

**Some of our
'faux problèmes'**

by Walter Hallstein

President of the Commission of the European Economic Community



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'What is a faux problème'?

I must begin with an apology. The title I have chosen for my talk - "Some of our *faux problèmes*" - is a fine specimen of Franglais or Frenglish. But I am afraid that Frenglish is the vernacular of Europe, or perhaps its Desperanto. Nevertheless, it is very useful - and especially in the present case. It enables me to import into English - the language of common sense - a phrase of French - the language of logic. And though French is also the language of courtesy, it may be in order for a German to point out that that neat French expression "*faux problèmes*" is also a contradiction in terms.

However, "*faux problèmes*" do exist. They are problems in a subjective sense: the questions are asked, and people argue about the answers. But they are "false" in an objective sense: the options offered to us do not really exist, since we do not have to make a choice at all - either because the choice has already been made and is binding, or because the various solutions proposed are in no way mutually exclusive. It is all the more necessary to recognize this now that we no longer have any overt opponents of European unity. There *are* still opponents, but today they too sail under the European flag, and they make use of counterfeit problems as one would use counterfeit money - which is only coined to deceive people.

Moreover we have an ample supply of real problems and cannot afford to misapply our political acumen and political imagination.

As regards the possessive pronoun "our", I need hardly say that I am using it to refer to European integration.

From the voluminous discussions about the shape of United Europe, I have chosen a dozen questions whose importance for the creation and development of the European Community is, I think, contestable. Half of them relate to structural points in unification, to matters of internal policy, the other half to Europe's "foreign policy", by which I mean the definition of the outward shape of Europe and of its tasks in the world.

I 'Faux problèmes' of Europe's internal policy

1. Hegemony or balance of power

First of all, let us consider the Community's internal order.

Is there a hegemony within the Community, or does it rest upon a balance of power? That is the first and most far-reaching of the questions which prove on closer inspection to be specious.

This question dates from the pre-Community stage of European politics. It belongs to the days of the European system of nation-states, that precarious balance of power between strictly sovereign states with exclusive control over their internal affairs and total resources – a balance that was maintained only by the Concert of Europe and British diplomacy, and that found expression in shifting alliances.

In the European Community, the concepts on which this view of the world is based have lost their reality. The idea of integration has dissolved them. In place of the ever-changing pattern of coalitions and alliances depending upon the shifting interests of states, we now have an institutional order which is the expression of a unity designed to last. The Economic Community is a new corporate entity, a new personality in international law and international politics. It grows out of the fusion of markets and – much more important – out of the amalgamation of economic and social policies. All government influence on market operations in particular and on economic and social matters generally in the member states is merged. It has been put into the hands of Community institutions.

The Community order is so designed as to maintain the equilibrium agreed to in the Treaty of Rome, and hegemony is thus excluded. Various means contribute to this end.

First, the organizational structure of the Community. All important decisions – particularly the legislation which the Community is empowered to enact – are based on a dialogue between the Commission and the Council. The Commission embodies the Community interest. Its members are appointed for four-year terms by common consent of the member governments. But they take no instructions from those governments and can only be unseated if the European Parliament passes a motion of "no confidence" by qualified majority. The Council is made up of representatives of the member governments, who act in accordance with directives from their governments.

Now the decisions which determine Community policy are taken as a rule by the Council. In principle, however, the Council can only act on proposals put forward by the Commission. To take the initiative in this way is one of the Commission's major functions: the Council has in fact made decisions on nearly all the Commission's proposals. These decisions are as a rule to be taken by unanimous vote during the Community's first eight years, so every member state has a veto during this period. (We can only be thankful that we have come such a long way in spite of this.) From January 1, 1966, however, the majority rule will apply. The votes of the member states are weighted, the larger ones having more votes than the smaller.

However, not only does the decision of the majority depend on the Commission making a proposal; it is in addition bound by the content of the proposal. Any change the Council wishes to make in the Commission's proposal must be voted unanimously. Here we can discern a second important function of the Commission: its role as a mediator between the interests of the member states and the Community interest. The Commission will amend its proposal in order to find a majority in the Council only if the amendment is justified in the Community interest.

