

Europe Is On The Move

POLITICAL AND ECONOMIC POLICIES

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WHEN THE PRESIDENT of the Institut National des Relations Internationales invited me to speak from this rostrum I greatly appreciated the honour. The prestige of your Institute is fully deserved and the review it brings out enjoys the repute attaching to publications of high quality; the volume which the Institute devoted in 1957 to the Common Market and Euratom is sufficient proof of this. However, in addition to the pleasure I feel at being with you this evening, the occasion offers a further advantage whose importance does not escape me; I mean the chance to make a general survey of the political situation—I almost said an examination of conscience—at a time when the European Community is more than ever in process of becoming, "im Werden," as we say in my country.

Do not imagine that there is any question here of confidential information. We are in regular and frequent contact with the other institutions in the Community and they can follow—it is, indeed, their right and duty to follow—our day-to-day efforts to ensure that the Treaty of Rome is applied. But our action takes place against a political and economic background so complicated as to discourage the uninitiate, with the result that public opinion, baffled by the involved procedure or by the fragmentary nature of our work, has difficulty in grasping our grand design.

With your permission I shall therefore sketch from the

political angle the events in which we are both actors and spectators. One thing is indisputable from the start: Europe is on the move. This was already true in the recent past and is even truer today. Industrialists and business men have put their money on the Community; they are thinking and acting in relation to the new realities. Rationalization measures, investment schemes, agreements between enterprises and establishment of trade organisations on the Community level are so many overlapping signs of a broader outlook. Europeans in leading positions believe that a big market must come, and they are earnestly preparing for it.

This is a fact of capital importance. It may be true that at one time the statesmen's Europe was in advance of the Europe of the managers and the business men—and who could fail to understand the legitimate caution of the latter when confronted with such a project?—but the situation today is tending to balance out or even, on occasion, to be reversed. The appeal made by M. Robert SCHUMAN in May 1950 has reached the ears of ever wider sections of our peoples, and European integration has entered the domain of realities. Not only is economic Europe (if you will forgive this elliptical expression) putting its trust in the Europe of the statesmen, but it has begun to act, and its actions commit the whole future of the enterprises concerned. This choice means that a return to the past is unthinkable, that the process set in motion by

the Treaty of Rome is irreversible, and that the political will to establish the European Community has produced, in a very short space of time, considerable changes in the apparatus of production.

The Commission of the European Economic Community is the first to rejoice at this trend, which it considers both natural and indispensable. Natural, because the prosperity of our economies depends on the existence of a wide market and the adaptation of our enterprises to the new conditions, indispensable, because the wider framework of tomorrow, in which the potentialities of our economies will be deployed to the full, cannot be established without a strong political will; this in turn depends to a great extent on the support we get from those—producers and workers—who are the architects of our Community.

The adage has it that politics is the art of the possible. This is partially incorrect as far as we are concerned. The Community, and the Commission in particular, are bound by an exact calendar. The Common Market must be a reality within a time limit of twelve to fifteen years reckoned from 1 January 1958, and you know that there is talk of shortening the transition period. Whether or not this is done, and all the more so if it is, we have to keep to the pace laid down and there can be no question of taking liberties with it. Let us say then that honest politics is the art of fulfilling one's obligations, that nothing must deflect us from the road which has been traced for us, and that every step likely to facilitate the accomplishment of our task should be welcomed.

Let us not forget that what we are setting up is much more than a free trade area. Even from the purely economic point of view, the objectives of the Community go much further and aim at forging a future of "one for all and all for one," reflecting a joint policy in several fields and effective harmonisation in the others. The Community is called upon to become the cornerstone of expansion in our six countries through acceptance of rules which will make any subsequent attempt at isolation impossible.

No one among you, gentlemen, questions the unity of our native countries and each is legitimately attached to the happiness and wealth of his own. Each of our countries, however, attained a relatively high degree of prosperity only by becoming united. Where would we be if Western Europe were no more than a collection of provinces or regions? And what would become of us if tomorrow we failed to agree to join a vaster grouping of a novel type, in which the new acquisitions are enjoyed in common without disturbing the national heritage of each participant? Let us be frank: the establishment of the European Economic Community is a political fact. Those responsible for the organization of this Community have at all times affirmed that the meaning, justification, and ultimate explanation of their efforts lay in their intention to further the political unity of Europe.

