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(EEC)

PRESS RELEASE

Summary of the address by M. Jean Deniau  
to the European Parliament - 12 March 1968

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Speaking in the European Parliament on 12 March, M. Deniau, Member of the European Commission, pointed out that trade relations with the countries of Eastern Europe have legal, economic and political aspects, and are very much in course of evolution.

The occasion was the first debate on trade with the countries of Eastern Europe held in the European Parliament for the last three years. M. Deniau, who has special responsibility in the Commission of the European Communities for questions of external trade, compared the attitudes of the past with those of today. In the last 20 years, and even the last 3 or 4 years, these attitudes had altered and methods in the Eastern countries had begun to change; trade had grown considerably, especially since 1964.

In the legal sphere, the first thing necessary is to adapt our trading instruments to the conditions of this trade, which are sometimes peculiar. Far from constituting "discrimination" against the Eastern European countries, the measures taken or planned by the Six are only a response calculated to meet certain de facto situations and to provide a guarantee for the harmonious development of trade. The attitude behind them must be positive.

A gradual movement towards trade liberalization on our side is matched among our trade partners in Eastern Europe by an incipient reassessment of the ideas of cost and price, and even of international trade. We must therefore see to it that our arrangements in this field are concrete yet flexible.

Turning to the economic aspect, M. Deniau pointed out that our trade with Eastern Europe has continued to grow considerably. Since 1958, imports have gone up by 196%, exports by 237%. Eastern Europe is today a more important market than Latin America, accounting for between 6.5% and 7% of the Community's sales abroad, but further expansion of trade is hampered by structural difficulties. The goods exported by the Eastern European countries consist primarily of farm produce, raw materials, energy products and semi-manufactures; changes in this structure will require time, and will

depend first and foremost on the Eastern European countries themselves. But various developments are occurring which are all moving in one direction: the standard of living in these countries is rising, their production is being increasingly diversified and there is a tendency to ensure better harmonization in the commercial terms offered by the Six. In conjunction with these various developments it should be possible to find a progressive solution to the problem of imports of farm products from the Eastern European countries, which are at present often bound up with our ability to export.

M. Deniau examined in detail commercial relations with the countries of Eastern Europe, from the point of view both of the sectors concerned and of overall equilibrium. He also mentioned the various regulations now being discussed at Community level.

In this connection M. Deniau pointed to certain prospects in a field which is delicate and in process of evolution. The question today is no longer "whether or not we should trade with Eastern Europe, but only how trade can best be carried on, in the interest of both parties". Furthermore, it is to be hoped that the emphasis will increasingly shift away from the special conditions governing this trade and from their legal and administrative consequences, and that we shall concern ourselves more and more with the pattern of this trade viewed from an economic standpoint. In the past the Six have been primarily concerned to ensure that the relations of each one of them with the countries of Eastern Europe caused no disturbances within the Common Market. That was, and still is, a sine qua non. But, bearing in mind the general movement that has now started and the date-lines we have set ourselves, we should be able to look forward to a stage in which there can, case by case, be active forms of co-operation.

Here, however, we must remember that the question of our commercial relations with Eastern Europe cannot be separated from its political background, which today, happily, is in a state of "détente". This détente benefits the growth of trade which in turn contributes to the détente. In such a context we must assure the necessary harmonization between the Six; but we ought perhaps to avoid giving the impression of being a "bloc" which would evoke the formation of another "bloc" in response.