

'EEC and EFTA' from the Luxemburger Wort

Caption: On 11 July 1964, the daily newspaper Luxemburger Wort emphasises the importance of establishing a single market on the European continent and notes the common interests linking the European Economic Community (EEC) and the European Free Trade Association (EFTA).

Source: Luxemburger Wort. Für Wahrheit und Recht. 11.07.1964, n° 192/193; 117e année. Luxembourg: Imprimerie Saint-Paul. "EWG und EFTA", p. 1.

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EEC and EFTA

No self-respecting European can easily come to terms with the fact that the free countries of our continent are split, economically, into two blocs: the Economic Community of the Six and the small free-trade zone of the Seven. There is no point in dwelling on the question of blame. Until the time has come for bridge-building, ways and means will have to be found against all odds to prevent those blocs from drifting further apart. By simply letting events take their course, the gap will only widen. And, despite all initiatives and 'fresh starts', the prospect of Europe's political union will also recede ever further. It has, after all, been decided that the first steps to union will have to be economic. The rest, as the French say, is only literature.

It is hard not to feel a little sad when reading that the Association Council of the six EEC states and the eighteen African countries that signed the Association Agreement of Yaoundé in Cameroon on 20 July of last year is to hold its first cabinet-level meeting in Brussels and that the Foreign Ministers of the seven EFTA Member States are to convene in Edinburgh the following day to discuss issues of common interest. On the one hand, then, we have the representatives of Great Britain, Denmark, Sweden, Norway, Portugal, Austria and Switzerland, and on the other we have the six European delegates and their counterparts from Madagascar, Dahomey, Mali, Rwanda and so forth. No criticism here of associating the developing countries of black Africa with the Common Market, nor of the aid that they will thus receive in a new and improved form; quite the contrary. But the feeling that something is wrong nevertheless remains, because the countries that belong together are the very ones that are meeting apart, for whatever reason that may be ...

It will be remembered, to fill in the background briefly, that after lengthy preparations the small free-trade zone was brought into being in June 1961 by Great Britain, which at the time believed it could not join the EEC; meeting the Economic Community with sword and buckler, so to speak. The London Communiqué stated that no EFTA member might join the EEC as long as no satisfactory solutions had been found for all the others. The Association is a much looser structure, with no common external customs barrier, concerned only with phasing out internal customs restrictions to a fixed schedule, a process that should be completed by the end of 1966. The agricultural trading position is reviewed annually. Bilateral concessions have been agreed, Great Britain having, for example, abolished customs duties on Danish butter imports. An economic and development committee works for deeper cooperation and the removal of trade barriers.

Although brisk trade relations still exist between EEC and EFTA Member States, the fact remains that, with each new cut in tariffs, the exchange of goods becomes increasingly difficult. The more barriers fall within the two communities, the deeper the gulf separating one from the other will become, because external customs barriers will remain unchanged. Some countries, which, like Austria, are in a special position, are trying to bridge the gap by means of associative arrangements with the Common Market, a difficult enterprise that can only succeed in very few cases. Some days ago, the Foreign Ministers of Denmark and the Federal Republic of Germany, Häkkerup and Schröder, signed a protocol in Aarhus extending the trade agreement until 1970 and stressing that 'the negative impact on trade of the differing compositions of EFTA and the EEC should be limited as far as possible.'

As things stand now, and without questioning the willingness of both sides to build bridges, the only thing that could slow down the divergent development of the two European organisations would be the full success of the Kennedy Round. Unfortunately, difficulties and bottlenecks also seem to be building up here too. There is agreement on the principle of a linear 50 % reduction in customs duties, and a compromise solution on the customs disparity, the enormous differences between American rates of duty in particular and EEC external tariffs, seems to be gaining ground; now, however, it is American industrialists who are expressing reservations while the EFTA countries are trying to 'pass the buck' to the Economic Community.

The acid test of the shared resolve to satisfactorily conclude the Kennedy Round in the foreseeable future will be whether the lists of goods to be exempted from the cuts in duties will be handed in on time on 16 November next and how the individual lists are made up. Unless they are as short as possible and include no goods of mass consumption, there will be no prospect of an end to the horse-trading on every single item.