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THE WORLD AND EUROPE

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*The Scope
of the
Common Market
in
Coal and Steel*

by

HENRI RIEBEN

Reader at the University of Lausanne

In the series of booklets entitled *the World and Europe* we reproduce, with the permission of the authors, a number of texts which have already been published inside and outside Europe, but which are of interest to everyone who, like the founder-states of the European Coal and Steel Community, is conscious of the contribution which an organized, living Europe can make to civilization.

The views expressed in the texts published in this series are strictly those of their authors.

This first booklet contains the text, as revised by the author, of an article which appeared in the July 1955 issue of the "*Revue économique et sociale*", Lausanne.

M. Henri RIEBEN, docteur ès sciences commerciales et économiques, and Reader at the University of Lausanne, published an important work in 1954 on the development of the Western iron and steel industry and the economic and social changes entailed by the establishment of the Coal and Steel Community, "*Des ententes de maîtres de forges au Plan Schuman*"¹⁾

1) Collection de la Nouvelle École de Lausanne, published by F. Rouge & Cie. Lausanne.

HENRI RIEBEN

Reader at the University of Lausanne

THE RANGE AND SCOPE OF THE COMMON
MARKET FOR COAL AND STEEL

THE COMMON MARKET is the instrument for carrying the fundamental objectives of the Treaty establishing the European Coal and Steel Community into practical effect. In order to accomplish this task, it must first create a basis for economic expansion. It must then keep the various mechanisms of the market in good running order, so as to turn expansion into a lever for achieving social progress. It has to adjust existing practices to conform with this purpose, and if necessary to help alter them fairly radically. In this way, it establishes a jumping-off ground from which the movement, if it is to succeed, must broaden out over the whole of Europe. Indeed, its success would appear to depend very much on the speed with which this market can develop and expand.

The basis of the hoped-for economic expansion

The American standard of living is well above that of any European country. Taking steel consumption as the index of the degree of industrial development of the different nations, we find, on the basis of estimates drawn up, by the Industry Division of ECE, that in 1953 American consumption was 634 kg per head, as against a mere 195 kg in the European Coal and Steel Community, 169 kg in Europe generally, and 187 kg in Russia.

What is the significance of the Community in this connection?

During the debate on the ratification of the Treaty, M. Robert Schuman explained to the French National Assembly exactly what was involved.

“The High Authority,” he said, “must encourage, facilitate and, when necessary, arrange a better organization of production and distribution, in order to make possible the economic expansion which we hope such organization will bring about. The aim is to meet as satisfactorily as possible the requirements of a single home market of a hundred and fifty-five million inhabitants. The figure I have just mentioned is just about the same as that of the population of the United States. The coalmining and iron and steel industries are at present producing only thirty per cent., if that, of the American output, for the same population. Thus there is no disproportion, even in normal times, between the requirements of this single market and the products available to it. On the contrary, if we get what we are after, that is, a higher general standard of living in the six member countries, there will need to be a corresponding increase in production”¹⁾.

1) *Journal Officiel* No. 150, *National Assembly*, December 7, 1951, p. 8896.

This, then, is what the promoters of the Plan are seeking to achieve. What are the material assets at the Community's disposal at the outset?

They consist mainly of the pooling of:

1. resources totalling \$ 5—6,000,000,000 per annum, representing 6% of the total production, and 15% of the industrial production, of Europe;
2. jobs for 1,500,000 people, i. e. providing employment for 10% of the working population;
3. a production of 300,000,000 metric tons of basic materials, representing 40% of the overall tonnage transported in the Community;
4. exports of steel products equalling two-thirds of the world's trade in steel.

Thus, within a radius of 150 km, we have the most powerful industrial basin in the world, refashioned into a single unit. In this area are concentrated more than 75% of the iron ore, more than 90% of the coal production, and more than 74% of the steel production of the entire Community.

A common market, freed from all artificial impediments, is to make these basic products freely accessible to a market of 155,000,000 consumers scattered over an area of 1,300,000 square kilometres ¹⁾).

This is unquestionably a working basis which will enable Europe to change over from a stagnant to a dynamic economy affording her an opportunity to recover her rightful place among her mighty neighbours.