In this system we can clearly recognize the features of a federal constitution: a structure that depends on cooperation between the higher entity and the constituent

states. Now the federal concept is not of course in itself the negation of hegemony. Hegemony can be exercised within a federal state: the German Empire under the Bismarckian constitution, dominated by Prussia, is the most forceful example of this. Everything depends therefore on the actual form of the federation. The European Community is unmistakably an embodiment of the non-hegemonic type. This is true first in the factual sense: no member state can impose its will on the others, nor is there any solid majority group that could do so; experience in the Community's first seven years has shown that coalitions of interest, and therefore the majority in the Council, vary from case to case. But in concluding the Treaty of Rome we did not rely on this predictable logic of facts.

On the contrary, we may even say without exaggeration that one of the most urgent reasons for setting up the Commission was to meet the smaller countries' fears of domination by some arbitrary majority.

To put it briefly: within the Community a problem of foreign policy has given way to a constitutional problem.

2. National sovereignty or European unity

Does this mean that to choose integration means relinquishing "sovereignty"? Here we find the second unreal "either . . . or".

This myth, which we regard with scant respect, recalls those extinct stars which we see shining long after they have burned out. Is it any more than a veil behind which everyone can do what he pleases to safeguard his political interests?

Sovereignty is understood as a legal or a political concept which in its positive sense denotes untrammelled state authority and in its negative sense freedom from constraint. I am not so presumptuous as to attempt to unravel this tangled skein of concepts. I leave that to the experts in national and international law and the exponents of political science. My intention, a more modest one, is to measure the dogma of sovereignty against the reality of European integration.

Legally, sovereignty is taken to mean the supreme power of the state at home and its capacity to act directly in foreign affairs. This is not an absolute but an elastic concept which can be adapted to changing circumstances. The fact is that states are constantly drawing closer together. This leads the jurists to consider them sovereign so long as they deal with others in any way as equals and do not completely lose their identity in some other constitutional structure.

In this sense, the European Community respects the sovereignty of the member states. Although the political dynamics of integration may extend further and further into public life, the ultimate aim is not a unitary state. The constituent states of a European Federation would be legally sovereign, since a federal system has the advantage of allowing a division of responsibilities which leaves each member its ultimate sovereign power.

True, it is not the legal aspect of the concept which is brought to the fore when the dogma of sovereignty is advanced as an argument against European union. Doubts on such union are recognizably political in nature and spring from the fear that nations will no longer be fully masters of their own destinies. The legal aspect of the question is only a disguise. Politically, sovereignty is seen as containing a negative element – independence *vis-à-vis* foreign powers – and a positive element – a share in shaping world politics. But can the countries of Europe individually exercise sovereign power in this

sense? If the answer is no, our "problem" disappears. Political reality has already settled the issue and the countries have nothing more to sacrifice on the altar of integration.

What is the position, first, with regard to independence *vis-à-vis* foreign powers? In the traditional "European system" even the small states were able to preserve their independence thanks to three factors: the plurality of states, the elasticity of fronts and the possibility of neutrality.

As for the plurality of states (today called "polycentrism") – are we not moving once more in that direction? The rise of the new states of the third world and of China, and above all the start made with the unification of Europe, have brought world politics into a state of flux. These politics will no longer be determined solely by the opposition between two blocs each led by one state. But this is not enough to allow European states to pursue a "sovereign" policy. In isolation they are too weak. None of them can deny that the countries of the free world are spiritually, economically and militarily interdependent.

The fronts, too, are no longer elastic, as they were under the old European balance-of-power system. In those days, a change of alliances seemed – and was – simply a matter of expediency. The common basis of western tradition guaranteed a European order acceptable to all states. The position is quite different now. There can be no talk of spiritual unity between the free world and the totalitarian states. The desire to break away as a sovereign power from a world long locked in atomic stalemate and enforced peace under atomic umbrellas and the "overkill" concept may be understandable as a Pavlovian reflex when the power blocs grow looser; but they are not allowing their members to return to the old world of power and coalition politics.

Even the road to neutrality, the third criterion of "sovereign" independence, is barred to the countries of Europe except for special cases determined by past history. Neutrality can be understood in many ways. A country may desire to stay out of war in order to remain unscathed – or to save its strength so that when the others are done with fighting, it can gain the upper hand as arbiter. Both these motives are out of date for Europe. In yesterday's community of European states there was no need to take sides. Any country could attack or be attacked. This is no longer true. The free world will not attack. There is only one war for it, a defensive war. But if Europe is attacked, it will be all of free Europe – depending on the aims and the means used – and all Europe will defend herself. Neutrality therefore comes down to an attitude – "non-entanglement" – during the period preceding the attack.

