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BUSINESS IN THE US AND IN THE EC: A SHARED PURPOSE

"The drive to complete the European Internal Market will only succeed if we can jointly defeat protectionism". This was the gist of the message Lord Cockfield gave today in New York to the American business world. Lord Cockfield, who this week visits Washington and New York for talks with representatives of the administration and the business community, was speaking to a business and financial symposium organized by the American European Community Association.

Lord Cockfield emphasized the importance of the US-EC trade relationship which accounted for approximately half the world trade. The interests which the Community and the US had in common were far more important than the issues on which they appeared divided. It was important that the Americans understood the significance of the Community's endeavours. "What Europe proposes doing and is doing to improve its economic performance is of direct interest to you - in the United States - for three reasons: A more prosperous Europe adds strength to the Western Alliance. A more prosperous Europe adds to world prosperity through the development of international trade; A more prosperous Europe offers greater opportunities to American companies operating in Europe who wish to share in Europe's progress and prosperity."

Now that Spain and Portugal had joined, the European Community had a population of 320 million, substantially greater, almost half as great again as that of the United States. But the Community's GDP was significantly less than that of the US. The reasons for this unsatisfactory economic performance were manifold but one stood out more than any other "quite simply it is that instead of Europe forming a single economic unit - in the way that the United States form a single economic unit - Europe remains divided".

Lord Cockfield recalled that the Community represented a dozen national markets, each still divided from one another by frontier controls, by differing national laws relating to manufacturing trade, by differing taxes on goods and services. The Commission's White Paper on the Internal Market offered an ambitious plan to remove all the barriers - physical, technical and fiscal - which divide Europe and frustrate its growth potential by multiplying costly border controls and jeopardizing the rewards of investment.

Lord Cockfield described to his audience the Commission's plan comprising three hundred measures to complete the Internal Market by 1992, which had been endorsed at the highest level by the Heads of Government. This meant that American businessmen would find the Europe of the future a very different place to trade with and to trade in than was the Europe of the past. A potentially much bigger market was on offer but it would equally be a more competitive one.

Referring to new opportunities opened up to the American business world Lord Cockfield singled out services. But "there is a note of warning I must sound, he added. There are voices in Europe which demand that greater internal freedom of trade should be matched by greater protection against the outside world. Otherwise, it is said, we shall be opening up the Internal Market in Europe not for our own benefit, but for the benefit of our competitors outside Europe.

"It is vital that American industry does not simply appear to exploit Europe; to establish itself in Europe simply for what it can get out of it. It needs to contribute to European life; it needs to contribute to European research and development; it needs to accommodate itself to European values and European aspirations. There are many American companies with distinguished records in these fields. We can all benefit both from their achievements and their example."

"You cannot expect the Europeans to keep open their market if you take steps to close your own". This was Lord Cockfield's political message for government as well as for business. In the face of so many Congressional demands for protection and pressures from interested lobbies those who on both sides of the Atlantic supported the maintenance of a liberal trading system had to join their voices and their efforts.