For its part, the Commission over which I preside is firmly resolved to interpret the Treaty of Rome in the sense intended by its authors. I will even say that a large part of our energies have been used to this purpose and that we would be more than happy if the controversies on the extent to which our Community is legitimate came to an end. The Community has been reproached with contravening the rules of the General Agreement on Tariffs and Trade, which is false, and has been made responsible for the division of Western Europe into two blocs, which is equally untenable. We have been faithful to a line of conduct which has proved its worth, in our ceaseless endeavours to reduce to their real dimensions the problems before us, while we at the same time give tangible proof of our desire to further the expansion of international trade.

Firstly, the Commission proposes that quantitative restrictions on industrial products be progressively abolished *vis-à-vis* all countries in the world. I would like to recall that on 1 January 1959 we had already made an offer, subject to reciprocity, to increase by 20% of their total value the quotas applicable to industrial products drawn from the countries of the Organisation for European Economic Co-operation.

In the second place, the Commission is prepared to repeat the gesture made on 1 January 1959 and to extend to non-member countries for a second time the benefit of the 10% reduction in customs duties originally intended to apply only to commodities exchanged between Community countries, with the proviso that the level of duties shall not fall below the future common external customs tariff. In the matter of customs duties, the Community has without hesitation given its support to the proposal of the United States Under-Secretary of State, Mr. Dillon, to reduce these by 20% in four years. Negotiations to this end will begin in 1960 at the multilateral GATT conference.

Thirdly, the Commission considers that the Community should declare its readiness to co-operate in drawing up and applying a general programme of aid to countries in course of development and, at the same time, take the internal measures necessary to determine more precisely the volume of aid to be granted and what machinery will be necessary.

In these matters, results depend on a well-organized procedure, and we announced our proposals last September to the European Parliamentary Assembly in Strasbourg. It is our opinion that the Community should suggest to the Governments of the United States and Great Britain, in the Atlantic setting, that regular consultations be held to work out a suitable programme of aid for the development countries. In the European field, the Commission proposes a liaison committee with the task of studying trade between the Common Market and its partners, pin-pointing difficulties in the way of further development, and proposing concrete solutions on these.

It is now nearly a year since the negotiations on a European Economic Association within OEEC came to a standstill, and you will have realized, from what I have just said, that the Community has not accepted the failure at the Château de la Muette as final, but is endeavouring to give a new start to the study of the problem of economic association on a reasonable basis. In all this matter, the pragmatism dear to the Anglo-Saxon heart has characterized the attitude of the Community, whereas our British friends have leaned towards a more Cartesian solution—at least this is the impression they gave. Does this mean that they will not in the end adopt an approach to the problem in conformity with their temperament? I hope sincerely they will come round to this way of seeing things.

With every passing day the reality of our Community makes itself increasingly felt. That is why I emphasized at the beginning of my talks that Europe was on the move and that it was moving in the right direction. Certain people have erred in their assessment of the situation, but they are not without excuse: the spectacle offered to the world by what people have come to call "Little Europe" has no precedent on this scale in the history of the Continent but, despite being so new, integration is winning over the different sections of the population with astonishing rapidity. Business and industrial sectors, trade unions and political parties are gearing their activities to the prospect of a wider market. This does not yet exist completely, but it is already profoundly altering the behaviour of those who are destined to live in it. We are on the threshold of something great, and this explains both the reserve of certain non-member countries and the prudence of the Community. It is more difficult for the latter to act than

if it already had behind it years of life in common. It is also difficult for it not to be preoccupied with what might hinder its development or even imperil its very existence. These anxieties will doubtless vanish once the Community is in full enjoyment of its powers: it will then be able to take greater risks, and what can only be done with difficulty today will perhaps be easier tomorrow.

This is the line we took in the memorandum submitted last March to the Governments of our six countries on the subject of the European Economic Association, and we have no wish to recant today anything of what we said six months ago. We therefore welcome the trend of opinion which can be discerned in favour of speeding up the implementation of our Community, and we have proposed that the Community, should it adopt any measures intended to hasten its own integration, should be careful, not only of their internal repercussions on its cohesion, but even more careful of their effect on the outside world.

