

Statement by Kjell-Olof Feldt on the relationship between Sweden and the European Communities (Brussels, 10 November 1970)

Caption: On 10 November 1970, Kjell-Olof Feldt, Swedish Trade Minister, sets out Sweden's position with regard to European integration and considers its relationship with the European Communities.

Source: Archives historiques de l'Union européenne, Florence, Villa Il Poggiolo. Dépôts, DEP. Franco Maria Malfatti, FMM. Visites. Visite du Président Malfatti en Suède (10-13 novembre 1971), 18/03/1971 - 18/11/1971, FMM 29.

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Statement by Mr. Kjell-Olof Feldt, Swedish Minister of Commerce, at the meeting in Brussels on 10 November, 1970, between Sweden and the European Communities

The Swedish Government is happy to have this opportunity to present to the European Communities its views on the relationship between the Communities and Sweden. It marks the opening of the discussions we have agreed to conduct. The Swedish Government wishes already from the outset to express its hope that these discussions shall lead to an agreement which satisfies the essential interests of both parties and thus becomes a positive contribution towards cooperation for peace, progress and greater unity among the European peoples.

Twice during the course of a generation our continent has been devastated and torn apart by cruel conflicts. A new war between the peoples of Europe is regarded by all of us as an absurdity. It must not be allowed to happen.

A heavy responsibility rests on all the peoples of Europe to frame their policies, in accordance with their national characteristics, in such a way that they give a maximum contribution towards detente and peace, both regionally and within the entire European continent. Moreover, mutual peaceful cooperation between the countries of Europe can be of benefit to peace, economic and social development as well as to cultural progress in the whole world. By means of a policy of mutual solidarity, Europe can build a system of peace which becomes a contribution towards the necessary global solidarity.

Important steps on the road towards such a stabilization of the European situation have been taken. We respect the contributions made to this end through the achievements of the Communities. There is a growing spirit of conciliation among the European peoples.

The European countries have chosen different roads in their foreign and security policies. We in Sweden have concluded, for reasons of geography and history, that we serve the cause of peace and detente best by resolutely pursuing a policy of neutrality. We believe that this policy, supported by, for a small country, a proportionately strong defence, contributes towards calm and stability in Northern Europe. We have the impression that this view on our policy as a natural part of the European pattern is generally shared both in Western and Eastern Europe and that the other European states thus regard a pursuance of the Swedish policy as a European interest.

Sweden has participated, to the full extent compatible with the requirements of our policy of neutrality, in the intensive and comprehensive cooperation which has developed between the peoples of Western Europe after the war. Sweden was among the States which created the OECD, the Council of Europe and EFTA. We wish to work actively for the closest possible international cooperation to further trade and promote full employment, rapid economic growth and increased social welfare and also to develop political freedom, human rights and cultural values. We wish this work to develop in such a direction and in such forms as to make possible close cooperation between all the European nations and to facilitate the on-going process of normalization and consolidation of the situation in the whole of Europe. In this spirit we now begin the discussions with the Communities. It is our aim to work together with you for the achievement of an agreement based on a community of interests.

What we seek is to participate in the enlargement of the European Communities through comprehensive, close and durable economic relationships with them having regard to our policy of neutrality. We are confident that it will be possible to reach an agreement based on equal rights and obligations.

The customs union is a basic element of the Communities. We regard participation in the common market for industrial and agricultural goods as an essential part of a future agreement. This follows from the pattern of our foreign trade. Sweden's trade with the European countries has increased considerably during the last few years and there are good prospects for a continued rapid expansion in the interest of all parties. In 1969 Sweden's imports from the Common Market countries amounted to about 2,000 million dollars, which was one-third of our total imports. Our import surplus vis-à-vis these countries was 430 million dollars. Last year the Member States exported goods to the total value of nearly 5,000 million dollars to the Nordic countries.

Next to the United States the Nordic countries are the biggest market for the members of the Communities.

After careful study of the rules of the Communities we are convinced that there are good prospects for a Swedish participation in the customs union. The guidelines indicated by the Communities for the adaptation to the common external tariff appear appropriate. We share the view that solutions should be sought in the establishment of transitional measures.

The objectives of the Treaty of Rome for the commercial policy conform well with the basic principles which Sweden has subscribed to for a long time. These objectives are, briefly, a harmonious development of world trade, a progressive abolition of restrictions on international trade, a lowering of customs barriers and fair competition. We all look forward to the day when the global efforts towards development of world trade, which gained such a remarkable success through the Kennedy Round, will move a further step forward.

What appears to us to be very important in this connection is to affirm the solidarity with the developing countries in different parts of the world and the determination to cooperate on an increasing scale to ensure the development of their prosperity, in accordance with the principles of the Charter of the United Nations. Trade policy measures which aim at facilitating exports from the developing countries are, in our opinion, important means for furthering these efforts.

The objectives of the common agricultural policy, as set out in the Treaty of Rome, conform with those on which the Swedish agricultural policy is based. Also, the Swedish market organization for different agricultural products is similar to that of the Communities. For this reason the Swedish Government does not anticipate any serious difficulties in adapting the Swedish rules to those which apply within the Communities. During the discussions we wish, however, to review in detail issues related to the framing of the transitional measures, Sweden's participation in the financial regulations, etc. It is desirable that adequate synchronization be ensured between the progress of freedom of movement of industrial goods and the achievement of the agricultural common market.

The Swedish Government is aware that for the common market to function it is not sufficient to abolish internal trade barriers and to adapt to the common external tariff, but also that a number of other economic and social measures are required.

