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SWITZERLAND, EFTA, EEC AND ALL THAT

Switzerland and Great Britain versus European integration: their respective positions was the subject presented by **Monsieur Jürg Iselin,** First Counsellor at the Swiss Embassy, London, to the conference of the Swiss Mercantile Society. As one who had been head of the Integration Office in Berne, Monsieur Iselin was particularly qualified to speak on this vast and inexhaustible subject.

He began by broadly outlining the differences between EFTA, or European Free Trade Association, and the EEC, or European Economic Community. The first was no more than a pragmatic association of seven member states (U.K., Switzerland, Austria, Portugal, Denmark, Norway and Sweden) agreeing to lift custom tariffs on mutual trade on industrial goods (and to a lesser extent on other goods as well). The objectives of EFTA were to favour European and international trade for the benefit of all. None of the members foreswore their independence and they were free to establish the tariff barriers they pleased against the outside world. The European Economic Community (or Common Market) was a far more ambitious organisation. It grouped the six countries France, Germany, Italy, Belgium, Holland and the Luxemburg. They had agreed at the Treaty of Rome in 1957 not only to lift all internal custom barriers within themselves, but to present a common barrier towards the outside world. They were moreover to integrate their agricultural, social, fiscal, monetary and transport policies in the course of a development that would eventually lead to a politically unified Europe. Whereas EFTA explicitly preserved the independence of its member states, the EEC and the spirit of the Treaty of Rome were oriented towards a supra-national Europe. This was obviously a capital difference as far as Switzerland was concerned.

Monsieur Iselin then spoke more in detail of each of the two organisations. He reminded the meeting parenthetically that, although EFTA and EEC were the best-known European institutions, there were others which were at least as old. He named the Council of Europe, founded in 1949 and more directly concerned with the political and cultural heritage of Europe, the Western European Union, which grouped the countries of the EEC and Great Britain and was primarily concerned with common defence problems, and made mention of the oldest European Institution of all, the Organisation for European Economic Cooperation (OEEC), which gave way to the Organisation for Economic Co-operation and Development (OECD) which, as it stands now, is a consultative body with extra-European members.

EFTA celebrated its tenth birthday on May 3rd last. On that occasion the responsible ministers and officials of member countries met in the new EFTA headquarters in Geneva. The final communique of their meeting was extremely optimistic. It pointed out that in ten years of its existence, trade between EFTA countries had augmented threefold, a far greater boost than the rise of world trade. The objective of increasing trade within EFTA had then been fully attained. The other aims, which were to promote a free trade area in the whole of Europe and reach an agreement with the EEC had not been reached on political grounds. Besides Great Britain's well known attempts at negotiating entry in the EEC, Austria had also sought a special relationship with the Community and Denmark, Norway and the Irish Republic had sought full membership. Finland was a present an associate member. EFTA could then be said to work very well, despite some individual difficulties and the unilateral actions undertaken by some members which went against the spirit of EFTA.

The idea of a European Economic Community to eventually become a United Europe sprang from the mind of Jean Monnet, the "Father of Europe", and began to make headway in 1950, at the time of the creation of the Council of Europe. The first supra-national institution binding the six countries of the present EEC was the European Coal and Steel Community. The Six agreed in 1952 to lift all barriers on the exchange of coal and steel and adopted a common policy on these commodities. Very soon the "Europeans" were pressing for a deepening of the Community. But in August 1954, the French National Assembly rejected any developments that would lead to a defence community as well. However, the foreign ministers of the Six met the next year at Messina and, under the guidance and inspiring force of Paul Henri Spaak, Belgium's foreign minister (and a man for whom Monsieur Iselin appeared to have the greatest admiration despite his serious sinew of not fully respecting the meaning of Swiss neutrality!) agreed to remain open to a wider development of the European Coal and Steel Community. Two years later the founding treaty of the EEC was signed in Rome. On March 25th 1957, the European Community and the European Atomic Energy Community (Euratom) were legally born. The ECSC, Euratom, and the EEC were all eventually merged under one common authority, whose executive body was the Commission of the European Communities. This Commission initiated all new policies and these were to be sanctioned by the Council of Ministers.

