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Remarks by Walter Hallstein, President of the Commission
of the European Economic Community
at the National Press Club Luncheon on June 11, 1959

European unity which the three of us today symbolize responds to an imperative: Europe must unite if its peoples are to make that contribution to world progress commensurate with their abilities and resources. Europe must unite if it is to be strong - if it is not to destroy itself by a continuance of divisions and wars which have marked its history for hundreds of years.

We are making a start toward that unity with the European Community. How can I characterize the Community for you?

The first point to emphasize is that it is new.

Our European Community is a systematic attempt to apply what we have learned from the misfortunes of the past and the successes of others, particularly the United States.

Today it is no longer a dream but a reality. It has already wrought important changes in Europe. Those changes will have worldwide implications.

The second important aspect of the Community is its magnitude.

No single one of our six member nations has a national output amounting to even 20% of the national output of your country. No single one has even one-third of your population.

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The European Community, on the other hand, has a combined output about 50% of yours, with a population roughly equal to that of the United States. Our industrial production is growing fast, even faster than yours.

As the Common Market comes fully into operation over the next decade we will have a vast domestic market equal in population to your own. We envisage a rate of growth which will, by 1975, raise our standard of living at least up to the point where yours in America is today.

The third characteristic of the Community is that it is liberal. I mean by this that it is dedicated to promoting the free flow of trade on a worldwide basis.

It is our conviction that freedom of trade in a market as large as the European Community must necessarily be accompanied by a general liberalization of trade throughout the Free World. As you well know, we are seeking the means whereby we can associate Britain and other European countries with the Common Market.

Now, let me say parenthetically at this point that, on the basis of experience so far, the fears and alarms of the European neighbors of the Common Market that we might turn into a protectionist bloc are certainly not being borne out. As President Hirsch has told you, we took the first steps toward the creation of the Common Market on January 1. Yet it has just been brought to my attention that so far this year the imports

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of the Common Market countries from their eleven OEEC neighbors, including Great Britain, have risen faster than the Common Market exports to those countries. In other words, what we have done so far has only served to make the trade position of our European neighbors more favorable.

At the same time our Community has accepted the proposals made by your Under Secretary of State, Mr. Dillon, for a new round of trade negotiations. These negotiations should result in the reciprocal reduction of tariffs within the framework of GATT, including tariffs between the Community and your country. That, in turn, should bring about a substantial increase in the flow of trade both ways across the Atlantic.

Trade and investment are, of course, related. It seems to me that our Community has received no more gratifying vote of confidence than American industry's rapidly mounting investment in the Common Market.

I can assure you - and I wish to make this point emphatically clear - that we welcome this import of capital and know-how from America, and we hope in the future to see a reciprocal movement of European investment to your country. Not only is this good economics for all of us, but it is a great force for unity. The more our businessmen become partners - the more our economic eggs are scrambled - the greater will be the strength and solidarity of the Western World.

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The fourth point is that the Community is conscious of the growing interdependence of the Free World.

I suggested a moment ago that the changes we are bringing about in the Community will have temporary repercussions in all corners of the earth. We are not only willing but eager to participate in arrangements to ensure that the world economy is benefited and not disturbed by what we are doing.

At the same time we recognize that the Western World must develop its production and productivity with a compelling sense of urgency if we are to meet the common menace of Communism. Today we face the mounting competition of the Soviet Union. Tomorrow we may face an equally formidable pressure of competition and disruption from China with its thousand million people.

To build and consolidate the strength of the Free World will require a high degree of economic cooperation between Europe and America.

This cooperation we in the Community are determined to promote.

My fifth point is, I think, of increasing importance to you as well as to us. In achieving the economic rebirth of Europe we recognize that our new capabilities bring new responsibilities to assist peoples in the less developed areas of the world.

In Europe we are as aware as you that the world is facing a revolution of rising expectations among peoples who up till

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recently have felt no hope of sharing in the world's progress. At the same time the rapid pace of modern technology tends to widen rather than narrow the disparity in living standards between the industrialized and the less developed countries.

Our Community is determined to do its share in reducing that dangerous disparity which the Communists are exploiting to their own selfish ends. Our effort will not be a meager one. After all, the Community is the second largest industrial producer of the world. It is one of the greatest reservoirs of technical and administrative skills. Finally, it has the largest volume of trade with those areas which are on their way to development.

Our Community cannot, therefore, limit its objectives to the economic transformation of Europe. The concerns of our Community are not just European concerns, but universal ones.

My sixth and final point is that, while the Community works through economic means, it has a profound political purpose. What we are achieving is not merely a merger of the resources of production. We are bringing about a merger of policies. Policies that have so far been the province of national states are becoming a responsibility of the Community over a broad spectrum of subject matter - trade policies, agricultural policies, transportation policies, even certain aspects of monetary and financial policies. In a word, the

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essential branches of the economic policy of Europe are becoming common policies for the Community.

To cope with this complex task we have built an institutional structure based on federal principles. Without exaggeration it can be said that our Community is not merely a step toward political community; it is already a political community in the making.

Because our Community is a political Community dedicated to the same principles that guide your own great country - principles of freedom, of human dignity, of a constant and unremitting search for peace - we shall always stand side by side with you ready to share the burdens of the ideological struggle between the East and West and as your partners to meet our responsibilities in the defense of the Free World.

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