The broadening of the market is already having appreciable effects. First of all, it provides Europe with a market proportionate to its industrial potential.

1) High Authority of the Community: *Report on the Situation of the Community*, Luxembourg, January 10, 1955, pp. 15, 60 and 61.

By removing the frontiers which used to hem in the separate national markets, the Community gives a new scope to the activities of the European manufacturer. And in so doing it provides an incentive for competition, which was not present to the same extent previously.

The abolition of trade restrictions and preferential tariffs within the Community is doing away with the uneconomic trading arrangements which have been coming to light, and diverting the flow of raw materials into the more natural channels.

On the production side, the introduction of the Common Market has started a trend towards technical integration on a considerable scale. This development may be expected to result in important advances as regards the lowering and standardization of production costs.

This development illustrates the essential function which the authors of the Treaty intended the Common Market to perform, and which M. Jean Monnet defined as follows:

“Futhermore, the inefficient producers who send up the cost of living will gradually disappear. *In short, in contrast to the customary practice of the national governments, the Common Market does not protect — it stimulates 1)*”.

Any lowering of production costs per unit is, of course, very much dependent on such continuity of production as will keep the works reasonably occupied.

The increased rate of interpenetration of the national iron and steel markets following the introduction of the Common Market shows clearly that there is coming to be a greater specialization in the steelworks in Europe generally. As a rule, such specialization must aim at:

1. ensuring that each specialized works receives bigger orders for a smaller number of different items and sections;

1) Quoted by M. Gilbert Mathieu in *Le Monde* of May 19, 1954, p. 14.

2. reducing, and even eliminating, stoppages in production and the consequent extra expense ¹⁾).

On the sales side, the same factors have already resulted in the abolition of discriminatory practices which used to maintain an artificial disparity between home and export prices. This is a further notable success to the credit of the Common Market ²⁾).

The cumulative effect of the various results noted as being due to the broadening of the market is in itself an effective stimulus to expansion. And it is increased several times over by the spirit of competition it has aroused among the principal members of the Community.

As a matter of fact, assuming that we could categorically impose upon Europe the system which has been responsible for the success of the American economy, the process of concentration could not fail to show the same effects here as it done there. A

1) U.N., Industry Division of ECE: *The European Steel Market in 1953*, Geneva, January 19, 1954.

2) On December 16, 1955, a reduction of prices, decided upon to assist the export drive, brought Continental prices down to par with British and American quotations. This measure was extended to the Swiss iron market on February 19, 1954. When we recall the policy of dual pricing operated to the detriment of this country (Switzerland) in the post-war period — a policy which Herr Willi Kuderli has not hesitated to describe as "shameless exploitations" — it is obvious what very considerable significance this fact carries for the Swiss national economy. The moderation displayed by the Brussels Convention in its endeavours to stabilize the international steel market, and the greater alertness on the part of the Swiss bodies concerned in supplying Switzerland with iron and steel products, have certainly had a good deal to do with this satisfactory outcome. If we trace the ups and downs involved in bringing it about, however, we are bound to admit that the existence of the Common Market fostered this development, and thus, along with the other two factors mentioned, helped to lighten the burden of the Swiss market in regard to prices. At the same time, it is still not certain that, with the weight of power distributed as it is at present, the same pressure exerted on the relation between Swiss and intra-Community prices would suffice to eliminate the disparity persisting between the invoice price to the Swiss consumer and that paid by his opposite number in the Common Market.

small closed circle of thirty or forty powerful units concentrated on the most profitable production sites would have to meet a more and more standardized demand.

Simply copying the American system could, however easily lead to bringing Europe under the economic domination of Germany, since as regards supply, it is in the Ruhr that concentration would be most likely to take place, while as regards demand, Germany has firmly taken the lead over the rest of the Community in steel consumption per head of the population. Furthermore, the Germans are perhaps the most suitable people in Europe to undertake mass-production on American lines.