Thirteen years later, the Treaty of Rome had only partially been realised. Among the accomplishments, we could count the lifting of all internal tariff barriers and the establishment of a custom's union (the tariff with respect to the outside world had been fixed as the arithmetical mean of the tariffs of each individual country — a good way to please everyone), freedom of labour movements and an almost completely free movement of capital within the Community, a practically completed common agricultural policy. There still remained to devise and implement common fiscal, social, monetary and transport policies.

Monsieur Iselin then compared the respective positions of Switzerland and Great Britain.

Switzerland could not become a member of the EEC because the Community politically prevented neutral countries from entry. The President of the Commission, Mr Jean Rey, had expressed pessimism over the entry of neutrals at a recent conference in London. The EEC conditions of freedom of labour movement also went against Switzerland's interest. Whether Mr Schwarzenbach had his way or not, it was inconceivable that Switzerland should offer unrestricted entry to all foreign manpower. But trade figures showed surprisingly that Switzerland was yet more dependent on the EEC than Great Britain and Monsieur Iselin maintained that Great Britain had a compelling **political** interest to enter the EEC, in that the only remaining ground where Britain could exercise her influence and her greatness was Europe.

The best Switzerland could do was to apply for a close relationship with the EEC, a possibility left open at the December EEC conference at The Hague, where is was formally agreed to start negotiations with Great Britain. These negotiations began on June 30th. They may last very long and Mr Jean Rey believed that it would take at least two and a half years to hammer out all the technical details which would permit Great Britain to join the Common Market. Monsieur Iselin thinks that Switzerland may apply for special relationship at a definite stage of the negotiations with England.

Britain's chances of entry are now considered to be favourable. The position of France has now markedly changed and the Six are now readier to invite Britain. The strongest opposition to entry may yet prove to come from within this country. As the recent white paper on the "cost of entry" has shown, this cost could vary from £100m to £1100m. Great Britain will have an exceptional burden of import levies on agricultural products. She will moreover have to adapt her fiscal system and introduce value added tax, all things which will be exceedingly costly. Switzerland, quite apart from the problems of labour and neutrality, would have quite a job in adapting her agriculture and her particular defence to the conditions of entry in the EEC. She too would have to pay an initial heavy cost.

—The Swiss Observer.

Swiss Dairy Specialists Visit Hamilton

The Swiss delegation of Dairy Specialists recently paid a stopover visit to Hamilton on their way to the International Dairy Conference in Sydney. The Editing Committee of the 'Helvetia' had the pleasure to meet these people at the Hamilton Hotel on the evening of October 7th. It was quite a thrill to listen to all the different Swiss dialects, especially the "Wärschaft Bernerdütsch" with a sprinkling of French, and thus the time passed much too quickly.

Amongst the information we gleaned from them was the fact that the "Butterberg" (mountain of butter) in Switzerland and Europe is not near as high as it used to be. As so many of our compatriots and readers out here are depending on the dairy industry, this is welcome news for us.

The party had arrived from Auckland the day before and inspected the Te Rapa Milkpowder Plant and was due to visit Newstead A.I. Centre, a dairy farm and a cheese factory on its way via Rotorua to Wellington. No doubt a daylight trip through New Zealand at this time of the year will illustrate the country's potenial as an agricultural producer, not only of dairy products but of beef and lamb as well. We hope they have enjoyed their short stay in this fair country.

The delegation consisted of: Dr B. Blanc, Director of the Swiss Dairy Research Institute, Liebefeld, Bern; Mr Peter Hofer, Editor Schweiz Milchzeitung, Bern; Mr and Mrs Moritz Koch, Berner Molkerei, Bern; Mr and Mrs Pierre Reynaud, Director De Cremo S.A., Fribourg; Mr Arnold Amacher, Director Nordwest Schweizer, Milchverbandes, Basel; Mr Heinz Keller, Vice-Director, Nestle A.G., Vevey; Mr Guido Burkhalter, Schweizerische Käseunion A.G., Bern.

—W.R.