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EEC PRESIDENT CITES GAINS FOR U. S. IN EUROPEAN UNITY

NEW YORK, May 18 -- Dr. Walter Hallstein, President of the Commission of the European Economic Community, said United States economic and foreign policy interests must weigh heavily in any solution of the Six-Seven issue.

Dr. Hallstein is chief of the executive branch of the six-nation Common Market -- comprising Belgium, France, Germany, Italy, Luxembourg and the Netherlands. The Six are an economic union which aims at political integration. The Seven comprise Britain and other European nations linked in a non-political trading union -- the European Free Trade Association (EFTA).

The EEC President said "there are signs that Britain is rethinking this whole problem" of whether she should join the Common Market. "They are signs that we welcome," he added. But, Dr. Hallstein stated: "Any solution to the Six-Seven problem must obviously take full account of the needs and wishes of America."

In an address to the 45th annual meeting of the National Industrial Conference Board, Dr. Hallstein examined what he said he understands to be America's interests.

"One can easily see," he said, "that America in the 1960's has an intense new interest in trade." He recalled that a portion of the 400th meeting of the National Industrial Conference Board had been devoted to foreign trade and that shortly after the meeting the Board had issued a report of the proceedings entitled "Economic Unity in Europe - Progress and Problems."

The common external tariff that the EEC eventually will establish for goods of non-member countries will put the U. S. and others at some tariff disadvantage. (Members' goods eventually will move within the Community free of tariffs.)

Thus America can expect, and the EEC concedes that it should, a contribution in the form of greater political unity in Europe. Dr. Hallstein described the condition as "a real move toward integration, rather than a mere trading agreement."

The speaker also said that to the extent the U. S. encounters a tariff disadvantage in an expanded EEC, it "should be as small as is compatible with achievement of the objective" of greater political unity in Europe.

While he welcomed the prospect of Britain's joining the Common Market, Dr. Hallstein disputed the view that the existence of the Six and the Seven constitutes a split in Europe. "This is not a split in Europe. It is a partial consolidation," he maintained, stressing that a coordination of multilateral trade interests has come about.

President Hallstein said fears that the EEC will follow protectionist trade policies are unfounded. He said Community imports of U. S. chemicals, finished products and vehicles rose by 40, 94 and 95 per cent respectively in 1960. The U. S. is still the Community's main supplier, he pointed out, adding that the United States enjoyed a favorable trade balance vis-a-vis the Community of nearly \$1.5 billion in 1960.

The speaker put heavy emphasis on the potential of the new 20-nation Organization for Economic Cooperation and Development (OECD), which this fall will take over from the Organization for European Economic Cooperation (OEEC). The OECD includes the U. S. and Canada as full members and has enlarged powers for Western economic cooperation.

"If we wish it," Dr. Hallstein stated, "this new organization can develop into a real forum for cooperation such as has never existed in the world, a means of achieving between free nations and continents a degree of mutual assistance that can outclass any merely imposed central planning as is practiced by the countries of the COMECON, of the Communist bloc."