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Statement
by the
President of the European Economic Commission
Professor Dr. Walter Hallstein
at the
Conference of the European Parliament
with the Parliaments of African
States and of Madagascar

1. It is with a feeling of pleasure and satisfaction and with the consciousness that we are living in an hour of historical importance that I address this gathering. The first joint session of the European Parliament with representatives from the Parliaments of Madagascar and the African States also associated with us will one day be regarded as a milestone in the development of this alliance, whose foundations were laid in the Treaty of Rome and the shaping of whose future will be one of our great tasks in the coming months. The participation of the freely elected representatives of free peoples gives our work nothing less than the stamp of democracy and it is of great importance to remember that this goes back to a proposal put forward by the Commission.

The preliminary conference in Rome and the session of the Liaison Committee in Bonn having already settled the procedural arrangements, it now remains for this session to enter into a comprehensive discussion of the substantive questions which interest the participants. In the fact that the representatives of the Community and of the associated States are meeting together for a free discussion in this forum we have the most eloquent proof that our relations today rest on the new foundation of collaboration on a footing of equal rights. Nor could a more appropriate time have been imagined for this first joint assembly. It coincides with the beginning of the work being undertaken to give a new form to our contractual relationships.

2. What then today is the task of the Executive of the European Economic Community - of the Commission over which I have the honour to preside? In everything it does our Commission is responsible to the European Parliament, and this includes the numerous tasks which fall to it in implementing the association with the African States and Madagascar. In practice, however, our task in the exchanges now taking place is determined mainly by the fact that the Commission, as the Community institution chiefly entrusted with taking action and making proposals, has its own essential part to play in the recasting of the relations between the partners in this association. This being so, how could we possibly not feel an obligation towards the representatives of the Parliaments of the African States and Madagascar as well as to the European Parliament? How could we do otherwise than welcome the fact that this joint Assembly holds promise of valuable pointers for our coming work - work which is no longer conceivable without the full contribution of our associated friends? Finally, how could we fail to seize with joy the chance of putting before you our own as yet fluid ideas and having them discussed? By a happy coincidence the Commission has already - on the basis of thorough preparatory work by its staff - largely clarified its ideas on the future form of the association, but has not yet finally settled its formal position. For our role in this joint meeting this in all probability means that in many fields we will be the receivers rather than the donors - however much we may strive to contribute to the discussion by putting our own ideas before you.

3. The association between the European Economic Community and the African States and Madagascar is an alliance through which a solid, close and lasting co-operation in the widest sense of this word is to be established. As an instrument of economic policy this association is therefore primarily a question of concrete solutions to practical problems.

This, however, is not all. According to the express will of the participants, the association is much more than a trade agreement or an agreement on financial and technical collaboration. It is, as I have already said, the basis for a close and lasting economic relationship and its details cannot therefore be merely the outcome of an approach made on purely empirical lines. On the contrary the association must be governed throughout by certain fundamental and clearly formulated principles.

4. This raises the immediate question: What is the historical basis of the association and what are the motives behind it? It was not by chance but for good and convincing reasons that the European Economic Community has turned to the participating African States and Madagascar in just the way it has, and that these States have adopted their particular attitude to the European Economic Community.

At the time when the Member States of the European Economic Community agreed to conclude the treaty which establishes them as an economic union, they assumed that the resolve to take this action must include readiness on the part of each to share the problems of all and to apply to the solution of these problems a policy of "all for one; one for all". This applies equally in the Community's relations with the surrounding world, particularly in its relations with the developing countries. These relationships have been and are many in number and they are diverse in character. Among them are old and solid relations of friendship and collaboration in the commercial field, the cultural field and in other fields. These all have a claim to be nourished, maintained, encouraged and developed. However, among them there were also relationships which, because of the closeness of the economic and cultural bonds they have engendered, may lay claim to a special

status. The reference here is to the relations of individual Member States to certain overseas countries and territories which at that time were still dependent. All Community countries have accepted a common responsibility in this matter with the aim, expressly laid down in the Treaty, of helping to promote the economic and social development of these countries. This comes out in Part IV of our Treaty and the annexed Convention which - as we all know - is due for renewal at the end of 1962. Here then is the reason for our Community's particular approach to you, to which the Contracting Parties at the time gave the form of association.

