

INTEGRATIONSBUREAU

des EPD und EVD

Bern, den 1.11.1976

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Summary of the meeting held on Tuesday 26th October 1976 with Mr. Rabaeus, Deputy General Secretary in the Swedish Ministry of Foreign Affairs, accompanied by Ambassador Nilsson and Mr. Wöhler, Head of the Swedish Integration Office

1.11.76: Delegation2.11.1976:

Kopie: Stockholm
Wien
Bx

Swiss participants:

HA Director Jolles
Minister Sommaruga
EPD Ambassador Hegner
Mr. Troendle
IB Mr. Boesch

Mr. Rabaeus introduces his statement with the remark that he has undertaken his journey to Vienna, Berne and Geneva as a result of the conflicting news which he has heard about the planned summit meeting. In Vienna he had met Chancellor Kreisky, Ambassador Schober (Foreign Office), Minister Reisch (Foreign Office), and Ministerialrat Steiger (Ministry of Commerce).

Kreisky mentioned two motives behind his initiative:

- the general neglect by the rest of the world of the European countries which are not in the Common Market, the practical identification of the Community with Europe;
- the lack of progress in Brussels.



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Kreisky imagines three possible ways in which the planned summit meeting could improve the situation:

- the presence of the EFTA countries would be recalled to public opinion;
- it could be a starting point for more cooperation within EFTA;
- the question of our relationships with those European countries which, like Yugoslavia and Spain, are neither members of the Community nor of EFTA would find a basic answer.

Under this item Mr. Kreisky would also like to discuss our relationship with what he calls the small Eastern European countries, since they could be equal partners in all sorts of cooperation. He mentioned here the Rhine-Main-Danube canal, which he considers as essential for Austria. But he underlined the primary importance of Yugoslavia.

Mr. Kreisky seems to have no clear idea as to how far the summit could contribute to connecting these possibilities with reality. He imagines that the meeting should last for only one day of which the first part should be official and lead to a press conference with a communiqué, whereas the second part should be more on the lines of a fireplace chat.

Mr. Rabaeus is convinced that the whole initiative corresponds to a personal policy of Mr. Kreisky's.

Mr. Rabaeus reports the following points which he mentioned to Mr. Kreisky:

- A comparison to the European Council cannot be drawn because that is institutionalized which can hardly be said of an EFTA summit meeting: the last one actually took place eleven years ago. We therefore need a good reason for the meeting under discussion, possibly a sort of peg to hang it on.
- This peg could be the total abolition of industrial customs duties on 1st July 1977. The meeting should be tied up with that event and therefore take place in the second quarter of next year.

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As far as discussion points are concerned Swedish proposals can be grouped into two subjects:

- EFTA countries and prospectives of world trade and economy
- economic cooperation between EFTA countries and the other European countries

Mr. Rabaeus points out that the idea behind these proposals is to provide a general background and a starting point for more detailed work.

Mr. Jolles points out that the collaboration with the small Eastern countries is a new element. It confirms that we have to indicate very clearly what outcome we expect from the summit meeting. We are grateful for the Swedish hints.

First of all a distinction has to be drawn between the character of the meeting and the points which are going to be brought up. As far as the character of the meeting is concerned it would be quite ridiculous to try to imitate Rambouillet, Puerto Rico or the European Council, because the impact of the EFTA countries in no way matches the power of the countries assembled at those meetings.

We also hesitate to participate in a fireplace chat because what would be said there could not be kept from the press. If we divide the meeting into two parts then the official one will only draw attention to the informal one. The press would not content itself with the communiqué but ask questions about the informal part to which the Ministers would feel obliged to give answers in order to avoid the impression that they are treading on a shaky path.

We agree, however, with Mr. Kreisky that the EFTA countries should recall their profile and presence, mainly to the United States and the Comecon. This target can only be reached if we are able to forward some common views. At the same time we have carefully to avoid the impression of forming a block or of having a common foreign policy.

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This is why we feel that the Ministers should know in advance what they are going to talk about. They need common platforms.

We do need a peg to justify the meeting, and the realization of free trade with the Community is certainly the right one. This is a historical event around which the agenda can be grouped. We would then first describe the results which we have achieved and subsequently ask ourselves in which direction we ought to progress. We shall, however, have to point out that we do not intend to modify our concept, which is to say that we neither want to join the Community nor turn EFTA into one.

