‘The Common Market Treaty' from La Libre Belgique (30 January 1957)

Caption: On 30 January 1957, the daily newspaper La Libre Belgique considers the economic and institutional implications of the Treaty establishing the European Economic Community (EEC) and criticises the attitude adopted by the Belgian Delegation and, in particular, by Paul-Henri Spaak, Belgian Foreign Minister and President of the Intergovernmental Committee on the Common Market and Euratom during the Val Duchesse negotiations between the representatives of the six Member States of the European Coal and Steel Community (ECSC).

Source: La Libre Belgique. 30.01.1957, n° 30; 74e année. Bruxelles: Société d'édition des journaux du Patriote. "Le traité sur le Marché commun", p. 1.

URL:
http://www.cvce.eu/obj/the_common_market_treaty_from_la_libre_belgique_30_january_1957-en-bdbbacae-8ca0-4eb6-a2a8-3bdacb281bc5.html

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The Common Market Treaty

Darkness and light
Mr Spaak’s unseemly inertia

The completion of the single European market is essential. No one is in any doubt about that. The customs barriers behind which the European economy is suffocating must be dismantled, because the United States and the USSR have enormous markets at their disposal.

Therefore, the efforts made by the six countries of small Europe (France, Italy, Germany, the Netherlands, Belgium and Luxembourg) should be fully encouraged.

But have the results been satisfactory? The issue deserves closer examination.

There are two points to be borne in mind.

To what extent does the Treaty drawn up in Val Duchesse achieve the desired aim — the dismantling of customs barriers — and how much will it cost to achieve that aim?

As we are aware, market liberalisation in small Europe will involve three stages. By the end of the first stage, all existing customs duties will have to be cut by 25 %. By the end of the second stage, the cuts should reach 50 %. The rate of cuts in the third stage has not yet been established. It will be determined by the Council of Ministers of the six countries concerned acting by a qualified majority.

The three stages will extend over a period not exceeding 15 years. There will be four years in the first stage (with a possible two-year extension); four years in the second stage and four years in the third (with a possible one-year extension).

It is not just customs tariffs that are being targeted. Quotas (quantitative restrictions) must also be cut. By the end of the second stage, each country must permit imports to reach to at least 20 % of national production levels for each specific product.

An additional protocol will cover the issue of export subsidies which currently also hamper free trade.

Liberalisation is, of course, not progressing rapidly. However, if the agreed deadlines are respected, then the Treaty can be said to have achieved positive results.

Unfortunately, this liberalisation will not be automatic. The French delegates secured not only a regrettable extension of certain stages but also an arbitration procedure at the end of the sixth year that could undermine the further development of the Common Market. France also secured the right to re-introduce unilaterally some major customs barriers, should financial difficulties arise.

Such clauses unfortunately weaken the impact of the Treaty.

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It should also be pointed out that the model of economic liberalisation devised at Val Duchesse is quite complicated and shackled by all sorts of totally unnecessary obstacles. It is a sign of the times that we needlessly complicate things. Even when the most needed reforms are being introduced, there are always people from the school of central planning, with greater or lesser Socialist tendencies, who ambush the process by demanding the setting up of all sorts of complicated bodies and increased state intervention, either nationally or internationally.

The Ministers and experts in Val Duchesse wanted to create something that was all-encompassing and provided for every eventuality. Accordingly, the planned Treaty will run to no fewer than 25 pages.

There will be a chapter on transport alongside a chapter on the European Investment Bank and a fund for re-training workers. There will be numerous, bloated institutions. The Common Market of bureaucrats will grow apace.

The Benelux example has shown, however, that it is possible to conclude international agreements and liberalise markets with a minimum of ‘institution-itis’.

Not only are there too many institutions, some of a troubling nature, but they are going to duplicate many existing bodies. The European Coal and Steel Community already has a transport division, an investment body and a department for re-training workers. The same burgeoning of departments will take place in the Common Market bureaucracy, not to mention, as we have recently highlighted, a fourth European Parliamentary Assembly and a second Economic and Social Committee. This excess may well do considerable harm to public perception of the European idea. It will give the impression that those responsible for creating the Common Market are seeking deliberately to increase the number of jobs and posts involved.

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The European Assembly in Strasbourg rightly criticised the mushrooming of institutions.

Added to this, the inclusion of the French Overseas Territories in the Common Market, under pressure from France, constitutes a complication that it would have been wiser to avoid.

Even more worrying is the fact that, in certain areas, particularly agriculture, protectionism may well become even worse in some respects. The Market of six countries is going to surround itself with a customs barrier that will apply in some countries that, to date, have been very liberal. This is a clear infringement, one against which the Italians and the Dutch have justifiably protested.

While the Dutch delegates have demonstrated praiseworthy resistance to some of the exaggerated demands, the inertia of the Belgian delegation is astounding.

Mr Spaak wanted to reach an agreement at all costs. While laying down the law to the Belgian experts, he regarded himself as the conference chairman and not at all as his country’s representative.

It is hard to believe that the Benelux Ministers did not take sufficient time to harmonise their positions on the revival of Europe during a preparatory conference, since they know very well what a common market is all about! It is even more puzzling that our country’s spokesmen in Val Duchesse never felt the need to defend our national interests or to secure as much support as possible for them from the Netherlands and the Grand Duchy of Luxembourg.

It also seems that the Belgian position on the issue of the Overseas Territories was not set out as clearly as it should have been. On the contrary, no opposition was mounted against repeated French demands, each of which threatened to jeopardise the Common Market and render the Treaty meaningless.

The head of the Belgian delegation did not even feel the need to rally to the Dutch and Luxembourg position. They did not want the Council of Ministers, which will be a vital component of future treaties, to be under the sway of the ‘Big Three’ in the many instances where the Council acts by qualified majority. Basic prudence demands that important decisions should not be taken against the wishes of the three Benelux countries.

Mr Spaak has always been a devotee of Europe, and he has a perfect right to be so. But it was his absolute duty to defend Belgium’s political and economic interests and those of the smaller countries. He was not supposed just to referee the match in Val Duchesse; he should have been one of the players.

It has thus been proven that Mr Spaak is no longer in the right state of mind to represent our country in international talks. Detached from reality, he is floating in the stratosphere and dreaming of that not far-off day when he will take up office at the North Atlantic Treaty Organisation.

These disappointing facts fully vindicate the view that we expressed in early January, when we wrote that keeping Mr Spaak in charge of Belgian foreign affairs was totally incompatible with his appointment as Secretary General of NATO.

So, Mr Spaak, is it not about time that you resigned?