Our relations with non-member countries must be placed from the start in a world perspective, and the Community is fully conscious of the responsibilities it must assume in this respect. Let us say to its credit that at a time when so many internal tasks are pressing for its attention it has not yielded to the reflex of short-sighted egoism. To help the development countries forward is a duty, and the Community does not intend to evade the obligations which the second trading power in the world should naturally assume. Progress, gentlemen, can throw things out of balance, and it is not without real disquiet that we see the gap between the rich and the poor countries widening. It was my colleague and friend M. LEMAIGNEN who pointed out in a recent address in Hamburg that, in 1958, the leading European countries had increased their gold reserves by \$1,700 million, 700 millions of which were in fact a levy on the economy of the essentially primary producing countries imposed by the fall in the prices of their products.

It is perfectly clear that we must do something about this unhealthy state of affairs, and the Community intends to find constructive solutions to this vast problem. I use the plural intentionally, for there is no open sesame applicable to all cases. We are very keen on the regular consultations between the United States, Great Britain and the Community of which I spoke to you earlier. It is beyond all doubt that the world economy would move in a definite direction if the three economic entities mentioned above agreed on identical action,—for instance, on stabilising prices for raw materials. Naturally other lines of approach, of which I do not wish to speak here, can be imagined in the framework of the trade and financial relations of our six countries with non-member countries. However, I would not wish to omit a reference to the opening, on the Community level, of trade talks with Greece and Turkey. Here, too, it is our intention to make wide use of the possibilities contained in Article 238 of the Treaty and to conclude association agreements embodying the determination of the Six to further both trade and the economic progress of our partners. The developments now beginning in this sector are a welcome complement to the financial assistance granted by the Community to the Overseas Countries and Territories through the intermediary of the Development Fund which will have available, for the period 1958-1963, capital to the tune of \$580 million.

After this glance at the world I would like to bring you back to the internal affairs of the Community. How does the political barometer stand? As regards the Commission, I can say that we have reason to be pleased at the co-operation between ourselves and the Council of Ministers and the European Parliamentary Assembly. The motor is ticking over

smoothly; however, the road is still fairly even, for there was nothing to be afraid of in the first datelines. We have seized the opportunity to complete the running-in of an administration which had to be created from A to Z, and to establish relations of confidence with all those on whom the efficient working of our Institutions depends. But, as is to be expected, the road will soon begin to rise more sharply: the Commission is putting the finishing touches to the proposed common agricultural policy, which it is to transmit to the Council of Ministers; it will also submit to the Council a general programme for the abolition of restrictions on the freedom of establishment and take an active part in the co-ordination of energy policy. The harmonisation of economic, monetary, financial and social policy is no longer simply a theme for speech-making, but a matter for discussions in which the Commission will have its word to say, and I would like in passing to welcome the constructive proposals, submitted to the Council of Ministers by the Belgian Minister of Foreign Affairs, which have become familiar under the name of the Wigny Plan. Briefly, we are now coming to the heart of the matter and it is important that the machine should run at full power.

In the grandiose enterprise on which we are irrevocably embarked, the support of the peoples, communities and individuals is a *conditio sine qua non* of success. The Governments are not niggardly in the support they give to the Institutions of the Community; but they are, by definition, accountable for the interests of their nations. The Commission, for its part, is accountable only for the interests of the Community. It is impossible to imagine the Commission participating in the permanent exchanges between the Community and representatives of the nations for which the Treaty provides, unless it is invested with the authority and the prestige naturally attaching to its functions. In other words, can the Commission count on sufficient backing from public opinion on the day when the general interest calls for some sacrifices of private, or even national, interests?

Put in these terms, the question is tantamount to asking what is the degree of political training and awareness of the average European. Public opinion is certainly well disposed, and it has shown itself willing to judge European integration on its merits. Industrial and business circles are doing very useful work in attempting to gauge the repercussions, on the sector with which they are concerned, of the customs and quota liberalisation measures: it is no exaggeration to speak of a revolution in the minds of many industrialists, whose thoughts only yesterday did not range beyond protectionism and who are today looking resolutely for new markets to conquer. But the average citizen—and this must be a matter of concern to us—feels somewhat lost when confronted with an edifice whose architecture appears to him complicated; he easily imagines that Europe is a matter exclusively for technicians, economists and a few political figures upon whom it is difficult for him to exercise any influence.

