman Plan Desk (Schuman Plan Referat) had been set up in his ministry, which received support from the Ministry of Transport, the Iron and Steel Office (Fachstelle Eisen und Stahl), and the Foreign Office (Auswärtiges Amt). Scarcely veiling a sneer, he elaborated that "In iron and steel there is a Wirtschaftsvereinigung"---as if Adenauer had never heard of such a thing---"with a powerful statistical section of 250 persons. It keeps current output and sales data for all producing nations and is at our disposal. The coordination between it and our ministry through the Fachstelle Eisen und Stahl is working well. Dr. Mondon, a well-known industrialist, heads the Fachstelle and is also a steel trustee. Our Ministry is similarly connected with the coal industry through the Deutsche Kohlenbergbauleitung (DKBL), which has its own excellent statistical section."⁵⁶ Erhard might have mentioned still further layers of policy-making, for instance the active "Coordinating Committee" (Koordinierungsausschuss) to which belonged a wide variety of prominent economic figures such as the banker Hermann Abs, Klöckner managing director Henle, the leading German industrial statistician Dr. Rolf Wagenführ, General Director Dr. Wilhelm Roelen, the SPD economist and party leader Dr. Ernst Nölting, and many others. It directed several subcommittees composed of equally prominent representatives organized to deal with wages and social policy, iron and steel, and coal. Constellations of academic advisory committees surrounded these powerful bodies.⁵⁷

Although not a real equivalent to the constitutional draft which the French provided in the form of the document de travail, the basic German working paper for the first session of Paris conference, which opened on 20 June, contains the outline of an alternative scheme. Its first component was

a High Authority too weak to interfere with either the restoration of the Ruhr or its traditional methods of operation and position in West European heavy industry. The High Authority's powers were to be hemmed in by a Council of Ministers (which the Dutch had by then already proposed), a High Court with broad powers of review, and a General Assembly able to set up special committees of its own. Further, the High Authority's social responsibilities as outlined in Article 17 of the French draft---commitments to maintain full employment and equalize wages---were to be dropped, and the principle of promoting maximum economic efficiency to serve as first maxim of policy. Yet even in this respect the High Authority's powers were to be sharply curtailed. It was to be forbidden to set prices and establish manufacturing programs and allowed to engage in long-term production planning on the sole condition that "recent new projects built in the wrong places" (meaning outside of the Federal Republic) be subjected to compulsory review. The High Authority's power to finance new investments was also to be narrowly circumscribed, that to enforce terms of "fair competition" not formally abolished but legally and bureaucratically reduced to innocuousness.⁵⁸

The German paper, secondly, assigns the powers stripped from the High Authority to producer associations without overtly mentioning the dicey matter of cartels. The French document, in calling for the organization of "regional groups," inadvertently provided an opening that made this possible. Monnet, who intended that they serve mainly as transmission belts for High Authority directives, was deliberately vague about their composition, apart from specifying that they should be set up on a transnational basis, a stipulation included to threaten the Ruhr with the formation of a more powerful Franco-Belgo-Luxembourgeoise bloc. The German working paper, choosing to overlook this possible danger, speciously accepts the French proposal in

principle while introducing its own very different specific wording to the effect that the groups be "created on a geographical basis without regard to national frontiers." The Germans, in other words, assigned primacy to the economics of location, which favored them, rather than the politics of federalization as intended by Monnet. They also went into far greater detail than he in describing the legal character, organization, and responsibilities of the regional groups. They were, first of all, not to be purely private associations which could be attacked as being cartels but semi-official bodies (öffentlich-rechtlicher Körperschaften) which, while self-governing, would discharge responsibilities on behalf of the coal-steel pool. The German paper, finally, opposes outright any division of the Ruhr into two or more subdivisions---which the French were known to have in mind---as this would, it emphasizes, destroy a model of technical efficiency, prevent large-scale rationalization of plant, and impair the operation of numerous scientific and technical coal and steel organizations.⁵⁹

Neither the French nor the Germans seriously expected to harmonize their discordant designs for the ECSC at the Paris negotiations but hoped instead, each for reasons of their own, to obscure them in tangles of abstruse and convoluted Euro-verbiage. Adenauer's overriding aim was to end the occupation. He welcomed all diversions from memories of the war, certain that time, history, and even nature itself were on Germany's side. Monnet wanted to commit the Federal Republic in the name of Europe to an arrangement concerning the Ruhr which he, and he alone, could control. His opening remarks to the heads of delegation on 20 June hinted as much: the marché unique free of barriers to commerce in coal and steel was, he emphasized, to be regarded only as an ultimate goal; until then "transitional arrangements" would prevail.⁶⁰ Through them, he hoped, the Ruhr would pass from control of

the occupation governments to that of the ECSC.

The Belgian coal deal, the most important diplomatic accomplishment of the summer months, provides a measure of the vast gap existing between the high purposes enumerated in the document de travail and the grubby realities of the politics of national self-interest. Belgian steel producers, who controlled the nation's mines, were hostilely indifferent to the 9 May 1950 proposal: high-cost exporters, they hoped to lock in gains made in the late 1940s at the expense of the Ruhr by means of new cartel arrangements limiting future German foreign sales. Though too weak to stay out of the Schuman Plan negotiations, as the price for remaining in them the Belgians demanded a tonnage subsidy on coal output to be paid by low-cost mines ---meaning the Ruhr---to their own inefficient ones. Though the subsidy was justified on the grounds that the pits' sorry state stemmed from some but accursed if unspecified geological affliction, the source of the problem was the decades-long practice of profit-milking. The Belgians, whose per capita income was by a substantial margin the highest of the Six, were financially fully capable of solving problems created by their own mismanagement. Why, Bonn wondered, should we still poor Germans be called upon called to foot the bill? If geological disadvantages were to be offset, should not compensation be sought for the low-grade Salzgitter ore fields put into operation by the former Hermann Göring Works? In the end, the Germans swallowed hard but agreed to pay a levy of two percent on turnover---even though this meant keeping a competitor in business, raising steel costs in the Ruhr, and draining profits from the mines---because they preferred a "price protection arrangement" to be administered by existing Belgian and German cartels to possible future High Authority intervention into the pricing field.⁶¹ Monnet readily accepted this regulatory scheme in order to keep the negotiations

progressing and to weaken the Ruhr. The fact that it violated most of the principles set forth in the document de travail was evidently unimportant to him by comparison.

