

Walter Hallstein

First President of the Commission and visionary of European integration

SUMMARY

When Walter Hallstein became the first President of the European Economic Community Commission, in 1958, a long career already lay behind him: legal scholar, university professor, research manager, diplomat and German government representative at the conferences drafting the founding treaties of the European Coal and Steel Community and then the European Economic Community. The federalist ideas he developed and the emphasis he placed on supranational institutions remain among his most important legacies. Equally significant was his administrative capacity to build an institution of a completely new type and to anticipate policies that seemed utopian at the time but turned out to be necessary many years later. This impetus to push for further integration earned Hallstein strong opposition from several national leaders, and eventually led to his precipitous departure. This briefing recalls three principal aspects of Hallstein's life: as a scholar and research administrator, as a protagonist of German foreign policy and, of course, as a crucial architect of the early period of European integration.



Walter Hallstein addressing the EP in March 1962.

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A 'forgotten' EU founding father

In public memory and in much of the academic literature, Walter Hallstein's name has been immortalised through the eponymous Hallstein (or Hallstein–Grewé) Doctrine. This principle of German foreign policy, applied between 1955 and the advent of the new *Ostpolitik* from 1966, stipulated that, with the exception of the Soviet Union, no third country could entertain concurrent diplomatic relations with both German states. The doctrine was thus a key instrument of the Federal Republic's claim to represent Germany in its entirety at the international level.

Hallstein's contribution to the formative stages of European integration are less well remembered. He headed the German delegations in the negotiations on the 1951 Paris Treaty establishing the European Coal and Steel Community (ECSC), and on the 1957 Rome Treaties establishing the European Economic Community (EEC) and the European Atomic Energy Community (Euratom). As the first president of today's European Commission, from January 1958 to June 1967, he greatly shaped this supranational institution and played a decisive role in the construction of early European integration. Consequently, Hallstein is rightly considered a founding father of the European Union (EU) – one of a group of eleven men, among which figure high-ranking politicians such as Robert Schuman (France), Konrad Adenauer (Germany) and Paul-Henri Spaak (Belgium) – all officially recognised for their major engagement in European integration. However, in his role as an early architect and visionary of European integration, Hallstein is often forgotten.

Hallstein was a prolific public speaker and writer, not only during and following his years at the European Commission. However, only a limited number of historical analyses and *Festschriften* exist, predominantly published by German scholars. This briefing aims to put three principal aspects of Hallstein's life into perspective: (i) as a scholar and research administrator; (ii) as a protagonist of German foreign policy; and, of course, (iii) as a crucial exponent of early European integration.

An ambitious legal scholar

Hallstein was born on 17 November 1901; the second son of Anna and Jakob Hallstein. The family, with a rural farming background, had moved from the nearby Odenwald region to settle in the city of Mainz one year earlier. Hallstein's father worked as a geometrician's aide, becoming an official of the local railway company and, through further academic training, finally attaining a rather important position with the national railway authority. Hallstein himself was an excellent pupil at secondary school, and his final examination results made further studies an obvious choice. After having briefly considered becoming an engineer, in 1920, Hallstein chose to study law, for the most part in Berlin, then considered the best law faculty in Germany. In 1923 and 1927, Hallstein passed the two state exams. In parallel, he wrote his doctoral thesis on life insurance contracts under the regime of the Versailles Treaty, which he defended in 1925.

During his doctoral studies, Hallstein also started an intensive teaching activity in international private and comparative law. He established his reputation as a promising young academic among the senior law faculty, which after the final exam led to several options for further career steps, among them an offer to direct a recently created League of Nations organisation in Rome, charged with developing the methodology of comparative legal research. However, Hallstein preferred an assistant position at the Kaiser-Wilhelm-Institut (KWI) for Foreign and International Private Law, a prestigious public research institute that still exists today (now called the Max Planck Institute for Comparative and International Private Law and based in Hamburg). Most of Hallstein's academic work during his years at the KWI was concerned with international or comparative law, mostly in research areas close to economic issues such as trade or company law. His *Habilitation* thesis, for instance, dealt with Italian company law.

Hallstein was therefore in an excellent position to aim for early full professorship. He became the youngest law professor in Germany, at the University of Rostock, in 1930. Although this was one of the smaller universities, his research background fitted well with the faculty's long-standing

specialisation in trade law, which he was expected to open up to questions of international and comparative law. A few years later, Hallstein became Dean of the faculty, a post he retained until he was invited to take a chair at the University of Frankfurt, in 1941.

