

The Economic and Social Committee

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The Economic and Social Committee

The work of the Economic and Social Committee was carried out in four lengthy sessions. The Committee was chaired by the former Belgian Prime Minister, Paul van Zeeland, and its two rapporteurs were the French senior civil servant and former Chairman of the Economic Committee of the League of Nations, Daniel Serruys, and the British economist and former Editor-in-Chief of *The Economist*, Walter Layton. The Economic and Social Committee had some 200 members. In addition to its Chairman and rapporteurs, these included 'international experts' and recognised Liberals such as the French Inspector of Finance, Jacques Rueff. Its members also included a number of Socialists who had come to The Hague in a personal capacity, such as the Frenchman, Francis Leenhardt, Chairman of the Economic Affairs Committee of the French National Assembly. Their supporters were mostly the trade unionists, such as the Belgian, Auguste Cool. The debates were based on documents that had principally been drawn up by the national committees of the Independent League for European Cooperation (ILEC), especially in France and the United Kingdom. Moreover, it was the members of the ILEC who led the debates: these included its Chairman, Paul van Zeeland, the British MP, Sir Arthur Salter, the French Liberal, Jacques Lacour-Gayet, and the Committee's two rapporteurs.

The Economic and Social Committee addressed a number of different issues: the customs union, monetary issues, production levels, free movement of labour and refugees, economic planning, the status of Germany and of the Ruhr, the overseas territories and the decisions taken by the 16 countries that had recently signed, in Paris, the Convention for European Economic Cooperation establishing the Organisation for European Economic Cooperation (OEEC). A broad consensus was reached on a number of issues: the Liberal, Serruys, and the Socialist, Leenhardt, agreed on the need to standardise production costs. The principle of an increase in output was also widely accepted, although the terms and conditions of such an increase were a bone of contention.

Lengthy discussions were held on monetary issues during which some differences of opinion appeared between unionists and federalists. Everyone agreed that the long-term goal was the establishment of a single currency or, at the very least, a common unit of account. Some kind of consensus was also reached on short-term measures. Arthur Salter believed that convertibility needed to be restored. Jacques Rueff spoke out against price disparities, a barrier to economic union. The British Professor, R. G. Hawtrey, wished to see European governments reduce their deficits in preparation for monetary reform. However, some methods for the establishment of monetary union did not secure unanimous approval: Arthur Salter foresaw such union only after a lengthy process of political union, whilst Maurice Allais called for the rapid establishment of political union which would pave the way for a customs and monetary union. Jacques Lacour-Gayet, French member of the ILEC, proposed instead the introduction of currency convertibility per group of countries. The French architect, Henri Vergnolle, also proposed the establishment of a European Monetary Fund in order to set up an accounting currency and a financial clearing system to allow for the reform of national economies and, ultimately, the introduction of a single currency based on gold.

The issues relating to labour mobility were fraught with nationalistic tendencies. For the Danish representative, A. P. Møller, who was concerned about the settlement of German nationals in Schleswig, labour mobility represented a risk for the smaller countries. He spoke against the Italian representative, Quinto Quintieri, who wished to see widespread mobility of labour. This debate also allowed delegates to address the serious issue of refugees and displaced persons and provided an opportunity for a number of women participants to have their say.

The main dividing line soon emerged in the area of social issues and workers' participation in the 'management of the economy'. From the outset, both Socialists and trade unionists noted the almost total absence of any social issues in the Committee's working document. Their proposed amendments were discussed, and some of them were incorporated into the text: the General Confederation of Labour-Workers' Force (CGT-FO) secured, in particular, the participation of the 'workers' in the 'management', i.e. the planning, of the economy. The planning issue remained vague in the final Resolution, for it would have led to insurmountable differences. The issue of the removal of all barriers to trade and the free movement of capital also gave rise to conflict between Liberals and Socialists. René L'Huillier, member of the CGT-FO,

refused to countenance economic liberalism and wanted the text to place greater emphasis on workers' representation in an international organisation that would be responsible for allocating investment resources. Serruys succeeded in countering his argument, for such an institution would, by its very nature, put an end to the free movement of capital.

The Resolution of the Economic and Social Committee was discussed on 10 May in plenary session. It failed to meet expectations: the federalists, led by Raoul Dautry, deemed that it did not go far enough, and Jacques Rueff deplored the absence of any kind of coherent monetary vision. Notably, the clashes between the Liberals, on the one hand, and the Socialists and trade unionists, on the other, did not subside. The Socialists had withdrawn from the Committee the previous day after the adoption of the Preamble, which they believed to be too liberal. In plenary session, they received the support of the Christian activist member of the *Nouvelles Équipes Internationales* (New International Teams — NEI), André Noël. Nevertheless, following the approval of an amendment proposed by Jean Mathé (CGT-FO), the Resolution was adopted unanimously at the eleventh hour.

The final version of the Economic and Social Resolution included a Preamble, immediate recommendations, a Conclusion and 'matters for future study'. This final section enabled the Economic and Social Committee to focus on those issues on which its members were in agreement regarding their importance but not regarding the way in which they should be addressed.

In its Resolution, the Congress:

- recognises that no attempt to rebuild the economy of Europe upon the basis of rigidly-divided national sovereignty can prove successful;
- affirms the urgent need for an economic union in Europe;
- declares that this union must maintain and progressively adjust the economic ties which at present link the countries of Europe with the territories overseas;
- welcomes the initial measures taken by certain Governments towards closer economic cooperation, or towards regional groupings;
- urges all the Governments concerned forthwith to proclaim their determination to promote economic union;
- calls on European States to pave the way for the free convertibility of currencies and the gradual restoration of freedom of trade among the countries of Europe.