We shall be obliged to say these things clearly because we shall have to cope with both public opinion in our respective countries and with Mr. Kreisky's speeches.

In our reply to the Austrian Aide-mémoire we have shown possible developments from the present situation:

- free access to resources
- simplification of the rules of origin
- harmonization of the legislation
- relationship to Spain and Greece, both important trading partners

We have also clearly stated that other fields such as agricultural policy or social legislation are not subjects where we wish to lose our autonomy. We are nevertheless of the opinion that in many fields which are not covered by the agreement we should exchange views among EFTA countries before knocking on the Community's door.

Mr. Rabaeus can agree with most of what has just been said. He made it very clear to Mr. Kreisky how impossible it was to formulate a common policy.

The main question is, however, the practical organization and outcome of the meeting. The disappearance of the whole thing would not cause

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unhappiness. But then there is the communiqué issued after the last EFTA Minister's Council. The subjects mentioned by Mr. Jolles do not seem to be quite of the nature which would fit a Heads of government meeting. We should find something more lofty!

Ambassador Hegner points out that he does not believe that Mr. Kreisky has entirely abandoned his ideas of a political OECD and of a Council of Europe summit. As far as the Europa canal is concerned, one has to remember that it has been financed entirely by German funds. In addition Switzerland would be very hesitant in helping to create a competition to the Rhine when it has just negotiated an agreement on the burdensharing of the overcapacity of the Rhine fleet.

Mr. Rabaeus reminds the participants that it will be Mr. Kreisky, in his capacity as Chairman, who shall hand out the press communiqué. Its contents have to be precise. Mr. Rabaeus shares the view that the abolition of the customs duty justifies a meeting of the EFTA states. Therefore it has to take place near 1st July next year.

The present period does not lend itself to any changes. Mr. Rabaeus has pointed out to Mr. Kreisky that not even the evolution clause should be mentioned, mainly because of the Finns who have not got one.

The subjects for possible developments forwarded by Mr. Jolles could possibly be mentioned by the Heads of government but left to be carried out by the Ministers concerned.

Mr. Jolles points out that the reason for this list of possible subjects is to ensure the most efficient functioning of free trade. The concept of free access to supply is certainly worthy of discussion by the Heads of government.

We should avoid dividing the meeting into two parts.

Mr. Rabaeus sais that the dividing line should be drawn between what goes into the communiqué and what does not.

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Minister Sommaruga describes the possibility of having a meeting which only consists of an official part. At the end the Ministers could hold a press conference but meet afterwards for a dinner where they obviously could not be prevented from talking freely.

Both Mr. Jolles and Rabaeus show signs of consent to that idea

Mr. Jolles has a suspicion that Mr. Kreisky could use the EFTA summit in order to promote an initiative of his own and to commit the other Heads of government to something like a Marshall plan for developing countries, for instance.

Mr. Sommaruga's idea is very smart because it would allow us to know in advance what is going to be discussed. The views need not be identical but the subjects should be those where we have a comparable attitude /GATT?. We are still worried that Austria wants to maintain the informal character of the meeting.

Mr. Jolles and Mr. Rabaeus agree that what the EFTA countries have in common is that they were excluded from the Community. They have since worked extremely well together in a pragmatic way which does not lend itself to summit meetings.

Mr. Jolles points out that we have been worried from the beginning by the Common Market aspect of Mr. Kreisky's idea. The implication that integration is not progressing satisfactorily and that the EFTA countries are therefore taking initiatives will not be taken as a friendly gesture by the Community. Any suggestion in that direction which might appear in the communiqué has to be cleared with the Community.

Mr. Sommaruga talks about the following up within EFTA. The agreed conclusions should be handed over as a sort of mandate to the Council. This will probably be very technical and has not to go to the press.

Mr. Rabaeus agrees with the suggestion of Mr. Sommaruga that it might be a good idea to push the Austrians into the chair in Geneva in

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order to succeed the Portuguese but then he wonders whether this would not leave them too much initiative.

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The meeting, which had been held in Mr. Jolles' office, was followed in the "Du Théâtre" by an official luncheon which Ambassador Hegner could not attend. It remained evident that the views of Switzerland and Sweden overlap to a great extent. A difference seems to exist only in so far as Sweden even more than Switzerland wants to restrict the discussions at the summit to very basic and fundamental items, and subsequently the Swedes do not think that consultations with the Community are in any way necessary.



(Ch. Boesch)