The same is true for the positive aspect of political sovereignty. Nowadays only powers which can compare with the eastern and western giants in size and economic potential can share in the shaping of world politics and take their destinies into their own hands.

A united Europe would be of comparable stature. The nation-states of our continent are not. Their pseudo-sovereignty is not enough to secure Europe a right to be heard; nor is skilful manoeuvring between the two blocs. If Europe does not wish to become the Balkans of the modern world, there is only one way: it must unite. Only by a firm union among its states can Europe retain the sovereignty that it requires for its political task.

There is thus no sovereignty that would provide an alternative to European unity. Conversely: the wasting away of sovereignty in the political sense is the most pressing reason for uniting Europe. Or, if you like: only by joining in the unification of Europe will the states again be able to speak with a "sovereign" voice in world politics.

3. National or supranational

The next objection will be that we are giving up the "national" for the "supranational". This objection is no less of an illusion than the others.

It is no mere chance that it comes from France. There is an apparent Cartesian logic about it. The deduction is based on the error that the French Revolution made – the *leitmotiv* of its philosophy of the state: "il n'y a que l'individu et l'état", in which "état" means "nation-state". Yet most of the states of this world are federal states in which the citizens are subject to two different states. Statistically, the unitary state is the exception. Only this error can mislead us into concluding that a supranational system must mean the end of the national systems above which it is placed. What is the truth?

Europe must build upon realities. This means, in the first place, upon its nations with all their ancient and noble traditions. They must remain themselves. The work will only succeed if it has the cooperation of France and her Frenchmen, of Italy and her Italians, and so on. To desire the unity of Europe is not to wish to create a streamlined Europe. On the contrary, the aim of our work is to keep alive the fruitful diversity of Europe, which is a constant source of mutual emulation. Respect for the individuality of Europe's peoples is a source of strength and not of weakness for the Community, provided that its power to act is preserved. No one is asked to disown his country. But this does not exclude the awakening of a new European patriotism. A double allegiance is required of our citizens, so that the new Europe may be built with the nations for its foundation.

It will not be governed by an international Areopagus, a coterie of men owing no national allegiance. The organs of the European Community are built upon the confidence of the member nations. They are neither extra- nor anti-national, but at the most multinational. Let those who consider that the bond between the Community and the nations is still too weak bind it faster; there are many ways in which the Community can be made more democratic and its Parliament strengthened. Let those who complain of the Community's lack of authority give it authority in those matters where the individual states are too weak. Perhaps it is true that only states can act politically. Then let us create the European state – or is Europe finally to abdicate?

The second historical reality of European politics, the nation-state, does not run counter to this objective. The fear that a nation must inevitably disintegrate if the historic bond which holds it together – the state – is combined with others to form a united Europe, arises from two misconceptions: the nation is not necessarily identical with the state that guarantees it freedom, security and justice, nor is it intended that the states of Europe should disappear.

On the first point, we need only look back at history. In France and England the word "nation" was already synonymous with "state" in the eighteenth century, but not in Germany or Italy. There the state and the nation developed quite separately.

The second point is also self-evident: our European Community is based on the states that represent our nations. How else is Europe to be built, if not with their energetic cooperation?

As I have already pointed out, political integration has not caused the loss of political sovereignty, but, on the contrary, has made up for it. I should like to recall what Rousseau said about the Abbé de St. Pierre's plan for perpetual peace: "There is a considerable difference between being subject to a neighbour or only to a body of which one is a member and of which each member in turn becomes head. In the latter case, the pledges that one gives ensure one's own freedom. Entrusted to an overlord, these pledges would be lost; but in the hands of fellow members they become stronger."

4. Federation or confederation

If the critical observer has followed the problem so far, he will now recall certain distinctions found in constitutional theory. He will ask: can we not, must we not, make our choice between the systems of "federation" and "confederation"?

I do not wish to question the principle behind this distinction, although I suspect that it is no more than heuristic. So I shall simply start from the position that a federation is one state, but a confederation is a league of states.

When we look at the reality of European integration, we see at once that it cannot be "grasped" in terms of either of these concepts. On the one hand, there are two ways in which integration may be identified with federation. On the other, it also has a negative feature in common with confederation.

