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SUMMARY OF STATEMENT MADE BY PRESIDENT HALLSTEIN IN STRASBOURG

On March 27, 1963, Professor Walter Hallstein made a statement to the European Parliament in Strasbourg introducing the EEC Commission's Report on the Negotiations with the United Kingdom. A summary of this statement is given below.

The report itself

In drawing up its Report the Commission had been guided by the following considerations:

To present an accurate, complete and detailed picture of the course taken by the negotiations, of the results obtained and of the failure to obtain results;

In what was added to this descriptive picture, not to stop short at a mere assessment of the difficulties inherent in the problems left unsolved;

Not to strain the limits of its mandate by speculating on solutions that might have been accepted by the seven Governments had the negotiations not been suspended;

To give a full account of the proposals and suggestions made by the Commission during the Conference;

To point out where the Conference was evidently on the road to solutions, even if final decisions on the points concerned had not yet been taken;

To suggest the direction in which solutions might have been found, even when they were not yet to hand and to indicate the criteria that should be used in seeking them.

The immediate future

Britain

The Commission sees no objection to probing the possibility of intermediate solutions, but quick results were hardly to be expected. The Americans are sceptical about a free-trade area, which to them means trade discrimination, and about any partial customs union. In the Community, too, there is some hesitation about excluding agriculture. In any case, there could be no preferential association without lengthy negotiations.

One procedural expedient would be to intensify diplomatic contacts, as these prevent estrangement between Britain and the Community and widening of the economic gap between them.

After the negotiations

The negotiations have increased the awareness of the way in which the Community is woven into the warp and woof of international relations and have given a deeper knowledge of the problems that this raises and a greater sense of the urgency of the topics being discussed. What is required of the Community in this sphere has not ceased to exist because the negotiations have been suspended: it has not grown less, it has only changed.

This applies for a start to a large part of the underdeveloped world. Solutions for the African countries of the Commonwealth were beginning to be visible, and a particularly interesting kind of solution had been reached for countries as important as India and Pakistan. These solutions were not just the result of Britain's Commonwealth commitments; they were also due to another factor - the external impact of the Community.

So the Community must now examine, in the changed situation, how much can be drawn from all the experience gained. It may well be asked whether the solutions that must now be sought can be limited to Commonwealth countries. Commercial policy can now be equated with co-operating in a comprehensive system intended to regulate the activity of the free world.

The Community's neighbours in Europe

Should really serious economic reasons make it necessary, use might be made of special methods and solutions which, being quite unorthodox, ought not to be looked upon as a precedent.

In general, the problems of Continental countries, like those of Great Britain, must be looked on in a wider setting which includes the United States and other industrialized countries such as Canada and Japan. In this setting the general trend is towards increased tariff liberalization. It is just such a policy which is most likely to ease commercial difficulties in Europe and to bring a lasting solution nearer.

The Kennedy negotiations

The Kennedy round of tariff negotiations will fulfil three purposes for the Community.

They will provide a means of taking the sting out of a number of specific problems resulting from the interruption of the United Kingdom negotiations.

They will be an essential factor in building a bipartite Atlantic partnership which lacks nothing but European integration in order to gain the stability which alone can assure the safety of the free world.

And they will be an exceptionally important factor in the shaping of the Community itself. It is through the defence of its own

individuality, which is involved in any negotiations. that the Community will establish its image in the world as an economic and trading partner in the broadest sense of the word - showing a sense of responsibility, thinking in world-wide terms and acting in liberal fashion. The Community has always resisted attempts to dissolve it in larger units, like sugar in tea. It intends that in future, too, it shall be recognized as a partner in its own right, not as someone who has as it were to apologize for existing. The Community's constitution, the Treaty of Rome, provides a constructive basis for the negotiations with their substantive difficulties.

The Community's situation does not allow internal and external problems to be treated separately. Progress at home depends on external progress just as much as external progress depends on progress at home. So both problems must be treated as one whole. This is not only admissible; it is even necessary - provided that behind this exercise there is the will to strengthen the organization and promote its development.

The constitutional set-up of the Community, together with the vested interests that have grown up in the past five years, encourage us to believe that the organization will be able to stand up to any future strains imposed upon it.

Lastly, President Hallstein commented on the Franco-German treaty of co-operation. Parliament had raised the question of the Commission's attitude to this during the debate on February 5.

Noting that the commitments undertaken as part of this treaty included consultation and co-ordination in Community matters and that this could lead to difficulties, President Hallstein said that a definitive judgment on the treaty could hardly be reached without finding how it was applied in practice. "Consequently, we have observed with interest and satisfaction moves in the process of ratifying the treaty to ensure that it shall not affect the substantive organization of the Community or Community procedures in such a way as would constitute a departure from the spirit of the Treaty of Rome. The position of the Community may therefore be summed up in the form of an urgent request to the legislative bodies responsible for ratification and to the Governments concerned to state as clearly and bindingly as possible when parliamentary ratification is given to the treaty that the treaty shall not be interpreted or implemented in such a way as to detract from the existence, functioning and momentum of our Community.

Let me conclude my comments on how we see the current situation with a few words to emphasize the essential points. We will have to look ahead and recognize that the requirements made of us have not been reduced but at most have changed. We must recognize that in meeting these requirements we must find not only a solution for present particularist problems but also a creative act that will fill out the still not fully defined individuality of our Community in accordance with its constitution, making of it a Community that thinks in conformity with its world-wide responsibility and acts liberally.

We will have to realize that we can only succeed in this task if we preserve our dynamic force and that not least among the factors which go to make up this force is the readiness and opportunity to progress at home, just as this in turn reflects the growing links between specific business interests. Starting from this, we must endeavour to give a positive slant to the negative game of making conditions. In doing so we must be confident that the Community will be carrying out its own policy - and will be doing so within a solid organizational structure into which we have in the last five years built all the enmeshed wheels of economic interests in a state of unprecedented expansion. And, however impatient we may be to extend the structure of integration, we ought always to keep before our eyes the law on which our existence rests. Obedience to this law is in all circumstances the surest guarantee of our future."