Three events of September 1950 forced the latent Franco-German conflict into the open, causing the Paris negotiations, which all parties expected to arrive at an uneventful conclusion by October, to be prolonged another six months. On 21 September, first of all, Regulations I-III, about which the Germans had learned several days earlier, were published to Law 27, the successor to the US-UK laws 56/75 governing decartelization. The new law itself, published back on 20 May 1950 after many months of re-drafting, differed from its predecessor in one important respect; it made provision to indemnify former holders of Ruhr assets. Regulations I - III destroyed the illusion that, as McCloy apparently had wished, such restitution would quietly set in motion a process of re-concentration: they ordered the immediate break up of the six largest Konzerne, a cut in ties between the coal and steel industries, and the organization of no less than 54 separate mining companies.⁶² While the Ruhr tried to recover from this shock, the French were sent reeling by a different one. On 12 September 1950 Secretary of State Dean Acheson casually mentioned to Schuman at an informal gathering of foreign ministers in New York that the United States was prepared to arm no less than ten West German divisions, a number reduced to five when publicly announced eight days later. The reduction made little difference: Acheson's pronouncement threatened to destroy the Paris negotiations at a single stroke.⁶³ Was this, the French public would ask, where the European initiative named after their French Foreign Minister was to lead---to a new Wehrmacht stationed along the Rhine? In order to save the Paris negotiations Monnet declared by fiat on 28 September that the future High Authority would

have, and indeed exercise, the power to break up cartels.⁶⁴ This was worse news yet. Law 27 would lapse at the end of the occupation: Monnet, in the name of the High Authority, was asserting the right to forbid reconcentration indefinitely.

III

The critical phase in the coal-steel negotiations was now to begin, and it would not be over until March 1951, a period of months during which they verged on collapse. US High Commissioner McCloy eventually saved the Schuman Plan by shoving deconcentration under Law 27 down Chancellor Adenauer's throat, but little of Monnet's original design could be salvaged. The Treaty of Paris, initialed on 15 April 1951, settled only a few of the issues raised in the original French draft. A so-called Interim Committee, German-dominated and composed of ministerial bureaucrats, would design the structures and work out the operating procedures of the High Authority itself in the months between the treaty signing and the June 1952 installation of the High Authority in its Luxembourg offices. But the Ruhr Problem would largely be solved in another manner---through a new social compact binding German coal and steel to the unions and the rest of industry and through a new alliance structure governing Western European producers. These grew out of the succession of confrontations that began in October.

The Germans fired the opening salvo. The French should have been prepared for it. After listening with "visible satisfaction" to McCloy's report on the results of the New York foreign ministers' conference, where Schuman had been forced to accept arming the Federal Republic, Adenauer informed the assembled High Commissioners with uncharacteristic bluntness that the regulations just published to Law 27 jeopardized the success of the

Schuman Plan and might necessitate the recall of the German delegation from Paris.⁶⁵ The threat was not taken seriously. Nor was the resignation a few days later of managing director Paul Reusch of Gutehoffnungshütte from an important Schuman Plan coordinating committee, apparently since his personal assertiveness was known to have made him unpopular in the Ruhr.⁶⁶ Robert Lehr's speech to the "Munich Export Club" on the first of the month provided the first unmistakable evidence of a new Ruhr toughness. It was from the French standpoint troublesome enough that the speech was widely-publicized, but worse yet that Lehr, as Minister of the Interior-designate, could be presumed to have spoken on behalf of the government. Germany, Lehr said, could no longer accept the 11.1 million ton level of authorized steel production still formally in effect---this must be immediately raised to a minimum of 16 million tons, the alternative being continued economic dependence on the Allies. Future European industrial growth, he emphasized, must be allowed to occur naturally, in the Ruhr, which enjoyed the best factor endowment, regardless of whether this would mean curtailing French investment plans. Lehr asserted that Germany would not allow the French to use the Schuman Plan as a means to perpetuate their temporary, war-gained industrial advantage, "recommending" that they specialize in lines of production complementary to the Ruhr. Apart from the desirability of resuscitating the 1926 agreement, which Lehr's speech broadly hinted at, he later privately revived the idea "...of an association between French and German heavy industry, anchored in share exchanges...like those proposed a year or so ago by the Vereinigte Stahlwerke."⁶⁷

In early November the Federal Republic announced its proposal for implementing Law 27. Distilled from the many planning exercises of the trustee organizations for coal and steel, this did not come even remotely

close to accommodating American or French decartelization policy. The operating principles of the German plan, wrote Adenauer to McCloy on the third of the month, were to preserve the coal-steel tie to the extent necessary to make the mills self-sufficient in coke and as required to deal with the problem of selling low-grade fuel; to introduce organizational changes only when strictly necessary; and to get over the whole business as quickly as possible.⁶⁸ An Adenauer memorandum of the following day spelled out the reorganization in more specific terms. In coal, first of all, "regional associations"---meaning cartels--- could be allowed, new mining companies should be so organized as to be efficient and competitive, and the "technical and economic" ties between the pits and the steel, chemical, energy and transportation industries must be "given consideration," by which was meant that big Ruhr mills in the localities of Duisburg-Hamborn, Oberhausen, Gelsenkirchen, Bochum, and Dortmund ought be allowed to keep their coal properties. In iron and steel, nine "core companies" (Stahlkerngesellschaften) set up under Law 56/75 were to remain in being, another seventeen specialized, mainly non-Ruhr factories were to be left alone, and a third group of six producers would be dealt with later by the Federal Government in collaboration with the industry itself. These were all large units and included the most important single Ruhr mill, the August-Thyssen-Hütte in Duisburg-Hamborn.⁶⁹

In the first week of November Monnet retaliated with a declaration of total war against cartels, demanding both new proposals to implement Law 27 and the inclusion of guarantees against their revival in the treaty draft.⁷⁰ He also injected the United States, whose role up to this point had been to cast benedictions over the Schuman Plan idea, directly into the coal-steel pool negotiations. Monnet could count on powerful backing from the US

Ambassador in France David Bruce, to whose staff he succeeded in having attached a young Treasury Official named "Tommy" Tomlinson, a man totally devoted to him personally, as well as from McCloy to whom he managed to have seconded from Harvard Law School another devoted follower, Professor Robert Bowie. On 20 November 1950 the chief German delegate at the Paris negotiations, Walter Hallstein, was summoned to the offices of the French Plan on the Rue Martignac to be given a foretaste of the rough treatment that could be expected to result from German recalcitrance on the cartel question. Springing to the attack, Monnet's young American staffmen rudely reminded Hallstein that the Federal Government labored under an illusion if it imagined that the "launching of the Schuman Plan would automatically entail the immediate end to [Allied economic] controls. American opinion [one of them went on] was not afraid to jump in the water, but hardly would do so without holding on to a lifejacket."⁷¹ IRA, the Office of Military Security, the control groups--- the entire economically repressive apparatus of the occupation---would, Monnet chimed in, keep operating until the Ruhr Problem was solved.