One federal aspect is that member states finally hand over some of their responsibilities to the Community. In practice this applies – in varying degrees because the Community-building process has advanced further in some fields than in others – to the whole of economic policy and to social policy.

This combination of tasks is accompanied by a corresponding pooling of sovereign powers. From this there is emerging a new economic and social order which has its origins in the Treaty establishing the Community and in the Community's own legislation. This body of law is hardly less extensive than that of the member states in the fields affected. Its administrative and jurisdictional implementation is vested partly in the Community institutions but mainly in the organs of the member states. In this the Community's constitution follows the German Federal tradition and not the American (according to which Federal laws can in principle be implemented only by the Federal organs). Only such a federal conception can reconcile the unity and diversity of the states and nations of Europe, for it alone ensures an adequate concentration of political powers while at the same time respecting – in contrast to the centralized unitary state – the proud and vigorous individuality of the member states.

There is, however, another more important feature of integration, by which it is akin to federation: it is a dynamic concept, that is to say its very implementation constantly creates new reasons for widening the field of integration. Here we have the other side of the empirical method that we have been following since Schuman declared on May 9, 1950, that a European state would not be created at one stroke, but step by step, beginning with *de facto* solidarity. This applies not only in the context of economic and social life; it goes further. The common orientation of the economic and social process also means that the sinews of war must be made a Community matter, and furnishes an important argument in favour of the integration of defence policy. A common commercial policy already represents the integration of an important sector and of one of the chief instruments of foreign policy; it therefore suggests a common foreign policy on non-economic matters also. Of course there is nothing automatic about this, but the development is a logical one and leads constantly to further decisions and activities. Integration is thus a process and not a static thing, and this process is one that tends towards complete federation, that is, to the federal state.

Of course, a European state does not exist until the final position has been attained – and this is in conformity with our concept of a confederation.

The conclusion to be drawn from all this is that there is no hard and fast distinction between federation and confederation that would require us to choose between the two. Perhaps the Swiss were not far wrong when they called their constitution *La constitution fédérale de la Confédération Helvétique*.

5. Self-interest or Community interest

But it is perhaps naïve and unrealistic to imagine that in the decision-making organ of the Community, the Council of Ministers, only the "Community interest" is heeded and "particularist interests" play no part. Recently I read, in one of the leading weeklies published in a Community country, something to this effect: "The Council of Ministers, which is intended to act simply as an instrument of integration, has in fact represented the different and often conflicting national interests. It has thereby clearly demonstrated that it is not a federal organ but represents the sovereign members of an association of states." Again it is the question that is wrongly put.

There could hardly be a greater travesty of our institutional system than the view quoted. European unity is intended to take a federal form, and the interests of the member states are therefore perfectly legitimate. Do not the United States Senate and the German Bundesrat often give forceful expression to particularist interests? It is therefore not only an illusion but also a misconception to expect the Council to disregard the interests of the member states. If federation is unity in diversity, the Commission represents the unity and the Council the diversity. The balancing of individual interests and Community interests is accomplished by discussion between these institutions, culminating in the meetings of the Council of Ministers.

The individual interests of the member states are, moreover, neither immoral nor un-European. Quite the contrary: the Community is all the stronger for serving particular interests too. For example, what the common agricultural policy is to one country, the common commercial policy is to another. We welcome the energetic pursuit of such interests where they further the progress of the Community. The ideal situation is, of course, when all member states have an interest of their own that coincides with the Community interest. The most recent example of this is the campaign against inflation. When the different interests are incompatible, they must, as explained, be reconciled within the Council of Ministers. In this process the Council's judgment is subject to certain limitations: it must take decisions, when the Treaty requires it to do so, and it must take them in the spirit of the Treaty. The Council of Ministers is not a diplomatic conference but an organ of the Community. The institutional system to which I have referred is there to ensure that the compromises reached are not "rotten", and are not made for reasons that have nothing to do with the matter in hand.

In any case, when the Council takes decisions, the individual interests of member States are never completely disregarded. Where they do remain unsatisfied, there exists compensation in the shape of the general benefits that membership of the Community confers. In this life nothing is given away free.

6. Economic or political integration

The sixth specious problem of European "internal policy" concerns the field to which integration applies, and the methods of bringing it about. Here we have the alleged choice which must be made between "economic" and "political" unification.

