

Address given by Karl Czernetz on Austria's accession to EFTA (Strasbourg, 20 January 1960)

Caption: On 20 January 1960, in response to an address given by Walter Hallstein, President of the Commission of the European Economic Community (EEC), in which he referred to the status of the neutral countries in Europe, Karl Czernetz, Austrian Member of the Consultative Assembly of the Council of Europe, explains why Austria chose to be one of the founding countries of the European Free Trade Association (EFTA).

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European Economic Relations

M. CZERNETZ(*Austria*) (Translation from German). - Mr. President, in his excellent and detailed statements - for which, we are much obliged to him - Professor Hallstein, the President of the European Commission, made special reference to the question of neutral countries. If he did not expressly name my country - Austria - he doubtless thought of it in much of what he said ; and, what is more, he cited a statement of the Austrian Minister of Foreign Affairs.

May I be allowed, without being considered as immodest, to explain, by taking the example of Austria, part of the problems we have to deal with. Why has Austria, a member of the community of the Eighteen and a member of the community of the Fifteen, now decided in favour of the association of the Seven ? Why is it that Austria has not chosen, after many years' consideration, to seek finally a way toward an understanding with the Six, i.e. the E.E.C. ?

I want to point out that in the Austrian Parliament we have fully appreciated and acknowledged the historical significance of the Community of the Six and the immense achievements of the E.E.C. I should like to stress the fact that in that debate in the Austrian Parliament I myself did everything I could to make it quite clear to the public in my country to what extent the creation of that Community constitutes a historical achievement. This achievement consists, primarily, in that the ancient and so-called hereditary enmity between Germany and France has been overcome - for ever, as we hope.

The second outstanding achievement, in our view, is that the Six have contrived by their union to act as pioneers, as the driving force of European integration. President Hallstein was doubtless right when he brought out the fact that - as we all know - the E.E.C. is already an economic polity and wants to be considered as a political union too - a political federation, a political entity with certain supranational features. We acknowledge fully the major historical achievement which has been compassed.

I shall not refrain from repeating here the statements I have already made in the Austrian Parliament. As the representatives of the neutral country Austria we must say here what we have to say quite plainly in spite of the precarious situation of our country : we appreciate and acknowledge the fact that the creation of the Community of the Six is a strong element of political consolidation for the Western world, nay indeed for the Western military alliance. We appreciate this fact also in our neutral country because we know only too well that our existence and the maintenance of our liberty and neutrality depends upon the equilibrium between the Great Powers of East and West. We are convinced that any consolidation of the alliance in the West represents an essential element of stabilization for the conditions of international equilibrium.

But, while we acknowledge those achievements and are well aware of their great importance, we also realize clearly that, as a neutral country, we cannot participate in this Community so highly appreciated by us. In his statements President Hallstein repeated some arguments which were advanced in Austria some time ago and have been discussed in public. He raised the point, for example, whether a country like Austria would have to adhere as a full member from the outset, or whether it might not associate with the Community while eschewing certain obligations and, of course, also certain rights.

I want to reply to those considerations, Mr. President, with the following observations. We have accumulated expert evidence from international law scholars in Austria. We have received a variety of views. Like everybody else, President Hallstein doubtless knows that, notably in the delicate field of international law, opinions may vary quite a lot. If jurisprudence is considered sometimes as a science that behaves as though it were an exact science - then this applies even more to international law. Heaven knows that my words are not meant to be insulting to any representative of jurisprudence ! But I should like to repeat : we have received expert pronouncements in which widely differing opinions were expressed.

I want to remind you that Austria chose her policy of neutrality of her own free will and by reason of a

specific evolution of international power-relationships, by reason of a determined geographical and geopolitical situation in which my country finds herself.

In evaluating this problem one ought, moreover, to be aware that any correct juridical differentiations between full membership and association as well as the establishment of an appointed extent to which obligations may be passed over, are concepts of a somewhat theoretical nature.

Now, I want to ask you quite plainly : is there anybody who believes that a country like Austria, on the glaxis between the two blocs of international Powers, would be able, in the event of a dispute over the interpretation of neutrality, to put her legal conception before The Hague Court ? Do you really believe that such a dispute might be made the object of juridical deliberations ? Are you really convinced that the partner or opponent in such controversy would observe the terms of an experts' report or the judgment of a Court ?

