



Resolution 715 (1980)¹

Reply to the 18th and 19th annual reports of the European Free Trade Association (EFTA)

Parliamentary Assembly

The Assembly,

1. Having taken note of the 18th and 19th annual reports of the European Free Trade Association (EFTA) ([Docs. 4247](#) and [4446](#)), and of the report of its Committee on Economic Affairs and Development ([Doc. 4455](#)),
2. Recognises the positive contribution made by EFTA since its creation, the 20th anniversary of which is being celebrated this year, in eliminating trade barriers between European countries and developing international economic co-operation, thereby helping to improve the economic environment of Europe ;
3. Welcomes the establishment of the Committee of Members of Parliament of the EFTA Countries, which provides an excellent forum for discussion of matters of common interest to its members ;
4. Notes the satisfactory functioning of the vast free trade area of sixteen European states, resulting from the dismantling of tariffs in accordance with the Stockholm Convention and the free trade agreements between the EEC and the EFTA countries ;
5. Considers, accordingly, that free trade between European states remains desirable, despite the protectionist trends which may be set in motion by the economic difficulties experienced by all industrialised countries ;
6. Believes, nevertheless, that free trade between European countries should not be jeopardised by too widely diverging economic developments or by unfair conditions of competition ;
7. Considers that the prices and employment problems facing all European countries cannot be solved by protectionism or a reduction in the working population (sending back migrant workers), but that they call rather for a concerted policy to stimulate economic activity and adopt working practices ;
8. Insists that such a policy cannot succeed unless it is organised on the widest possible European scale, and therefore urges all Council of Europe member countries to develop mutual cooperation in order to provide a comprehensive European response to the difficulties now facing them ;
9. Draws attention to the importance of economic relations between the EFTA countries, representing a market of 40 million inhabitants, and the European Economic Community, representing a market of 260 million inhabitants, each organisation being the major trading partner of the other ;
10. Invites the governments of the EFTA and EEC countries to co-ordinate their economic policies more closely and lose no opportunity to adopt a common position, particularly with a view to :
 - 10.1. ensuring the co-ordination of their economic policies in order to create favourable conditions for maintaining and encouraging free trade between European countries ;

1. Assembly debate on 30 January 1980 (23rd Sitting) (see [Doc. 4455](#), report of the Committee on Economic Affairs and Development). Text adopted by the Assembly on 30 January 1980 (23rd Sitting).



- 10.2. developing co-operation in all spheres of common interest, particularly with regard to transport, environment, scientific and technological research and, first and foremost, economic, social and monetary policies ;
- 10.3. eliminating non-tariff obstacles to trade and notifying each other, on a basis of reciprocity, in advance of any changes in technical regulations ;
- 10.4. co-ordinating their policies with regard to multinational companies, so as to avoid outbidding each other in offering fiscal and other advantages to such companies in order to attract their investments ;
- 10.5. pursuing their efforts to obtain fuller information on the activities of multinational companies, in order to ensure that the latter comply with the rules of good conduct laid down by OECD and in order to allow governments to exert greater control over the effects which such companies' policy may have on employment and taxation ;
- 10.6. seeking uniformity in the regulations concerning minor imports of a non-commercial nature by travellers, as requested by the Assembly in [Resolution 658 \(1977\)](#) on European co-operation in the field of tourism ;
- 10.7. increasing their efforts to create a common European trademark ;
11. Reiterates its hope, expressed in [Resolution 665 \(1977\)](#), that Council of Europe member states which have not already done so will accede to the following instruments initiated by EFTA :
 - 11.1. the Convention for the Mutual Recognition of Inspections in respect of the Manufacture of Pharmaceutical Products (1970) ;
 - 11.2. the Convention on the Control and Marking of Articles of Precious Metals (1972) (Hallmarking Convention) ;
 - 11.3. reciprocal recognition schemes for tests and inspections ;
12. Takes note of the satisfactory results obtained by the EFTA Industrial Development Fund for Portugal, but feels that its efforts should be concentrated more fully on labour-intensive activities ;
13. Trusts that the EFTA Industrial Development Fund for Portugal may serve as a model for similar efforts on an even broader basis, in particular as part of the follow-up to its [Recommendation 861 \(1979\)](#), in order to intensify co-operation between the countries of Northern and Southern Europe
14. Invites the EFTA countries and the European Community to embark without delay on negotiations for the flexible and rapid application to Greece of the free trade system after its accession to the European Community ;
15. Welcomes the multilateral agreement concluded between the EFTA countries and Spain, with a view to dismantling customs barriers on the same lines already agreed between the EEC and Spain, and hopes that such an agreement will soon make good one of the main omissions in the European free trade system and provide a smooth transition to full Spanish participation in that free trade system when Spain becomes a member of the European Community ;
16. Notes with satisfaction the new phase in cooperation between EFTA and Yugoslavia, and the trade promotion meeting held in Belgrade in March 1979, and hopes that such co-operation will strengthen the economic links and intensify relations between Yugoslavia and the Western European democracies ;
17. Feels that a similar effort should be made in order to avoid the economic isolation of three Council of Europe member states (Cyprus, Malta and Turkey) which are neither members of EFTA, nor of the European Communities.