I have no need to repeat what has now become common knowledge: that what is called economic fusion is in fact a political process, since the motives for economic integration, the field to which it applies, the instruments it uses and its repercussions are all essentially political. Everybody knows that the Community's institutions are not "in business", that they are neither producers nor dealers, bankers nor forwarding agents,

neither consumer cooperatives nor trade unions. They pursue economic and social policies – the same policies, which, if the institutions did not exist, would be pursued in the capitals of the member states by their constitutional bodies. The European Economic Community is already an economic and social union, democratically based and constitutionally secured. Extensions which would bring non-economic external policy – defence policy, and perhaps parts of cultural policy – into the integration process, and which are mistakenly designated as “political union”, would not represent a transition to another “political” sphere, but would be merely the addition of further matters in a process which in fact already belongs to the political sphere.

The expression “political union” has, however, a second implication: the improvement and completion of the Community’s federal constitution; and with this is bound up yet another specious “either . . . or”. Either, it is said, political union must be implemented at once, and we must break through to a European federal state, or there can from now on be no further progress in “economic” integration.

This contention is the miracle weapon of the opponents of European integration. It is the easiest thing in the world to claim that the examples of economic and monetary policy have shown that economic integration has now developed a so highly political character that no further progress is possible, even in the economic field, without completing European federation. And nothing is easier than to assume an air of special enthusiasm for Europe by demanding maximum European unification at once. This is an ideal device for justifying an *immobilisme* which, once applied, would destroy not only the unification work accomplished so far, but also all hope of a comprehensive political union.

But this “all-or-nothing” argument is also specious. It is significant not only from the legal but also from the political angle that the Treaty of Rome nowhere states that, from a given time onwards, it can be implemented only on condition that “political union” has been achieved. When concluding the Treaty, the parties to it defined and created the overall equilibrium of interests which the member states have introduced into the Community, and they made the fulfilment of the Treaty dependent only on the maintenance of this equilibrium. This is not to deny that the improvement and completion of the constitutional structure of our Community is highly desirable, and in fact necessary. It is only the assertion that political union is now the condition of further progress that is in dispute. The argument “either political unification or no advance in economic integration” is wrong, since it turns political logic upside down. “Political” integration is not a condition of economic integration but its consequence.

II 'Faux problèmes' of Europe's foreign policy

1. 'Greater' or 'little' Europe

I now turn to European "external policy" and to six specious problems in this field which must also be jettisoned. Unlike the questions I have discussed so far, they are in the main put to the Community from outside by our friends and critics.

In the eyes of many observers the problem of European integration can be reduced to a choice between "greater" and "little" Europe.

This, too, is wrongly put, if only because the two are by no means mutually exclusive. Our practical experience has shown that the two Europes are complementary and indeed depend on one another. It was only the success of the Common Market that led to the foundation of EFTA, and then to the dialogue on the accession or association of our European neighbours, and finally, in the pending GATT negotiations, to new opportunities for EEC and its European partners to move closer together in economic matters. On this basis we can assert one thing with confidence: that it would have been a mistake to desist from the highly intensive integration policy of the Six because not all European states were parties to it from the beginning.

The antithesis is, however, false for another reason: it is based explicitly or implicitly on the assumption that the realization of "little Europe" signifies a rift in the continent with the consequent danger, in major political issues affecting its survival, that it will break up. Of course nobody can desire such a rift. But where then is this larger unit which was supposedly broken up by the integration policy of the Six? If only it existed! The OEEC (and OECD) and the Council of Europe can hardly be what is meant. No: the European Community is the work of the countries which were the first resolutely to turn their backs on a tradition of discord and to place what is common above what divides.

True, "six European states are not the whole of free Europe. Wherever human rights and freedom reach in Europe – up to the Iron Curtain and, once it has been overcome, even beyond it – there unification will be our task, our mandate. At the end of the road stands the whole of Europe united in freedom. The smaller Community is an advance battalion, whose ranks must be open wide to welcome any European state willing to recognize the law of the Community".

This is one of the points in a resolution of the Europa-Union adopted this year in Frankfurt. Nobody will gainsay it. But in the present circumstances the first conclusion to be drawn from this resolution is surely that the Community's responsibilities to its neighbours in Europe are in themselves one reason why it must complete its work of construction smoothly and rapidly. Meanwhile, it has been shown conclusively that, even without constitutional links, the Community is imbued with a lively sense of "greater European" solidarity.

