

EUROPEAN COMMUNITY

INFORMATION SERVICE

233 Southern Building, Washington 5, D.C.

Phone: NATIONAL 6-9070

COMMON MARKET • EURATOM • COAL & STEEL COMMUNITY

HOLD FOR RELEASE - 8 P.M. EDST
Monday, May 22, 1961

HALLSTEIN SAYS COMMON MARKET GOAL IS POLITICAL

CAMBRIDGE, MASS., May 22 -- Dr. Walter Hallstein, President of the Commission of the European Economic Community (the Common Market), said today that political goals, not economic ones, are ~~necessary~~ pre-eminent in the six-nation union he represents.

In a speech at Harvard University's Dunster House this evening, the EEC President declared: "We are not in business at all. We are in politics."

The EEC, comprising Belgium, France, Germany, Italy, Luxembourg and the Netherlands, was established in 1958 to achieve the economic and political integration of the member states -- a kind of United States of Europe.

The EEC, popularly known as the Common Market, is removing customs duties on goods circulating among members and establishing a common external tariff for non-member nations. Dr. Hallstein stressed, however, that the overriding orientation of the Community must be political.

Economic integration in Europe, of course, is essential, Dr. Hallstein emphasized, because "the modern world is a world of continents, of markets and economies on the grand scale." He said that "divided economies and divided markets mean small-scale efforts, which in turn mean waste and relative poverty." A European "home market" somewhat on the scale of America's is necessary, he said.

But forging common economic policies for six nations is in itself largely a political job, the speaker declared. He then added two other conditions which he said impose a dynamic political character on the six-nation venture: the need to make Europe's weight felt in world affairs; and the military, economic and ideological challenge posed by the Communist world.

In a world of great powers like the United States, Russia and, increasingly, Communist China, the Commission President said, Europe faces a "challenge of scale, a challenge of size... In a world of giants we can't afford to be midgets."

With respect to the Communist challenge he said: "Call it, if you will, 'competitive co-existence.' What is clear is that this kind of competition is no mere friendly rivalry but a political and economic challenge that must be met by economic and political means." Dr. Hallstein continued: "We have to prove that our free system not only is better, but works better. In this context can we regard the integration of Europe as a purely economic phenomenon?"

Professor Hallstein said integrating the economies of the six Common Market nations is producing unprecedented political cooperation while the six governments are pushing toward the same goal in heads-of-government meetings initiated in February at the suggestion of President de Gaulle of France. The EEC, he said, will not try to become a kind of "third force" in the West, however, because the common political challenge requires even closer ties and more cooperation in the Atlantic Alliance.

He maintained that the Community already is having a cohesive effect in the Alliance: "Without it, would Great Britain now be rethinking her whole relationship to continental Europe?" he asked. Britain is not a member of the EEC but leads the European Free Trade Association, a trading group without political aspirations.

Membership in the EEC is permanently open to all European nations, Dr. Hallstein emphasized, but he said "joining the Community" means a deep commitment to its customs union, to harmonization of economic policy and to supporting its institutions with their political character as Community organs. Nations that wish merely to become "associates" must nevertheless respect the autonomy of the EEC's political institutions, he stated.

Dr. Hallstein said the EEC in the larger setting of the Atlantic Alliance sees three pressing problems in the immediate future: eliminating imbalances in the international monetary structure (America's balance of payments problem is an example); developing coordinated policies for providing aid to developing nations; and curbing the production of unmarketable farm surpluses in many countries. He said the EEC will work for solutions with the United States, which is a member of the new 20-nation OECD (Organization for Economic Cooperation and Development).