

INFORMATION MEMOSummary of M. Marjolin's closing address in the colloquy on
"European Planning", held in Rome from
November 30 to December 2, 1962

Closing the colloquy on planning M. Marjolin said that he could not answer all the questions put during the three-day meeting. He could only present certain comments, under three heads:

1. What did planning mean and what did it achieve?

Planning did not work miracles, nor did it pretend to do so. It was not a panacea. It was in the first place a technique. Its immediate purpose was not to determine the choice between courses of economic policy, but to meet certain absolute requirements:

- a) It clarified economic objectives;
- b) It enabled forecasts to be made of the outcome of past or future decisions;
- c) It enabled these decisions to remain consistent with each other and with the economic targets that had been fixed.

There was a distinction to be made between imperative and indicative planning. This problem did not arise in the case of government action. It was no more than logical for governments to base their action on planning. It was tautologous to say that they were bound by such planning. The fact that plans were imperative for the State did not and could not impair liberty. He could not believe that ignorance and incoherence made up the ramparts of our freedom.

Firms, workers and all those engaged in business activities could freely draw their own conclusions from economic planning, which for them was no more than indicative. It was for them the means for rational action.

There could be no doubt that in modern life the role of the State was a very important one. This meant that planning must be democratic and in particular that the business world and Parliament

must be closely associated with it. The State's major choices must therefore reflect the political will of the whole country. Planning was a technique in the service of a policy; what mattered was not the technique, but the policy. Planning made it possible to see whether the State was really pursuing the policy it intended and claimed to be following. Planning was the introduction of democracy into the economic sphere.

It was not possible to set planning against general economic policy, because the former was the very expression of the latter, of which it tried to define the true nature. Doubtless it was possible to make good economic policy without planning if the needs were so evident that there could be no doubt as to what action to take. Where they were not so evident, a great deal of information and thought was needed. In present circumstances, where there was more uncertainty, planning would make a rational economic policy possible.

2. National and European planning

There could be no question of the European institutions dictating to the governments what they were to put into their planning, but there were certain essentials flowing from the very existence of the Common Market, and it was necessary to bear in mind the limits imposed upon national planning by the Treaty of Rome and the common economic policy for which it stood. None of those who wished to continue in the building of Europe could tolerate a national policy which might lead to the re-introduction of customs barriers or obstacles to the movement of capital. National planning must be quite free, but it must be aware of the existence of the Common Market.

M. Marjolin said that the colloquy had reached wide agreement and he felt that there was already unanimity on many points on which in the coming years action would have to be taken. Thereby a common spirit would be fostered which would make it possible to go even further.

The first point on which agreement was reached, M. Marjolin said, was the need for short-term forecasts. The drawing up of firm economic forecasts by the Member States should make it possible to study short-term national economic policies in full knowledge of the

facts. The delayed or long-term effects of such short-term policies would have to be discussed at a later stage.

Another point of agreement was that public investment (roads, housing, schools) and certain sectors where there was no competition (energy) needed long-term planning. It had further been agreed that long-term agricultural policy could not be separated from long-term regional policy. And finally they were agreed that the Commission should continue to draw up long-term forecasts which, whilst not committing the governments, would make possible comparison and discussion.

M. Marjolin said that there had also been agreement on planning methods:

- (i) A certain number of plans should be prepared per sector; these would provide a kind of planning mosaic, which would have to be meaningful;
- (ii) Planning should be based on alternative assumptions, provided however that the disparity between these assumptions was not too great, so that they could be used for decisions;
- (iii) Planning needed to be flexible as it must have regard to technological advances;
- (iv) Governments should make forecasts of their revenue and expenditures over several years. This was already being done in some member countries.

Speaking personally, M. Marjolin said that for social and human reasons they must go further than that. The modern world was one of constant change and adjustment to new situations. The disappearance of the English smallholder last century or the disappearance of the Russian smallholder in more recent years occurred under conditions of extreme hardship which were no longer acceptable. Today, the security of millions of workers and farmers was threatened. There must, in our rapidly changing society, be collective responsibility which ensured that those who were adversely affected by progress would wherever possible be retrained and that the others would be assured of a fair standard of living through some new form of social security.

3. Scope and content of European Planning

M. Marjolin felt that it was too early to draw an exact picture of planning in its European aspects. It needed to be worked out more fully, but it was clear that planning and the building up of Europe were complementary to one another. Planning must help, not hinder, the governments, and in each of the Member States it must support the boldest initiatives (as for instance the incomes policy in the Netherlands).

What then could the Community do in the field of planning?

M. Marjolin mentioned a number of steps that could be taken:

- (a) A first comparison of national plans; programmes and forecasts (even if these were only partial); they could then be moulded into one with the aid of the overall forecasts which were being prepared;
- (b) A study of how these national efforts could be compatible with the early establishment and maintenance of the balanced situations to which the Community attached importance;
- (c) A request to governments to make a forecast of their revenue and expenditure;
- (d) A forecast for particular sectors, such as agriculture or energy, and a more long-term forecast of regional policy;
- (e) These various measures could be taken with the help of all the Community's vast economic and political resources, especially by means of full discussion in the Economic and Social Committee and in the European Parliament, which should play a vital role in these matters.

In conclusion, M. Marjolin took up a remark made during the colloquy, namely that, if at the national level planning was a school for citizenship, something by which each would learn to take into account the interests of his fellows, it must also become a school for citizenship at the European level; it must become not only a means of education for the citizens of our countries, but also a means by which they could have a hand in the building of Europe.