

'Britain and the Common Market' from La Libre Belgique (17 January 1957)

Caption: On 17 January 1957, commenting on the visit to London by Paul-Henri Spaak, Belgian Foreign Minister and President of the Intergovernmental Conference on the Common Market and Euratom, the daily newspaper La Libre Belgique paints a picture of a United Kingdom torn between its preferential imperial links with the Commonwealth and possible accession to the European Economic Community (EEC).

Source: La Libre Belgique. 17.01.1957, n° 17; 74e année. Bruxelles: Société d'édition des journaux du Patriote. "L'Angleterre et le Marché commun", auteur:R.; L. , p. 2; 7.

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Britain and the Common Market

Britain wavers between the imperial tradition and economic realism

(From our London correspondent)

As we are aware, Paul-Henri Spaak, the Belgian Foreign Minister (and future Secretary General of NATO) arrived in London on Monday and held two days of talks on the European Common Market with John Selwyn Lloyd, Harold Macmillan and Peter Thorneycroft. The Suez Crisis has further convinced the British that closer links are needed with continental Europe. The British have everything to gain. Where else can they hope to find the market outlets that are vital for their manufacturing industries? Of course, supporters of the old imperialist-protectionist school, such as Lord Maxwell Beaverbrook, are horrified at the prospect of Britain joining the Common Market. For them, that would mean betraying the Empire! They forget that the idea of the Commonwealth that they treasure so much belongs to a past when their overseas possessions did not have their own industries and therefore absorbed all Britain's exports. But the situation is different now.

India is competing with English textiles from Lancashire. Australia now produces domestically many products that it used to buy in from the motherland. It is now vital for British manufacturers to find other markets. Where better than on their own doorstep? But continental Europeans have many reservations about London's vision of a common market. Firstly, because it does not really constitute fully-fledged free trade. From the outset, the British want to exclude all agricultural products, wine and tobacco, which means 'most Dutch, Belgian, French and Italian exports', since fruit and vegetables, especially early fruit and vegetables, and cereals would continue to be subject to customs tariffs, while imperial products, on the other hand, would continue to enjoy 'preferential' treatment. While they will be free to flood the continental markets with their industrial products (cars, textiles and all sorts of manufactured goods), in exchange the British will not accept that continental Europeans should receive a fair price for their lettuce!

Complications

There are other major hurdles that prevent the complete harmonisation of the continental economies with that of Britain, starting with the difference in social security systems (employers' contributions are lower in Britain than in France). Taxation is also different, and equal pay for men and women, something which is the norm on the Continent (notably in France), has not been adopted in Britain. A further complication is that production costs are calculated differently, because, in France, overtime is calculated as from the 41st hour, whereas there is no 40-hour working week in Britain.

This explains Mr Spaak's major reservations. He told the Financial Times, 'I do not see how we can overcome so many difficulties.' The Common Market between the six Western European nations (Benelux, France, Germany and Italy) is to become a reality within a few weeks, as will, no doubt, 'Euratom'. Mr Spaak, who is in London as the Chairman of the Intergovernmental Committee set up by the Messina Conference in 1955, perceives three kinds of difficulties. The first, as we have just explained, derives from the fact that Commonwealth farm products will continue to enjoy the 'imperial' preference, since Britain intends to 'protect' Australian and South African wine and meat, Australian and Canadian cereals, New Zealand dairy products, etc., etc.

But how can agricultural countries, such as France and Italy, and the major fruit and vegetable exporters, such as Belgium and Holland, accept such detrimental restrictions? It is true that the preferential regime will be only temporary and will last for no more than 15 years!

Mr Spaak has pointed out that the second difficulty arises from the special treatment envisaged by France that will allow it to continue with its export subsidies and import tariffs for some time to come. The third complication is created by the 'safeguard clauses' and the derogations. It will not be easy to harmonise so many conflicting interests.

The idea of the 'third force'

The British would like to be able to join 'partially' the Common Market, because they reckon that their

industries will benefit. They are, of course, worried about being excluded from a continent-wide agreement of whatever kind. That is why they want to get in. Traditionally, they have never accepted the establishment of groupings or alliances on the Continent in which they were not involved. They have an instinctive fear of finding economic groupings turning into political alliances. Recent events have shown that Britain has every interest in being part of a European 'third force'.

A movement is gaining ground now in London that is receiving massive publicity (a half-page in *The Times* and noisy public meetings, etc.) in favour of Britain taking the initiative and creating this third European force. It is a far-reaching idea, since the plan includes common citizenship with France, along the lines of Churchill's idea in 1940. Is this simply a way for Britain to make up for the loss of its overseas possessions by taking part in the exploitation of oil and mineral deposits in the Sahara? There is more to it, and it has to be said that there is a sincere belief that Western Europe, or what remains of it, should unite in order to face up to the two 'great powers', Russia and America, because Britain would add the natural resources of Australia, New Zealand and British Africa to the common pool. The *Financial Times* noted that one potentially explosive issue concerns the views that the Six harbour about colonies. It seems that France and Belgium are to propose **preferential tariffs** between the European Union and their own overseas territories. This **Eurafrica** concept, which is quite logical, irritates the British, who insist strongly on keeping their imperial preferences. They maintain that the system envisaged by France and Belgium would be in breach of the rules of the GATT (International Tariff Union).

By maintaining the imperial preference for agricultural products, the British maintain privileges for 90 % of Commonwealth exports. If a compromise is to be reached with Britain, mutual concessions will have to be made with respect to preferential tariffs which affect the Belgian Congo and French Africa, on the one hand, and Commonwealth agricultural products, on the other.

Transitional period

Of course, the protectionist camp is making a real hullabaloo. There are attacks in the *Daily Express* on Mr Thorneycroft, the new Chancellor of the Exchequer, on Sir David Eccles, President of the Board of Trade, and on Mr Macmillan, who support British membership of the European Market. 'They hope', says the newspaper, 'that England will thus **take control of European affairs** and find rich pickings on the Continent. But that would mean turning its back on the Empire from which England draws its strength.' The planned safeguards and the exemption for agricultural products do not reassure the imperialists. 'Once Britain is in the system,' they say, 'it is clear to everyone that Britain will lose all its imperial advantages. The British market will be flooded by cheap continental products. Away with this heinous plan!' The general public will probably not agree. Will they be complaining if, in future, they can buy pots and pans, farm equipment and cars at a good third off British prices?

The Times seems concerned that Britain will be faced with a *fait accompli* next month when the Common Market Treaty is signed, but this leading British newspaper does not doubt that the plan, by encouraging major competition, will revitalise Britain and improve the 'political health' of Europe.

This is not going to happen overnight. A 15-year transitional period is envisaged. France has already undertaken to cut its tariffs by 30 % within six years under the Mollet-Adenauer agreements, followed by a second reduction of 30 % and the abolition of all quotas.

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