By Christmas Monnet had decided to write off the entire idea of a coal-steel pool unless the Germans agreed to genuine decartelization, and he so informed Schuman on the twenty-second.⁷² At the same time he had reason to think that such a drastic step might not be necessary. On 19 December he reported reaching "fundamental agreement" with the US over the four main decartelization issues: Law 27 not merely required deconcentration but forbade re-concentration by means of financial manipulation; the High Commissioners' steel plan, which called for the break up of large production units, was fair; a centralized coal-selling syndicate was inconsistent with the Schuman Plan and must be phased out; and coal-steel ties were to be allowed only in a few

cases.⁷³ Although over time this unanimity would prove to be more apparent than real, as a result of the pact both McCloy and his deputy Bowie agreed to "take the initiative" in discussing Law 27 with the Germans: not only would the immense power of the United States now be brought to bear against the Federal Republic but Monnet himself, while pulling strings from behind the scenes, could pretend to be above the battle. This enabled him to wage another simultaneous campaign more effectively, the one over the decartelization and deconcentration provisions (Articles 60 and 61) of the treaty draft.

Why did the United States intervene at this point and in this manner? Although the Germans were convinced to a man that they had once again fallen victim to American "cartelphobia," they were wrong. McCloy's skepticism regarding deconcentration policy had not changed. In any case, McCloy's deputy Bowie, as well as Tomlinson in Paris, really worked for Monnet, who in instance after instance quite literally dictated negotiating strategies over the telephone, which they in turn represented as being American policy to the Germans seated across the table.⁷⁴ Their willingness to act as Monnet's vehicle was not due to a naive belief that together, Americans and Frenchmen, could banish the evils of collusion and conspiracy from the industrial economy of Europe. Tommy Tomlinson's "Observations on the Treaty," penned in November 1950, are full of doubt concerning the nature of the emerging coal-steel pool. Tomlinson did not like the way the Belgian coal problem was being solved, wanted to restrict the High Authority's use of powers of intervention to "exceptional circumstances," was worried lest it become a device for stripping national governments of their power to regulate cartels, and did not think it should be able to influence investment decisions. He also could make no sense of the French proposals for pricing policy, objected to assigning the High

Authority the power to set production quotas during periods of emergency, and felt that the provision in draft article 39 to assign the High Authority the discretionary power to distinguish between "good" and "bad" restrictive agreements would lend itself to abuse.⁷⁵ Evidently, Tomlinson, and doubtless other key American policy-makers, were prepared to overlook the undesirable economic features of the proposed pool for "political reasons," above all the perceived imperative---felt all the more acutely after the outbreak of the Korean War---of building a sturdy anti-communist bloc in Western Europe. The Schuman Plan negotiations were simply too important to fail. If Monnet's price for keeping them alive was the punishment of the Ruhr for its historical misdeeds, so be it, at least up to the point that this interfered with higher considerations of policy. In 1951 American policy would enter a phase of "Ruhr-bashing" which, though not explicitly diversionary, was never intended to stifle the recovery of German heavy industry or block its restoration; this was fine, so long as it passed more or less unnoticed.

If Monnet could count on US support in the struggles over the implementation of Law 27 and the drafting of articles 60 and 61, German heavy industry was also acquiring allies for the impending showdown. The first of them was the unions. Prominent in the coal and steel trusteeship organizations set up by the British, they had for years doggedly opposed the restoration of the old Konzerne in a well-founded belief that this would mean the end of co-determination (Mitbestimmung). The central feature of their own reorganization plans, for which they found very little official support except among the British, was the transfer of the trusteeships' powers to the joint control of the federal government, the unions, state authorities, and private shareholders. The Schuman Plan proposal brought no change in this respect: rather it substantially strengthened labor's position. The document de

travail made provision for a one-third union representation on the High Authority's so-called advisory committees (comités consultatifs) and Monnet had suggested that this formula also be carried over to the regional groups. Thanks largely to him, representatives of both coal and steel workers were included on the German Paris delegation as well. In brief, the unions quite reasonably regarded the planned coal-steel pool as a welcome extension into the international sphere of the co-determination principle whose future observation seemed doubtful in a Federal Republic run by the CDU.

Between the end of September and November 1950, however, the union position changed dramatically as the result of Monnet's declaration of all out war against the cartels. "On 27 October," concludes the author of a recent book examining the origins of co-determination in German heavy industry, "...the leadership of the national union association (Deutsche Gewerkschaftsbund) decided to endorse the concept of [reorganization] based on the maintenance of the coal-steel tie which had been worked out by the trustee organizations..., the old trusts, and the Federal Government, on the condition of a satisfactory settlement on the co-determination question."⁷⁶ German coal and steel industrialists, recognizing almost at once that a definitive shift in union attitudes had occurred, now knew that they could count on DGB support in the looming confrontation with the French. Yet this did not encourage a readiness to reach agreement on co-determination: employers refused all concessions for months until given an ultimatum by Adenauer who feared a withdrawal of union support for the Schuman Plan.⁷⁷ The famous Co-Determination Law (Mitbestimmungsgesetz) for coal and steel was passed on 10 April 1951, five days before the initialing of the Treaty of Paris.