2. Inward-looking or outward-looking

The second specious alternative we also hear is the following question: is the Community "inward-looking" or "outward-looking" in economic matters?

To this we must at least object that a blunt "either . . . or" is quite unrealistic. I will not go so far as to say that where we find a policy which is outward-looking, it is always the expression of "enlightened self-interest", and therefore only a special way of being "inward-looking". But it is certain that there is no public association, no state and no association of states which does not begin by attending to the welfare and security of its own subjects. This remark is not meant to imply any moral priority, but is merely

a reminder of the *raison d'être* of every political community. Rationally, the question should be whether in all this the outside world and the Community's responsibility towards it is being kept in mind or not.

For the European Community the answer has long been a simple "Yes". The Treaty of Rome pledges the Community to a liberal commercial policy and, with the association of the African states which have grown from colonies and territories of the member states, lays upon it the obligation to pursue an active development policy. Its own interest guides it in the same direction. It has not its own sources of energy and raw materials to provide adequate and cheap supplies, and in order to maintain its gross product it must rely on its ability to export. Statistics confirm that it has an outward-looking policy: for years the ratio of external trade to the gross product of the Community has been 24 : 100; in other words its viability depends as to nearly 25 per cent on a flourishing export trade. The comparable ratio for the United States is 7 : 100. Imports represent 12 per cent of gross product (as compared with 3 per cent in the United States). The Community's share of world imports in 1963 was one-fifth; in that year the figures for United States imports and that for the United Kingdom were 70 per cent and 56 per cent of the EEC figure. In other words, the Community is the world's largest importer.

The growth of our imports since 1958 has been stupendous, manufactures rising by 124 per cent, farm produce by 2,000 million dollars (in 1963 alone the increase was 500 million dollars). It is a source of satisfaction that trade with our European neighbours has also soared. Our imports from EFTA as a whole grew from 1958 to 1963 by 71 per cent and those from Great Britain alone by 105 per cent. They grew much more than did our exports to EFTA, and more even than the exports of EFTA countries to each other. For the future a successful Kennedy Round holds out prospects that the conditions under which trade between the Six and the Seven has developed so remarkably will not be impaired even when the internal dismantling of duties has been completed; that can be proved mathematically.

3. Open or closed system

The antithesis in commercial policy between "outward-looking" and "inward-looking", where inward-looking epitomizes an egoistic, introvert attitude and a lack of sense of responsibility, has its counterpart in development policy in the contrast between "closed system" and "open system". Here again there is no meaningful political choice for the European Community.

Behind the catchword "open system" the concept of a world-wide, egalitarian development policy is extolled as a model for us. According to this line of thought all the industrial countries of the free world should accept political and economic responsibility for all of the developing countries. Financial or commercial discrimination is forbidden. Under a system of collective economic security the developing countries should be able to avail themselves to the full of their right to development aid. This concept, it is said, identifies national interests with world-wide responsibility, combats colonialism and tutelage and makes possible a fair apportionment of burdens and responsibilities. It is, however, as unrealistic as it is economically unsound.

This applies first to the European Economic Community in itself. It is Utopian to suppose that it can really help by emptying its horn of plenty in haphazard fashion, scattering largesse over the whole world when even the United States, for fear "of

attempting too much for too many too soon" – as the Clay Reports puts it – has been obliged to concentrate its aid on a few selected countries.

The argument holds good even if all the industrialized countries are taken together. To believe that the problem of development would be solved if only the industrial countries were agreed to scatter their aid everywhere would be to fail to realize the magnitude of the problem. Aid given indiscriminately is aid frittered away, irrespective of whether provided jointly or by individual countries.

Therefore, we can and will only provide aid as a means to self-help. Each developing country itself bears the primary responsibility for its own economic advancement. It must establish the minimum internal requirements without which external aid is wasted. The first condition of aid is ability to make use of it.

The degree of development of the country seeking help is the second criterion. The "open system" disregards this too. It is no justification for the claim of the very advanced developing countries to be treated exactly like the countries which have the greatest leeway to make up in order to participate with the same chances of success in the international division of labour through competition. If we wish to create between the peoples a social balance (such as we have within our own countries) which ensures peace and freedom, we need a differentiated development policy. Not "the same for all", but "unto each according to his needs" is therefore our motto.

