

He did not doubt for a moment that “every legitimate regional economic interest will be taken into account in defining the interest of the Community as a whole.”⁵³ Hallstein severely censured Gaullist attempts to “re-invest national diplomatic services with authority in spheres in which the Community was to act on behalf of all [as] contrary to the … letter and spirit … of a treaty … based on the principle that it is within and through the institutions of the Community that external policy is formed.”⁵⁴ One must be reminded in light of such extraordinary pretensions that the EEC had neither an army, a diplomatic corps, nor even representation above the level of the single Washington legation. It lacked the authority to negotiate exclusively on behalf of members in trade forums. It did not even have its own sources of revenue but was, as Hallstein bitterly complained, “a pensioner of the member-states.”

INDEPENDENCE, INTERDEPENDENCE, OR DEPENDENCE?
PRESIDENT KENNEDY AND EUROPE

The success of Hallstein’s venture would depend less on what happened in Brussels than in Washington. The State Department Theologians contemplated recognizing him as president of Europe, or such at least was implied in the Grand Design. The notion was inspired by Monnet and introduced by President Kennedy in one of his most memorable speeches. Not by chance, it was delivered on the Fourth of July (1962) to a select audience of dignitaries gathered in Independence Hall in Philadelphia. Nor was mention of a Declaration of *Inter*dependence coincidental. Kennedy contemplated heroic measures for combatting the EEC’s present weakness and for tackling two other pressing diplomatic problems. One was Britain’s future world role; the other, sharing nuclear power with France and West Germany. What the U.S. president seemed to have in mind sounded to the uninitiated like a partnership between two equals, the United States and a reinforced European Economic Community, that would be brought up to strength by adding the British as members and by having placed at its command a new Euro-military force – armed with nuclear weapons – that would operate as a full partner within the framework of NATO. The strengthened relationship would be preceded by a fresh round of tariff reductions, which would advance liberalization as well as improve the American payments balance. The stage would then be set for the formation of a European federal union. The Grand Design was evidently meant to be the grand slam of American policy; it promised to overcome past differences between the United States and Europe, tie Europe together, and interlock the United States and Europe in such a way that escape would become virtually impossible.⁵⁵ That it would also amount to a European Declaration of Independence, in the form of an American-type liberation from an unhappy past, was implicit in the language.

The policy devised in pursuit of these objectives was complicated not to say tortuous, fundamentally dishonest, and predestined to fail. Sweeping in scope, messianic in tone, breathtakingly arrogant in concept, and wildly irresponsible

out of control at a time when manpower was needed for more important things. Hans Goebbels insisted that the large risks handled by the private insurers could just as easily be undertaken by publicly chartered companies. Most importantly, however, a new actor had come on the scene in the person of Amend, who had written a memorandum advocating the consolidation of the entire industry into a single publicly chartered company.⁶⁰

Amend's proposal, which was one of a number solicited by Lange after the meeting, was extremely radical in nature. It insisted that insurance was not an appropriate field for private enterprise since, by its very nature, it embraced a risk community. Competition simply raised the costs, and he charged that the private industry had done nothing to prevent damages and accidents. He made much of the scandals involving private insurance, especially at Favag and Phönix. Thus, he urged immediate measures to determine the number and ownership of insurance company shares, a ban on their sale, limitations on executive salaries, and limitation of existing insurance policies to three years. Fundamentally, he was urging nationalization of the industry.⁶¹

There can be no question that Party radicals were most serious about this plan. On July 12, 1938, Schwarz wrote directly to Göring and claimed that

the true reason for these abuses lies almost exclusively in the self profit seeking of the private insurance companies A cleansing of the personal insurance system in Germany and its alignment to National Socialism is not and will never be possible through partial solutions of individual problems but only through an uncompromising radical solution of the basic problem which, in the first instance, my dear Party Comrade Göring, you will have to undertake.⁶²

Franz Xaver Schwarz claimed to be speaking for the Party and was very insistent that the necessary reforms could never be carried out by the “liberalists” heading the private companies.

Göring, however, apparently wanted to know what Lange had to say, and Lange reported at the end of September that all the representatives of the private insurance business with whom he had spoken opposed the consolidation of the insurance industry into one privately chartered company. While they had not been given access to the Amend memorandum, they had all insisted that the proposal would “necessarily lead to an ossification of the insurance business and an exclusion of German insurance from world trade. The private insurers consider free competition among a plurality of enterprises necessary for their mutual fructification, for the deepening and promotion of the insurance idea, and lastly, for the opening of new kinds of insurance and new paths toward insurance protection.”⁶³

⁶⁰ See the record of the meeting in *ibid.*, Bl. 16.

⁶¹ The *Denkschrift zur Reform der deutschen Individualversicherung* was forwarded by Schwarz to Lange, 27. Juni 1938, *ibid.*, Bl. 17–33.

⁶² Schwarz an Göring, 12. Juli 1938, *ibid.*, Bl. 128–9, quote on Bl. 128.

⁶³ Entwurf eines Briefes von Lange an Göring, 30. Sept. 1938, *ibid.*, Bl. 130.