The Ruhr picked up foreign support at the sessions of the heads of

delegations, which resumed in October 1950. These dealt with a number of issues left unresolved or deliberately avoided over the summer because their outcome turned on the cartel problem. Regarding the latter, the Germans had reason for optimism: the coal and steel industries of each of the participating nations, France included, were thoroughly regulated by private interests acting with legal sanction. Expedient pronouncements to the contrary notwithstanding, there could be no question of any national government's destroying, or even tampering, with these arrangements. In Fall, it was the minor coal-steel powers, not the Ruhr, which openly defied Monnet on the cartel question.⁷⁸ Eventually, he would have to beg Hallstein to bring them back into line. The solidarity of the non-French had two further related consequences as well: the "advisory committees" were reduced from three bodies representing the interests of producers, consumers, and labor respectively to a single body dominated by heavy industry. Labor delegates were to be chosen only from the coal and steel industries and "consumers," defined as consuming industries, to represent tied-in interests such as manufacturers, gas distributors, and electrical utilities as well as big customers such as the chemical and electrical equipment industries. After months of complete French failure to make headway, another important component of Monnet's overall design, the regional groups, was simply dropped from the treaty, their role and composition being left thereafter to the determination of the national governments.

The West European coalescence at the ministerial level was paralleled at the private level as well. "In early December," reported Theodore H. White, then the head of a struggling wire-service agency in Paris, "meetings of the major industrial cartels were quietly held with representatives of German business. The fruit of these meetings was a secret memorandum by the cartels,

delivered to each government, in which the Schuman Plan was denounced with vague but ominous threat of political reprisals."⁷⁹ The document in question, entitled "Les Fédérations industrielles de l'Europe de l'Ouest et le Plan Schuman," first circulated in early January 1951. It makes the customary obeisances to the Schuman Plan Idea but warns that Monnet's "super-statist" designs will cause economic stagnation, decrease production, and wreck chances for economic integration. It also demands a larger role for industry in the negotiations, as well as the creation of a body with the power to override the High Authority, insisting that the latter not be allowed to become "...mistress of the management and destiny of enterprises falling under its jurisdiction."⁸⁰ This---the first significant agreement between Europe's national producer associations since World War II---was a giant step towards Germany's return to international respectability. Thanks to Monnet, it happened surprisingly early. In any case, the emergence of this consensus of businessmen greatly strengthened the hand of the Federal Republic in dealing with the Franco-Americans.

On 2 January 1951 the Germans tipped their hand. In a personal letter to Monnet, Hallstein "recommended" that the best way out of the impasse would be for the Federal Republic to sign the coal-steel treaty without the proposed articles 60 and 61, leaving the settlement of the deconcentration and decartelization issues up to the High Authority. A couple of days later Robert Pferdmenges, a figure reputedly sympathetic to French concerns, bore the same message to Leroy-Beaulieu, the chief economic advisor to High Commissioner François-Poncet.⁸² Shortly thereafter Adenauer himself, inimitably bumbling yet shrewd, brought the proposal to Leroy-Beaulieu's attention. "The Chancellor," noted his French interlocutor, "appeared to be only vaguely familiar with the problems raised by the decartelization question as well as

its connection with the Schuman Plan," and seemed to think that while the French were worried mainly about the maintenance of coal-steel ties, only the Americans really intended to eliminate the Deutsche Kohlen Verkauf, the central coal distribution agency.⁸³ If Adenauer was dropping a hint here that the Germans were prepared to give in to the Americans on the issue of coal-steel ties if allowed to deal directly with the French on the matter of coal distribution, Leroy-Beaulieu appears not to have caught it. Leroy-Beaulieu did, however, worriedly note that in closing the discussion with a warning that German public opinion was "unanimously behind the preservation of DKV, the unions as well as the industrialists" Adenauer appeared to be in no mood to give in.

Hallstein's initiative resulted from a 12 December 1950 cabinet endorsement of a negotiating strategy developed in the the Ministry of Economics. Although there was, Erhard said, no remaining doubt that the Americans, if allowed to act on their own, would demand the break up of the DKV, he added encouragingly that "...it will be possible to stretch out the process of winding down the liquidation of the coal wholesaling agencies (Kohlenverkaufskontore) to three to five years and to imagine that over such a period conditions and viewpoints will change significantly."⁸⁴ In the meantime he expected lasting coal shortages that would require continued centralized allocation through a DKV-like organization, as was the case in France, Belgium, and elsewhere. Franco-American intransigence on Law 27, Erhard stressed, made it all the more essential that the Schuman Plan be put into operation as soon as possible. The treaty proposal was still far from adequate and the word fairness (Gleichberechtigung), Erhard complained, almost never spoken in Paris: it was bad enough that the proposed text did not specify that the heavy industry pool would supercede all Allied-imposed

controls on coal and steel, worse still that it continued to include numerous discriminatory provisions. Yet Erhard thought that their elimination, though desirable, was not essential: German economic structures and methods were similar to those in the rest of Western Europe, the non-French delegations in Paris agreed on most essential points, and Monnet lacked support in France. There being good reason to be skeptical of his power to discriminate against the Ruhr, he concluded, the best thing was to stay the course.

The confidence of Ruhr industry was swelling as well. On 3 November Sohl wrote his colleague Lehr, who had been recently named Minister of the Interior, that it was now time to demand "equality of treatment," an end to controls and discrimination, and permission to build a continuous wide-strip rolling mill as conditions for entering the coal-steel pool. On the twenty-fourth of the month Sohl informed him that on behalf of a tight coalition consisting of the steel industry, its trusteeship organization, and the union he was ready to exert pressure on the Federal Government to give priority to the construction of a "super-mill" for ATH.⁸⁶ On the thirtieth he won Bonn's political and financial support for the acquisition of one such plant, which had originally been built in the United States for a Czech buyer but since had been first embargoed, then purchased for re-sale by a large French trading company. Sohl was optimistic that American and British objections could now be overcome merely by promising to export its scarce product to the UK.⁸² By the end of January 1951 he was planning to enter discussions concerning the acquisition of the Czech mill with understandably upset representatives of French steel, who had up to then reckoned with an absence of German export competition in the critical growing market for flat-rolled products until 1956.⁸⁸

Monnet's strategy in response to this apparently ineluctable shift of

odds in Germany's favor was anything but simple. First, he attacked, threatening to wreck the Paris negotiations by resigning unless the German proposal to drop Articles 60 and 61 from the treaty was immediately buried. Foreign Minister Schuman received a letter to this effect on 22 January 1951.⁸⁹ A week later Hallstein received a "personal note" containing the same threat, but adding an amazing stipulation: it was not enough for the Germans themselves to adopt the French proposal for the decartelization and deconcentration provisions; they must also rally the other delegations around it.⁹⁰ The success of the Schuman Plan, in other words, was to hinge on the German enlistment of Belgian, Dutch, Luxembourgish, and Italian support for French policy directed against the Ruhr!