From scholar to institution builder

Like many other prominent officials, scholars and journalists who continued to occupy important positions in the Federal Republic of Germany after World War II, Hallstein made some practical and ideological concessions during the Third Reich, to retain his university positions and safeguard the possibility of pursuing his scholarship. He was probably fortunate to work in an area of law that was less prone to ideological distortion than others. There is some anecdotal evidence that he made use of his influence to protect students and colleagues exposed to political pressure from the regime. Perhaps understandably, his academic output decreased significantly throughout these years, to just a few articles on politically innocuous topics. After the war, Hallstein passed through the American denazification process without any evidence of involvement in Nazi crimes or other misdeeds.

In August 1942, Hallstein was drafted for military service and sent to Northern France as Adjutant to an army general. In late June 1944, he was captured by American forces and transferred to the United States of America (USA) as a prisoner of war. He stayed in the USA until November 1945 and, with support from the American army and US universities, created a camp university for fellow prisoners. Apparently, he was particularly impressed in this context by Friedrich Hayek's *'The Road to Serfdom'*. Ever since, Hallstein's views on social and economic policies took on a distinctly liberal hue, even though he remained convinced that the state had an important role to play in the regulation of market forces. He developed a network of co-prisoners, American officials and exiled high-calibre German scholars, which benefited him considerably once he returned to Frankfurt. It should be mentioned that he maintained life-long friendships with teachers and mentors who were obliged to emigrate to the United Kingdom or the USA following the fall of the Weimar Republic.

Having received clearance under the denazification procedure, Hallstein was elected Rector of the University of Frankfurt in April 1946. He was therefore responsible for rebuilding the institution from its wartime ashes, both in a physical and an ideological sense. In several speeches, he critically assessed the wrongdoings of many university teachers during the Nazi regime and the need to re-establish high-level research and teaching free from political interference. Much of his time was taken up by the practical challenges of rebuilding a completely destroyed campus. Not content with surmounting these problems, Hallstein developed reform ideas for the international educational system, including a proposal to create a 'World University'. The time spent in the USA had strengthened his interest in international legal cooperation and in learning from different national systems and traditions. Indeed, this focus on transnational issues earned him an invitation to spend an academic year at Georgetown University (Washington, DC) in 1948/1949, where he taught German legal history, including European university traditions. Again, his presence in the American capital led to his making contacts with policy-makers, scholars and high-ranking United Nations (UN) officials, who later pleaded in favour of close European-American cooperation.

German-German relations and the first Community

Once Hallstein returned to Germany in November 1949, he became involved in the establishment of the German United Nations Educational, Scientific and Cultural Organization (Unesco) secretariat. Later, he also became an observer at the 5th Unesco General Conference, from which he reported to the German government. Anecdotally, at the same time, one of his students in Frankfurt was the future Chancellor, Helmut Kohl, who took a course in international public law.

In May 1950, Robert Schuman gave his historic speech launching the creation of the European Coal and Steel Community. In searching for an appropriate candidate to lead the German delegation to the subsequent intergovernmental conference, the first after the country's defeat in World War II, it

was perhaps unsurprising that Chancellor Adenauer chose Walter Hallstein to lead the delegation, given his international experience and contacts. Moreover, Jean Monnet had made it known that a specialist in international law would be the ideal candidate. According to contemporary observers from different delegations, Hallstein turned out to be an affable and efficient negotiator, which prompted Adenauer, only a few weeks later, to offer him the post of Secretary of State, first in the Chancellery and soon after at the newly re-established Foreign Office, a mandate he kept for seven years.

Three aspects of this period in Hallstein's career stand out. From their first conversations, there was a high degree of mutual respect and trust between Adenauer and Hallstein. This was important given that Hallstein's appointment had not met with consensus among the leaders of the political groups in the *Bundestag*. Furthermore, from 1950 to 1955, Adenauer chose also to serve as Minister for Foreign Affairs, providing Hallstein with considerable room for manoeuvre in rebuilding and managing the ministry. A few other senior officials enjoyed privileged access to Adenauer, but for most practical purposes, Hallstein acted with quasi-ministerial independence.

