'No customs duties within Europe' from Il nuovo Corriere della Sera (1 January 1957)

Caption: On 1 January 1957, the Italian daily newspaper Il nuovo Corriere della Sera describes the efforts of the six Member States of the European Coal and Steel Community (ECSC) to establish a Common Market and a European customs union.

Source: Il nuovo Corriere della Sera. 01.01.1957, n° 1; anno 83. Milano: Corriere della Sera. "Europa senza dogana", auteur:Lenti, Libero , p. 5.

URL:
http://www.cvce.eu/obj/no_customs_duties_within_europe_from_il_nuovo_corriere_della_sera_1_january_1957-en-f37be61d-df03-4974-90fd-c52d91bbc422.html

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No customs duties within Europe

Customs duties between the different nations are gradually to be reduced, in three successive stages, until they have been completely abolished. There are safeguard clauses covering trade in agricultural products and migrant workers.

As far as establishing a ‘common market’ among the six ECSC countries (Italy, Belgium, France, Germany, Luxembourg and the Netherlands) is concerned, at this moment it can truly be said: *motus in fine velocior*. They are all in a hurry to get there.

I am not going to detail the many projectsdevised since 1945 — including the failures — to merge Europe’s economies. Let me just say that, in June 1955, the ECSC foreign ministers, meeting in Messina to relaunch Europe, decided to mandate an intergovernmental committee, chaired by Paul-Henri Spaak, to study the problems of the common market and Euratom.

The action of the French

The committee set to work straightaway, and in May 1956 it was ready to submit a report to the six foreign ministers, meeting in Venice, who largely approved it. Thereafter, in Brussels, that same committee, which had drawn up the Spaak report, began to draft the ideas contained in the report in treaty format. We are now nearly there. The committee is scheduled to end its work on 15 January, and the ministers to sign on 30 January. The treaty will then have to be ratified by the six parliaments, so that it can enter into force on 1 January 1958.

Why such haste? To understand this, we must remember that France has always been opposed to European economic integration based on the abolition of customs duties and quotas. The French have always maintained that it is first necessary to harmonise the economic, fiscal and social legislation of the different contracting countries. And pigs might fly! Moreover, we should not forget that, by rejecting the European Defence Community (EDC), France prompted serious doubts about its ability to appreciate that, for Europe, the crossroads has been reached: it must unite or perish. Even during the first stage of discussions on the common market, France made considerable efforts to slow things down. But the Suez crisis radically changed public opinion and, therefore, the French Government’s view. Consequently, the French parliament is now ready to ratify the common market treaty. In fact, it will be all to the good if the French parliament is the first to ratify; in that way the other five parliaments will not have to risk the same kind of slap in the face they experienced over the rejection of the EDC.

And so Europe is being relaunched by establishing the common market and creating Euratom. But as I mentioned, in contrast to the view taken prior to the Suez crisis, the common market is now the dominant issue and not Euratom. So let us discuss this first. The creation of a common market, or, perhaps to put it more simply, a customs union of the six ECSC countries, poses two interconnected problems. The first is the introduction of a common customs tariff among the Six, which they then apply to other countries inside and outside Europe — what are called the third countries. The second is the establishment of a mechanism whereby customs duties between the six are automatically reduced, to the point where they are completely abolished. Needless to say, similar problems arise in relation to other obstacles, in particular import quotas. Italy fully liberalised these some time ago, but not all the other countries have done the same.

A blank cheque

As far as the common customs tariff for third countries — in other words the external tariff — is concerned, the idea is to calculate it by taking the arithmetic mean of the rates applied by the six common market countries. But when it comes to the mechanism for reducing duties among the Six, without entering into the technical details, the idea is to abolish duties among the different countries over three four-year periods. During the first period, the duties in force are to be reduced by at least 25 % compared with the average rate during 1953–1955. At the end of the second period, rates of duty are to be reduced by 50 %. In the third and final period, they are to be completely abolished. Safeguard clauses are provided between one period and the next, in relation to the overall period of application, so that it could possibly be extended from 12 to 15 years. There is also provision for: special arrangements for trade in agricultural products and foodstuffs; maximum levels of duty for raw materials and semi-finished and finished products; adjustment criteria for negotiations with third countries; the establishment of an investment fund and a worker retraining fund; special rules on tariffs for transport; safeguard clauses to ensure the balance of payments; and so on.

During the discussions, the complexity of the problems and the impossibility of accurately predicting the future caused each of the Six to try to have clauses included that would give them a line of defence, in the event that the gradual reduction in duties were to cause excessive disruption to their individual manufacturing bases. But while it is relatively easy to introduce safeguard clauses in relation to customs duties, it is harder to introduce them, in advance, in two areas of particular concern to the Italian economy, namely trade in agricultural products and foodstuffs, and the emigration of workers. Here, there is merely provision for a less stringent quota regime. In fact, despite the efforts of the Italian delegation, it has proved impossible to obtain automatic procedures for the gradual elimination of the obstacles to their free movement within the common market. In the light of all that, there are those who have claimed that, while we fully accept principles that are sound in relation to the economies of the other five countries, we are at the same time signing a blank cheque as regards some of Italy's most vital interests.

That is to some extent true. But we should not forget that the market will be enlarged to form a common market of 165 million consumers — likely to expand further with the probable accession of other countries. And that enlargement is such an important goal that the interests of individual industrial sectors must take second place. Furthermore, and in conclusion, it should be pointed out that the problem of the workforce is perhaps less serious than it first appeared. It is a fact that in all of the ECSC countries, except Italy, the development of the production base is hampered less by a shortage of capital than by a shortage of workers. In other words, at this moment, Italy is the only market with a surplus of — unfortunately unskilled — workers. Therefore, in the common market, and in the near future, Italy will find it easier to advance the process of industrialisation than other countries, specifically because of the ready availability of this essential production factor.

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