At the same time, Monnet tried to cover his rear by working out a deal with the DKV. In his remarks to Leroy-Beaulieu on 17 January 1951 Adenauer had alluded to German awareness of a fundamental Franco-American difference of opinion over decartelization and deconcentration. It indeed existed. Deconcentration had little meaning in the land of US Steel, General Motors and Du Pont, but restraint of trade through interference with the laws of supply and demand did. The main concern of US policy was neither to reduce the size of production units nor to cut the coal-steel tie but to destroy the particular organization through which, it was believed, they could exercise coordinated control over the marketplace. This was the Deutsche Kohlen Verkauf (DKV). For their part, the French wanted to appropriate a portion of the Ruhr coal supply, cared not a whit about whether cartels were inherently good or evil, and feared that the exercise of control over mine output would be impossible if, as the Americans desired, the central coal allocation agency were taken apart. Among Frenchmen, only Monnet supported the American position, all the while complaining bitterly not only that the Lorraine steel

industry was undercutting him from behind the scenes but that French officials gave him no better than lukewarm support.⁹¹ On 20 January Monnet met with the DKV's Ernst Russel, the foreign trade representative of the old Ruhr coal cartel, in an attempt to get a German supply commitment to the Eastern French mills "on the basis of a favorable terms of reference."⁹² On 14 February such an agreement was privately arrived at, assuring Monnet of an adequate coal supply and the Germans that, at least for the time being, the DKV machinery would not be disassembled.⁹³

The Americans were responsible for executing Monnet's main thrust against the Ruhr, and McCloy delivered it personally on 2 March in the form of an ultimatum to Adenauer. He began with a scolding reminder that the Federal Republic's failure to present an adequate decartelization schedule had delayed the conclusion of the Schuman Plan treaty for over two months, leaving no doubt that to his mind Ruhr industry, which had allied with cartelists throughout Europe and seduced the German unions, was the real culprit. In order to save the Schuman Plan, McCloy pressed on, the United States and France had decided to impose their own decartelization scheme on the Ruhr, implying that it was in the best interests of the Federal Government to endorse this lest its authority be weakened by the direct intervention of the occupation powers.⁹⁴ On 4 March McCloy dictated terms to the Bundeskanzler: the Deutsche Kohlen Verkauf was to be taken apart by 1 October 1952; twenty-four new steel companies were to be formed; and the coal-steel tie was to be limited to eleven companies, none of which could control over three-quarters of their own fuel supply. On 14 March 1951 Adenauer formally accepted these terms.⁹⁵ A month later, on 15 April, the representatives of France, Germany, Belgium, the Netherlands, Luxembourg, and Italy initialed the Treaty of Paris creating a European Coal and Steel Community among whose

primary tasks was to be the implementation and enforcement of the decartelization and deconcentration measures ordered by the Allied High Commission under Law 27.

IV

Monnet had not finally won his battle against the Ruhr but lost it. For another two years---until the opening of the common markets in coal and steel---the French control boards, their activities secretly directed by Monnet from the Rue de Marignac, waged a bitter struggle to enforce Law 27 on the terms agreed to by Adenauer. As President of the High Authority, Monnet continued the campaign, this time openly if indirectly under treaty articles 65 and 66 (60 and 61 in draft). But when Monnet for still mysterious reasons resigned as the head of the coal-steel community in December 1953, he had next to nothing to show for the months and months of strenuous exertion. It was not merely that the old cartels and trusts were obviously being reconstituted: the Ruhr itself had been restored as the center of industrial power in Germany, and the Federal Republic, not France, had become the new economic axis of Western Europe.

The French bid failed partly because the Americans were not prepared to let decartelization and deconcentration jeopardize German remarmament; in the same month that McCloy force-fed Adenauer the terms of settlement under Law 27 he directed Ruhr coal and steel to administer a scheme of import and export controls in the name of European security, thus providing an indefinite stay of execution for the industry-run regulatory machinery. The United States was also committed to restoring Ruhr industry to private ownership, and so long as the principle of restitution was respected only a thin paper wall of occupation ordinances could hinder a re-grouping of traditional interests.

With the contractual accords of May 1952, which reduced the powers of the High Commissioners to insignificance, these disappeared.

As for the French, their determination to dismember the great German heavy industry complex also became increasingly questionable. For fear of interrupting the coal supply, it took months for them to agree upon a satisfactory plan for the breakup of DKV. As for enforcing it, as well as the other provisions of the anti-concentration policy, the French delegates on the coal and steel control boards, who over a period of months administered countless tongue-lashings to the still outwardly submissive Germans, both appear to have acted without the inner conviction that is a necessary ingredient of success in unpleasant confrontations. Upon taking office the coal delegate, Parisot, actually filed a note to the effect that his mission was foredoomed to failure, for which Monnet rebuked him sharply.⁹⁶ His steel counterpart, Bureau, though eloquent in denouncing unfair German trade practices, would later represent the maîtres de forge at international producer gatherings.

But Monnet's bid failed mainly because the reaction against it bolstered the position of German heavy industry in ways which, though sometimes unpredictable, were on the whole so beneficial not only for the Ruhr but for the Federal Republic and even Europe that all but the most fanatical critics of the coal-steel complex outside of the East Bloc were gradually disarmed. Monnet may not have founded that neo-corporatist pattern of economic and social relationships known as "Germany, Inc."--- to which much of the credit for the Wirtschaftswunder is due--- but he did make an important indirect contribution to its success. The continued threat of decartelization fused German management and labor into a strong, single line of defense against attacks on jobs, plant, the unified energy grid, and the traditional marketing

machinery. In so doing Monnet contributed immeasurably to the success of co-determination, which his policies had promoted but German industry had granted so grudgingly. The French seige had a second even more extraordinary consequence: it generated spontaneous support for coal and steel throughout the German business community, much of which---whether in the Third Reich, Weimar, or the old Empire---had bridled under heavy industry domination. The eloquent expression of this was the investment aid law (Investitionshilfegesetz), which was conceived in early 1951 by the president of the Bundesverband der deutschen Industrie, Fritz Berg, with a view to overcoming the effects of past underinvestment and "discrimination" to which heavy industry had fallen victim.⁹⁷ This measure carried a message: Germans were no more willing to sacrifice their coal and steel or entrust their industrial fortunes to a foreign power than were the French. Yet the investment aid law---the Federal Republic's answer to the Monnet Plan---did not delay the process of Germany's return to international respectability.

