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Speech by Ambassador Guido Colonna di Paliano to the International Study Convention organized by CISMEC in Milan on the subject: "The industrial policy of the European Community".

Ambassador Guido Colonna di Paliano, member of the EEC Commission, this morning opened in Milan the CISMEC International Convention on "The industrial policy of the European Community".

The speaker began by declaring that the six countries, with the establishment of the European Economic Community and with a liberal tariff policy towards the rest of the world, had accepted the fact of intra-Community and world competition. This meant accepting the criterion of the competitiveness as a fundamental principle of economic policy.

However, to realize what it meant today to be competitive it was necessary to bear in mind all the many forms which economic competition might take. Too often, when competition was mentioned, consideration was restricted to only one of its forms, the most traditional and the best known: competition at product level, where the deciding factor was constituted by the price. However, this was only one of the ways in which economic comparison was exercised.

Competition at the level of production factors, competition by innovation, competition with not the products, but the firms themselves in view, are lesser known forms of competition, but they have become just as important. To be competitive means to be able to use effective tactics against all these forms of competition.

After reviewing the various competitive challenges which European industry has to meet Ambassador Colonna illustrated the objectives of a Community policy of industrial structures: to increase the efficiency and the competitiveness of the system, to encourage the essential process of restructuring industry and regrading industrial jobs, to guarantee workers not only a sufficient number of jobs, but also as highly-paid jobs as possible.

In order to achieve these ends, European businesses must acquire the scale, the financing scope, the power of innovation and the managerial energy essential for confronting and operating tactics of expansion on a world scale. European industry would also have to redistribute its efforts among the traditional and pace-making sectors to avoid specializing in sectors which have less good future prospects.

Concluding his speech, M. Colonna said what in his view were the most important political data in the current European situation.

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International competition and the interdependence of economies limited the opportunities for the States to act autonomously. Accordingly, without a progressive limitation of the autonomy of national actions, without an increasing convergence of those actions, the Community could not play its true part: to offer the advantages of a great unified market subject to a common law.

The Community was perhaps entering a phase of renewal which should allow it to resume its way without the danger of unexpected crises derived from the absolute impermeability of one country to the approaches of the others.

A prerequisite for any later real progress of the Community was the strengthening of the powers and the expansion of the authority of the Community institutions. Only in that way could the necessary guarantees be available to all. The Commission and the European Parliament had to have the strength necessary to integrate the national structures and, if we might say so, to overcome inertia. It was moreover necessary for the Council of Ministers to function as Community organ without being tempted by vetoes or the inflexible interchange of immediate advantages, practices which sometimes made it appear more like an intra-governmental conference than as an organ for expressing a common will. Every nation had to learn to recognize itself in the Community institutions and stop considering them as something strange and foreign.

As to the matter of the requests for accession to the Community submitted by Britain and other countries, the speaker declared that there was no antithesis between the enlargement of the Community and the maintenance of its special characteristics; what seemed to him to be true was rather that if the strengthening of the institutions was necessary in a Community of six, it would be the more so in a Community of seven, ten or more.

On the other hand, the Community should in the near future ensure that a new unified Treaty was drafted to provide an opportunity of filling the gaps and remedying the inadequacies revealed by the experience of past years and to represent the constitutional charter of the integrated Community.

Initiatives currently in the wind for climbing back to a high level were welcome, declared Ambassador Colonna in conclusion, if they resulted in even bolder extensions of the concept of common interest of our peoples and their solidarity was thus subsequently strengthened.

However, to anyone who lived from day to day in the Community as we did, it did not seem that we need await the results of those initiatives in order to start today what can be done today. There were many practical things which could be done immediately, provided that the general outlook became once again what it was when we started ten or fifteen years ago.