Resolution 324 (1966)[1]

Reply to the 6th annual report of the European Free Trade Association

Parliamentary Assembly

The Assembly,

1. Thanks the European Free Trade Association for the transmission of its 6th annual report ;

2. Congratulates the Association on the substantial progress that has been made towards the final abolition on 31st December 1966 of tariffs and quotas within the area of the Association, and on its determination to ensure that the benefits of free trade within the area are not frustrated by other regulations and practices ;

3. Believing in the light of present circumstances that it would be only realistic for EFTA planning to take account of the possibility that the present economic division of Europe into two groupings may persist for some time to come, considers that the supplementary measures necessary to ensure a progressively closer integration and balanced development of the EFTA economies should be actively proceeded with, all the more so as an intensified co-operation between the EFTA partners would tend to reduce rather than increase the problems involved in the eventual creation of one Europe-wide market ;

4. Continues to believe that if the full fruits of the dismantlement of trade barriers are to be realised, it is essential that the benefits of tariff reductions be passed on directly to consumers, and draws attention to the need to ensure that, inter alia, restrictive business practices are not permitted to interfere with such a development ;

5. Noting that the EFTA Ministerial Council declared at its last meeting in Bergen that the invitation issued in October 1965 to EEC to undertake discussions with EFTA at all possible levels so as to facilitate European trade despite the present division still stood, regrets both the failure of EEC to return any reply to that invitation, and, in addition, the absence of comprehensive technical contacts between the two Organisations ;

6. Considering that an authoritative study of the economic consequences of the existence of two trading groups in Europe is long overdue, warmly welcomes the decision of the Ministerial Council of EFTA directing the EFTA Secretariat "to review and analyse the economic impact of the present divergence between the two trading groups in Europe, with its waste of existing and potential resources" ;

7. Welcomes the present discussions between EFTA and Yugoslavia and hopes that they may lead to positive arrangements.

1. Assembly Debate on 28th September 1966 (12th Sitting) (see Doc. 2105, report of the Economic Committee). Text adopted by the Assembly on 28th September 1966 (12th Sitting).