

‘Another round completed’ from the Frankfurter Allgemeine Zeitung (20 May 1967)

Caption: On 20 May 1967, the German daily newspaper Frankfurter Allgemeine Zeitung welcomes the results secured in Geneva by the six Member States of the European Economic Community (EEC) and the United States during the ‘Kennedy Round’ multilateral negotiations on the liberalisation of international trade.

Source: Frankfurter Allgemeine Zeitung. Zeitung für Deutschland. Hrsg. Benckiser, Nikolas; Deschamps, Bruno; Eick, Jürgen; Korn, Karl; Tern, Jürgen; Welter, Erich. 20.05.1967, Nr. 115. Frankfurt/Main: FAZ Verlag GmbH. "Eine Runde weiter", auteur:Roeper, Hans , p. 1.

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Another round completed

by Hans Roesper

This week, many capital cities celebrated the end of the Kennedy Round as a significant step forward in the field of commercial policy. And rightly so! Although the initial goal was not entirely met, the agreed reduction of trade restrictions does mark one of the greatest achievements of its kind in the twentieth century. The Western world has proved once again that it is capable of making a combined effort and has recognised that economic freedom serves the welfare of everybody. The Communist bloc cannot match this. Its member states still practise a very primitive form of internal trade, the bartering of goods, as if money had not yet been invented. One thing is certain, the Kennedy Round will only further strengthen the dominance of the Western economy whose driving force is competition and constant mutual challenge.

The beginning of the Kennedy Round was equally challenging because of the challenges posed by the European Economic Community (EEC). The surprisingly rapid integration of the Community during its first years, the unrestrained economic growth of the Member States, its increasing attraction, the application for accession submitted by Great Britain and other European countries in 1961 — these were all regarded as worldwide challenges by President Kennedy. By referring to the developments in Europe and warning that ‘economic isolation and Atlantic leadership’ were not compatible, Kennedy persuaded the American Congress to grant him the most extensive trade authorisation ever obtained by an American President, in order to call upon the world to make huge cuts in customs duties.

Accordingly, it was the highly criticised Economic Community, deemed petty and narrow-minded, which was the driving force behind the worldwide reduction of trade barriers, a fact which most people tend to forget. The Kennedy Round, on the other hand, also posed a challenge to the EEC. Firstly, the Six had to appear to the outside world as a tightly-knit entity during these international negotiations. Accordingly, the six Member States first had to reach an agreement amongst themselves on their various wishes, views and stipulations. That was an incredibly difficult and laborious undertaking. This successful debut of the EEC as an economic world power undoubtedly strengthened the sense of unity and the confidence of the Community. The EEC has emerged from the Kennedy Round stronger and more self-confident.

It might therefore have been thought that the Community could now dare to admit Britain and other countries to its ranks without having to fear any dilution of its ideas and goals. The French President, however, is of a quite different opinion, as may be deduced from his latest remarks. He openly stated that Britain was not yet ready for accession, and he also feared that British membership at this point in time might ‘distort the goals of the EEC’. As de Gaulle advocated the enlargement of the Community at the same time, it may be assumed that his worries are not merely excuses.

The General’s negative stance towards Britain certainly does not just stem from his concerns regarding the economy; it is mainly affected by his political ideas and his claim to European hegemony. It cannot, however, be denied that Britain has been in a bad economic state for years. For the British, on the other hand, this is the underlying motive behind their wish to accede to the economically successful EEC. They will be able to do this during the ‘British Round’ when accession negotiations are opened.

In so doing, both parties, particularly Great Britain, should prepare themselves for a rather lengthy negotiating procedure, because it is just not possible to incorporate an outsider very rapidly into an organisation which has already existed for ten years. The Kennedy Round, which lasted for four years, clearly showed to what extent stamina and toughness are necessary for successful international negotiations. The results of this Round, the imminent reduction in trade barriers, which in some cases is quite considerable, will increasingly make the waiting period for all EEC applicants easier to bear. It is precisely because the Kennedy Round was intended to heal the customs rift between the Economic Community and the Free Trade Area (EFTA), and ultimately will do so, that most European countries were so extremely interested in its success.

The Federal Republic fought particularly ardently during the Kennedy Round. It is Germany that we have to

thank for Paris changing its initially reserved if not dismissive stance towards this campaign to achieve customs duty reductions. The German Government made its approval of the EEC agricultural agreements, so advantageous for France, subject to an informal French commitment to do its utmost to make the Kennedy Round a success. This behind-the-scenes agreement shows not only how closely trade is interconnected today but also how much patience and skill are required to turn the wheel a little further. Real freedom is worth a very high price.