

EUROPEAN ECONOMIC COMMUNITY

OFFICIAL SPOKESMAN  
of the Commission

23, avenue de la Joyeuse Entrée

Brussels 4  
Telephone 35.00.40

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IP (64)183  
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PRESS RELEASE

Summary of M. Marjolin's speech in Bonn on November 19 at 8.15 p.m.

Speaking to the "Deutsche Gesellschaft für Auswärtige Politik" on "Development prospects for the Economic Community, and its place in the world", M. Robert Marjolin, Vice-President of the EEC Commission, began with the topical problems which EEC has just settled or is due to settle: the Kennedy round, the completion of customs union, the common agricultural policy.

M. Marjolin said that the list of industrial exceptions presented early this week in Geneva represented a reasonable compromise between countries which could be classed from two standpoints:

- (a) Those which before 1958 were pursuing a protectionist policy and those which traditionally followed a liberal policy;
- (b) Those whose production costs were relatively stable and those whose costs were rising rapidly.

There was every reason to be pleased with the results achieved: it had been demonstrated that, despite its cumbersome machinery, EEC was capable of settling the most difficult questions, albeit at the cost of much arduous effort.

Turning then to "the most difficult question", the common agricultural policy, the Vice-President of the Commission found that there was no disagreement in principle, since in its recent proposals the Federal Republic had said that no Common Market was conceivable without an agricultural common market, and an agricultural common market was out of the question without common prices. Logically these German proposals implied that the common agricultural policy should be fully worked out and operative in every respect by the time customs union was completely effected, i.e. for the 1966-1967 marketing year; but decisions had to be taken forthwith to ensure the success of the Kennedy round.

M. Marjolin then dealt with the various fields of European economic policy, in which the following contrast could be noted: whereas a Community Europe was in the making (customs union,

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agricultural policy, right of establishment, competition, etc.) a Europe of national economies continued to exist for public finance, credit policy, exchange rates, etc. This unstable situation, involving the co-existence of two kinds of decisions (Community and national), could be dangerous, and if Europe was not ready for a complete integration of economic policy, an intermediate stage had to be envisaged between mere co-operation, which was not enough, and complete integration, which was not yet feasible. This M. Marjolin called "voluntary co-ordination", which would be complementary to the integration process, would pave the way for it and at some points render it possible. Among the fields in which such co-ordination could apply were the following: the trade cycle, monetary co-operation, the medium-term programme. On these points the Vice-President of the Commission had found in the German memorandum certain ideas to which he could fully subscribe.

M. Marjolin then spoke in a personal capacity of questions connected with political union, saying that he had studied with great interest the proposals by the Federal Government to enable a first stage to be covered along this road. These proposals had been criticized as inadequate but they make a start, and that was the main thing. European federation would not come about overnight, and the German proposals were at least realistic.

It should not be forgotten that all examples of unification known to history had begun on a modest scale and a long period of gestation had been necessary. Almost all had had to go through the confederal stage, in which all decisions had to be unanimous. The Swiss example, in the days when Switzerland consisted only of a medley of sovereign cantons, showed that unanimity was not incompatible with common foreign policy and defence. Meetings of Heads of State or Government, of Foreign Affairs and Defence Ministers and of Ministers responsible for international cultural relations, should make it possible, as a first step, to agree on common approaches, particularly with respect to the great international problems. The idea of an advisory committee to work out proposals for a treaty establishing European political union seemed to M. Marjolin to meet the facts of the situation and to hold out a promise of substantial progress.