5. Since the Treaty was concluded there has been a fundamental change in the original situation. The formerly dependent countries and territories have for the most part become sovereign states. The question that thus faced the Community was whether this change, of which it may be said without exaggeration that it is a historic event of the first order, has altered the bases of the original agreement.

The answer to this question is both affirmative and negative.

It is affirmative inasmuch as joint decisions and joint action must from now on replace unilateral decisions and action. No matter what the details of its form may be, the future association can only be the outcome of an agreed arrangement freely arrived at between us and our African and Malagasy partners.

At the same time, however, the answer to the question whether the basis of the original agreement has changed calls for a negative answer, inasmuch as the reasons which led the Community to set itself the aims expressly pursued by the association under the Treaty still exist. As I have already said, accession to sovereignty has brought about a fundamental change in the situation of the countries associated with us. In a world where events are

determined by scientific and technical progress and in which this progress has made possible an immense improvement in the living conditions of human beings, real sovereignty can only survive in countries where the blessings of progress become fully effective; this, however, is a process which, unlike accession to independence, is not brought about by a stroke of the pen. It is much more the result of a long development beset with weariness and toil. You, our friends from overseas with whom we are gathered here today and who meet us as the elected representatives of sovereign nations, thus find yourself faced in the economic sphere with the situations and problems which you inherited and which are now the starting point of your own action and of our joint action. The close inter-connection of your economy and the economy of ^{Europe, especially of} your former mother countries still exists today, and for the European Economic Community this means that the reasons which led to your association with us in the Treaty of Rome are still valid.

Once we have answered this basic question, what questions still remain to be discussed here and now? They are of three kinds: legal questions, economic questions - or, more exactly, questions of economic policy - and political questions.

6. I will not spend much time on the legal problem.

The achievement of independence by the associated countries raised the question whether the legal consequences of the association were still valid. There were jurists who doubted it and who maintained that the decisive basis of the association lay in the "special relationships" between the mother countries and the overseas countries and territories, and that these special relationships were to be found in the state of political and legal dependence of these territories. Against this the Commission has held from the beginning that the association did not automatically come to an end when the associated States achieved independence.

As the Treaty of Rome clearly states in its Article 136, the purpose of this association shall be to promote the economic and social development of the associated countries, and this purpose and the obligation it entails can in no way be altered because a political event has occurred which was generously encouraged by the Member States directly concerned and welcomed with great satisfaction by every Member State. I refer to the independence of the African States and of Madagascar. The Commission therefore maintained that Part IV of the Treaty of Rome and the Implementing Agreement are still applicable.

In the Council of the European Economic Community this legal question was not thoroughly thrashed out. However - and this was the essential thing for the Commission as for others - the final result was general agreement that the association relationship should be continued unaltered at least until the expiry of the Implementing Agreement, i.e. until the end of next year. Both for the Commission and the Council it was a matter of course that the continued association of each territory which had now become a sovereign State should depend on its continued acceptance of association. The most simple form possible - such as an exchange of letters - was to suffice as evidence of this acceptance. The result has been that the overwhelming majority of the associated States have announced their will to continue the association.

7. This means that the situation is clear until the end of next year. What the legal position will be from then onwards is the next question. On this point the Commission has not yet come to a formal decision, but a trend is becoming apparent in the following direction. It is not considered useful or necessary to begin the discussion with a controversy whether this or that Article of the Treaty is to be made the basis of future action, provided that there is agreement on the essential powers, obligations and procedures. For it must anyhow be admitted that the Treaty nowhere deals expressly with the eventuality

that on expiry of the implementing agreements we will not be dealing with associated countries and territories but with States. In this situation we consider more essential than the question whether this or that Article of the Treaty is to be called upon as the source of law that agreement should be recorded or sought on the following points:

First, that a new implementing agreement still requires the unanimous approval of the Council of our Community as laid down in Article 136 of the Treaty;

Secondly that there is an obligation on the Member States of our Community to bring about a new implementing agreement - which to us seems to follow from Chapter IV of the Treaty and again from Article 136;

Finally, that the agreement of the associated States must be obtained; as confirmation of this the general legal concept of Article 238 can, I think, be invoked.