This rejection of amorphous uniformity in our world-wide development policy does not of course mean that the European Economic Community is in favour of a narrow-minded "closed system". The suggestion that there are only two possibilities is therefore not only unrealistic, but it distorts the truth.

The foregoing remarks are borne out by past experience: our imports from all developing countries have been roughly ten times as high as those of the Soviet Union, twice as high as those of the United Kingdom and far above those of the United States. Effective financial aid by the Six in 1962 amounted to 2,800 million dollars as against an estimated 390 million dollars from the entire Eastern bloc. Nor did the greater part of this aid go to Africa, although economic, geographical and historical links give Europe an outstanding role in the development of this continent, as Senator Humphrey, the new American Vice-President recently recognized.

As regards the future, too, our development tasks are not strictly defined region by region. On the contrary we must, in the living stream of international life, keep under constant review what we are doing in the Near and Far East, Latin America and Africa. If this is regionalism, then it is a fact and not a doctrine. The Community will keep on extending its area of responsibility. Here, too, we agree with our American friends that there is probably a direct link between the will of the European peoples to accept world-wide responsibility and the progress they make towards political and economic unity.

4. Europe or the Commonwealth

This idea encourages me to describe the alternative "Europe or the Commonwealth" as a specious one, at least as far as we are concerned. Confirmation comes from the attitude of your political parties to Britain's accession to the Community: as they formulated conditions, they obviously believed that they could reconcile a profession of faith in Europe with the continued existence of the Commonwealth.

We have a common starting point in our concern for the future of the Commonwealth. No one can have any interest in destroying this "creative and dynamic force for peace", as your Prime Minister has called it. On the contrary, if Britain brought a Commonwealth link - even if only indirect - as a dowry, this would be particularly valuable and welcome to the Community.

That it would also be in the interest of Commonwealth countries is shown by the fact that Nigeria and the East African countries have opened negotiations with us. These countries wish to count the Community among the forces promoting their economic and social advance.

The negotiations on British accession to the Community cleared the paths that now lie before us. The recent decision suspending duties on tea and tropical hardwoods is symptomatic, especially in view of the results of the United Nations Conference on Trade and Development.

5. Third force or alliance with America

The question of the new Europe's tasks and obligations in the world also lies behind the fifth supposed problem of European "external policy" - the dispute as to whether Europe should be a "third force" or should act in alliance with America. Here, too, the answer is: Europe has no choice.

Europe belongs entirely to the free world. Its dialogue with America is of vital significance to the free world. Our objective is therefore to work in partnership with the United States - as President Kennedy was the first to put it - on the basis of complete equality in all tasks for the strengthening and defence of the free nations. President Johnson confirmed America's offer when, on April 3, 1964, he made a speech under the title "Towards closer partnership" and in it said: "We welcome the new strength of our transatlantic allies. We find no contradiction between national self-respect and interdependent mutual reliance. We are eager to share with the new Europe at every level of power and responsibility." On the same lines, Vice-President Humphrey has stated that it is as an equal partner of the United States that a re-emergent Europe is coming into its own.

Partnership means the opposite of a monolithic Atlantic Community in which the European states would play the part of a bridgehead towards the East, as were the Hellenic settlements in Asia Minor. It is not this maritime attitude but the continental approach which fits President Kennedy's Grand Design. It alone corresponds to the common interest. Free Europe must develop its own personality in order to become a partner for America and to serve as a magnet for the countries of Eastern Europe.

Atlantic partnership is no alternative to the unification of Europe, but assumes that such unification has occurred.

Atlantic partnership is a long-term aim. Nonetheless - or rather because of this - we must begin forthwith to approach it step by step. The point, then, is not to lose sight of the basis of partnership, no matter whether we are making commercial policy decisions in the Kennedy Round or discussing how responsibility for the defence of the free world can be better distributed.

6. 'Realpolitik' ?

To conclude, let me turn to an age-old problem that is always with us and that I suspect of being also a specious problem. I am referring to one of the many aspects of the equivocal concept of *Realpolitik*, which some people take to mean an "amoral" policy. It is no accident that the question is a favourite one when our relations with totalitarian powers are being discussed. The question leads us into philosophical waters, and I will therefore do no more than state my belief and make a few suggestions.

I do not believe that any policy can be divorced from moral values.

