Parliamentary Assembly
Assemblée parlementaire
https://pace.coe.int

COUNCIL OF EUROPE
CONSEIL DE L'EUROPE

Doc. 891
14 October 1958

European Economic Association (Free Trade area)

Motion for a recommendation
tabled by Mr Marinus van der GOES - van NATERS, Mr John HAY, Mr Roberto LUCIFERO D'APRIGLIANO

I

1. The Assembly:

Urgency of the problem

2. Believes, on the eve of the meeting of the Intergovernmental Committee, that it is now urgently necessary for the Members of O.E.E.C. to make every effort to reach agreement on at least an outline treaty linking all other Members of O.E.E.C. with the European Economic Community on a multilateral basis and thereby to give concrete evidence of their desire to extend economic cooperation in Europe;

3. Notes with satisfaction that, on 27th June 1958, the European Parliamentary Assembly passed a Resolution (a) affirming the need to preserve in full the reality of the Treaties setting up the three European Communitcs and (b) approving the principle of a Treaty of European Economic Association (Free Trade Area) associating the European Economic Community with the other OEEC countries, and expressed the hope that the negotiations then in progress would be brought to a satisfactory conclusion;

4. Reaffirms its belief that with a fresh demonstration of political will none of the technical problems involved are really insoluble;

Consequences of failure

5. Considers that European public opinion appears to have paid insufficient attention to the consequences of failure to reach agreement, both economic and political, and no less for the members of the European Economic Community than for the other Members of O.E.E.C.; and that these might well be:

a. on the economic side, to weaken economic collaboration in Europe; to mark the abandonment of the principle of equal treatment which has been basic to OEEC's efforts for freeing intra-European trade; to hazard the continuance of the European Payments Union; and to jeopardize the present export position of the countries of the European Economic Community in respect of their trade with the other countries of Europe;

b. on the political side, to create serious division in Western Europe arising from the inevitable formation of at least two groups of countries pursuing conflicting trade policies, which in turn could weaken their present political collaboration and gravely prejudice the hopes of greater co-ordination of their basic policies;

Provisional agreement

6. Recalls that the Commission of the European Economic Community has proposed a " provisional agreement" under which all OEEC countries would reduceftheir tariffs vis-a-vis one another by 10% from 1st January 1959, for a period of 18 months, to synchronise with the tariff reductions due to take place between the members of the Community on that date, with the purpose of allowing further time for the negotiations to be concluded and agreement to be reached, while preventing any tariff discrimination arising;

7. Considers that the foregoing suggestion deserves careful examination, both as respects its intrinsic usefulness in the present situation and as an indication of the good will of the Community towards the difficulties feared as likely to arise by its other partners in O.E.E.C.;

8. Urges that it should be clearly understood that the purpose of this would be to enable genuine agreement on the major problems at issue to be translated into a Treaty for signature as soon as possible.

II

9. The Assembly recommends the Committee of Ministers of the Council of Europe and the Council of O.E.E.C. to take account of the factors which the Assembly considers of fundamental importance for the Treaty to be concluded;

Institutional aspects

10. Believes that, as a parliamentary body, the Assembly has the duty of suggesting to Governments the principles which should govern the institutional clauses of the Treaty, and that the Assembly should have the opportunity of giving its opinion on the institutional clauses of the Treaty, particularly those relating to the Assembly of the Association. These clauses should be in accordance with the following principles:

a. the voting procedures provided for the ministerial organ disposing of ultimate powers of decision should not enable a minority of Members who signed the Treaty at a later stage to slow down its implementation indefinitely;

b. the powers of the executive body of the Association should guarantee to it sufficient independence to discharge its duties impartially;

c. the Association should be provided with a parliamentary assembly, which should be the Consultative Assembly of the Council of Europe;

d. this Assembly should have a right of scrutiny enabling it to co-operate constructively with the executive body;

e. Member States of the Association not being Members of the Council of Europe should be enabled to send delegations to that Assembly on the same terms as other Members, subject to the agreement of the Assembly itself;

11. And recommends to the Council of O.E.E.C, in endorsement of the suggestion made by the.European Parliamentary Assembly, that the name " European Economic Association " replace in future the name " Free Trade Area ";

Agriculture

12. Trusts that the negotiations will lead to the conclusion of an agreement in which agriculture would be treated as a separate economic sector and made the subject of special provisions;

13. Considers that agricultural problems should be dealt with in a separate document, the implementation of which should be made interdependent with the implementation of provisions relating to the industrial sector; that the transitional period should be of the same duration for both sectors and that transition from one stage to another should take place simultaneously;

14. Recommends that member countries work out among themselves a concerted agricultural policy having, the same objectives as those laid down in Article 39 of the Rome Treaty, in such a way that:

a. the said aims are achieved in stages;

b. during the initial stage, member countries would undertake not to raise their customs tariffs or, in principle, not to reduce their quotas, so as to ensure that agricultural trade between Members of the Association is kept at its present level;

c. transition from the first to the second stage should be accompanied by measures for increasing agricultural trade among the Seventeen;

d. the comparison of agricultural policies should be the subject of directives to the Contracting Parties. These directives should be adopted by appropriate institutions in accordance with a procedure to be determined;

15. Effective provisions are drawn up for defining the origin of products and preventing fraud and the diversion of trade, activity and investment. Their study must be carried out sector by sector;

Under-developed areas

16. Believes in the importance of instituting adequate financial arrangements to help the economic development of under-developed countries, Members of the O.E.E.C., and of raising the level of their economy, in order to enable them to participate fully in the Free Trade Area;

17. Suggests that the special treatment which areto be accorded to less developed countries should include financial arrangements to ensure that funds necessary for their economic development are available, if necessary through an international agency;

Non-member countries

18. Recalling Recommendation 160, asks for the provision of the necessary safeguards to ensure that the European economic system to be set up would not, either in the short term or in the long term, adversely affect trade with countries which are traditionally suppliers of European markets or which traditionally provide markets for European goods; and

19. Recommends that provision should be made in the European Economic Association Treaty for the possibility of subsequent association with the Area, under appropriate conditions, by non-member countries.

Signed (see overleaf)

Signed:

GOES - van NATERS Marinus, van der, Netherlands
HAY John, United Kingdom
LUCIFERO D'APRIGLIANO Roberto, Italy