

~~EMBARGO:~~ THURSDAY, 12 JUNE 1980, 2.30 P.M.

SPEECH OF MR. WILHELM HAFERKAMP,
VICE PRESIDENT OF THE COMMISSION OF THE EUROPEAN COMMUNITIES,
ON THE OCCASION OF THE CELEBRATION OF THE 20TH ANNIVERSARY
OF THE ESTABLISHMENT OF EFTA IN STOCKHOLM
ON THURSDAY, 12 JUNE 1980

"European integration in a changing world"

It is a great honour and pleasure for me
to participate in your "family reunion"
and to bring you warmest greetings and congratulations
for your anniversary from all your neighbours in the Community.

Looking around,

I see so many good friends,

with whom personal contacts and working together
have created strong and reliable links.

And we all know,

that politics is not an abstract, anonymous world.

It is made to a large and for me very satisfying
extent out of human relations.

Not so long ago

the relations between EFTA and the Community
were seen as a kind of competition.

Competition between the "institutional"
or the "pragmatic" approach,

the endeavour towards a "supranational legal order"
or the application of the "free trading doctrine".

Those were the years,

Those were the years,

when Europe seemed to thrive in a well protected
corner of history.

Peace and happiness for all appeared just a few
steps away.

We had leisure

to discuss models of integration in Europe
in a somewhat self-centered way.

Not so any longer.

It has often been said,

that our world is rapidly growing smaller.

Interdependence is the current word for the fact,

that whatever happens in China, in Afghanistan,
in the Middle East

concerns us all very directly.

Under increasing economic and political pressure

those who share common values and convictions
are forced together.

For us Europeans this means:

For us European this means:

- our common conviction of freedom and democracy,
- our resolution to defend our common European heritage.
 - We depend upon the same lifeliness.
 - We share a common fate.
 - We shall have to stand up and be counted.

This must be made clear above all

when we are confronted with such flagrant violations
of the fundamental principles

on which the international community is built
as happened in Afghanistan and Iran.

There must be no doubt or indecision.

Our cooperation must become even closer.

And we must maintain our credibility

- for those who disregard international law
in the judgment of the United Nations,
- for our friends, who have saved Europe
from across the Atlantic in two World Wars
and who protect us today.

We must not create the impression

We must not create the impression

that some national advantage is more important
than European and international solidarity.

Some more orders or maybe some medals ...

The spirit of national egotism must not spread!

That is also true for our economic relations.

The call for protectionism is heard every day.

We must prevent those winds from creating a wave of
protectionism

as we have done in the MTN negotiations
of the Tokyo Round

when the Community and EFTA fought together for

- open World Trade
- the respect of international rules
and procedures
- the strengthening of GATT.

Economic relations between EFTA and EC

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have grown ever closer in the last decade.

Ten years ago,

we had two economic groups in Western Europe,

EFTA on one side,

the Community of six on the other.

Ten years ago,

we had dictatorships on the Iberian peninsula and in Greece
separate from the development on our countries.

A single economic space in Western Europe
was unthinkable.

Today, the situation is different.

There's still the European Community,

nine members now,

soon twelve.

There are still the EFTA-countries.

But between us

we have achieved a free-trade-area at least for industrial
goods.

And statistics show

And statistics show

that European countries trade more amongst themselves than with the rest of the world.

Two thirds of their external trade takes place inside Western Europe,

and four fifth of our world trade in industrial products we do amongst ourselves.

Our European neighbours

buy more goods from the Community,

than the two superpowers USA and USSR taken together.

The figures for direct investment by the Community in EFTA and vice versa

also indicate

that we are well down the road towards a single economic area in Western Europe.

And rightly so,

because measured on a world scale,

we here cannot afford division and separation.

Our objective is and must be

Our objective is and must be close cooperation,
whatever problems we may encounter.

This will not change with the second enlargement of the Community.

It can strengthen our weight in international affairs.

It will demand sacrifices by the richer countries
to reduce wide divergencies in living conditions.

But this enlargement

will not narrow the Community's horizon to the Mediterranean
causing us to forget for example Scandinavia.

We cannot become inward-looking

and turn our backs on the developing countries,
and certainly not on the other European countries
remaining outside the Community.

We cannot forget the political idea at the very heart
of the Community:

to end confrontation in our small continent
once and for all.

Cooperation is the key word

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inside the Community

and for our relations with other countries
in Europe and in the world.