This, then, is the tendency which emerges from a consideration of economic facts. M. Robert Schuman has, however, justly pointed out that this tendency exists independently of the Schuman Plan. Would not German dynamism for this reason be infinitely more dangerous to Europe if it were left to its own devices and allowed to become more and more pronounced until it was once again an explosive force? May we not rather hope that Germany will, in a proper partnership with the rest of Europe, become a stimulating factor in an economy sufficiently expansionist as to require that all available forces to be utilized to the full? ¹⁾

The history of the Swiss market demonstrates, at any rate, that such an assumption is worth entertaining.

In the light of Swiss experience, the Community may reasonably expect, thanks to the Common Market, to be in a position to avert the danger of domination by the most powerful through the expansion of all its member countries ²⁾.

And, indeed, it is a fact that within the Swiss Confederation the proportion of German Swiss to French, Italian and Romansch-speaking Swiss is even higher than that of the Germans to the other peoples of the European Community. The German Swiss

1) M. Jean Monnet in *Le Monde* of June 16, 1955, and M. René Mayer in *Journal Officiel* No. 150, *National Assembly*, of December 7, 1951, pp. 8940-1.

2) M. Jean Monnet in *Le Monde* of June 16, 1955.

have much the same gifts of orderliness, energy and perseverance as the Germans. Their economic importance in the Swiss market is undoubtedly considerable. But the danger of an unbalanced economy which this implies has only given rise in the other parts of the country to a kind of constructive emulation which may be regarded as an important factor in Swiss economic expansion and internal equilibrium.

Why should the same reactions not produce the same effects in the bigger world of the European Coal and Steel Community?

On both sides of the Rhine, the industrialists have so thoroughly realized all that is at stake that their policy during recent years have been entirely aimed at installing large production units counter-balancing one another.

The French have devoted and will continue to devote all their efforts — which are considerable — to ensuring a fair start under equal conditions. The two principal concerns have been to maintain, from the French side, the industrial contribution of the Saar, and at the same time to carry through the second equipment and modernization plan together with an intensive process of concentration ¹).

German heavy industry for its part is working at least as hard to restore and expand its production capacity and improve its structural organization.

In these circumstances, it would seem that the mere prospect of the American system being adopted in Europe has already been sufficient to start a furious race between the principal members of the Community to dispose their resources from the very start in such a way as to establish a proper balance among the heavy industries of Europe, and thereby counteract the allegedly fatal tendency to economic domination by Germany.

1) M. Robert Schuman in *Journal Officiel No. 150, National Assembly, of December 1951, p. 8896*, and M. Robert Lacoste in *Journal Officiel No. 151, National Assembly, of December 8, 1951, p. 8920*.

The competition resulting from this development is an important element in the expansion of the Community's economy. And to preserve that character of the competition will be one of the main duties of the High Authority.

For it to do so, the scope and means of expansion must be in proportion to the momentum originally generated.

THE COMMON MARKET

The scale on which it is sought to expand

The example of the Swiss Confederation was cited earlier as a reminder of the constant risk it has to face of being thrown out of balance. What was the factor so powerful that it turned what could easily have become a disintegrating influence into an economic stimulus?

Those specializing in the history of the origins and development of the Confederation are agreed today on the importance of the legal aspects of the Confederation's beginnings. Thus M. David Lasserre, the historian, has written:

“Aimed at helping to maintain good-neighbourly relations among the Forest Cantons, the legal statute established a bond among them which, although less obviously cogent than their military undertakings to one another, was no less so in fact. Indeed, quite the reverse: if only in that they were effective at all times, the obligations thus assumed made the interdependence of the Confederates felt very much more frequently. But there was one circumstance — a chance one, as it happens — which caused this statute to give rise to one of the most valuable practices of the Confederation, that of mediation, at once freely proffered and statutorily required, by the cantons among themselves”¹⁾.

1) M. David Lasserre: *Etapes du fédéralisme: l'expérience suisse*, Editions Rencontre, Lausanne, p. 52.

And again.

“While nationalism is essentially the systematic refusal to put the interests or dignity of one’s own country and those of other states on the same level, the tradition of mediation and arbitration, which became firmly rooted in the Swiss cantons from the day they first concluded their alliance, was an effective preventive against such infection. After all, it brought home to them that there could be no justice, and consequently no lasting confidence, in their League if one of them, by opposing the intervention of a disinterested third party, indicated that it considered itself to be sole judge in its own cause”¹⁾.

