

A d d r e s s
by

Professor Dahrendorf, Member of the Commission of
European Communities, to the XXIII. Congress of the
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The opportunity of addressing you on behalf of the Commission of the European Communities is doubly welcome. First of all, the Commission which I have the honour to represent, cherishes the tradition of close relations with the International Chamber of Commerce, which was begun in 1959 by one of my eminent predecessors, M. Jean Rey. We believe that the very construction of a European Community documents the desire to create a reality extending far beyond the instruments of governments and diplomacy, and that therefore we need the regular exchange of views with organizations that have grown up in the social and economic field, among which your own holds a very distinguished place. Indeed, I can tell you today that the Commission has the intention of offering you an even more institutionalized kind of contact. The second reason for which I welcome this opportunity is the subject of your deliberations here in Vienna, the liberalization of international trade. None of the great partners of world trade is as dependent on free trade as the European Communities; for none therefore does interest and principle coincide so obviously in the demand to abandon the barriers to free trade, which are still in existence.

I notice with respect and with satisfaction the program for a further liberalization of world trade suggested by the International Chamber of Commerce. It contains many matters of grave concern to us, and I can assure you today of the support of the Commission -and I believe the entire Community- for a program of this kind. This is all the more so since we remarked with satisfaction the combination of determination and realism which has informed this program. At a time of rapid developments affecting world trade in many parts of the world, it is more important to find effective solutions than to look for spectacular gestures.

One of the developments in this context is that of the European Community itself. After the completion of the transitional phase of the Community, our attention is directed to the two great goals of the *approfondissement* of the Community by the approach to an economic and monetary union, and of the *élargissement* by the admission of four new members, including Great Britain. The attempt to achieve both these goals at the same time is a process followed by many all over the world with attention. Its success or failure will be regarded as a testimony to the ability of free countries to cooperate to the benefit of their citizens as well as those of other countries in the world. It is also, I admit, a venture which strains our resources to the utmost, and I have to reaffirm the fact that, during the negotiations for British entry, many decisions in other areas have to remain suspended.

However, let there be no doubt about our position. The goals of the European Community extend beyond its own internal cohesion. It cannot be the purpose of a European Community to re-awaken the cowardly and incidentally costly idea of self-sufficiency. We are therefore prepared to play our part in the promotion of free exchange on a world-wide basis.

And I believe that our record with respect to free trade is good. The Community has shown itself as an active promoter of trade liberalization in the final phase of the Kennedy Round. More recently, the Community was among the first to adopt a scheme of generalized preferences for developing countries.

During my recent visit to the United States, I had occasion to indicate some of the elements of the counter-offensive of liberalization which, on behalf of the Commission, I proposed in the European Parliament earlier this year. Many of these eight elements resemble closely your own program of liberalization.

- 1) I would regard it as useful, if we re-affirmed our principles as embodied in GATT, and stated at least our common intention not to erect new trade barriers, whether open or concealed.
- 2) It is necessary to put the offer of generalized preferences for developing countries into effect as soon as possible; and it would certainly be helpful if we could achieve a high degree of coordination among the donor countries.

- 3) The problem of textile production and trade has world-wide ramifications. It should therefore be studied in a world-wide context and with a view to a fair solution, which does not place an undue burden on one party.
- 4) "Regional cohesion", as President Nixon says "contributes to world stability". It would be useful to develop rules which reconcile the necessary cohesion of regional agreements with the desirable principle of non-discrimination on a world-wide basis.
- 5) In the field of agriculture, it would certainly be useful -to quote my colleague Mansholt- to develop "better organized world market arrangements". The preparation of a set of rules for agricultural trade should begin soon.
- 6) At the end of the Kennedy Round, a list of non-tariff barriers was drawn up. If we could look into this list and try to hook off some of the items on it, this would clearly be to the advantage of everybody.
- 7) In this connection, it cannot be repeated too often that the Kennedy Round decisions have still not been implemented everywhere. The sooner this is remedied, the easier it will be to proceed further.
- 8) To these, I added a final point, which I want to stress particularly today. We have fortunately spent some energy in the last few years thinking about ways of avoiding war.

Not all these thoughts were sufficiently effective, but it would be fair to say that we have become aware of the dangers and have begun to learn the first elements of crisis management. But it is necessary to see that war, military conflict, is not the only danger with which we are threatened today. The discussion of U.S. trade legislation last year, and the oil dispute this year, have taught us once again the importance and fragility of international economic relations. Yet we have no mechanism even to bring about emergency consultations in the case of a threat of destructive unilateral action.

It would seem useful to develop as soon as possible an international mechanism of conciliation and arbitration in the field of trade. Whether within the framework of existing organizations or outside, what matters is that this mechanism is effective and helps us to avoid an escalation of disputes in the field of international economic relations.

There will be a number of opportunities this year to contribute to the implementation of the goals which we share with you. First of them is the Ministerial meeting of OECD in June, where all the major trading partners are represented. It is fortunate that less than six months later, we shall be able to continue the debate, and to reach decisions in the framework of GATT. To us, the principles of GATT are by no means obsolete, but continue to be the guide lines of action.

Before these conferences take place on a governmental level, it is, however, of the utmost importance to prepare the ground by thorough discussions such as those held during your Conference in Vienna.

Let me in conclusion express to you the warm greetings of the Commission of the European Community, and with them our continued desire to promote the common goal of the liberalization of international trade.