The Hallstein Doctrine concerned a core foreign relations objective for the young Federal Republic – to avoid recognition of the Democratic Republic by third-country governments as a second German state, with equal diplomatic rights and duties. In several memoirs, senior Foreign Office officials question Hallstein's intellectual authorship of the doctrine. Most scholars and contemporaries instead see an effective division of labour between Hallstein and Wilhelm Grewe, Director-General of the Political Division of the Ministry. Nevertheless, the term 'Hallstein Doctrine' caught on in the media and quickly became a popular term for the complicated relations between the two German states, and was used by historians many years after it had lost its political significance. Hallstein naturally shared the general objectives of German foreign policy. He often explained and defended the principle to the wider public and to foreign representatives, thereby endorsing what Grewe and other senior diplomats had developed.

Hallstein's actions as Secretary of State indicate that, after the war, European affairs were the starting point and the centre of his political interests. He was certainly obliged (and willing) to devote an important part of his resources to questions of German-German relations, hence the historical association with the (in)famous doctrine bearing his name. He desired to see Germany return to the community of sovereign European nations and to exert a commensurate measure of international influence as much as most politically interested compatriots of his time. Both strands of foreign policy interacted, but much of his speaking and writing during the late 1940s and early 1950s suggests that European integration was his prevailing concern.

Schuman had addressed his declaration to all interested West European governments, but it soon transpired that only four countries neighbouring France or Germany intended to take part in his project. Even in this small group, different interests and preferences had to be reconciled. In spite of his own convictions in favour of supranational institutions, Hallstein possessed a talent for finding viable compromises. An initial obstacle was the supranational character of the High Authority's decisions, with direct effect on private companies in the Member States. The essential issue then was whether the High Authority should be controlled by a Committee of Ministers or by a parliamentary chamber, possibly directly elected. Some delegations, including Hallstein, preferred a directly elected chamber, others preferred a composition of national members. Views also differed widely on the type of control powers to be given to the new chamber. The final compromise, with both a Council of Ministers and an Assembly, albeit one constituted of national members, was to a major extent achieved through Hallstein's mediation between France and the Benelux delegations, while maintaining a low profile for the German delegation.

Hallstein's political philosophy for Europe

One of Walter Hallstein's key concepts was the idea that most policy-making had an inherent logic, determined by the subject matter and scope it covered (*Sachlogik*). For instance, economic integration or the removal of trade barriers would one day require the close coordination of social and fiscal policies to avoid discriminatory effects and to ensure a level playing field. Many political scientists see a relation with neo-functionalist explanations of European integration, in particular 'spill-over effect'. Both Hallstein's *Sachlogik* and the 'spill-over' literature claim that changing policies in one sector will create intended, as well as unintended, effects on other policy areas and on other jurisdictions. However, the origins of Hallstein's conceptual approach preceded neo-functionalist ideas by almost a decade. In addition, he made it clear in many speeches and articles that European integration was not at all automatic. Despite the functional pressure of economic interdependence, creating transnational institutions required political initiatives and legal instruments. In his view, such institutions and rules were a prerequisite for enduring European integration.

Another fundamental component of Hallstein's thinking on European integration was the rule of law and the Community's respect for human rights. In his own words, the EEC 'should be a creation of law, a source of law and a legal order'. The emerging supranational European governance system should be built in the form of a legal community. He therefore believed and hoped that the European unification project would be driven by law, rather than desire for power. This approach also raised the question of a convention for the Community, which Hallstein understood as the sum of rules arising from the EEC Treaty but also from regulations, habits and jurisdictions coming from the European Court of Justice. Furthermore, the Member States' respect for human rights was a central feature of the Community's convention in his view. Hallstein consequently suggested that the EEC should formally join the European Convention on Human Rights, which the Council of Europe had adopted in 1953. Hallstein even considered that the EEC's future convention could include a fundamental rights catalogue similar to that of the Council of Europe; an idea that came true with the 2007 Lisbon Treaty (even though the EU Charter of Fundamental rights is not incorporated directly into the Lisbon Treaty).

Closely linked to the rule of law was (and is) the question of the final institutional design of European integration. On that point, Hallstein clearly followed a federal line of thought. He advocated a European federal state, sometimes proclaimed as a 'United States of Europe', no matter what this federal state would look like in fact. In Hallstein's thinking, the Community was comparable to federal states and their historical development as, for example, in the case of the German Federal Republic. With a view to European integration, the European states should develop towards a federally structured polity, by maintaining their diversity, as far as this was required to avoid conflicts. Finally, Hallstein was convinced that only the completion of European integration in the form of a federal state would guarantee the durability of the common European project.