This opinion is obviously erroneous, but it has the advantage of showing us where we must apply our effort. The Institutions of the Community have been planned in such a way that it is difficult for them, in the present circumstances, to address themselves to public opinion. The debates in the European Parliamentary Assembly, of which but a faint echo reaches the ear of the general public, furnish adequate proof of this. Normally the reports of debates in the European Parliament are read by hardly one tenth as many people as read those of the national parliaments, when they are not purely and simply passed over. Yet the delegates in Strasbourg acquit themselves brilliantly of their tasks, and I am personally very proud to be called upon to answer for the actions of the Commission before an Arcopagus of such eminence. What

then is missing? Direct contact with public opinion through the transformation of an Assembly of co-opted parliamentarians into an Assembly of members elected by universal suffrage.

That this transformation should come about is my most heartfelt wish, and I know that this desire is shared by a large number of leading persons both within and without the Institutions of the Community. Just as there was no point in rushing things when the content of integration was too limited or too formal, so it is now important to apply the provisions on the election by universal suffrage of the members of a European Parliamentary Assembly—provisions laid down in the ECSC Treaty and specified in greater detail in the two Treaties of Rome.

Like the Commission, the Assembly attaches extreme importance to the implementation of this project, which is being prepared by a parliamentary working party under the chairmanship of Senator DEHOUSSE, who considers that it will be possible to hold elections by direct suffrage in two or three years, this period being necessary to overcome the difficulties encountered and to organise the ballot satisfactorily.

By then the time will be ripe for direct intervention by the citizens of Europe in the political life of the Community. At present the man in the street sees integration as a 10% reduction in customs duties, the effect of which is more theoretical than real, but his interest will very soon be aroused by a process of political evolution which will rapidly gather speed. His vital interests will be brought into play by decisions taken under the Treaty, and it will be impossible to keep the citizens at a distance by withholding from them direct participation in the debates of our common Assembly.

It is not for us to prejudge here what the wishes of that Assembly will be, nor need we be premature in giving an opinion on the changes of a structural nature which might result from the establishment of an assembly of the European people. But we are looking forward to the day when, in the near future, European political trends will be making themselves felt and bringing into fruitful contact ideas and programmes still sheltered today behind the national frontiers. When the integration of minds has been achieved through new relationships among the principal spiritual and intellectual groupings of our Western Europe, the political force we need will *ipso facto* be created.

I would, however, not wish to say that everything still remains to be done. We must pay homage to the efforts accomplished, since our six nations began to unite their destinies, by innumerable pioneers of European integration, parliamentarians, industrialists, politicians. If it were already possible to recount the history of the last five or six years, we would be pleasantly surprised at the extent of the contacts, discussions, research and regrouping occasioned by the existence of the Community. Without the ripening of minds which the Community has produced, without the habit of joint planning long since acquired by those who bear responsibilities in political and economic life, the prospects of an election of European parliamentarians by universal suffrage would be flimsy indeed. But the ground has been so well prepared that we are today justified in thinking of such an election as a short-term objective, and our Commission for its part is resolved to do all in its power to speed this ineluctable development.

We have, therefore, proposed to the Assembly that the debates be raised to a higher plane by laying greater emphasis on the problems of general policy and by suggesting that the Presidents of all three Executives make reports on these lines on the same day, thus underlining the unity of our Community. These proposals have been accepted, and we can now hope that the voice of the Community will come more clearly

to the ears of the public, which is disconcerted—it is becoming tedious to repeat this—by the multiplicity and the dispersion of the European institutions.

Keeping to my purpose, which is to remain on the plane of general policy, I would like to say that the desire to associate the citizens of Europe with the building of our Community springs from the self-evident fact that Europe is not a panacea operating by virtue of some magic or other. The Common Market is an appropriate framework for present problems, but it is no more than a framework. We should not expect it to dispense us from the necessity of tackling the problems and difficulties by which we are beset.

What importance is to be attached to the gradual abolition of customs duties, quotas and other barriers to trade and to the action to free capital? These have meant that the conditions required for a vigorous and uninterrupted expansion have been realized. This group of measures cannot, however, start a chain reaction leading straight to the objectives contained in the Treaty. Everything still depends, as it always will, on the men who are working within the framework of European reality.