Admittedly, men do not agree on what is good and what is evil, on what is – from this point of view – a right policy and what a wrong. But that is quite another matter: that is a real problem.

Realpolitik belies its own strongest point – its reference to reality – if it does not acknowledge at least the subjective reality of the morality that motivates men's actions. The rightness of the moral judgment is not at issue here: just as the existence of a lie proves the authority of the truth (which those guilty of the lie are in fact trying surreptitiously to usurp), belief in Good, or even the abuse of this belief, bears witness to the supremacy of morality.

Furthermore, I contest whether the politician can even find a firm footing if he evades the real alternative – good or evil. Where is he to find the criteria that determine his aims and the means of attaining them? How is he to distinguish between friend and foe? Words like "task" and "responsibility", which we have used here today, lose all significance if politics is merely a matter of power. And if it is, then we can abandon all hope of peace; the most we could count on would be an armistice.

I believe not only that Europe's cause is strong, but also that it is right.

Community Topics

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PRESS RELEASE

Some "false problems" about the European Community.

Summary of the Fourteenth Sir Daniel Stevenson Memorial Lecture, given by Professor Walter Hallstein, President of the Commission of the European Economic Community to the Royal Institute of International Affairs, Chatham House on December 4, 1964.

A new economic and social order is being developed by the European Economic Community, said Professor Walter Hallstein in a speech in London today. This new order is based on the Treaty establishing the Community and on the Community's own legislation. Professor Hallstein was giving the Fourteenth Sir Daniel Stevenson Memorial Lecture to the Royal Institute of International Affairs, Chatham House, on "some false problems" in relation with E.E.C. He demonstrated that many of the questions which are asked about the Community, and many of the criticisms made of it, are based on misunderstandings. This was the case e.g. with the choice between "inward-looking" and "outward-looking". The Community had fully accepted its responsibilities towards the rest of the world; indeed it was the world's biggest importer and supplied a very large amount of aid to the underdeveloped world. Professor Hallstein reiterated his belief in a partnership between a united Europe and the United States.

Professor Hallstein said that it was misleading to think in terms of hegemony within the Community; problems between the member countries were solved within a new constitutional system, and not as part of traditional foreign policy.

The problem of sovereignty was a false one. The ultimate aim of the Community was not a unitary state. Only by joining in the unification of Europe will the states again be able to speak with a "sovereign" voice in world politics, Europe, said Professor Hallstein, must unite lest it become the Balkans of the modern world.

Europe must be built on the basis of the nations with their ancient and noble traditions, and must maintain its fruitful diversity. But the Community must be given authority to act in fields where the individual states acting alone were too weak. The significance of European unification could not be grasped in terms of "federation" or "confederation". A new economic and social order was emerging based on the Treaty and on Community legislation but with its administrative and juridical implementation lying largely with the member states.

Integration was a dynamic process and by its own progress created reasons for widening the fields of action in which it was taking place. Thus economic integration was an argument for integrating defence policy, and a common commercial policy involved integration in one of the major fields of foreign policy.

Professor Hallstein spoke of the need to extend the present constitutional machinery to cover non-economic external policy: to do this would not mean a transition to another, "political", sphere, for the Community's activities were already political. The creation of a political union must not, however, be made a condition of further progress in the economic field.

Speaking of external relations Professor Hallstein said the choice between a "greater Europe" and "little Europe" was a false one. The creation of a smaller unit pressing ahead as the Community was doing was an essential step to wider unity. The Community had shown a lively sense of responsibility to its neighbours and of solidarity with the greater Europe.

The Community could not be called "inward-looking". E.E.C. external trade ran at a level equivalent to a quarter of its gross product. It was the world's largest importer and in 1963 accounted for one fifth of world imports. Community imports from the United Kingdom had more than doubled between 1958 and 1963. Professor Hallstein emphasised the scale of financial aid given by the Six to the developing countries and said the Community intended to keep on expanding its area of responsibility in the world.

Professor Hallstein said he felt the alternative "Europe or the Commonwealth" to be a specious one. A link with the Commonwealth through British membership would be valuable and welcome to the Community. The recent opening of negotiations with EEC by Nigeria and the East African countries showed that it would also be of interest to the Commonwealth.

Lastly Professor Hallstein confirmed that the Community's objective is to work in partnership with the United States. Free Europe must develop its own personality in order to become a partner for America and to serve as a magnet for the countries of Eastern Europe.