The great majority of the Austrian Parliament was of the opinion that we cannot, by any means, assume such risks, that we could not take responsibility for such a thing in the eyes of our nation.

Both the Austrian Federal Chancellor and the Minister of Foreign Affairs have stated in public that we have defined Austria's neutrality ourselves and have ourselves determined the limits of its application. May I add something to that : we have done this in full recognition of real conditions of power within the framework of power-politics. Please, I beg of you, Mr. President, to understand that Austria has not acted lightly in this question. We know only too well the substantial nature of our commercial and economic relations with the markets of the Six. We have many times in recent years uttered warnings and, time and again, made representations as follows : please take care of countries like Austria, for this country's exports are more completely oriented to the market of the Six than any single country's of the Six within the Common Market. Thus, our trade policy is more closely interconnected with the market of the Six than each of the six countries is with the others.

The best possible solution for us would be the adherence to a community of all OEEC countries, a policy which we have passionately advocated all the time.

President Hallstein declared to-day : if neutrality stipulations are consonant with a bilateral association, they should also be consonant with a multilateral association. Now, Professor Hallstein, in a juridical argument you may be quite right - perhaps - but you are not right if and when it is a question of a dispute in terms of power-politics, as is the case here. For it is not a question of weighing up juridical truths, it is how Austria's attitude is assessed by the two Great Power blocs and in what sort of situation she will find herself through her choice. We hold the view that a decision such as has been asked of us, and the assumption of such a risk, would have been of no benefit for our country. Nor do we believe that such a decision would have been of any benefit to Europe, the Western countries and the free world. Of course, our behaviour would not have provoked a new war. But, certainly, the emergence of new difficulties in this central sector of Europe would have had unfavourable effects, at first for Austria, but, also, then for the other countries of free Europe.

Let me just say, marginally, one thing : this small and insignificant country of Austria will, under certain circumstances, be able to play a mediatory role, maybe in connection with the Danube Convention between the German Federal Republic and the States of the Balkans. I want to stress the word « maybe », for I do not know yet. Anyway, there is a degree of economic interests here and there is a compromise. Such a possibility should not be simply set aside from the outset.

The neutrality of the Swiss Confederation originated in a period when the country was situated on the glaxis of the disputing Central European nations. The Swiss cantons still maintain their neutrality - even though they have long ago shifted from the border spheres of these countries into their centre. Austria is now situated on this glaxis. Please, do understand this. It is a basic geographical fact of our life and yours which is in question. It would be tragic if an inadequate treatment of this problem should force Austria into a situation like that of Finland. It is a very hard thing now to establish closer relations between Finland and free Europe because of the delicate position of that country. Please do not forget this when dealing with Austria.

We Austrians have no doubt concerning where we belong to and what we want. But we are also aware of where we live and we know how we must live there.

Mr. President, the maintenance of national sovereignty we are now harping upon so much and are obliged to harp upon, is an anachronism - of course. But don't we live, all of us, in the shadow of an international anachronism ? Is not the armaments race of the two major Power blocs in the field of nuclear weapons an anachronism, too ? Has not war ceased by now to be an instrument of policy ? We Austrians cannot change all this, nor can you.

Ladies and Gentlemen, in this world that lives in the shadow of anachronistic conflicts between the world Powers, we Austrians are obliged to stress certain exterior forms of an anachronistic policy such as the maintenance of national sovereignty, because this is the condition of our life on the glaxis between the Power blocs.

Mr. President, I do not feel it is any use addressing to Austria again and again the kind invitation : be sensible and adhere to the E.E.C. or associate yourself with it. We have thought it over well enough and we think that none of those in positions of responsibility in our country could assume responsibility for such a course. The situation is much the same in Switzerland and Sweden.

As for Great Britain, that country is faced with quite different problems which, as has been mentioned before, prevent her from adhering to the Community of the Six. Thus, we are faced with the fact that there are two blocs in competition with each other. President Hallstein coined a fine phrase I never heard before. He said he had no desire to conduct a conversation on economic creeds. I am most grateful for this term. I think it is extremely fitting. But what is the issue ? He has professed his faith in European solidarity. He tried to explain that problems may prove fictitious problems, fading away in time, and how solutions may be found on pragmatic lines. He used a fine image when he said : the two parts of Europe, the Six and the Seven, have drifted apart quite a lot during the last year and on the fields between them there are a great deal of weeds that should be pulled out. Now, M. Hallstein, I beg you : in doing so, please do not put all the uprooted weeds on one side, for heaven's sake ! (*Laughter.*)