Of course,

there have been set-backs, obstacles, crises.

This is not surprising.

Integrating forces create counter-reactions

of small-mindedness,

of escapism:

- nationalism,
- appeasement,
- withdrawal from responsibilities,
- refusal to face reality.

Two weeks ago,

the Community faced a serious crisis.

The clouds have lifted,

but the landscape is far from being serene.

We have bought time,

We have bought time,

but the main problem remains to be solved.

It will be indispensable

to begin reforming the Common Agricultural Policy.

Price guarantees and intervention mechanism incited surplus-production.

These surpluses cost huge amounts of money:

- for storage
- for denaturation,
- for export-restitutions.

If this development were to continue

expenditure under our agricultural policy would soon represent 100 % of our Community's budget.

The Community's tax-payers and consumers will not accept this.

It is in our agricultural populations' own interest to avoid such a situation.

Their representatives

Their representatives

must actively participate

in changing and improving the system.

The system as such is at stake.

Without reform it will blow up.

I do not believe in political fatalism.

Set-backs are never an excuse for inertia.

Faced with fundamental change in the world,

we must use

our imagination,

our funds of knowledge,

to analyse the historical situation

and - to act.

We must act as Europeans,

And we must act together,

Afghanistan and Iran

and the threats to peace in the Middle-East

have made that perfectly clear.

In the economic sphere,

In the economic sphere,

you in EFTA and we in the Community,

have to master the same problems:

- the security of our supplies in energy and basic commodities,
- the increasing oil bill,
- unemployment and inflation,
- the adjustment of our economies to a new distribution of labour in the world economy
- instabilities in monetary relations.

Common European action is indispensable

if we want our continent

to maintain its role and its influence

and accept its responsibilities in today's changing world

Let us remember Winston Churchill,

when he talked about the necessity

to create the "European Family" in Zurich in 1946.

He said:

He said:

"I must give you a warning.

Time may be short."

This is true

today more than ever.

We Europeans must act:

rapidly and together.

TALSMANDENS GRUPPE
SPRECHERGRUPPE
SPOKESMAN'S GROUP
GROUPE DU PORTE-PAROLE
GRUPPO DEL PORTAVOCE
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**PRESSE-MEDDELELSE
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PRESS-RELEASE**

**INFORMATION A LA PRESSE
INFORMAZIONE ALLA STAMPA
MEDEDELING AAN DE PERS**

/EMBARGO: 12.6.1980/
/ 15 hrs. /

Brussels, 12 June 1980

VICE-PRESIDENT HAFERKAMP SALUTES THE 20TH ANNIVERSARY
OF EFTA

Ten or fifteen years ago relations between EFTA and the European Community were seen as a kind of competition between different models of integration. This question today has lost its importance. Under increasing economic and political pressures from outside those who share common values and convictions are forced together.

It was in these terms that Vice-President Haferkamp addressed the special meeting held today at Saltsjöbaden outside Stockholm to commemorate the 20th anniversary of the signature of the Convention of Stockholm establishing the European Free-Trade Association. In addition to Mr. Haferkamp, the speakers included Mr. Thorbjörn Fälldin, the Prime Minister of Sweden; Mr. Emile van Lennep, Secretary-General of the OECD; Mr. Olivier Long, the Director General of GATT; Dr. Bruno Kreisky, the Federal Chancellor of Austria, and Mr. Charler Müller, the Secretary-General of EFTA.

The theme of the meeting was economic integration and free trade in a changing world.

In his speech, Vice-President Haferkamp emphasised the progress made towards integration in Europe, particularly in the field of trade and economic relations. Ten years ago, western Europe was split into two economic groups, EFTA and the Community of Six, with dictatorships in the Iberian peninsula and Greece. Today western Europe is well down the road towards a single economic area. The Community, with nine members soon to become twelve, and the EFTA countries have achieved a free-trade area among themselves at least for industrial goods. The countries of western Europe now do two thirds of their total trade, and four fifths of their trade in industrial products among themselves.

Mr. Haferkamp told the meeting that the second enlargement will not result in the Community turning its back on close cooperation with other European countries remaining outside. EFTA and the Community face the same problem - scarcity of supplies of energy and raw materials, the increasing oil bill, unemployment, inflation, monetary instability and the adjustment to a new distribution of labour in the world economy. He concluded: "common European action is indispensable if we want our continent to maintain its role and its influence and to accept its responsibilities in today's changing world".