On the private as well as the public plane, Monnet's anti-cartel campaign furthered the process of "normalizing" Germany's foreign relations that was begun by the Schuman Plan announcement. Where December 1950 witnessed the first joint reaction of French and German producer associations against Monnet's methods, 1951 would bring the reappearance of international selling syndicates for specialized steel products, 1952 the undertaking of joint producer efforts to work out proposals for the organizational structure of the High Authority, 1953 the conclusion of an agreement to form an International Export Cartel and, more important yet, the organization of a body called merely "The Club" where producers from the Six ironed out pricing problems in preparation for the planned opening of the common market in steel. In October 1954 the French Patronat and the German BDI would conclude pact of friendship

every bit as comprehensive as the one once sought by the economic appeasers of the late 1930's.⁹⁸

At the ministerial level a similar trend towards closer cooperation was at work. The unofficial German-led bloc of non-French delegations which formed during the Paris sessions was re-formed at the beginning of 1952, when thanks to the ratification of the coal-steel treaty by the French Assembly the previous December, it was once again possible for the bureaucrats to act free of parliamentary interference. Meeting over the first half of 1952 under the auspices of a so-called Interim Committee convoked by the Germans without Monnet's knowledge these civil servants organized the administrative structures of the High Authority in such a way as to banish for all time the purported evils of dirigisme. The Interim Committee, not Monnet, is the true father of the Luxemburg Eurocracy. Among its main features was a decartelization branch which, though empowered to conduct investigations---a task pursued zealously by its young chief, Richard Hamburger, until his tragic death in an automobile accident---could not act. The real centers of power in the coal-steel pool were the national governments, whose representatives sat in the Council of Ministers, and heavy industry, which dominated the Advisory Committee.⁹⁹ As President of the High Authority Monnet could act decisively only outside the framework of the Paris Treaty, his most important personal accomplishment having been to secure an American loan on extremely favorable terms which, being too large for the investment needs of the coal-steel pool, turned the ECSC into an important international lender.

Yet Monnet's work was hardly a failure. Monnet, and Monnet alone, deserves credit for the remarkable coup d'imagination known as the Schuman Plan and he, and he alone, had sufficient international stature to push through its realization. If the European Coal and Steel community itself was

a disappointment, the unintended benefits that grew out of the negotiations surrounding it could probably not have been achieved in any other way. A Ruhr restoration did of course take place, but one imbedded in a new context of public control and social responsibility which, if far from perfect, was a substantial improvement over prewar conditions. This new institutional arrangement, and the individuals who created it, inspired a degree of confidence which, aided by other favorable conditions, set the stage for the adoption of considerably more far-reaching measures of European economic integration. Former members of the Interim Committee would soon regather to launch the discussions which eventually culminated in the creation of the European Economic Community. In the space of astonishingly few years, the new organization would complete the work started by the Schuman Plan: reintegrate Germany into Europe while realigning Europe around Germany, a process which, in spite of countless frustrating delays, deserves great credit for having brought the peace and prosperity of the past generation in Europe.

Footnotes

1. John Diebold, The Schuman Plan: A Study in Economic Cooperation, 1950-1959 (New York, 1959); Clarence B. Randall, "European Steel: Monopoly in the Making." The Atlantic Monthly, October 1951 pp. 34-38; F. Roy Willis, France, Germany and the New Europe (Stanford, 1965); Jean Monnet, Memoires. (Paris, 1976).
2. Ibid., p. 388.
3. Ruggero Ranieri, "Italy and the Schuman Plan Negotiations," EUI Working Paper No. 86/215 (European University Institute, San Domenico, FI, April, 1968); Alan S. Milward, "Belgian Coal and Steel at the Schuman Plan Negotiations" (unpub. ms., June, 1986).
4. Emile Krier, "Luxemburg und der Schuman Plan," (unpub. ms., June 1986).
5. Frances M.B. Lynch "Resolving the Paradox of the Monnet Plan: National and International Planning in French Reconstruction," The Economic History Review, 2nd Series XXXVII, No. 2, May 1984, pp. 229-243.
6. Raymond Poidevin "Der Faktor Europa in der Deutschlandpolitik Robert Schumans (Sommer 1948 bis Frühjahr 1949)," Vierteljahrshefte für Zeitgeschichte 1985/III, pp. 405-419.
7. John Gillingham, "Die französische Ruhrpolitik und die Ursprünge des Schuman-Plans," Vierteljahrshefte für Zeitgeschichte I/87, pp. 1-24 (galley).
8. Michel Margairaz "Autour des Accords Blum-Byrnes: Jean Monnet entre le consensus national et le consensus atlantique," Histoire, économie, société 1 2 1982, pp. 439-470.
9. UN. Department of Economic Affairs Steel Trends in the Setting of the World Market (Geneva, 1949) in passim.
10. Werner Abelshauser, Der Ruhrbergbau seit 1945 (München, 1984) pp. 15-50.
11. James S. Martin, All Honorable Men (Boston, 1950) in passim.
12. Hans-Günther Sohl, Notizen (Bochum, 1983) pp. 99 f.; Günther Henle, Weggenosse des Jahrhunderts (Stuttgart., 1968) p. 80 f.
13. Heinrich Diest, Die Neuordnung der Grundstoffindustrien (Köln, 1949) in passim.
14. "Die Entflechtung und Neuordnung der Eisenschaffenden Industrie. Stellungnahme der Treuhandverwaltung im Auftrag der North German Iron and Steel Control," (Dusseldorf, 1948); BA B109/1310 Stahl treuhandvereinigung. (Incomplete study of steel reorganization, n.d.).
15. Dieter Scriverius, "Die Britischen Demontagepolitik im Spiegel der