It is very largely owing to the force of this legal principle that the Confederation has managed to survive the infamies of history and of men.

On a bigger scale, the European Coal and Steel Community is proceeding, fundamentally, on the same principles in response to the same needs.

Speaking on June 22, 1953, the then President of the High Authority underlined the importance of this particular aspect of the Common Market, when he said,

“Moreover, as I have just been saying, the aim of our work is a more distant one. We are seeking to create conditions whereby Europeans may live without fear or suspicion, in step with the world. To this end, the new institutions in which the European countries are merging a portion of their national sovereignty will espouse the common interests of Europe, and will take decisions solely in the interests of the Community, under the democratic control provided for by the establishment of the Political Community and the European Parliament based on universal suffrage. Only such institutions are capable of gaining in wisdom”.

“A long time ago, I was impressed by the thought of a Swiss philosopher who said, every individual man must

1) M. David Lasserre: *ibid*, p. 54.

begin anew in the field of human experience. Only institutions gain in wisdom. They accumulate the collective experience of the community, and through this experience and wisdom men subject to the same rules will undergo, if not a radical change of their nature, at least a gradual change in their behaviour.”

“Here, surely, is the justification, if any were needed, for the existence of these common institutions. When I consider that Frenchmen, Germans, Belgians, Dutchmen, Italians and Luxemburgers will all conform to common rules, and in so doing will view their common problem in the same light, and that their behaviour towards each other will consequently undergo a fundamental change, I cannot but feel that definite progress will have been made in the relations between the countries and peoples of Europe” 1).

So much for the source and the scale of the expansion which it is sought to promote. What of the instrument which is to transform that expansion into social progress?

THE COMMON MARKET

An instrument for transforming the capitalist economy

Parallel with the broadening of the market's actual proportions, *the European Coal and Steel Community has started work in depth to reorganize the setting and conditions under which the mechanisms regulating the market will operate.*

It has delivered a frontal assault on the impenetrability of “laissez-faire”. The High Authority is hard at work to suppress the clandestine practices of the past, and to introduce in their place the principle of complete openness in dealing and transparency of the market 2).

1) M. Jean Monnet: Document A 15 211—4814, p. 5, and, especially, “*Les Etats-Unis de l'Europe ont commencé*”, Paris, 1955, pp. 22, 41—47 and 51—62.

2) Cf. M. J. R. Rabier: *Le pool charbon-acier: échec ou réussite?* in *Action Populaire*, February 1955, pp. 141—158, esp. p. 152.

Furthermore, it has no intention of leaving the development of the production capacity to the blind workings of a machine. By laying the foundations for a European investment policy, it has demonstrated its determination to ensure that expansion is adapted not only to the rise in requirements due to changes in the population figures, but also to those additional requirements which should in the normal course of events arise as a result of the masses having a larger share in the benefits derived from the technical and economic progress of our times.

With the Common Market in being, this development will be greatly assisted by the fact that the Community is working to replace the old stabilization policy of combating alternate booms and slumps, to which the cartels have hitherto had to confine themselves, by a definite policy of sustained economic expansion.

As the American example shows, this policy will only succeed provided the economy itself and competition are sufficiently adaptable and vigorous.

Consequently, as the re-equipment of industry increases in scale, it must also be given that resilience which will enable it to retain the necessary flexibility and vitality. The impetus given by the introduction of the Common Market to the movement towards concentration and integration is thus afforded a valuable counterpoise against the risk of increasing burdens inherent in present developments, by the care with which the High Authority undertakes to ensure that no external impediment shall be allowed to hamper the normal play of competition.

This insistence on expansion is complementary to the concern for stability which was a feature of the old market-regulating cartels.

The Common Market thus displaces the cartels in regard to their essential functions. At the same time, it allows sufficient scope for specialization agreements. This will make it possible to retain and develop, for the benefit of the economy as a whole and the enterprise concerned, all the advantages deriving from the collective organization of "external economies" and from a

functional apportionment of the market. Although now deprived of its former position and powers, which were rendered obsolete by the introduction, through the Community, of a more powerful and better device, organized industry has none the less quite an appreciable active rôle to play — under strict High Authority supervision and wholly under the public eye — in the policy of expansion thus launched upon.

