

'The problems of the Common Market of Ten' from L'Unità


Caption: On 24 January 1972, the Italian Communist daily newspaper L'Unità finds fault with the recent European enlargement and criticises the economic, monetary and social weakness of the European Community.

Source: L'Unità. Organa del Partito Comunista italiano. 24.01.1972. Milano. "I problemi del MEC a dieci", auteur:Leonardi, Silvio , p. 1.

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The problems of the Common Market of Ten

The Treaties of Accession of the United Kingdom, Norway, Denmark and Ireland were signed in Brussels on Saturday, with due ceremony, after 18 months and 18 days of negotiations and one thousand actual hours of discussion, largely, as is usual, at night.

If everything goes according to plan in forthcoming months as Parliaments ratify the Treaties, referendums are held, etc., the current Community of Six will in 1973 become a Community of Ten with a population, based on 1970 figures, of 258 million, by comparison with 244 in the USSR and 205 in the USA and a national income beaten only by the USA; however, the gold reserves of its Central Banks will be almost twice, and foreign trade three times, those of the USA.

The forthcoming Community of Ten will also be the world leader in the production not only of steel and vehicles but also of milk, and will have a merchant fleet larger than the combined fleets of the USA, USSR and Japan.

Perhaps the most important point to remember is the unassailable position that the new Community will occupy in world trade, of which it will absorb over 40 %. In the same way as for the Community of Six, foreign trade will be of key importance for the Community of Ten in terms of the formation of the national income of the countries involved, and will be twice the proportion as in Japan and four times the proportion in the USA and the USSR. Little else seems to be needed to prove the importance and the particular nature of the Community of Ten, which many are already dubbing a new superpower.

The real problem lies elsewhere, however. The fact is that neither the old Six nor the new Four involved in this enlargement of the Community know where this will lead, what kind of creature will come into being and why it should exist.

Enlargement is taking place at a time of serious crisis in the old Community, which is no longer managing to survive as a customs union run by anti-democratic bodies with no political accountability, with an absurd and damaging agricultural policy, with a free market ideology that favours the strongest and with increasing internal imbalances resulting from transfers of resources (capital and men) decided by private interests and particularly by the large groups inside and outside the Community, especially the large American multinational corporations. The current monetary crisis brought about by the intervention of the United States has highlighted the fragile nature of old-style Community integration, the inability of the six Member States to agree on and abide by common positions and therefore its extreme weakness in the face of outside pressures, especially from the United States.

On its own, enlargement will undoubtedly not cure the ills of the smaller Community; indeed, it will accentuate the crisis and the need for a radical overhaul. Nor can this be avoided by the effort that the old dominant forces are putting into strengthening, in parallel with enlargement, the old style of integration by moving away from a simple customs union to closer economic and monetary union, in an attempt to graft the new onto the old and leave things more or less as they are.

It is only by force — i.e. only by repeating the endeavours that ended so tragically in the past — that economic and monetary union can be imposed on countries so structurally different, between which there are such huge divides. For instance, capital availability per worker in Italy is half the figure for Germany, with the result that no Italian region, not even the wealthiest, Lombardy, achieves the mean Community per capita income, while no German region, not even the poorest, is below this mean income. Moreover, the poorest country, Italy, has the lowest investment rates, with the result that the gap will continue to grow. It is absurdly over-ambitious to envisage monetary autonomy for an area such as the planned Community of Ten which, while it occupies a dominant position in world trade, is the political slave of the USA: currency is always an instrument of power.

Enlargement, precisely because of the enormous economic importance that the Community of Ten will acquire, will therefore worsen the crisis in the current smaller Community, and last Saturday's solemn

ceremony may be less a fresh step forward than the end of a historic experiment, as the positions of the existing and new members are weakened in a free trade area dominated by the United States. Is the USA not moving in this direction already? Is it not perhaps already dismantling an integration set in motion, with its decisive support, in other times and with other purposes in the cold war years? Why should the USA accept a larger Community, with an enormous economic importance, dominated by forces set on competition but unable to take on its necessary political consequences?

A Community can make progress if it is dominated by forces able, internally, to move resources to achieve objectives of a social type, i.e. from the richer to the poorer, and, externally, to break down situations of power and privilege such as those inherited from the war as a result of the policy of blocs. If progress is to be made, an open mind is needed to find solutions to new problems such as relations with the Socialist countries and those of the Third World. The directions taken by the forces that have dominated the Community of Six have been diametrically opposed to those discussed above, hence the crisis and the unacceptability of current integration and the need for a far-reaching overhaul. Enlargement to Ten led by the old forces will undoubtedly exacerbate rather than solve the old problems.

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