

Address given by David Eccles on the Free Trade Area (Paris, 7 June 1957)

Caption: On 7 June 1957, at a reception held by the British Chamber of Commerce in Paris, David Eccles, President of the Board of Trade, delivers an address on the importance of the establishment of a free trade area in Europe.

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Britain Determined to Follow the Common Market with the European Free Trade Area

The President

[...]

“We need the help of every member of this Chamber,” he said, “because you are in a unique position to tell your French friends how sincere is our support for the European Common Market. Equally we want you to tell them that we are determined to follow up the Common Market with the Free Trade Area. In our view both the Common Market and Free Trade Area are necessary. In the interests of European unity the first must be complemented by the second. My Government welcomes the initiative of France and the other five Powers who have agreed upon a revolutionary change in their commercial and financial policies.”

Of the Treaty of Rome, Sir David Eccles said: “This is one of the masterpieces of history - something above and beyond the ordinary scope of international arrangements. It is a pact which owes its origin to the European tradition of universality, and its execution to the humanity, patience and idealism of great Frenchmen and great Europeans; of men like M. Robert Schuman, Signor de Gasperi, M. Spaak and Dr. Adenauer.

“The British Government and the British people acknowledge the outstanding statesmanship which has embodied these ideas into a treaty. When the experts explain to us the Treaty of Rome in terms of economics we see beyond the tariffs and the quotas, for we know that Europe is feeling its way to something much more fundamental than the exchange of goods and money. But granted that European solidarity and peace is the purpose of the Treaty of Rome, how illusory might this be if the result were to divide Europe! On the inside the Six Powers who have signed the Treaty; on the outside those other European Powers who, though they have been slower to support the movement of integration, are none the less profoundly affected by it.

“If the Common Market came into existence without the Free Trade Area, then Western Europe, which over the centuries has suffered so often the agonies of division, and has all the time dreamed the same dreams of unity, might again fly apart. Some nations might look elsewhere for their trade and their expansion. That we must avoid. I tell you this because I want you to understand that when Her Majesty's Government add to the initiative of the Six a proposal for a Free Trade Area - a proposal which France has welcomed - we also are not thinking only of economics but of the strength and unity of Europe which means as much to us as to France. France and England and our other friends in Europe must stick together and so frame their plans that Western Europe is organized as one expanding community.

Choice Must be Avoided

“Let me now state as clearly as I can why the United Kingdom propose a Free Trade Area. The Treaty of Rome establishing the Common Market provides for a single harmonized tariff against the rest of the world and for a managed market in agricultural products. For the United Kingdom to accept either of these conditions would, in fact, compel us to make a choice between Europe and the Commonwealth. Never must we allow ourselves to get into a position where we had to make this choice. For we would have to choose the Commonwealth.

“Our deepest roots are there in that unique family of free nations and colonies on their way to freedom. The Queen is our Head. We are united by our loyalty to Her Majesty, by our principles of Parliamentary government, by our legal system and by the trade arrangements we have built up over many years. We see in the Commonwealth how many different races and territories in different stages of development can work together for common purposes. French Governments have always understood the special position of the Commonwealth. They realize that if the United Kingdom accepted a single tariff with the Common Market, our Commonwealth preferences would disappear, and we should have to impose this tariff on goods which now come into Britain from the Commonwealth free of duty. It is, therefore, necessary for us to find a way to become a partner with the Common Market without adopting a common external tariff. This the Free

Trade Area does, since all the members while exchanging manufactures freely among themselves can preserve their respective tariff arrangements with the outside world.

“The second problem raised for us and for the Commonwealth by the Treaty of Rome is agriculture. Here, the Six propose a managed market, not as I understand it free trade in foodstuffs. Indeed, no country that I know of (it may be Denmark is an exception) demands complete free trade in food. A managed market is a logical policy for a group of countries some of which have big surpluses of agricultural products to export. But the United Kingdom does not fit into this pattern.

“In Britain only one in 25 workers lives on the land and we produce only half the food we eat. And so, two consequences have followed. First, we have protected, for social and defence reasons, the small agricultural industry we possess. Every country protects its own farmers. And second - and this is crucial - we have made special arrangements to secure the regular imports of food without which we cannot live. These arrangements exist today and have existed for a long time with the Commonwealth. To disturb this system, rightly regarded as the central feature of our Commonwealth economic relations, would have repercussions far beyond the market in food.

“But this does not mean that we do not import immense quantities of food from Europe. We buy more from the O.E.E.C. countries as a whole than any other single member buys from the group, and we shall continue to be Europe's best customer for agricultural products. The Free Trade Area will not in any way reduce the United Kingdom market for continental food and wine.

“Our position then is reasonable. I want you to explain it to your French friends.”

The purpose of the proposed Free Trade Area was to enable the United Kingdom to come closer to Europe with the support and goodwill of the Commonwealth, the President added. He was sure that this was widely recognized in France but it could not be repeated too often. The United Kingdom wanted to come closer to Europe with the support and goodwill of the Commonwealth. The cornerstone of that ideal was that France and Britain should work together.