



Recommendation 266 (1960)¹

European economic relations

Parliamentary Assembly

1. The Assembly,
2. Reaffirming its faith in the concept of the unity of the whole of democratic Europe, of which the six-Power Community and the European Free Trade Association represent stages;
3. Noting, on the one hand, the decision of the European Economic Community to accelerate the implementation of the Common Market and the possibility that the European Free Trade Association (EFTA) may do the same, and, on the other hand, that the Committee on Trade Problems of the Twenty-one is exclusively concerned with seeking practical solutions to the short-term difficulties in intra-European trade; and fearing therefore that the problem of a long-term solution may remain unresolved;
4. Recognising the need for diminishing the divergences resulting from the separate existence of the European Economic Community and the European Free Trade Association and welcoming the determination recently expressed by European Heads of Governments to strengthen European unity;
5. Convinced that it is possible, with a sincere will, to reach an association agreement between the EEC, the EFTA and, where appropriate, the other member States of the Council of Europe, in accordance with the provisions contained in Article 238 of the Treaty of Rome and Article 41 of the Stockholm Convention;
6. Recalling the suggestions contained in paragraph 1 of the operative part of [Recommendation 229](#),
7. Recommends to the Committee of Ministers :
 8. that exploratory conversations should begin as soon as possible on the conditions under which such an Association Agreement could be negotiated, fully respecting the obligations of member countries under the Rome Treaty, the Stockholm Convention and the General Agreement on Tariffs and Trade (GATT);
 9. that the Agreement should embody the following general features :
 - a. Gradual elimination of customs duties and quotas in industrial goods between member countries of this Association, in accordance with an agreed time-table;
 - b. Harmonisation of customs duties, with the adoption of a common tariff in some sectors, certificates of origin being used to avoid deflection of trade only where satisfactory harmonisation of tariffs has proved impossible;
 - c. Provisions for consultation concerning the time-tables for the reduction of internal trade barriers in accordance with the Rome Treaty and the Stockholm Convention, and, insofar as possible, the synchronisation of these time-tables;
 - d. Co-ordination of commercial policies towards third countries;

1. Assembly debate on 27th September 1960 (17th and 18th Sittings) (see [Docs. 1176](#) Docs. 1176, Report of the Political Committee, [Doc. 1179](#), Report of the Economic Committee, and [Doc. 1216](#), revised draft Recommendation presented jointly by the Chairmen and Rapporteurs of the two Committees). Text adopted by the Assembly on 29th September 1960 (20th Sitting).



Recommendation 266 (1960)

- e. Provisions for facilitating expansion of trade in agricultural produce, parallel to that of trade in industrial goods, respecting the aims of the agricultural policies of member States and the common policy of the EEC;
- f. Provisions allowing the United Kingdom and other member countries to maintain special commercial and economic relations with their overseas territories, associated countries, and with the Commonwealth; where existing preferences stand in the way of the harmonisation of tariffs, this difficulty might be overcome by replacing the preferences by tariff quotas in accordance with GATT rules, or, possibly, by the other countries of the Association accepting to grant the same preferences;
- g. Provisions making it possible for the European countries which are neither members of EEC nor of EFTA to become members of the new Association by becoming members or associated members of one or the other of the two groupings, taking into account the special development needs of these countries;
- h. Regular confrontation and increasing co-operation of economic, financial and social policies of member countries to ensure the balanced functioning of the Association and to achieve gradually the degree of harmonisation necessary for a unified European market;
- i. Undertaking of obligations to apply rules at least as liberal as those laid down in the Stockholm Convention in the matter of bonuses and subsidies, dumping, public undertakings, invisible transactions, movement of capital, restrictive practices and the right of establishment;
- j. The promotion of the above-mentioned policies by appropriate bodies which should not impede the functioning of any of the regional institutions.