

'How to create Europe' from La Libre Belgique (24 February 1957)

Caption: On 24 February 1957, in the daily newspaper La Libre Belgique, Fernand Baudhuin, Professor at the Catholic University of Louvain, examines the historical and economic implications of the future European Economic Community (EEC).

Source: La Libre Belgique. 24.02.1957, n° 55; 74e année. Bruxelles: Société d'édition des journaux du Patriote. "Pour faire l'Europe", auteur:Baudhuin, Fernand , p. 1.

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How to create Europe

The going is tough, but it has to be done

The public has every reason to be weary at the prominence being given to the Common Market in the newspapers and on the radio. At the same time, legitimate surprise may also be felt at the delay in achieving any tangible results. At the risk of further exaggerating this impression, we raise the issue again, because it does merit consideration.

There is no hiding the fact that this will be a historic event of paramount importance for the six countries in question: Belgium, France, Germany, Italy, Luxembourg and the Netherlands. The change can be compared with the creation of the Zollverein in Germany, around 1840, which transformed a patchwork country, bristling with internal barriers, into an economic entity that was to become the most powerful state on the European continent. This is the sort of outcome that we should achieve, if the current proposals under discussion were to come to fruition.

What would the Common Market mean for the six countries concerned? In economic terms, it would constitute a single territory, just like the USA and the USSR.

Under this arrangement, customs duties, even for agricultural products, would be abolished, as would import quotas. In that way, regions would be able to specialise according to their geography and to their potential. They would produce what they do best and at the best price. But, of course, various stages are planned, along the lines of the current arrangements between Belgium and the Netherlands in agriculture.

Along with this trade liberalisation within the Common Market, undertakings would also have to be able to move between countries as they wished, just like the labour force. This appears revolutionary to us, but is nothing more than what existed in Europe prior to 1913. At that time, when Solvay, for example, wanted to open a new factory in France, Italy or Germany, it needed no one's authorisation, and its technicians moved around without the slightest difficulty or red tape.

Such revolutions do not happen painlessly, and the Zollverein referred to above was set up through persistent efforts and in a phased way, because the *Länder* that made up Germany entered it only gradually between 1834 and 1851.

At present, it is France that is being frosty towards the Common Market for reasons which, although in part emotional, still merit close examination.

Firstly, for almost a century, France has been living in defensive mode, as is shown by the protective tariff walls behind which its economy has developed in a more or less artificial climate. As we shall see later, there is no question of creating a free-trade Europe vis-à-vis the rest of the world. However, in the case of some of its most active competitors, France would accept competition on a free-trade basis limited in its geographical coverage. This represents a leap in the dark that is slightly frightening for France.

The second reason why France is reticent is, of course, fear of Germany. Germany's population now slightly exceeds that of France: 53 million (including West Berlin) compared with 43 million. But the reunification of Germany, something that will happen sooner or later, although we do not know how, will create an entity of 70 million people. That will make Germany the dominant power in the future Europe, particularly if it is limited to the six countries that are now involved in talks. That is enough in itself to quench any ardour that France might have for unifying the continent of Europe.

Finally, if a more French-sounding label could have been given to the Common Market idea, this would certainly have helped, as it did during the Schuman Plan process. But the fact that the apostle of the Common Market is Paul-Henri Spaak removes one element that could have made French participation easier.

For these reasons, it seems, France is now trailing behind the leaders and will agree to the establishment of the Common Market only upon certain conditions and with limitations that will both further delay its inception and make it more fragmented. There is no cause for despair, but it is a pity that we have to make do with finding the 'highest common factor', or the upper limits on which a unanimous agreement can be reached. Experience proves that these 'upper limits' do not reach very far.

... If the planned changes are significant for France, they are all the more so for Belgium, but for the opposite reason. Our country emerged from extreme poverty and gradually achieved prosperity only because of free trade, not only with neighbouring countries but with the whole world. That policy, which dates back to 1850, has allowed us to become a processing nation, and we have greatly benefited from that. The Common Market, as it is now envisaged, is going to force us to give up much of that potential.

Indeed, while we are moving towards free trade with our five partners, two of which (the Netherlands and Luxembourg) are already our allies, customs duties will be imposed on non-member countries, something to which we are not accustomed. According to some calculations, our average tariffs will increase by a factor of two or three, and this increase will particularly affect what is, for us, a raw material and one of the foundations of our processing industry.

Some sectors of the economy will have to reorganise. We need to be aware of this fact and admit it forthwith so as to avoid any subsequent surprises or a popular uprising against what we have created. On the day when the Common Market does become a reality, the problem will arise of car assembly plants. For more than ten years now, Belgium has been making a huge investment in this sector. We have to realise that all this will come under scrutiny, even in the case of European cars, on the day when the Common Market becomes a reality, particularly if the extremely high tariff against non-Common Market countries now being mooted is adopted.

Industries at risk will have to revise their strategies and try to identify new areas of activity. There is no guarantee that they will be able to do so, but enthusiasts believe that other industries will evolve, thanks to the Common Market. They will replace, so it is said, those which could not adapt, and recent experience has shown how difficult, not to say impossible, it is to adapt.

It is also true that Europe is condemned to decline or, at all events, to sink into mediocrity if it does not integrate. That is why, while understanding the dangers that lie ahead, and while regretting that the draft treaty is open to so much criticism, we must hope that the programme set out therein will be implemented in a systematic way. What is more, we can always try to improve it as we go along.

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