

As this committee is probably aware, since World War II, most of the countries of Europe have adopted laws against restrictive business practices, which more or less parallel our own antitrust laws. There are, of course, differences, but the basic thrust of most of them is in the same direction.

Similarly, the great communities of Europe, particularly the coal and steel community and the economic community, or the so-called Common Market, have had antitrust provisions in their basic charters.

Incidentally, these provisions are being implemented. There are regulations that have been promulgated recently by the Economic Community, and there are professional staffs in the organizations of both communities engaged in enforcing these provisions.

Professor Albert Coppe, who is vice president of the high authority of the European Coal and Steel Community, which was the first European common market, has commented on the experience under that organization in these words:

Even among those of us who looked for great results from the Common Market—

he is here referring to the Coal and Steel Community—

there was astonishment at the swiftness with which the intensification of competition produced a considerable increase in investments. In various sectors of the Community's industries, investments are now going up swiftly. There has been a 40-percent increase in coal-mine investments, and an increase of nearly 50 percent in the steel industry, as compared with the first years of the Common Market.

With this increase in capital investment has come increased productivity in the Community's industries. Certainly productivity is the key to higher living standards in a modern industrial economy.

Therefore, another lesson to be learned from our experience is that by establishing a climate of competition it becomes possible, because it becomes commercially necessary, to increase investments, boost productivity, and thus contribute to higher living standards.

In the third place, antitrust is necessary, in our view, to secure and to maintain competition. The basic thrust of the antitrust laws, of course, is against restraint of trade, which means, in popular language, undue limitation of competition; and also against monopoly.

Essentially, restraint of trade and monopoly are the same thing. Restraint of trade is the limitation of competition by several enterprises in combination. Monopoly is a restraint of competition by a single enterprise acting alone.

Since the time of Adam Smith, observations have shown the tendency of business to form cartels or establish monopolies if not prohibited. I shall not repeat the famous quotation from Adam Smith to this effect.

It may be more relevant to note that Prof. John M. Clark, one of our outstanding contemporary economists, has noted that competition and security are polar alternatives in business. The drive or the desire for security is as strong as the desire for profits.

Restraint of trade and monopoly are thus attractive, since they represent security, and therefore the drive toward restraint of trade and toward monopoly is not always an attempt to secure exorbitant profits, but may be equally and perhaps more frequently simply a desire to attain profits with security.