A decisive down-to-earth negotiator

After having proved to be a capable negotiator in the intergovernmental conference on the Schuman Plan, Hallstein was again called upon by Chancellor Adenauer to take the position of head of the German delegation when initiatives for European integration beyond the ECSC began to take a clear shape, and negotiations on the creation of the EEC and Euratom began. Hallstein himself was among those pushing for an initiative to relaunch European integration, following the failure to establish a supranational European Defence Community in 1954. In March 1955, for example, in a letter to the German Minister for Economic Affairs, Ludwig Erhard, Hallstein emphasised that there was a need for an initiative to continue the project of European unification by extending the ECSC. Hallstein agreed with Monnet that a realistic starting point for further European integration was an extension of the ECSC into other sectors, such as transport, energy and the civilian use of nuclear power.

When the first negotiations on further European integration commenced with the Messina Conference in June 1955, Hallstein attended armed with a German government memorandum. This document particularly aimed for the removal of impediments to external trade to the furthest extent possible. In fact, the proposal required the creation of a common market, transforming conditions

for trade and manufacturing within the Community by building a customs union that also eliminated import and export duties among the six participating countries. The French delegation, however, was less interested in discussing the establishment of a common market. Its focal point of interest was directed more towards integration in the area of civilian nuclear power. The German negotiators reacted to this by suggesting linking the creation of a common market and the establishment of Euratom. In the course of further negotiations, Hallstein did not shy from asking basic political and institutional questions as to how essential progress in European integration could be made at all. In doing so, he could ensure that the French delegation was compelled to accept the EEC common market and Euratom package deal. With his down-to-earth negotiating style, Hallstein contributed decisively to various crucial negotiation steps on the way to the signature of the Rome Treaties as the EEC and Euratom contractual bases.

Today, Hallstein is known as one of the EU founding fathers, particularly due to his crucial role in the negotiations leading to the conclusion of the Rome Treaties as the historical and legal framework of the present-day EU. With his deep knowledge of details and facts, he was considered an expert on the Rome Treaties. It was natural therefore that, at the signing ceremony in the Italian capital in March 1957, it was Hallstein, together with Adenauer, who signed the Treaties for Germany. Finally, with his leading and successful role in the negotiations, Hallstein had positioned himself well as a candidate for nomination as the first president of the EEC Commission (later the European Commission).

Manager and visionary: Hallstein as European Commission President

In his first speech as Commission President, to the forerunner of today's European Parliament, the EEC Common Assembly, in March 1958, Hallstein emphasised that the Community was conceived as a permanent project and that its sphere of action would be much broader and more comprehensive than anything previously created in European integration. On that basis, he continued, the Commission's tasks could not be defined in the EEC Rome Treaty in a way that dealt with every single question and special situation that was bound to arise in the future. In other words, Hallstein's aim as Commission President was to breathe life into the Rome Treaties.

Beyond his achievements in negotiating the Rome Treaties, two further aspects supported Hallstein's appointment as Commission President. First, he was considered an unblemished representative of the 'new' Germany, someone not directly linked to the Nazi regime's atrocities. Second, the overall political situation was beneficial to his appointment – while other candidates from the Netherlands and Italy were perceived as not having the right profile; Belgium and Luxembourg were focused on becoming the seats of the EEC institutions; and France was already providing the Euratom President, Louis Armand. It was therefore no coincidence that in January 1958, Hallstein answered the call to direct the new EEC Commission in Brussels. He was reappointed as Commission President three times, in 1960, 1962 and 1964.

During his term as Commission President, Hallstein developed a large number of European policy ideas. For example, he contributed important considerations in the advancement of European economic and foreign policy, some of which profoundly shape the EU today. In his first years as Commission President, Hallstein devoted considerable attention to establishing a common agricultural policy (CAP) according to the EEC Treaty provisions. Triggered by the common agricultural policy, there was also the need to regulate economic and financial policy aspects, for example to protect price levels within the Community against currency devaluation in order to guarantee the free movement of (agricultural) goods. As rather an emergency solution, the EEC Council of Ministers agreed on a unit of account to stabilise price levels. Hallstein, to the contrary, had in mind the creation of a currency union, which he considered essential for the functioning of the common market. However, his 1962 conceptual proposals for a currency union to balance developments in the common market were only taken on board 30 years later, in the negotiations

for the Maastricht Treaty. Today, the euro, the official common currency of 19 EU Member States, is at the core of the currency union and a strong symbol of European integration.

