



Resolution 301 (1965)¹

Reply to the 5th annual report of the European Free Trade Association

Parliamentary Assembly

The Assembly,

1. Thanks the European Free Trade Association for the transmission of its 5th annual report ;
2. Observes that, as might have been expected, tendencies are now becoming evident for trade to expand more rapidly within the two European Economic Groupings than between them, with the risk that patterns of trade may develop in such a way that their adaptation to an integrated European Market - when political circumstances render the latter possible - will involve more dislocation than would have otherwise been the case ;
3. Believes that the real economic "damage" arising from the present division of Europe into two economic groupings resides elsewhere, in particular in a less rational pattern of investment than would have occurred in an integrated European Market, and that it should be the main object of future EFTA-EEC contacts to seek to minimise these effects of the division ;
4. Welcomes the determination of EFTA Ministers as expressed at their meeting in Vienna to examine ways and means of strengthening internal co-operation in EFTA and of narrowing the existing gap between EFTA and EEC, and expresses the firm hope that concrete measures and proposals will follow the completion of the studies now being undertaken within EFTA ;
5. Notes with concern that the expansion of intra-EFTA trade coincided with a serious balance-of-payments problem in the United Kingdom, and states its view that expansion in trade and the preservation of a reasonable international balance-of-payments equilibrium must go hand in hand if a high rate of economic growth is to be sustained ;
6. Welcomes the publication of the 1st report of the EFTA Agricultural Review Committee ; notes with satisfaction the fact that, thanks to various arrangements made within the framework of the Stockholm Convention, the growth of intra-EFTA trade in agricultural products has broadly speaking kept pace with the growth of intra-EFTA trade in manufactures ; but expresses concern about the problems which will be posed for EFTA countries by the likely growth over the next few years of dumped and subsidised exports of temperate agricultural produce ;
7. Welcomes the progress made by EFTA in informing the general public of the aims and activities of the Association, but believes that further efforts are still called for from EFTA in this field ;
8. Calls upon EFTA to speed up its investigations on how, and to what extent, wholesalers and retailers pass on to the public the benefits of tariff reductions on EFTA products ; and to publicise the results of these investigations.

1. Assembly Debate on 29th September 1965 (12th Sitting) (see [Doc. 1974](#), report of the Economic Committee). Text adopted by the Assembly on 29th September 1965 (12th Sitting).