We share the view of the Communities, as set out in the Treaty of Rome, that comprehensive cooperation is necessary if the full advantages of the common market are to be realized. Thus, measures are needed to achieve increased freedom of movement for labour, services and capital as well as cooperation in the fields of social and economic policy.

We are aware of the advantages that are to be gained by an intensified cooperation in various fields and we are therefore prepared to study how a Swedish participation should be arranged with due regard to requirements of national freedom of action determined by the policy of neutrality.

This brings me to the question of the Swedish policy of neutrality. Our basic views in this matter as set forth in our declaration before the Council of Ministers on 28 July, 1962, and in our letter delivered on 28 July, 1967, and the verbal statement of the same day, stand firm. This implies that Sweden intends to pursue a policy also in the future which preserves our possibilities to fulfil the obligations which rest upon a neutral state, and which give credence to our will and ability to observe neutrality in the event of war. For this intention to be clearly understood and respected, the policy must be pursued with determination and consistency. International ties cannot be accepted which make the possibility to choose neutrality in time of war illusory. The policy must be supported by a strong military defence and the economic life so organized that the nation can endure a large-scale blockade during a fairly long period. We cannot participate in such forms of cooperation on foreign policy, economic, monetary and other matters which, in our judgement, would jeopardize our possibilities to pursue a firm policy of neutrality. This means that we cannot participate within a certain group of states in a cooperation in matters of foreign policy which is binding and which aims at the working out of common policies. Limits are also set to our possibilities to accept a transfer

of the right of decision-making from national to international institutions within the framework of an economic and monetary union.

An important question for the Swedish Government is whether the measures which have been taken or are planned within the Communities could imply a hindrance in the way of one or more states to progress more rapidly in the field of social reform and to pursue a more far-reaching policy of social and economic equalization than other states.

In the preamble to the Treaty of Rome it is stated that it is the essential objective of the efforts of the Communities to improve the living and working conditions of their peoples. Mention is also made of the desirability to reduce the economic differences existing between the various regions and the backwardness of the less favoured regions Article 117 points to the desirability of the progressive harmonization and improvement of the conditions of living and of work and employment for workers.

The objectives are in conformity with those which are behind the economic and social policies in Sweden. It is, inter alia, against the background of the present plans for the harmonization of taxation and economic policies, and also the creation of an economic and monetary union, that we are anxious to have an opportunity to discuss these questions in detail with the institutions of the Communities.

The solidarity among the Nordic countries, founded upon a common history and culture, is well known. The Nordic peoples have a very strong feeling of affinity and in this spirit they have for a long time conducted very close cooperation which has yielded important results. Passports have been abolished for inter-Nordic travellers. A common labour market gives all the citizens of the five Nordic countries the possibility to take up residence and carry out work anywhere in the Nordic area and immediately enjoy the same social benefits as the country's own citizens. Within the framework of EFTA there is completely duty-free trade between the Nordic countries for the whole industrial sector. As a result the exchange of goods and services has increased at a rapid rate. Trade between the Nordic countries has doubled during the last seven years. An extensive Nordic integration has been accomplished in the industrial field.

It appears to us self-evident that the achievements which have been made in Nordic cooperation must be preserved and that in general it should be continued and strengthened. We know that this view is shared by the other Nordic countries.

The Swedish Government wishes to express its conviction that the Communities are as anxious as the governments of the Nordic countries to preserve the important results which have been achieved through cooperation between these countries.

The close solidarity between the Nordic countries and the similarity of their interests also lead to a mutual wish that their negotiations and discussions, as well as those of the other EFTA countries, shall result in agreements which enter into force at the same time. We have noted with great satisfaction that the organs of the Communities appear to take the same position. In this we see the expression of a positive attitude on the part of the Communities to the strong interest of the EFTA countries in safeguarding, as an important part of an enlarged European community, the free market which has been established in EFTA.

What I have now said is the reason for our wish to conduct, as far as possible, our discussions parallel with the negotiations with Denmark and Norway. We believe that such an arrangement would be of great practical value for the parties concerned. Many of the substantive problems are similar or identical. Moreover, the commercial and industrial exchanges between the Nordic countries are so extensive and their economies so closely interwoven that the solution of a given problem in relation to a certain country must be affected by the solution of the same problem in relation to another country.

For these practical reasons it would seem appropriate to postpone to a later date the discussions on the form for Sweden's participation in the enlarged Communities. In our opinion, such a procedure would also have the advantage that further material is obtained for an evaluation of this problem from the point of view of neutrality. As will be seen from our letter delivered to the Communities on 28 July, 1967, and the statement

of the same date, the Swedish Government leaves open the form for a Swedish participation in the enlarged Communities. This question must, for our part, in the first place be judged on the basis of what our policy of neutrality requires and, in our opinion, should be settled once the discussions on the substantive problems have been completed. We know that it is up to us to judge what our policy of neutrality requires just as only the Communities themselves can decide what their rules and structures require in respect of their relations with Sweden.

In presenting these views on the character of the negotiations we do not wish in any way to delay the work going on within the Communities. Our fundamental attitude is that we wish to make a positive contribution to cooperation in Europe.

It follows from the views which I have now presented that it is our hope to open, without delay, discussions with the Communities regarding all economic and other substantive questions which concern the relations between the Communities and Sweden.

I have now come to the end of this declaration. Let me finally, on behalf of the Swedish Government, express a sincere hope that the negotiations and the discussions that have now begun will help build a peaceful, free, strong and, towards the rest of the world, open and generous Europe consisting of states which, in spite of their different national characteristics, are striving to achieve an ever closer unity while taking into consideration the essential interests of all of them. Europe can then play its full part in promoting relaxation of international tension and a rapprochement among all peoples.