Such are the principal steps taken by the European Coal and Steel Community to reorganize the economic background and operational conditions of the regulating mechanisms in such a way as to facilitate the attainment of the objectives it has in view. It can, however, only achieve them provided this work in depth serves as a basis and a framework for the development of a true dynamic economy — that is, a highly competitive one.

This natural resilience assumes a still more important rôle in that it will be mainly responsible for ensuring that the advantages which the production, circulation and distribution of commodities derive from a big-market economy will be passed on right down to the end-consumer.

This work in depth is strengthened by the combined effect of three factors which have a strong stimulating influence.

The chief among these is unquestionably *technical progress*. It is going ahead faster and faster and is opening up vistas which even ten years ago would have appeared completely beyond the bounds of possibility. Its effects on the economy are familiar: provided it is introduced in an orderly fashion, it lowers production costs, brings out new products and creates new requirements. It increases production capacity and intensifies demand. Above all, it is often the deciding factor in competition, enabling an enterprise to carry off extra business, extend its old markets and capture new ones. All the indications suggest that in future, competition between steel producers and exporters will be very largely a matter of who offers the greatest advantages in regard to technical progress.

By seeking to supersede the widely scattered, individualistic type of scientific and technical research still predominant in Europe by the system of team-work backed by big laboratories — a system which accounts for the success achieved by the great industrial powers of today, notably the United States and the U.S.S.R. — the European Coal and Steel Community is opening up tremendous prospects for Europe. Under its auspices, the European economy is being enabled to derive from technical progress a dynamism which will put an end to the stagnation still crippling its drive, that is a dynamism of its own comparable to that of America and Russia.

The same is true of *productivity*.

In a stagnant economy, both employers and workers can only view with misgiving the effects of productivity, since the output thereby achieved can easily lead to the premature saturation of small markets. Once this objection has been disposed of, productivity can, on the other hand, revitalize the working capacity of the whole production potential, by bringing to bear the full resources of the man on the spot, who from his bench or his machine is often in the best position to propose such improvements as suggest themselves to him as he works.

The workers, already encouraged to support the productivity drive, by the new prospects opened up for them by the introduction of a large market and the beginnings of a more dynamic economy, will receive still more encouragement from the position which is to be theirs in the Community and the promise the Schuman Plan has given them to devote the fruits of productivity to the raising of the standard of living of those who need it most. Under the aegis of the Community and the Common Market, productivity has thus its part to play as a means for increasing the national product so as to get it more generously and equitably distributed.

Under High Authority auspices and supervision, the employers organizations can, for their part, do a first-class job in this respect for the benefit of the whole market: they can, by orga-

nizing joint research, make good the deficiencies and weaknesses of individual efforts, which have up to now been far too disjointed and sporadic.

The success of the British Iron and Steel Federation shows what a spur it can be to the economy if every enterprise, large or small, is enabled to benefit equally from the collective organization of "external economies" at sector level.

At the same time, it must be remembered that whatever expansion results in the market from these various stimulating factors, their combined effect is not likely to represent a perfectly straight line of progression.

In case of need, therefore, the European Coal and Steel Community has additional means at its disposal for a *corrective or compensatory stimulus*.

The investment programme which the High Authority is planning to get under way during the next few years in the iron and steel industry, the collieries and in respect of workers housing is not merely the best way of revitalizing and modernizing the production machinery of Europe's heavy industries in order to obtain the highest possible output, a substantial strengthening of its competitive position in world markets, and a corresponding increase in the national product at home. It also gives the High Authority a whole range of ways and means for taking action. These will enable it to settle the broad outlines of the long-term economic expansion it is seeking to induce, and to vary its short-term stimulating or compensating measures according to the needs of the moment.

Thus, in its endeavour to transform the economy in such a way as to turn economic expansion into a lever for social progress, the Common Market will have to achieve a double synthesis.