- Überlieferung des Hauptstadtsarchivs Düsseldorf," in Claus Scharf and Hans-Jürgen Schroeder (eds.) Die Deutschlandpolitik Grossbritanniens und die britische Zone 1945-1949. (Wiesbaden, 1949); Hans-Peter Schwarz, Vom Reich zur Bundesrepublik. Deutschland im Widerstreit der aussenpolitischen Konzeptionen in den Jahren der Bestatzungsherrschaft 1945-1949 (2nd ed., Stuttgart 1980), p. 140.
16. BA B136/2456 Henle to Adenauer, 9 February 1950;
 17. Werner Bühner, "Europa im Kalkül der Westdeutschen Stahlindustrie 1945-1952" (Diss., Hamburg, 1985). in passim.
 18. Handaken Salewski (HAS) VFW. Gesch.-Nr. IVL 01277/49 to WVESI, 11 August 1949.
 19. HAS "Kürzniederschrift über die erste Geschäftsführer Besprechung beim BdI," January 1950.
 20. HAS, Fachstelle Stahl und Eisen to Schefeljew, Vereinte Nationen, Stahlkomitee Genf," 4 September 1949.; UN. Department of Economic Affairs, European Steel Trends in the Setting of the World Market," (Geneva, 1949).
 21. HAS. "Europarat wünscht europäische Stahlorganisation," Industriekurier, 22 December 1949.
 22. John Gillingham, "Zur Vorgeschichte der Montan-Union. Westeuropas Kohle und Stahl in Depression und Krieg," Vierteljahrshefte für Zeitgeschichte 3/1986, pp. 381-405; John Gillingham, "Forerunner to European Integration: The Business Diplomacy of Coal and Steel between the Wars, (ms. 43 pp.); Ervin Hexner, The International Steel Cartel, (Chapel Hill, 1943); Günther Kiersch, International Eisen-und Stahlkartelle (Essen, 1954); Emile Mayrisch Les Ententes internationales et la Paix" in E. Mayrisch: Précurser de la Construction de l Europe (Lausanne, 1969).
 23. John Gillingham, Industry and Politics in the Third Reich: Ruhr Coal, Hitler and Europe (New York, London and Stuttgart, 1985).
 24. Gillingham, "Zur Vorgeschichte...", op. cit. in passim.
 25. Ludwig Vaubel, Zusammenbruch und Wiederaufbau. Ein Tagebuch aus der Wirtschaft 1945-1949. (Wolfgang Benz, ed.) (München, 1984). in passim.
 26. US NATIONAL ARCHIVES (USNA) OMGUS RG260 7-25-2/910 Fritz Hellwig, "Lorraine Steel instead of Ruhr Steel?" (unpub. ms., August, 1947).
 27. USNA OMGUS 58-1/2 "Extract from Weekly Intelligence Report No. 93, Office of the Division of Intelligence, D.TD," 21 February 1948.
 28. BA Nachlass Pünder 258 "Ein Wort an Frankreich," Le Monde, 9 March 1949.
 29. BA Nachlass Lehr 18 "Vorschlag zu einer Neuordnung der Kapitalverhältnisse bei der Vereinigte Stahlwerke A.G. unter Heranziehung ausländischen Kapitals...", (nd.); Sohl to Lehr, 6 October 1949.

30. Foreign Relations of the United States (FRUS) 1948/II 484-498, 528-594, 553-597.
31. AN 457 AP 15 "Le Ministère des Affaires étrangères a M. le Général d'Armée Koenig," 4 January 1948.
32. Ministère des Affaires étrangères (MAE) Y 1944-1949 "Note Fabre. Direction d'Europe. Sous-direction d'Europe Centrale, "12 June 1948; Y 1944-1949 Roger Fabre, "Note sur les aspects économiques du problème allemand," 1 April 1948.
33. KA Dr. Günther Henle Wirtschaftspolitik. Deutsch-französische Zusammenarbeit, Okt. 1947-31.12.55. Refferscheidt to Henle, 4 August 1948.
34. BA Nachlass Dr. Hermann Pünder "Deutsch-französische Beziehungen," 3 February 1949; B146/226 "Vermerk über eine Besprechung mit Comte de Peyrredon," 25 March 1950.
35. BA B146/266 "Besprechung mit...Schuman und...François-Poncet," 29 August 1949.
36. BA B146/266 "Besprechung mit Herrn Aussenminister Schuman und Hochkommissar François-Poncet," 29 August 1949.
37. Klöckner-Archiv. (KA) Dr. Günther Henle Wirtschaftspolitik. Deutsch-französische Zusammenarbeit, 10/1947-12/1955, "Kürzer Vermerk über das deutsch-französische Treffen in Bernkastel," 26-27 November 1949."; MAE Z Europe 1944-1949. Allemagne 84 "Telegramme," 26 January 1945.
38. Ulrich Nocken, "Das Internationale Stahlkartell und die deutsch-französische Beziehungen 1924-1932." in Gustav Schmidt (ed.) Konstellationen internationaler Politik 1924-1932. (Bochum, 1983).
39. HAS Sitzung über deutsch-französischen Handelsvertrag am 17. February 1950."
40. BA B109/97 "Übernahme von Roheisen aus Frankreich bzw. der Saar," 8 March 1950.
41. BA B109/97 "Übernahme von Roheisen aus Frankreich bzw. der Saar, 2 May 1950.
42. (FRUS) 1949/III Riddleberger to Acheson., 862-60/7-1449 tel.; BA Nachlass Lehr 18, Lehr to Adenauer 22 October 1949; Nachlass Lehr 17, Sohl to Lehr, 23 February 1950.
43. Sohl, op.cit. p. 116.
44. BA Nachlass Lehr 18 Lehr to Adenauer, 22 October 1949; Nachlass Lehr, 17 Sohl to Lehr, 23 February 1950.