You will already have realized that although the stages for the abolition of customs duties and of quotas are laid down in detail, the Treaty is vague on the subject of the unification of economic and financial policies.

It would probably have been unwise to go further than this in the text and to attempt to dictate the way the Community should develop. The text is the basis of our action, but it is on the political will of the people of Europe that the flowering of the seed contained in the Treaty will depend.

The impact made on the public by the first steps taken to implement the Treaty has not been very great, and it cannot truly be said that anything is really changed for the man in the street. It will soon be a different story when our proposals for the working out and application of the common agricultural policy are published. It is clear that the Community will have to decide its attitude to problems as fundamental as, for example, the organization of markets, the ideal type of holdings, the level of prices and remuneration for farmers in relation to incomes in other social groups. Integration in Europe will immediately take on flesh and blood for millions of workers for whom till now it has been nothing but a vague idea; it will become a political factor to be reckoned with, one which they naturally will wish to influence this way or that.

In social affairs, where the role of the Commission is far more limited, it is likely that events will in the near future take a more active turn; here, as in many other sectors, the Community will have to shoulder its responsibilities. The resurgence of competition, rationalization by enterprises and the advances made in automation, for which the Common Market appears an excellent terrain, will raise problems in regard to employment, although we should never lose sight of the stimulating effect produced by the opening of the Common Market on maintenance of the level of business activity. It will be for the Social Fund to increase, within the Community, chances of employment and workers' freedom to change both the location and the type of their work; the Fund will, however, be effective only to the extent that our six Governments decide to pursue an active policy for the creation of employment.

This brings me naturally to economic policy, which is the key to the success of our Community whether in agriculture, social affairs or any other field; it is obvious that just solutions can be found only in an expanding economy in which there is no threat of serious imbalance.

Let us make no mistake about it: if there were difficulties,

the Community would provide a convenient alibi to all who are trying to cover up the failures or the shortcomings in national systems; the only course open to us—and this, gentlemen, is exactly what we in fact are all aiming at—will be to apply a dynamic policy with the backing of public opinion and in co-operation with Governments.

It is at the wall that you recognize the mason, they say in French. That is the position in which we now find ourselves. Each of our countries must be brought to work out in collaboration with the others a policy of expansion which will take the place of what the country previously did on its own. The co-ordination of energy policies is topical, and the Executives of the three Communities are discussing together the proposals to be submitted to Governments. Co-operation on ways of dealing with economic trends is another of our objectives, and the Commission considers that the memorandum submitted by Professor MULLER-ARMACK, Under-Secretary of State in the Federal German Ministry of Economics, provides an excellent basis on which to establish a harmonized, perhaps even joint, policy in relation to economic trends.

I am purposely not going beyond a few headings. There is no need to be a strategist to realize that it is not possible to wage an offensive on all fronts at the same time. What matters is to launch our campaign for economic integration in conditions that are favourable, since often the greatest difficulty lies in the start.

I am confident of the future. Far from discouraging the leaders of our six countries, experience of integration has in fact emboldened them. From various quarters, responsible

people have been urging us to consider a more rapid completion of the Common Market. In this connection we are immediately reminded of one of the central ideas in the memorandum which Mr. WIGNY, the Belgian Minister of Foreign Affairs on 13 October last put before the Community's Council of Ministers. In this document Mr. WIGNY, speaking on behalf of the Belgian Government, proposed that the Governments of the Member States should solemnly declare their intention of closing the first stage of the transition period at the end of the fourth year, and that the next two stages should be limited to two years each.

From the political angle, this clear statement of the readiness of one of our Governments to shorten the transition period is significant. It strengthens the process of integration: not only is the Treaty maintained, but it is intended to speed up its implementation. I would like to end by expressing the hope that this evidence of vitality and dynamism from one of the countries of the Community is only an augury of a common political will to attain the objectives before the Common Market. The European Community means not only peace and prosperity for the people of Europe, it also means an increase in the aid available to countries in the course of development, intensification of trade with non-member countries and an additional guarantee of stability for the free world.

The cause we are defending is unquestionably the most inspiring and the most noble that Europe has defended for a very long while. I can assure you that the Executive Commission of the Economic Community will continue, as in the past, to strive for this cause with might and main.