(1) Before the war, as Sir Robert M. Shore has observed, the international iron and steel economy possessed a well-built and well-organized body, in the form of the national and international steel cartels, but it lacked a head which especially through

appropriate market research, would have been in a position to co-ordinate the movements of this vast complex. After the second world war, thanks to the unremitting and successful efforts of such men as Tony Rollman, Philippe de Selliers, H. W. Waring and others, the iron and steel industry had a first-class head, the Steel Division of ECE, yet, not only was no organic contact achieved between head and body, but the entire post-war period was dominated by underhand competition between public and private interests to secure the lead in conducting the major economic affairs. The futility of this contest and the imminence of disaster have shown in the course of developments which grew more and more dramatic as time went on, how necessary it is that the head and the body should be enabled to perform their respective functions in an organism which is capable of harmonizing and co-ordinating their operation for the good of the whole. The European Coal and Steel Community can do just that, and it may be called upon to do so.

(2) The Common Market to a great extent displaces the old cartels.

The object of the cartels was principally to take care of the present, and not bother too much about laying down rules for the future, which through the force of events would be bound to upset their best-laid plans.

The European Coal and Steel Community wants to do more. The Treaty makes it incumbent on the High Authority not merely to take good care of the present, but to plan for the future too, by organizing this continuous process of expansion whereby some day it will be possible to achieve the fundamental objectives laid down.

Like Janus, looking towards the future without ever losing light of the past, the High Authority will depend for its success on whether or not it manages to achieve a synthesis of the valid and living elements both in the preserving influences bequeathed to us by history and in the transforming influences behind the construction of modern economic Europe.

The two form a single whole. The problem and the art of those responsible for the Community's future is to achieve, with present-day means and in the present-day spirit, that equipoise between the historical influences and the transforming influences, which alone can make their work viable and lasting.

THE COMMON MARKET

"The foundation of a broad and independent community"

Mr. Eugene Grace, the President of the Bethlehem Steel Corporation, speaking to the Temporary National Economic Committee in 1940 on his experience in regard to the stabilization of the American iron and steel economy, said.

"A basic industry, and especially our own, is, after all is said and done, in the consumers hands. We are at the mercy of their whims. There is nothing we can do about it." 1).

If we apply his remark to Europe and the Common Market, it means that the operation of the Common Market will be limited by quite definite factors, chief among which are:

- (1) the dependence of trends in the demand for basic products on the development of incomes and investments;
- (2) the tendency for maladjustments to be centred on the fringes of heavy industry, i. e. as far removed from the influence of the European Coal and Steel Community as they used to be from that of the International Steel Cartel.

Moreover, Community and ISC experience plainly shows that the modernization of production and the rationalization of trade channels will assume their full significance only provided the resulting savings are fully passed on right down to the end-consumer. Parallel with these initial operations, therefore, action

1) *Hearing before the Temporary National Economic Committee, Congress of the United States, Part 19, Iron and Steel Industry. General Price Policies. Washington, 1940, p. 10, 655.*

must be taken to modernize and rationalize also the processing and distribution machinery.

Thus the operation of the Common Market demands an extension in two directions,

a) to cover the sectors which determine the trend in the demand for basic products:

b) to cover the intermediate processing and distribution sectors.

In other words, *the Common Market depends for its success on whether or not it brings about the economic unity of Europe.*

This apparent shortcoming is one of the most important aspects of the Common Market. The hopes it has aroused compel it to continue. It can only do so by becoming the instrument of a full functional expansion. This means that the limitations it displays and the extensions it requires constitute a point of departure, and make it truly what the Treaty calls it, "*the foundation of a broad and independent community*".

THE COMMON MARKET

A factor to speed up the course of history

In 1835, Alexis de Tocqueville concluded his *De la Démocratie en Amérique* with a prophetic vision of two great peoples, the Russians and the Anglo-Americans, proceeding along divergent paths from different starting-points towards ultimate leadership of the world between them.

Fifty years of conflicts and economic crises have shown how right he was, and have transformed Europe, formerly the economic centre of gravity of the world, into a second-class Power which is finding more and more difficult to keep up with the others. If this process continues, de Tocqueville's prophecy will be fulfilled before our very eyes. The present course of events is heavy with potential conflicts.

