GENERAL AGREEMENT ON
TARIFFS AND TRADE

CONTRACTING PARTIES
Thirteenth Session

THE ROME TREATY

Statement by the Representative of the Council of Ministers
of the European Economic Community on 21 November 1958

During the discussions in connexion with the examination of the Rome Treaty at the meeting of the Interresessional Committee last April, the CONTRACTING PARTIES agreed that they would retard for the time being legal discussions concerning the interpretation of Article XXIV and would resort to the procedures of Article XXII in order to seek constructive solutions, in accordance with the spirit of this organization, to the main difficulties which might arise out of the gradual application of the Rome Treaty.

The consultation procedure which has been agreed upon is being applied already. Consultations are being or have been conducted in connexion with a number of commodities such as tobacco, tea, cocoa, coffee, sugar and bananas.

I believe I can say without fear of any contradictions that this practical procedure has yielded good results in the sense that the preoccupations of the contracting parties concerned and of the six signatories to the Rome Treaty have been more clearly understood and appreciated on both sides. There is no doubt - and this is not at all surprising - that this mutual understanding is a limited and perhaps disappointing result for those to whom this first attempt at consultation had given rise to excessive hopes.

I wish to stress, however, that in my opinion this first stop has been useful to the extent that it has enabled us through better mutual understanding to appreciate fully the difficulties which may arise and which could be overcome by common efforts. If my understanding of the disappointments experienced by our partners in this first attempt is correct, they arise primarily out of the fact that the fears entertained by one country or another that difficulties or damage would occur have not as yet convinced the Community that such difficulties or damage is likely to occur.

As far as the Six are concerned, the regret caused so far by the first results is due primarily to the fact that apprehensions of a subjective nature continue to oppose the realization of their grand design which consists in their attempts towards integration. A feeling of frustration is obviously experienced on both sides. On the one hand it is realized how difficult it is to demonstrate, and to obtain recognition of, the existence of damage which is considered as certain to occur; on the other, it is felt that the other party does not take sufficient account of the expansion in the world economy as a whole which will naturally stem from the implementation of the Treaty.
Should such difficulties give rise to undue anxiety? I for one do not believe so. Anxiety was to some extent unavoidable.

I would wish to repeat that, as far as the Six are concerned, we do not feel it possible to initiate useful consultations on the basis of mere apprehensions. Our Governments have repeatedly stated that there could be useful consultations only if such consultations were to refer to concrete cases arising out of the application of the Rome Treaty. On the other hand, at the present stage in the evolution of the Treaty, so many unknown factors still obtain that it is obviously difficult for the other party to adduce convincing evidence of the kind that would certainly lead us to seek appropriate solutions in common.

I would wish to call your attention to the fact that, while until now in the various consulting groups the representatives of the Six have been confronted with mere apprehensions which, in their opinion, could not possibly be substantiated, they have not refused to discuss. It is difficult to turn this procedure into an absolute rule, and if all contracting parties were to request expert discussions for the purpose of examining every possible hypothesis as to any danger which might arise, our establishment would not be sufficient to cope with the task. However, is it not true that the conversations which have taken place until now have demonstrated our anxiety to be appraised of your feelings to the full extent of our possibilities and to consider them sympathetically without necessarily being able to provide a solution so long as we are not convinced that there is in fact a real and imminent threat of damage?

The question today is whether, on the basis of the impartial summary by the Chairman of the CONTRACTING PARTIES, it could not be noted that, between mere apprehension as to possible damage which the Six cannot accept as constituting adequate justification and the actual damage which we would all wish to avoid, there is a considerable margin wherein there must be somewhere a basis for fruitful conversations.

Today we are all groping for some kind of case law which cannot easily be defined or outlined, but our mutual goodwill is unlimited. The Six, for their part, are determined to pursue these talks in the same spirit as had been envisaged at the close of the first round of consultations. They are prepared to do so, possibly in Brussels, being convinced that this practical method can lead to constructive results. Such is the empirical system which I wish to suggest to you, and for which you found, and will still find, that the Community's exports show infinite patience. I would wish to praise the virtue of patience which will be necessary on both sides if we are to succeed. Shall I recall that the concern of the contracting parties very often arises out of the fact that the Treaty vests considerable powers in the Institutions of the Community? It is only normal that you should try to ascertain what the intentions of the Community are, but to that end you must be reconciled to the slow rate of constitutional development which the Treaty provides for, and recognize that majority decisions will, in general, be taken only during the second and third stages of the transitional period in the Community's life. It is only then that a real Community policy will be evolved. In the meantime, we shall often come up against the difficulty inherent in the reaching of unanimous decisions and the inter-play of our various national interests. And it may well be that our answers to your questions will not be perfect.
However, you must be aware that this will not be a manifestation of ill will but only the reflection of the necessities inherent in the starting of a great undertaking.

I should also like to recall all the provisions of the Treaty concerning the common commercial policy. Their purpose is to affirm the intention of the Six to play fully the liberal part of an economic entity whose imports and exports represent 21 per cent and 22 per cent respectively of total world trade.

This involves, as we are well aware, heavy responsibilities, in particular towards the contracting parties. We do not in any way intend to shirk such responsibilities and the intention of the Six is to shoulder them unfailingly notwithstanding the difficulties inherent in the transition period. The position which the Six have adopted towards Mr. Dillon's proposal and with respect to other matters bears witness to such intentions.

The more establishment of the European Economic Community is to be reflected in the accelerated development of the industrial production of the Six. That is the natural consequence of the formation of a large-scale common market. Such developments in themselves generally bring about new trends in international trade and they should constitute a determining factor for a move in the direction hoped for by this organization. In the Haberler Report which has served as a basis for the discussions at this Session, we find the following statement:

"The more rapid the growth in the industrial countries, the greater the demand for imports. Thus, growth, as well as stability of the industrial economies, also serves the best interests of the less developed countries." (Page 55)

I am convinced, Mr. Chairman, that the protracted discussions concerning the Rome Treaty in which the contracting parties have been engaged for over two years, and which will probably have to last for quite some time still, will give an opportunity to the delegations met here to become better and better acquainted with the objectives of the Community, and will lead them to share my profound conviction that our integration is fundamentally consistent with the spirit and objectives of the GATT.