

'The Free Trade Association has a role to play in European unification' from Le Monde diplomatique

Caption: In December 1960, Frank Figgures, Secretary General of the European Free Trade Association (EFTA), outlines in the French monthly publication Le Monde diplomatique the role that EFTA plays in forming a united Europe.

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The Free Trade Association has a role to play in European unification

By Frank E. Figgures, Secretary-General of EFTA.

It is a year since the ministers of EFTA's seven member countries ⁽¹⁾ initialled in Stockholm the Convention establishing the European Free Trade Association. The time has come to take stock and see what progress EFTA has made since then.

The first thing to note is the speed of developments. The Convention was signed officially on 4 January 1960. It was ratified by the parliaments very quickly and entered into force on 3 May. The tariff reductions and quota increases were carried out on 1 July, as required by the Convention. Similarly, the system for determining the origin of goods was applied without difficulty.

At the same time, EFTA set up its own institutions, beginning with the preparatory committee, which started work even before the Convention had been signed and was subsequently transformed into the Council of Senior Officials. At the end of February EFTA established its headquarters in Geneva, where the secretariat was provisionally installed in the Electoral Building. Several committees were created — standing committees on commercial, customs and budget affairs, and ad-hoc committees on specific issues. This small organisation is headed by the Council, which meets either at ministerial level, as at Lisbon in May and at Berne in October, or at senior-official level, when it is composed of the heads of the permanent delegations accredited to EFTA in Geneva.

Those were the first visible signs of EFTA activity. The seven delegations, totalling several dozen people, live and work in Geneva. Then there is the secretariat, with a staff of forty or so, and a few dozen specialists who come to Geneva from time to time to discuss specific problems. By the standards of international organisations, it is a very small set-up, and there are very good reasons why it should remain so.

Admittedly, no one can say at this stage to what extent national economies and government administrations will have to be adjusted in order to make a genuine common market viable. Nor can anyone predict what problems may one day arise among the members of a genuine common market or how those problems would have to be resolved in order to satisfy all parties.

But the architects of the European Free Trade Association thought it wise to keep their objectives to a strict minimum. Obviously, they were conscious of having very similar trade policies and very similar ideas about what an international organisation should be like: policy should be as liberal as possible, and the organisation as small as is compatible with efficiency.

Six months' experience has revealed an increasingly strong desire to make Geneva the centre of relations among the Seven, and in that time nothing has happened to cast doubt on the wisdom of EFTA's architects. One may of course prefer other methods. The founders of the European Economic Community deliberately took a different approach, and for very good reasons — the main one being that the Community's aims go far beyond simply establishing a common market among its members.

In proceeding differently, EFTA has certainly taken risks, but those risks are tempered by the conviction that when real difficulties arise, the Member States will have both the will to resolve them and the flair for creating the tools needed to do the job.

The Seven have established a framework and the institutions necessary for its development. But the fact remains that it is up to industrialists, trade unions, and all involved in the economic life of the member countries, to make the best possible creative use of that framework. In the final analysis, the success or failure of EFTA depends on the use they make of the opportunities it provides.

It is obviously too early to judge EFTA's performance in purely statistical terms. It is only five months since customs barriers were reduced by 20 % and it will take at least a year for the results to be seen.

Nevertheless, there are definite signs that the Seven are beginning to take EFTA seriously. Industrialists have slowly begun to make contact with each other and seek information. This is now a common phenomenon, and is accelerating rapidly. National trade groupings, as well as the large federations, are meeting, talking together, and taking decisions. And private citizens too are taking a growing interest in European economic and political issues.

What does EFTA represent in the world of today?

At first sight the Association appears to offer — from the political and, above all, emotional standpoint — nothing that a real European solution would require. But if we look at it in the light of the development of Europe since the war, the picture is very different.

Most European nations are no more inclined to abandon their national character today than they were in the past. On the other hand, they are now prepared to combine their national forces to achieve a common goal.

When America proposed the Marshall Plan to Europe, the 20 billion dollars offered by the American taxpayer was less important in triggering a European renaissance than the prior condition of close European cooperation which America imposed. That cooperation gave rise to the OEEC, then NATO, and subsequently to a host of other European organisations that could scarcely have been dreamt of twenty years ago.

The dreams became reality and finally crystallised into two European groups, both aiming at the ideal of a united Europe.

The historic role of the European Economic Community — the Common Market of the Six — is to weld Germany and France together and thus eliminate an age-old antagonism at the centre of Europe.

The goal of the European Free Trade Association, for its part, is to bring together all the countries of Europe at the level of the economy and the free market, and in a framework of political democracy, while respecting national entities.

The Stockholm Convention on which the Association is based is no less impressive a document than the Treaty of Rome, which established the Common Market. The economic and political integration of a few countries is an important achievement, but so is the abolition of protectionist customs barriers.

It is a matter of historical importance that seven countries, finding membership of the Common Market on the terms of the Treaty of Rome impossible for both political and economic reasons, have formed their own Association and are developing it rapidly.

The European Free Trade Association is looking ahead with a view to perfecting its institutions so that it can play its part in the future of Europe and contribute to the creation of the united Europe all our peoples want, which is a basic condition for peace and prosperity throughout the world.

F.E. Figgures.

(1) Austria, Denmark, Norway, Portugal, Sweden, Switzerland and the United Kingdom.