I am afraid that something of the kind has actually happened to-day. It is no use, even when weeds are not growing, if they are heaped as high as mountains on the one side. I should rather say we ought to cling on to a remark M. Hallstein made, at the end of his speech - and for which we are duly grateful - when he quoted a phrase of the Austrian Minister of Foreign Affairs, M. Kreisky : first let us have an outline-treaty between the Six and the Seven and then enter into individual contracts. May I recall that that was already proposed in this Assembly in 1958. This, precisely, was our conception. We did not want a treaty on a free trade association, i.e. a comprehensive agreement containing all details ; we wanted an outline-treaty to prevent our drifting apart, to be followed by negotiations on the individual items.

But we did not get together, we allowed the stretch of fallow land between us to become even larger. Now we are faced with the problem : what shall we do ? The proposal made by the Rapporteur, M. Heckscher, on behalf of the Economic Committee aims in this direction. Professor Heckscher envisages in outline-treaty. For the individual sectors, for commodity groups and groups of countries, adequate forms will then have to be found. They will vary as between the various categories of goods and may be somewhere between the free trade area in the classic sense and a customs union. I gladly agree with this proposal.

M. Lange, Swedish Minister for Trade, reminded us that at a meeting of the Socialist parties of the Six and the Seven here in this House a resolution was adopted which is perfectly in line with the decision of the Economic Committee of the Consultative Assembly. It appears that practical solutions can be found in this way. I shall be glad if President Hallstein of the European Commission is of the same opinion. It would be most interesting and fascinating to deal with some of his statements in more detail. Unfortunately, there is not enough time to do so. Without sentimentality and without dramatizing things unduly, we must state that we are not in a position to say : « let's get on slowly. The solution will come of itself. » Some one said once « wait and see ». It was not today nor was it President Hallstein. But such views are actually being

disseminated.

Some of the warnings President Hallstein uttered today - which can also be heard elsewhere - have given me the impression that there is a feeling that it will last a little longer and it will not be so bad.

May I revert to the image of the fallow land between the Six and the Seven which M. Hallstein used in regard to our having drifted apart. On the 1st of July 1960 there will be customs tariff discrimination on both sides. For we are now allowed to speak of « discrimination ». Last year you would have got very angry, President Hallstein, if we had used this word. At that time, it was « differentiation » ; now « discrimination » has become authorised and I am thankful for this - for reasons of terminology. Now, if such discrimination is started on both sides, it is necessary to start also readjusting trade. It is necessary to look out for new markets. One firm after the other and one group after the other will attempt to do so. Thus, we are drifting apart even more. If we don't undertake anything now, the area of fallow land will become even larger, and when we start uprooting the weeds, there will be more of them every year. That's the problem.

We should recognise that the decisions, which were taken almost unanimously by this Assembly some months ago, may constitute a first step. Those decisions referred to an outline-treaty as a minimum achievement - and to a declaration of principles on the basis of which negotiations can be carried on.

Professor Hallstein said we ought to stop treating economic ideologies as though they were religious creeds. Is a declaration of intent the sort of thing that comes within the category of an economic creed ? I do not think so. The following should further be considered : any attempt to alleviate discrimination by individual arrangements - for example by granting mutual customs tariffs reductions between the Six and the Seven is rendered impossible by the GATT rules. Only after we have a common treaty will it be possible, according to the GATT rules, to relieve the worst effects of discrimination in the various countries. Anyway, we shall not be able to eliminate such effects at the beginning, we can only relieve them.

I have bothered the Assembly several times already and perhaps too much with Austrian problems and drawn your attention to our troubles. Insofar as the situation can be appreciated at this moment, however, the very serious worries of Austria within the overall European economy will be overshadowed by far by those of the biggest partner in the European Economic Community, namely the German Federal Republic. You will live to see that the economy of that country will probably be very heavily affected by discrimination. One ought not to build on sand and seek one's sole support in treaties because this may well lead to an economic emergency situation. Preventive measures should be taken in due time.

