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Combined text on the political, economic and agricultural aspects of the Free Trade Area

Report
Committee on Agriculture and Rural Development
Committee on Political Affairs and Democracy
Committee on Economic Affairs and Development
Rapporteur: Mr Per FEDERSPIEL, Denmark

Draft Recommendation[1]

The Assembly,

1. Welcoming the progress made in the ratification of the European Economic Community Treaty;

2. Convinced that the creation of a European Free Trade Area including the European Economic Community is essential to the development of a unified European economy, and would lead to a rapid rise in the total income of Europe and the standard of living of its peoples;

3. Convinced also that such a Free Trade Area could prevent Europe from being divided both politically and economically and contribute to world peace and stability; and therefore that it is essential to continue the present negotiations to that end, in spite of the differences of character between the Common Market and the Free Trade Area;

4. Recalling paragraph 5 of its Recommendation 134 of 3rd May 1957, asking that the proposed creation of a European Free Trade Area should be accompanied by suitable provisions enabling all interested overseas countries and territories not covered by the European Economic Community to become associated with such an Area on terms to be determined on the basis of joint consultation;

5. Considering it essential that the Free Trade Area be as extensive as possible, in the sense of both the number of participating countries and the volume of the trade freed;

6. Noting that the Council of O. E. E. C, at its meeting on 17th October 1957, adopted Resolutions declaring (inter alia) its determination to secure the establishment of a European Free Trade Area comprising all member countries of O. E. E. C, and for that purpose decided to establish an intergovernmental committee at ministerial level to undertake the detailed negotiations;

7. Welcoming these decisions as an indication of the good will of all member countries of O. E. E. C. towards the Free Trade Area project, and a recognition of t h e need for finding reasonable and acceptable solutions for the problems and difficulties, which have been encountered;

8. Fearing that failure in the negotiations on the Free Trade Area would strengthen potential autarkic tendencies within Europe and would thus become an obstacle to wider economic integration,

9. Recommends to the Committee of Ministers :

that, on the one hand, exemptions from the general rules governing the elimination of trade barriers, and, on the other hand, special assistance, particularly in the form of investment finance, be provided for the industrially less developed countries, particularly Greece and Turkey;

that the definitions of origin to be applied for the purpose of establishing the right of a given commodity to duty-free treatment should be sufficiently liberal, and the necessary administrative procedures be as simple as possible, with due regard to the need to avoid any fraud;

a. that a solution to the problems of trade in agricultural and fishery products be sought by a pragmatic approach aiming at the expansion of such trade in a spirit of non-discrimination, taking into account the special regime for agriculture envisaged in the Rome Treaty;

b. that the starting-point for such a new approach might be found in the First Report of the OEEC Ministerial Committee for Agriculture and Food;

c. that, in the course of the negotiations between the new institution of the Common Market and the other countries of Europe, the Ministerial Committee for Agriculture and Food of O. E. E. C. should be consulted;

d. that, in order to take account of the legitimate interests of countries benefiting from Commonwealth preference such countries should be consulted in the course of those negotiations ;

e. that the negotiations should not proceed solely upon broad principles but should involve a close examination of the conflicting interests—product by product and country by country;

f. that, moreover, the instrument setting out the arrangements agreed for agriculture and the Free Trade Area Convention should be formally linked to each other; and

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1. See 28th Sitting, 29th October 1957 (draft Recommendation adopted) and Recommendation 152.

g. that, if the Working Party, the creation of which has been requested by the Assembly for the establishment of the Common Market in the field of agriculture 1, comes into being, it should be extended to include representatives of the other member countries so that they can make their contribution to the negotiations ;

10. Considering, also, that the operation of the Free Trade Area will progressively increase the interdependence of the participating countries,

11. Recommends to the Committee of Ministers :

that special arrangements be provided within O. E. E. C. for continuous co-operation among Member Governments with a view to ensuring a gradual co-ordination of general economic, monetary and commercial policies, and also in order to ensure that Governments take action designed to achieve and maintain full and productive employment as well as a large and steadily growing demand within their territories, through measures appropriate to their several political, economic and social institutions ;

that, with regard to countries outside Europe, Member Governments should aim at avoiding steps which might cause economic dislocation for such countries, and which might in turn result in their being alienated from the democratic world;

that the institutions for the Free Trade Area should be proposed jointly by the Organisation for European Economic Co-operation and the European Commission, and should be adequate to provide effective collaboration between the two bodies, for which a single location should be found;

12. Recommends also that the Council of O. E. E. C. be invited by the Committee of Ministers to take such action as may be possible on the above proposals and that, as regards the future, the Consultative Assembly be enabled to follow the negotiations on, and the implementation of, the Free Trade Area Convention by receiving all requisite information from the bodies responsible and by being empowered to address to those bodies opinions on the problems arising.