In the area of European foreign policy, relations with the USA played a key role in Hallstein's thinking. As the USA had donated enormous reconstruction aid after World War II, he demanded a constant political dialogue with the USA to balance interests and to overcome tensions. Far beyond that, he envisioned a Europe which should be America's equal partner and shoulder responsibility in world politics. At that time, such a vision for a European foreign policy, including an equal partnership to a superpower, may have seemed quite unrealistic for a supranational European Community in-the-making. However, Hallstein never tired of travelling to the USA to promote close US-European relations. In addition, he called on the EEC Member States to consider the creation of a foreign and security union and to speak with one voice in world politics. Some of Hallstein's visions in the area of a common European foreign and security policy have become reality, while others are pending or remain very far from implementation.

Two major political issues that came up during Hallstein's term as Commission President were the United Kingdom's EEC membership application in 1961 and the 'empty chair' crisis, triggered by the refusal of French representatives to attend meetings of EEC bodies from June 1965 onwards. When the then British Prime Minister, Harold Macmillan, submitted his country's application, Hallstein reacted with scepticism regarding a swift accession of the UK to the EEC. Together with most of the Commission's members, Hallstein believed that UK membership at that time would jeopardise further sectoral integration and lead to a softening of the Common Market, as the UK was demanding various special provisions and was reluctant to accept any transfer of national sovereignty to the EEC institutions. Unlike Monnet, therefore, he did not fully back British membership. The French government's veto against British membership was not a cause for alarm and, in his long view, only postponed the United Kingdom's EEC accession. Crucially, Hallstein was repeatedly critical that the Member State governments conducted the accession negotiations, rather than the EEC Commission, and demanded greater powers for the EEC institutions.

This demand for more EEC institutional power also contributed to the 'empty chair' crisis. Hallstein himself stood at the centre of this crisis, which originated in a disagreement between the French Government and the EEC Commission on the financing of the CAP. The EEC Council of Ministers' January 1962 decision on a new CAP regulation was seen by Hallstein's Commission as a chance to drive forward the integration process. It linked the new CAP regulation with measures to develop an economic union and expand the Commission's powers. When Hallstein presented the Commission's plans to the European Parliament in March 1965, the set of proposals contained three core elements: (i) completion of the agricultural market, together with a customs union for industrial products by 1 July 1967; (ii) gradual introduction of Community own revenue from custom duties by 1970; and (iii) an increase in the Parliament's budgetary powers (as a result of point ii), and the strengthening of the Commission's role within the EEC's political system. The French government regarded these proposals as an unacceptable renunciation of sovereignty. President de Gaulle criticised Hallstein for having prepared the proposals without prior consultation with the Member States and for having acted like a head of state. Hallstein, however, considered political thinking in terms of nation states and their sovereignty to be obsolete. The 'empty chair' crisis was solved by the 'Luxembourg compromise', allowing a right of veto to any Member State that sees its vital interests at stake. The compromise was reached through two EEC Member State Foreign Ministers' conferences in January 1966, in which Hallstein did not participate.

Claiming the increased budgetary powers for the European Parliament as part of the proposals for further European integration is a prime example of Hallstein's view of the Parliament. For him, the Parliament ensured the supranational character of the EEC and embodied the EEC's political nature. From the beginning, he advocated a gradual strengthening of Parliament's powers. Moreover, early on he called for direct elections to Parliament, to realise the EEC's required democratisation. In a directly elected European Parliament, Hallstein saw an engine of European integration. For this reason, he continued to lobby for European direct elections after the end of his Commission

presidency in June 1967, for example in his book *Der unvollendete Bundestaat* ('The unfinished federation'), his best-known written work on European politics and policies, and which can be seen as his political testament.

'Monsieur fédération européenne'

Hallstein died on 29 March 1982, at the age of 80. Many high-ranking politicians attended the memorial service in Stuttgart, Germany, and honoured him as a great European, including German Chancellor, Helmut Schmidt, and the then President of the European Commission, Gaston Thorn.

As this briefing illustrates, Hallstein was not only an important builder of European integration but also a visionary for the future of European integration. Many of his ideas for developing further European integration were taken up and implemented at later stages. For Hallstein, European integration was much more than a simple merging of national economies into a large economic area. Although in economic integration he saw a major driver for European integration, his long-term objective was the creation of a European federal system. Again and again, he underlined that economic integration would only work permanently if grounded in a political and federal institutional design. To paraphrase the title often given to Robert Schuman '*Monsieur Europe*', for his audacious and ground-breaking plan to create the ECSC, Hallstein can safely be termed '*Monsieur fédération européenne*', or, as he was known in the USA, 'Mister Europe'.

HISTORICAL ARCHIVES OF THE EUROPEAN PARLIAMENT

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