I will not now go beyond these essential elements of the legal question.

8. Secondly, I will in today's debate, which is devoted to the political aspects of our plan, limit my observations on economic policy - and its problems are of outstanding importance within the association - to indicating what is meant by the last word in the expression "problems of economic policy".

Anyone who thinks, in tackling such a problem, that it is possible to avoid politics, that it can be reduced to its technical content, to technical questions and technical answers - except of course when we come to secondary executive machinery - is making a mistake. We must repeatedly resist this **error**, especially when interpreting the phenomena of our European Economic Community, its essence, its functions, its Institutions and in particular its Executives. Economic matters are an essential, a central part of

the political structure, of the constitution of a community, of the manner in which existing forces are co-ordinated, their superiority or their subordinate situation, of the order of importance of the values which determine legislation, the administration of justice and administrative practice, their organizational instrumentation, etc. Indeed, when we make a close survey of contemporary history, we find that the place of political economy in the overall picture has steadily grown in importance. Thus the association is also a political phenomenon, not because we wish it to be so, but because this is inherent in its very nature.

9. What does this entail for our work and for the form to be given to the association? There is certainly not - and I wish emphatically to preclude this misunderstanding - any question of imposing, much less of forcing, a particular politico-economic ideology on the economies of the associated countries. This is not the place to argue at length over the value of the ideological formulae. It seems to anyone engaged on practical economic matters that they in any case balance out more and more in the reality of economic policy. In any case they cannot be applied like some combined pharmaceutical preparation to a given situation in the expectation that they will enable us to cope with all the elements of this situation. Let me explain myself more clearly. The expression "economic planning" has come to be widely employed to mean an economic system without any freedom for the individual agents of economic life. For this reason there are people who refuse all economic plans, including development plans - as though all policy were not planning instead of a lack of plans! Our reply to such people is that - quite apart from what one should think of "economic planning" - it is unreasonable to draft a plan for the development of an economy which needs to be developed and is capable of development (as has been done, for instance, in Senegal), for the simple reason that we have to see what needs to be done first and what later, what is more and what is less important; we have to do this because, our resources not being sufficient to do everything

that is desirable, the correct choice must at each stage be made between the various possible actions. Yes, we are inclined to demand such a plan precisely as the condition for all material aid or, to put it another way, to begin all aid by aid in the drawing up of a plan.

10. What I mean when I stress the political content of all development policy and of our association policy is rather the following: we should be conscious in every decision on association policy that the ultimate motive and the most important effects of the association are political. The most important motive is recognition of the fact that political sovereignty and political independence are an empty form unless they are accompanied by economic sovereignty and economic independence. And the most important effects are those on the fate of mankind in Africa. For unless we are misinterpreting everything which the African leaders say when they proclaim the freedom of Africa, the freedom of the African peoples, they mean the freedom of the individual African. These thoughts must be the leitmotiv of the association.

The association binds together partners with equality of rights but of differing dimensions and strength. In this situation it is impossible for us to adopt an attitude which guides economic measures in thoughtless egoism for the selfish interest of one of the partners only. Another attitude which for us is out of the question is so to plan support for the developing countries that economic and, consequently, political dependence results. We do not need to look far to find examples of this. The advantages of a development policy which can build up or put an end to economic relations on grounds of selfish political convenience are fully illusory and can no longer deceive a world which has attained political maturity. In contrast to this, the dominating idea of our association policy must be to help others to help themselves. Wherever we have the choice, we must prefer measures which encourage the associated States' own economic life and do not simply replace it by our economic activity. We are confident that our associates are healthy,

viable organisms which are learning to use their own strength and which in the long run will need no artificial limbs, however famous their European origin. A policy of almsgiving will be demoralizing both for the givers and for the receivers. We Europeans speak from experience, for we ourselves in the very recent past - after the second world war - have been the object of a development policy.

