

'Europe is not just a matter for financiers' from Combat (18 October 1950)

Caption: On 18 October 1950, the French daily newspaper Combat outlines the reasons for the failure on the part of the Organisation for European Economic Cooperation (OEEC) to promote genuine European unification.

Source: Combat. De la Résistance à la Révolution. dir. de publ. Smadja, Henry. 18.10.1950, n° 1956; 9e année. Paris: Combat. "L'Europe n'est pas l'affaire des financiers", auteur:Malval, Robert , p. 1; 3.

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Europe is not just a matter for financiers

An investigation by Robert MALVAL (II)

Two years ago, the establishment of the Organisation for European Economic Cooperation (OEEC) aroused much interest and raised many hopes, which were, however, quickly dashed. Conceived in the first instance to achieve purely technical objectives – to draw up a common investment programme for the eighteen member countries and submit it to the administrators of the Marshall Plan in order to decide how the American aid should be shared out, the OEEC actually found itself in the position of having acquired a deep understanding of the various economies in Europe.

It is incontestable that, in the field of statistical studies, the OEEC has prompted considerable progress in understanding the economic situation in Europe. It deserves nothing but real respect for that achievement, all the more so since, at the same time, it has made quite a few European politicians – who deliberately ignored the importance of the OEEC – take notice of internal and external economic problems.

However, to the extent that the OEEC has tried to go beyond its remit of simple accountancy, it has been a spectacular failure. Research into the causes of this failure could help provide useful information for those who will build the economy of Europe in the future.

The countries receiving American aid were concerned in the very early stages by what would happen when that aid came to an end in 1952. They quickly understood that, if they continued with independent rival economies, the countries of Europe had no chance whatsoever of completing the reconstruction of its devastated industries, nor of increasing production sufficiently by that date. They simply had to consider breaking down the narrow compartmentalisation of the European economies if they wanted ultimately to establish the enormous market that was indispensable to the rapid development of industry. The gradual relaxation of currency exchange, the organisation of international payments and the establishment of customs unions all targeted that same objective.

One can see clearly that there was a common doctrinal approach in these plans, which were, to a greater or lesser extent, concerned with financial techniques and based on liberal theories. All this explains to a large degree the serious reservations of the British who were, at the time, engaged in an economic experiment based on broad government intervention. It should be emphasised that, at a time when people were busy abandoning the quota system in Europe, the customs regime had not been relaxed to the same degree. This fact in particular held back the development of these plans.

The most serious criticism that may be levelled against OEEC policies is that it was addressing the apex of the economic pyramid. By looking at the problems from the very specialised viewpoint of financial and monetary relations, it failed to address the very foundation of the economy which consists, whether we like it or not, in producing goods and services in order to supply the needs of the people. That way, it could only achieve an abstract construct that was incapable of promoting real European unification.

The patent failure of the Benelux Union and of the Franco-Italian Customs Union is the proof thereof.