That same force which speeds up the course of history which, fostered by our divisions and weaknesses, has caused a superlative heritage to be frittered away in the space of a few decades can also, if it is properly used, put us well on the way to gaining a vigorous new lease of life.

Despite its limitations, shortcomings and weaknesses, the Common Market reveals the speed with which such a recovery can come about. It has already brought new life and new blood to the European economy. The process of expansion is under way, and so is the organization which must finally lead to the United States of Europe.

The experience of the Common Market shows not only that it is possible, but that it can be achieved in a sufficiently short time to weight the scales of the world situation towards understanding and peace.

The cumulative effect of the modern economic process makes for swifter collapse and recovery of markets. It is for the Common Market, by perfecting suitable methods of action for use in a broader field, to make this truth a factor in the speeding up of the rebirth of Europe.

Conclusion

This accelerating action in respect of the economic development of Europe's heavy industry is undoubtedly the most striking feature of the Luxembourg experiment.

In the short space of five years, the concept of the Schuman Plan has come to life in the European Coal and Steel Community. And the first effects of the Community's operation, in spite of the difficulties and weaknesses experienced during the running-in period, have been such that Signor Giuseppe Pella, the President of the Common Assembly, has in a flight of eloquence termed the Community "*the locomotive of Europe*".

On December 6, 1951, M. Robert Schuman, speaking in the National Assembly, paid a tribute of special gratitude to M. Jean Monnet for "*the predominant part he has played from the very start, and continued to play thereafter, in the conception of the plan and the drafting of the Treaty . . .*"

And on May 9, 1955, the same speaker, recalling the distance covered since his historic declaration, was impelled to repeat that tribute before the Common Assembly meeting in solemn session: "*Today*", he said, "*is his day more than anyone else's.*"

This twofold tribute, and the shortness of the period between the launching and the fruition of a great idea, underline the determination with which M. Monnet has laid the foundations of the first European Community.

Europe, he said, must always be in top gear.

In the beginning, the threat of a crisis bursting full upon the key industries of Europe encouraged people to regard this man with a mission as the right and only person to grapple with the situation.

Since then, Europe has to some extent risen from the ruins. In most countries there has been an appreciable advance in production. And the nationalist feelings which were in such disrepute at the moment of danger, now appear to be returning in force

In this new situation, there has been a tendency to attribute M. Monnet's departure to his determination to keep the building-up of Europe going full speed ahead in spite of these changes. The man who was lauded to the skies when a crisis was looming has been accused of wanting to take a short cut ¹⁾.

How much substance is there in all this?

To begin with, in regard to the achievement of the Common Market, we can only agree with M. Pierre Ricard, the chairman

1) Cf. in particular the articles by M. Michel Clerc in the *Gazette de Lausanne* of June 10, 1955 ("*La relance européenne*"), and in *Paris-Match* of June 25, 1955 ("*Dans Taormine en fleurs, l'Europe malade reprend des forces*").

of the *Chambre Syndicale de la Sidérurgie Française* — who is not as a rule any too well disposed towards M. Monnet — that “*there are not many men who would have managed as he has to think up the Schuman Plan, get it accepted by six governments, and get it ratified by six parliaments* 1).

This first success was followed by another just as important — the approval of the Luxembourg experiment by an increasingly large section of the European working class. The debate on the reduction of the levy was seized upon by the workers' representatives as an opportunity for stressing, with sometimes startling pungency, what they expected the High Authority to help them achieve. The changed attitude of the German Socialists towards the Community in this connection cannot but make a very strong impression. It is an extremely long way from the passionate distrust expressed by the late Dr. Schumacher to the recent action by the Social Democrats in voting with the majority in the Common Assembly which is calling for an extension of the High Authority's powers. If we consider this outstanding event in conjunction with the criticism which has been levelled at M. Monnet in consequence of the respect in which he is held by Ministerial circles in Bonn, we shall better realize how great his powers of persuasion are, and how successfully and swiftly they have been employed on behalf of the European Coal and Steel Community 2).

But fundamentally, the real point is, why did M. Monnet try to go so fast?

The answer is simple enough.

In less than half a century, Europe has been the centre of two world wars and the scene of an unprecedented economic crisis. It has been left reeling, ruined and in pieces.