45. BA B109/348 Rechtsabteilung to Dinkelbach," 16 November 1950.
46. AM "Entretien avec M. Hirsch," 2 July 1950.
47. AM "Interview mit Herrn Dr. Ulrich Sahm am 27. February 1948."
48. Monnet, op.cit. p. 373 f.
49. AM AMG 3/3/9 "Document de Travail," 27 June 1950.
50. BA B102/5132 "Sekretariat für Fragen des Schuman-Plans 449/50," 8 August 1950.
51. BA B146/263 "Vorschlag Aussenminister Schuman," 15 May 1950.
52. BA 102/5134 "Montanunionplan," 5 June 1950.
53. Walter Hallstein (ed.), Probleme des Schuman-Plans. Eine Diskussion zwischen Walter Hallstein, Andreas Predohl und Fritz Baade. (Kiel, 1951).
54. KA Dr. Günther Henle. Europäischen Gemeinschaften. Schuman Plan, WVESI, 1 July 1950-30 September 1950. [Note Salewski, n.d.].
55. BA B102/4382 Adenauer to Erhard, 13 June 1951.
56. BA B102/4382 "Organisatorische Vorbereitungen für die deutsche Beteiligung am Schumanplan," 28 June 1951.
57. BA B102/5132 "Themen für die Diskussion im Wissenschaftlichen Beirat zur Fragen des Schuman-Planes," 9 July 1950.
58. B146/263 "Grundsätzliches zum Schuman-Plan," August 1950; B146/263 "Unterlagen zum Schuman-Plan," 22 August 1950.
59. BA B146/263 "Grundsätzliches zum Schuman-Plan," August 1950.
60. Richard Griffiths, "The Schuman Plan Negotiations, a chronology" (unpub. ms.)
61. BA B146263 "Unterlagen zum Schuman-Plan (Bd.III)," 22.8.50.
62. Hubert G. Schmidt, "Reorganization of the West German Coal and Steel Industries under the Allied High Commission for Germany, 1949-1952." [Preliminary Draft] Historical Division, HICOM, September 1952.
63. AN 81AJ 138 "Copie d' un télégram réservé [François-Poncet]," 24 September 1950; 81 AJ 137, "Note J.M. pour M. Schuman," 28 September 1950.
64. AN 81 AJ 137 "Note JM pour M. Schuman," 28 September 1950.; AM AMG 8/1/86 "Observations sur le memorandum du 28 Septembre 1950...; 5 October 1950.
65. AN 81 AJ 138 "Copie d' un Télégramme réserve," 24 September 1950.
66. AM AMG 20/7/5 "Télégramme [François-Poncet]," 4 October 1950.

67. AM AMG 18/0/6 "L' importance de l' Industrie de l' acier pour l' union économique européenne," 14 October 1950; AN 81AJ 138 "Fiche (Leroy-Beaulieu) pour M. Ambassadeur."
68. BA B102/60686 Adenauer to McCloy, 3 November 1950.
69. BA B102/60686 Adenauer to Erhard, 4 November 1950.
70. AM AMG 9/3/1 "M. Monnet attaque les Cartels," (trans.) Handelsblatt, 8 November 1950.
71. AN 81 AJ 148 "Compte-rendu de la conversation au Commissariat du Plan," 20 November 1950.
72. AM AMG 10/3/11 Monnet to Schuman, 22 December 1950.
73. AN 81 AJ 137 Monnet to Schuman, 22 December 1950.
74. AN 81 AJ 138 "Extracts of a telephone conversation between Mr. Monnet and Mr. Bowie," 15 January 1951; 81 AJ 137, "S.M. Cleveland to Tomlinson, re: Discussions with Bowie and Willner," 16 January 1951.
75. AM AMG 9/3/15 "Observations on the Treaty, (Tomlinson)," November 1950.
76. Horst Thum, Mitbestimmung in der Montanindustrie. Der Mythos vom Sieg der Gewerkschaften. (Schriftenreihe der Vierteljahrshefte für Zeitgeschichte Nr. 45) Munich, 1982; BA Nachlass Lehr 17 "Stellungnahme der Gewerkschaften zur Neuordnung der Grundstoffindustrien in Deutschland," 28 March 1950.; MAE Fonds EU, 1949-1955 Généralités. 66 Haut-Commissaire de la RFA to Schuman, 14 November 1950: "Les Syndicats allemands et le Plan Schuman."
77. Thum, op.cit. pp. 82 f.
78. BA B109/349 BWM to Adenauer. Abschluss des Schuman-Planes," December 1950.
79. AN 81 AJ 138 "Europe's Cartels Strike Back" (manuscript, n.d.).
80. AM AMG 12/3/3 "Les Fédérations industrielles et l' Europe de l' Ouest et le Plan Schuman," 8 February 1951; BA 146/265 "Observations des fédérations industrielles nationales des pays intéressés par le Plan Schuman sur les clauses économiques du Projet de Traité en préparation," 12 January 1951.
81. AMG 11/1/9 Monnet to Hallstein, 29 January 1951.
82. 81 AJ137 "Note pour M. l' Ambassadeur de France...Entretien avec M. Pferdenges, n.d.
83. AN 81 AAJ 137 "Note [Leroy-Beaulieu]," 17 January 1951.
84. BA B146/265 "Stellungnahme des Bundesministeriums für wirtschaft zum Abschluss des Schuman-Plans," 12 December 1950.

85. BA Nachlass Lehr 20 Sohl to Lehr, 3 December 1950.
86. BA Nachlass Lehr 20 Sohl to Lehr, 24 December 1950.
87. BA Nachlass Lehr 20 Sohl to Pferdenges, 30 December 1950.
88. BA Nachlass Lehr 20 "Vermerk Sohl:Breitbandstrasse," 19 January 1951.
89. AM AMG 20/5/15 Monnet to Schuman, 22 January 1951.
90. AM AMG 20/5/13 Monnet to Hallstein, 20 January 1951.
91. AM AMG 20/5/15 Monnet to Schuman, 22 January 1951.
92. AMG 20/5/13 Monnet to Hallstein, 20 January 1981.
93. 13A B109/97 "Kurzprotokoll über Besprechung mit Herrn Hirsch," 15 February 1951.
94. AM AMG 20/5/23 Monnet to Schuman, 16 March 1951; AMG 13/3/6 Adenauer to McCloy, 14 March 1951.
95. AN 81 AJ 142 Adenauer to McCloy, 14 March 1951.
96. AN 81 AJ 142 Monnet to Parisot, 26 July 1951.
97. Heiner R. Adamsen, Investitionshilfe für die Ruhr (Wuppertal, 1981) in passim.
98. KA Dr. Gunther Henle. EGKS. Schuman Plan. WVESI, 1.1.52-30.9.52, "Besprechung mit Belgien und Luxemburg über Schuman-Plan-Fragen," 7 January 1952 and "Pariser Besprechung der 6 eisenschaffenden Industrien am 29.3.1952; Diebold, op.cit. p. 400; AM 22/5/1b "Proces-verbal concernant un accord convenu entre le Bundesverband der Deutschen Industrie et le Conseil National du Patronat Francais," 22 October 1954; Sohl, op.cit. 169, 224,254.
99. Hans Dichgans, Montanunion. Menschen und Institutionen. (Dusseldorf, 1980).