

Communiqué issued in Stockholm (20 November 1959)

Caption: On 20 November 1959, in Stockholm, representatives from Austria, Denmark, Norway, Portugal, Sweden, Switzerland and the United Kingdom give the green light to the establishment of the European Free Trade Association (EFTA).

Source: European Free Trade Association, Text of Convention and other Documents Approved at Stockholm on 20th November, 1959. London: Her Majesty's Stationery Office, 1960. 27 p. (Cmnd. 906).

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Communiqué issued at Stockholm, 20th November, 1959

On behalf of their Governments, Ministers from Austria, Denmark, Norway, Portugal, Sweden, Switzerland and the United Kingdom have today initialled at Stockholm the text of a Convention establishing the European Free Trade Association, to consist of the seven founding members together with any other countries which may accede to it.

The purposes of the Association are economic expansion, full employment, the rational use of resources, financial stability and a higher standard of living.

The Convention will establish a free market between the members of the Association. This will be achieved by the abolition of tariffs and other obstacles to trade in the industrial products of members over a period of ten years, or earlier if so decided. Each country will be free to decide its own external tariffs.

Freer trade between the participating countries will stimulate competition and economic expansion. There are provisions to ensure that the effects of the removal of the barriers to trade are not nullified by means of subsidies, practices of state undertakings, restrictive business practices and limitations to the establishment of enterprises.

The Convention also covers agricultural goods, for which special provisions are made and agreements concluded so as to promote expansion of trade and ensure a sufficient degree of reciprocity to the countries whose major exports are agricultural. To the same end there are also special rules for trade in non-processed fish and marine products.

The Convention reaffirms the determination of the seven member countries to facilitate the early establishment of a multilateral association for the removal of trade barriers and the promotion of closer economic co-operation between the members of the Organisation for European Economic Co-operation, including the six members of the European Economic Community. To this end a special resolution was adopted.

As world trading nations, the countries of the European Free Trade Association are particularly conscious of Europe's links with the rest of the world. They have therefore chosen a form of economic co-operation which, while strengthening Europe, enables them to take full account of the interests of other trading countries throughout the world, including those facing special problems of development. The Association is a further expression of the post-war drive towards lower trade barriers, and reflects the principles which have been established by the General Agreement on Tariffs and Trade (GATT). The individual freedom of action of E.F.T.A. members in their external tariffs will allow each of them to participate actively in GATT negotiations for tariff reductions.

The Ministers were informed that the Finnish Government wished to discuss means by which they could participate in the arrangements planned by the E.F.T.A. and warmly welcomed this Finnish initiative.

The Convention establishes a Council charged with the supervision of the application of the Convention and the furtherance of its objectives. Pending ratification of the Convention the Committee of senior officials remains in being to ensure the closest contact between member governments on all matters of major importance arising out of the Association. A Preparatory Committee has been established to develop the institutions of E.F.T.A.

It was agreed to seek ratification of the Convention not later than March 31st, 1960.