We don't want to dramatize - all right. But one should not be too self-complacent, either. Complacency often borders on carelessness. The situation might develop in a way that it would be very difficult - or impossible - to escape from it. There is much truth in the remarks of our Irish friend Mr. Costello. What is at issue is a controversy between nations and Powers. We are faced with a peculiar situation which is hard to understand. In 1958 we were told : A larger union, i.e. the European Free Trade Area, is not possible because France will not be able to stand it economically. We were told then that France could not stand the competition of British industry ; that everything had been settled and discussed with Germany. But that was all.

Now, in 1960, France is strong enough, but it is still intended to proceed without England. The contrasts are taking on a somewhat mystic flavour and we leave behind the sphere of economics and realism. If it was justified that in 1945, immediately after the horrors of war, a man of great vision like Winston Churchill said : No European union without Germany! and if it was justified in 1958 to declare : No European union without France!, I think that there cannot be a European union without England, either. These three countries are the strongest forces we have in our narrow old continent. Will you understand, please, that certain remarks to be heard here and there, which have unfortunately also crept into the statements of President Hallstein, have left a very disagreeable impression.

Something of this emerged from the speech we heard today : We profess European solidarity - but Europe, that's us! The others may enter bilateral or multilateral associations in which case multilaterality is but another word for collective bilaterality. Whatever it is - we are Europe and, then, there is the rest of the

world. Well, part of this world happens to be on the continent named Europe.

Such an outlook is impossible. You should understand that it is intolerable not only for a big country like England, but also for the small countries. It is not light-heartedness if these countries say: we shall not participate. You must understand that such a conception is impossible. Professor Hallstein expressed this view today in a gentle and courteous form. I thank him for that. But the theme was the same. The music was nice, Professor Hallstein, but the words - what a text ! (*Laughter.*)

Ladies and Gentlemen, I fully support the recommendation submitted to us by the Rapporteur of the Economic Committee. I think it is not only a question of taking things in the right order and of what should happen first. If it is suggested that everything should be done at a time, I quite agree. But in this case it should really and literally be « at a time », and it would also be necessary to find out whether all this can really be done at the same time, whether Europe can actually stand it.

Assistance to under-developed countries is a vital question for us. But can we - I do not mean Austria, I mean Europe - can we really afford it if we are starting a trade war ? It makes no difference if we don't call it a trade war, if we find another term for it. Shall we be able to help under-developed countries if we dissipate our resources by mutual discrimination ? And our resources will in fact be dissipated by the search for new markets and by the difficulties we are causing each other. Thus, we shall be unable to cope with that important task.

It is especially for this reason that I want to emphasize one thing. We fully recognise that we still have to fulfil another task : Europe is in duty bound to seek intelligent co-operation with the United States. Being an Austrian, I want to lay particular stress on this, for I know that American assistance saved our lives. In the years after the war we suffered great losses through the extensive dismantling operations carried out by the Russians and the draining away of goods. If we survived in those years, it was thanks to the blood-transfusions we received from the United States. Now, it is for us Europeans to have due regard to the great American democracy. No doubt about that !

My view is that M. Heckscher and Mr. Costello are right : we have to find a pattern for our co-operation, we have to show consideration for each other. But I should like to add : we must not put an Atlantic solution in the place of a European solution. And we must not content ourselves with mere words in such a case.

Whatever pattern of organisation we may contrive - we must not destroy what already exists and has proved its worth, if only to a limited extent. This applies to the O.E.E.C. - and it applies also to the Council of Europe. We come across so much criticism and so much scepticism for our democratic and parliamentary institutions that the opponents of democracy might well rejoice at our internal disputes. But criticism and scepticism are vital elements of democracy. We are well aware, all the same, that we have no better instrument comprising the whole of free Europe than the Council of Europe. Nevertheless, I feel that dangerous moods are creeping in here : as if one should say what do we need the Council of Europe for ? Let's eliminate it. We have the Community of the Six, anyway.

We were informed today, in the Committee on Local Authorities, of an exchange of correspondence between the Chairman of our Committee, M. Dehousse, and Robert Schuman, President of the European Parliamentary Assembly. This correspondence deals with the question whether or not the Community of the Six and its parliamentary Assembly has the necessary funds to supply services of some kind in order to support the Conference of European Local Authorities that will be held here in this hall next week. There is one alarming sentence in the letter of our dear President, Robert Schuman. It reads: The request of M. Fernand Dehousse has been declined for « reasons of principle » since assistance cannot be granted to an « organisation with which no relations exist. »

It seems to me that M. Hallstein's presence here is an unequivocal proof that there actually exist certain relations. Maybe, this is not yet known well enough in the Parliamentary Assembly. But we consider it a rather strong relation that common deliberations have been held by the two Assemblies and, we hope, will soon take place again.

