

'Benelux with a question mark' from Die Welt (6 October 1949)

Caption: On 6 October 1949, the German newspaper Die Welt paints a critical picture of the Benelux customs union, and denounces national interests in Europe as obstacles

Source: Die Welt. Unabhängige Tageszeitung. Hrsg. Küstermeier, Rudolf ; Herausgeber Scherer, Hans. 06.10.1949, Nr. 160; 4. Jg. Hamburg: Die Welt. "Benelux mit Fragezeichen", auteur:Dvorak, Robert , p. 2.

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Last updated: 06/07/2016



Benelux with a question mark

Economic union: a conflict of opinions means a difficult birth

by Dr Robert Dvorak

A few weeks ago, one of Belgium's most highly regarded newspapers, 'La libre Belgique', published a small piece about a gold guilder coin, which had been lying forgotten in the purse of a Belgian as a talisman for nearly two decades until it was discovered by a Dutch customs officer at the beginning of this year and then confiscated when the Belgian crossed the Dutch border. After five months of negotiations, a court ruled that it should be given back to him. The newspaper ran the story under the heading 'Benelux' and adorned it with a question mark.

That question mark epitomises how ordinary Belgians see the customs union between Belgium, the Netherlands and Luxembourg. Opinions vary between scepticism, reservation, open objection and unwavering faith in the Benelux idea.

Benelux has primarily become a political idea: that is what is said in political circles, and the economy will ultimately have to accept it.

However, the birth of Benelux, this prototype for the approximation and unification of two national economic systems, the outcome of which will largely determine the prospects for a pan-European economic union, is incredibly longwinded and painful. The pre-union, which should have come into force on 1 July of this year and then been followed by full union on 1 July 1950, has still not taken effect on 1 October.

Nearly all the difficulties that are arising can be put down to one basic problem: the differences between the two economic systems, the contrast between state control and liberalism.

The Belgians argue that Dutch economic legislation follows the strict legislation of the war, with autocratic and protectionist tendencies, whilst the Belgian economy is based on free pricing and on free trade.

New industries are being developed in Holland behind the protection of a system of import licences and quotas so that products manufactured by Belgian industry are replaced by domestic products on the Dutch market. In Belgium, people complain bitterly that the Dutch, instead of building up an industry which would complement Belgian industry and thus be of use to both countries, are promoting a purely competitive economy.

Some participants in the debate phrase this complaint even more sharply, claiming that a not insignificant part of Dutch industrialisation is being carried out with Belgian money. Of the 13 billion Belgian francs received by European states in the form of loans from Belgium, the largest share, i.e. four billion, was received by Holland.

Belgian economic circles accuse the Dutch 'Rijks-Bureaus', responsible for issuing import licences, of creating a multitude of difficulties for Belgian exporters, under the influence of Dutch private industry, which in no way can be justified by a lack of foreign currency but which are the result of clandestine protectionism. On the other hand, some Dutch branches of industry are beginning to appear on the Belgian market as dangerous competitors. There are goods in Belgium being offered by the Dutch at a price which does not even cover production costs.

A comparative study of the pricing factors in both countries is one of the important tasks to be carried out by the commissions and ministerial departments responsible for the preparation of Benelux.

Benelux will not become a reality unless there is adequate approximation of both countries' welfare and tax legislation or without the creation of a single currency, as exists between Belgium and Luxembourg. In Belgium, hardly anybody rejects the concept and the objectives behind the idea of Benelux. There are,

however, many people who have significant doubts about its implementation.

Under no circumstances do the Belgians want a Benelux in which one partner is always giving and the other is only taking. The opinion that this is currently the case is widespread amongst Belgians.