

'Customs union' from Le Monde (1 July 1968)

Caption: On 1 July 1968, in its comments on the completion of the tariff union through the abolition of the last remaining customs duties between the Six at the end of the transitional period, the French daily newspaper Le Monde describes the impact of the Customs Union on international and intra-Community trade.

Source: Le Monde. dir. de publ. Beuve-Méry, Hubert. 01.07.1968, n° 7 297. Paris: Le Monde. "L'Union douanière", p. 1.

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A report from abroad

Customs union

In spite of the recent happenings in France, the customs union between the Six will become a reality from midnight on the morning of Monday 1 July. Of course the customs posts will not disappear (in any case that was not anticipated) but customs officials will no longer collect duties on goods circulating between countries in the Community. Eighteen years ago, these same countries, invited to do so by Robert Schuman, then France's Foreign Minister, decided on a path which would bring them closer together and ultimately lead to integration. They created the coal and steel pool, followed by the Common Market and Euratom.

Much remains to be done before the Common Market becomes the equivalent of a true internal market encompassing 183 million inhabitants. However, it would be churlish not to recognise the importance of the event that will take place on 1 July when customs barriers are abolished a year and a half ahead of the schedule fixed by the Treaty of Rome.

It would also be wrong not to pay very careful attention to the quite unexpected turn events are taking as we reach this milestone. Just when it seemed an important step was about to be taken towards complete freedom of trade, France has found itself temporarily constrained to reimpose import quotas on industrial products as important as steel and cars and to help its exporters by means of rebates which are equally contrary to the smooth running of a common market.

In recent years, other countries have had recourse to measures restricting the freedom of trade that the Western countries have, since the war, tried to reestablish in their mutual dealings. Great Britain, between 1964 and 1966, introduced import duties and export subsidies. The US Administration has, for the last few months, been studying plans to tax purchases abroad and promote the sale of American goods outside the country. The most serious aspect is that, viewed in an international context, the limited protectionist policy France has little option but to adopt looks less like an isolated act than a particular instance of a general trend.

In 1931, 13 years after the Great War ended, France and Great Britain were also the first nations to impose restrictions on external trade. The reasons that prompted them to do so were essentially the same then as now: in both cases, the aim was to redress the balance of payments and defend the national currency. However, the measures taken today are less severe than those put into effect just as the prolonged crisis of the 1930s was getting underway.

The United States, six months after the announcement of the Johnson Plan, is still reluctant to return to protectionist policies. If nations show such caution, such concern not to deal a mortal blow to the development of trade, it is because, since the end of the war, they have established legal ties and given mutual undertakings that have at least partially laid to rest the old demons of self-interest. The Brussels Commission was therefore right to remind France, calmly but firmly, that it was necessary to comply with Community procedures and to refrain from unilateral decisions. The very prosperity of the international economy would be at risk if countries were to turn their backs on the cooperation that is so vital.