When I hear such remarks I cannot get rid of a very unpleasant and disagreeable feeling. We heard my old friend M. Moutet, the veteran and yet still juvenile spirit, saying marginally, in another debate : « There are dissidents intent on making a new assembly. » My good friend M. Moutet spoke of « dissidents ». I do not know any. Who wants to establish a new assembly ? Don't we want to preserve what we have and use it as an element of further development ? I trust we shall hear no more of such statements. The prevailing atmosphere of uncertainty should not be intensified any further.

Mr. President, M. Lange, the Norwegian Foreign Minister, declared this morning : « The political will is the decisive factor » ! This has penetrated completely into our minds long ago. Nobody will doubt such a truth. Not technical and economic difficulties are standing in the way of European union. The question is whether a political agreement can be reached under which the close federation of the Community of the Six will be surrounded by another and looser association maintaining the closest contacts with the Community. Thank you, President Hallstein, for having specifically stated : in its effects the treaty of the Seven will likewise be of political importance. I do entirely agree with this opinion. In regard to the harmonization of customs rates as in regard to many other questions we shall see that the internal development of the seven countries will mean that they will approach nearer to the Community of the Six. Of course, third-country tariffs will have to be lower instead of being higher. The arithmetic mean of third-country tariffs within the Community of the Six is already something of a problem, as it is. I need not go into more detail in this respect. These things are happening within the Community of the Six and affect mostly the countries of the E.E.C. It will be possible to find practical solutions for all these problems, if such is a thing really wanted.

Please understand that a compromise must be sought, that it must be found now, not when the stretch of fallow land between us has become even larger and the thicket of weeds impenetrable, until a new American initiative is needed to help us get out of it. At this very moment we need a political decision of this sort to connect us up with each other. It is no compromise to repeat a friendly invitation to surrender unconditionally. It is repeated again and again: « Associate with us, we shall receive you, come to us! » while it was made clear long ago that for many countries in Europe such association is simply impossible. By a failure to realize how things really are, the situation must still be aggravated. The two communities of the Six and the Seven are in existence. That is a fact. One of them is already being operated successfully, the other one will soon start operation. Nobody should delude himself on this point. Any attempts to win over single countries will prove useless. This ought to be recognised on both sides. It should be recognised that both groups exist and must come to negotiate with each other.

Mr. President, I think that this Assembly ought to follow the proposal made by the Rapporteur M. Heckscher which he submitted after thorough scrutiny and serious deliberations : We should firmly stick to the standpoint we have once chosen. Will you permit me to deal also briefly with Recommendation 210. In this case I am confronted by something mysterious. We agreed upon that recommendation almost unanimously. Shortly afterwards the European Commission rejected the idea of a « declaration of intent ». I cannot reproach Professor Hallstein, the President of the Commission for this. He may say what he wants and what he can answer for in his position. But I ask you, Ladies and Gentlemen, my fellow Representatives in the Council of Europe : what did we do in our own countries in order to carry our decision into effect ? In the Council of Europe we have whatever authority we have conferred on us by our countries. If I know that I cannot carry through a thing in my country, I shall not vote for it here. If we vote for something in this House, but keep silent thereon at home, we shall cut absurd and ridiculous figures. I beg you, therefore : if we have once adopted something, let us be firm on it. Let us repeat, therefore, our point of view in the form suggested by M. Heckscher. Many things have changed in the light of last week's consultations in Paris. We know that. We have taken account of it. Let us try now at home to materialize the common European solution that has been proposed. Let us seek a way out of the jungle of European institutions so that our nations will be able again to follow us. There is a saying : you can't see the wood for the trees. We must prevent the situation developing so that we become unable to see Europe for the European institutions !

We shall have to rationalise our institutions, i.e. to make the necessary co-ordinating arrangements and mould our work to good purpose. We have to create the foundation for this by an outline-treaty and then to establish the required inter-connection between the Six and the Seven in the form of partial solutions. Such a

larger Europe should be linked with the United States and Canada within an extended and modified pattern of O.E.E.C. This has also to be achieved for the benefit of our developing countries, but it should in the first place serve the realisation of a great human idea : the unity of free Europe.