What therefore must we do? We must ensure to the associated countries a lasting, fair outlet in our markets and not simply make gifts from the Development Fund - although we must do this too. We should further put them in a position to be able increasingly to deal by themselves with the stabilization of commodity prices. We should give them the necessary initial aid, but expect them to make their own contribution to a system of price compensation. I hope that we will succeed in working out an effective joint programme of technical assistance. The associated countries should make a contribution - even if at first it is little more than a token - to the financing of this programme. Such a contribution would give them the right to feel that they were the employers of the experts coming to them. And finally, we would welcome it if the associated countries, in exchange for their nationals who come to us, would receive nationals of the Community countries so that these may learn overseas what cannot be learned in Europe.

11. By and large it seems to me that what I have said covers equally all that is essential for our future relations in the strictly political field. I can sum this up in three points. In living together we should respect:

- a) Self-determination
- b) Solidarity
- c) Mutual advantage.

First, self-determination. For carefully pondered reasons the European Economic Community has adopted the attitude that the association with the countries which have become independent does not end automatically. However, this is only a unilateral decision and it is precisely the salient feature of the present-day

relationship between the associated states and us that unilateral decisions can no longer have any binding force. The decision made by the Community is therefore in the nature of an offer. It is an outstretched hand which our partners are free to take or to refuse. This freedom of decision, which includes freedom to collaborate in working out the form of a new association, is the expression of self-determination. For a transition period through which we are at present passing - the time between the achievement of independence and the recasting of the association on the basis of Part IV of the Treaty of Rome - this decision has already been made in the affirmative by the overwhelming majority of the associated States. Our associates have in this way announced their will to continue this relationship and to join with us in discussions about its future form. I would like to take this opportunity to say that we consider this to be an event of very great importance and that we welcome such a decision most warmly.

12. The two other points, solidarity and mutual advantage, are indissolubly linked. They are also of quite direct practical importance for the details of the association we are to shape.

In a free world, where we all live together and wish to go on living together, a good and lasting partnership is only possible on the basis of freedom and equality of rights. This freedom and equality of rights must not be simply of formal nature, but must have solid foundations and be a living reality. Applied to the economy, this means that the pre-requisite of partnership is the possibility of trade on the basis of free competition for mutual advantage. As the experience of the internal economic history of the industrial nations during the last 150 years has taught us, free competition is, however, only possible between partners who are comparable in economic strength and who consequently enjoy in practice equal opportunities and equal potentialities.

It is precisely this pre-requisite which does not yet exist in our relationship. In this respect, that is, in their

economic and social development, our associates are only at the beginning of a road along which we in Europe have been moving for generations. However, this road - as we know from our own experience, - is a long and weary one. It is a road on which great effort, sweat and privations and setbacks are not lacking. The economic and social history of the European peoples in the 18th and 19th centuries bears eloquent witness to this. It is a warning against underestimating the difficulties and the duration of the process, against believing in miracles. At the same time it teaches what the spirit and will of man can do when, rid of every form of chain, they can unfold their full power. If then sovereignty means individual responsibility, it does not on the other hand mean isolation; and if it means trust in the strength of one's own people, this is not nationalism. No country is today so rich and powerful that it can maintain itself and fulfil its responsibilities completely alone. The conditions of human life and life together in the modern global age lend the economy and politics proportions which can only be grappled with by organized collaboration. Hence the decidedly associative character of international relations in our day; but also in fields where consideration for the others with whom we live together in this world has so far found no organizational expression, the same regard for one's fellowmen is none the less called for. This is particularly evident in the questions which face us in our relationships to other developing countries, and ^{here} particularly in connection with our relationship to other African countries. We would be very glad to hear the opinion of our African and Madagascan friends on this point too.

Our associates have given their first answer to all these necessities when they decided, on attaining independence, to continue the association. Our task is now to maintain and strengthen the solidarity whose form was confirmed in this way. At the same time we know that even today we cannot create anything which is final in the sense that the last touch has been put to it. Development policy itself is also in a process of uninterrupted development, and so too is association policy. But this does not detract in any way from

what we are doing. The task before us is, by untiring work, to make something better and better out of what has been handed down to us, to keep what has proved to be lasting and good, to give up what has not proved satisfactory, and to add the new things demanded by the changed conditions of our time.

We will succeed in this if we are inspired by the spirit which presides over this whole meeting, the spirit of brotherly cooperation.