1) M. Pierre Ricard: speech on February 22, 1955, to the Anglo-Saxon Press Association, as reported by A G E F I on February 23 1955.

2) See *Industrial and Financial Agency*, Iron and Steel Information Department, No. 582, of May 28, 1955. The Hague, p. 4.

New Powers, established on vast Continents, have taken advantage of the situation to catch up with and outstrip Europe. Cut off from economic progress now confined behind frontiers which have grown too narrow, battered by the centuries-old rivalry between France and Germany, hamstrung by class warfare, Europe now appears as a hopeless back-number in a world with which it is finding it more and more difficult to keep up.

These symptoms of exhaustion and enfeeblement are all the more alarming in that their main causes, wars and class conflicts, are the selfsame ones which, in the view of the most perceptive historians, explain the decline and fall of the twenty civilizations of past ages ¹⁾).

A study of the production and standard-of-living curves of the countries mainly concerned suggests that the time is now approaching when we may well have to explain to our children why it is that Europeans do not live as well as Americans or Russians, and who is responsible for this loss of momentum.

The process of building up the economic Europe of today is thus governed by *two main objectives*.

The first is to promote a continuous economic expansion whereby the standard of living can be raised and a better level of social justice achieved.

This is a point M. Monnet has always stressed. He referred to it particularly in his speech of May 10, 1955, in the Common Assembly, when he said,

“We are not doing all this merely for the sake of having a common market, and common rules and institutions. We are doing it in order to improve the conditions of life of all the people of Europe, within the framework laid down for the Community” ²⁾).

1) Cf. Prof. Arnold J. Toynbee: *Civilization on Trial*.

2) See *High Authority Document* No. 1603, p. 15, 1955.

The second objective is to defend and safeguard peace.

It is a fact now duly recognized by historians that too great a disparity in the rate of development of the industrial Powers, especially those of Europe, can constitute a threat to peace¹⁾. It did so in the past. The reason why M. Monnet was so ambitious in regard to the objectives laid down for the Community, and so anxious to attain them quickly, is that he was constantly urged on by his concern to ensure that it should not do so in the future. To this end, he sought to kill two birds with one stone.

He wanted to establish, first within Europe and then beyond, a community sufficiently broad and strong for German dynamism to develop without the risk that Germany's associates might find themselves dragged along in its wake or turned into mere satellites.

“Even assuming that there is that risk”, he said, “— but I do not think there is, for I have faith in my fellow-countrymen — it would indubitably be greater if our countries had to remain apart in rivalry with one another. But federal rules and institutions eliminate the elements of domination so indissolubly bound up with national sovereignty and nationalism. Given those rules and institutions, in a large market, it would no longer be a question of one country's dynamism, but of expansion by all the countries taking part”.²⁾

The same applies to the world as a whole. A weakened and divided Europe can only be a dangerous breeding-ground for international tension. A sick Europe cannot but provoke covetous designs in others, and impel some member of the Community to seek a more profitable alliance outside of and detrimental to it, which, by upsetting the balance of forces, could become a serious contributing factor to war.

1) See M. Jacques Freymond: *Lénine et l'impérialisme*, Lausanne, 1951, p. 95.

2) See *Le Monde* of June 16, 1955.

A very different outlook for the safeguarding of peace is that opened up by a strong and living Europe. The successful superseding of senseless divisions and an eternal process of booms and slumps by a large market and by a process of continuous expansion will generate a new vitality which will give Europe power and influence enough to bring about an easing of the international situation.

Could any work be more deserving of our admiration than that of seeking to create a Europe which shall be stronger economically, more equitable socially, and rid of its old apprehensions and suspicions and inferiority complexes?

This work of reconstruction is all the more likely to attract all the living forces of Europe into one joint labour, and one great burst of hope and enthusiasm, in that it is not directed against anyone. Indeed, its success will vindicate all those who believe that "there can be no balance or peace in the world without a strong and flourishing Europe whose people are in step with the world".

These objectives being what they are, it is obvious that the work will never be complete until this first experiment has been extended to match the greatness of the hope it has caused to dawn upon Europe and upon the world.

