

**EUROPEAN
COMMUNITY
INFORMATION SERVICE**

220 Southern Building, Washington 5, D.C.
telephone NATIONAL 9-5070

COMMON MARKET · EURATOM · COAL & STEEL COMMUNITY

March 28, 1960

FOR IMMEDIATE RELEASE

HALLSTEIN PRESENTS COMMON MARKET
ACCELERATION PLAN TO PARLIAMENT

WASHINGTON, D.C., March 28 - Professor Walter Hallstein, President of the Commission of the European Economic Community (Common Market), today introduced the Commission's proposals to speed up the Common Market's transition period in a speech before the opening session of the European Parliament. Announcement of Dr. Hallstein's Strasbourg address at the beginning of the Parliament's political debate was made from the Brussels headquarters of the EEC.

The President emphasized that the present healthy state of the European economy offered a unique opportunity for strengthening the Community while at the same time pursuing a definitely liberal trade policy with the rest of the world. He pointed out that in drawing up its proposals for accelerating the Common Market's transition to a full customs union, the Commission had been guided by the resolution of the Council of Ministers of November 24, 1959, which maintained that the degree of liberalism possible in the Community's external relations would depend on the speed with which its internal structure could be consolidated.

The acceleration proposals, which were first announced on March 3, call for tariffs within the six-nation Community to be cut by 50 per cent by the end of 1961 instead of by 25 to 30 per cent as outlined in the Treaty of Rome. On the way to that goal, the next round of tariff reductions, scheduled for July 1, would amount to 20 per cent rather than 10 per cent. At the same time, the common external tariff would begin to be applied July 1 instead of waiting until December 31, 1961. It was proposed that these tariffs be reduced by 20 per cent and that a certain measure of reciprocity might be asked.

In his speech today, President Hallstein stated that it was the duty of the institutions of the Community, and in particular of the Commission, to make use

of any provision in the Treaty to assure the strength and the evolution of the Community. Under the provisions of the Treaty, the timetable can be accelerated.

After going into the details of the Commission's proposals, President Hallstein dealt with the economic factors which make it possible or useful to shorten the transition period. Analyzing present economic trends, which are favorable in all the six countries, the President said: "It would not be greatly overstating the case if one said that the first Community measure in connection with economic trends should be the speedier implementation of the Treaty."

In the past two years, the economic policies of the six member states had come constantly closer to one another, moving toward a market economy with free price formation. In the field of customs policy, the governments were already acting after prior consultation only. The freeing of quotas including those for goods from the dollar area had contributed further substantial progress in all Community countries.

In discussing the external effects of the Commission's proposals, the President stated that the outside world was increasingly accepting the Community as an entity. Referring to the acceptance in principle of the Community by the world as a whole, the President said that in politics one must want the consequences of what one aims for. This meant, for example, that the institutions of the Community and the existence of a common external tariff must be accepted. The common external tariff could not be extended indefinitely to include non-member states unless there were reciprocity.

Introducing the Commission's proposals for speeding up the implementation of the Treaty, Professor Hallstein stated that the following measures were envisaged:

1. The extension to the Community's partners in GATT of the internal reduction of tariffs, provided this does not bring them below the common external tariff. Whether with or without reciprocity still remained to be decided.
2. A common external tariff whose average effective incidence shall already be lower than that of the 1957 tariffs of the member states. Thus, the very emergence of the Community is bringing about a considerable reduction of the so-called tariff wall around the territory of the Community.
3. This tariff will serve as a starting point for negotiations to be carried on in view of a further reduction by 20 per cent. Anticipating this reduction, the Commission has proposed provisionally to carry out the first approximation of the common external tariff on the basis of a tariff reduced by 20 per cent.

4. It is the Community's wish that, as agreed by the Council on a proposal of the Commission, a further round of tariff negotiations with a similar aim should be undertaken after the conclusion of the Dillon negotiations.
5. The Commission's proposal for a contact committee with the seven member countries of the European Free Trade Association stands. The proposal opens up possibilities for tangible improvements in European trading conditions. It could provide a kind of complaints procedure for dealing with practical cases of hardship, or it could be given even wider terms of reference.
6. There is still the possibility of associating other countries with the Community.

Concluding his address, President Hallstein emphasized that acceleration could open the door to tariff reductions and inaugurate an era of free trade throughout the world. The purpose of the Community's efforts, said President Hallstein, was to increase and further liberalize trade in the free world and to greatly improve coordination of development policy. In this, due account would have to be taken of the increased foreign-trade activities to be expected from the Soviet bloc.

###