

Statement by Harold Macmillan on a free trade area in Europe (9 July 1957)

Caption: On 9 July 1957, at a meeting of the British Section of the European Movement in London, the British Prime Minister, Harold Macmillan, makes a statement in which he emphasises the importance of the establishment of a free trade area in Europe.

Source: Commonwealth survey - A record of United Kingdom and Commonwealth Affairs. 23.07.1957, No 15; Vol. 3. London: Central Office of Information. "European Free Trade Area", p. 658-659.

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European Free Trade Area - UK Prime Minister's Statement (9 July 1957)

[...]

‘We welcomed the launching of the Schuman Plan and I am happy to say that British association with the Coal and Steel Community is proving to be a most fruitful and constructive development. We welcome equally the plan for the common market and look forward as keenly as you to the early ratification of the Treaty of Rome. But I must be frank. We believe that there is a real danger that in trying to create unity in Europe, new divisions may follow. That is why we have launched our proposal for the industrial free trade area. That is why we attach so much importance to early and effective negotiations for its completion. I assure you that we shall not be pedantic or obstructive. We recognise that a European free trade area, like a European common market, must be managed and controlled by Europeans, and we realise that in such a structure there must be some system of orderly day-to-day management. I do not know whether this will be called supra-nationalism. The object of the industrial free trade area, as of the common market, is steadily to remove protective duties and quantitative restrictions which hamper the free flow of commerce between member countries. It is essential to such a plan to do two things — to maintain full employment and to encourage investment.’

[...]

‘Not merely will there be an increase in our wealth and well-being, but we must automatically become — all of us, Britain and Europe, too — increased markets for all that the Commonwealth and other countries have to sell.’

[...]

‘There are those who fear that the removal of protective barriers, and the intensification of competition, may lead, not to the maintenance of full employment, but to the re-emergence of unemployment in countries that have been free from it, or the shifting of unemployment from one country to another. These are the dangers to be always kept in mind. But I believe that they are, in modern conditions, based on looking backward rather than looking forward. The world can never again allow its resources of materials, productive capacity or manpower to lie unused. We have learned a great deal from the experience of the years before the war, and I cannot believe that we shall not have the courage and imagination to use our knowledge.’

‘I think it is also worth remembering that, in the long run, the countries of Europe will surely find it necessary to put as much emphasis on the possibilities of invisible trade and the proper use of savings, the creation of capital markets and all the rest, as upon the mere breaking down of tariff barriers. Indeed, in this way only can I see the countries of Europe not only able to increase their own wealth but to fulfil the duty which they owe to the undeveloped countries of the world. We have somehow to deal with the persistent creditor or debtor conditions which threaten the economic stability of Europe, and find new methods to harmonise the economies of the various countries. We have, above all perhaps, to overcome the natural tendency to resist experiment or the inherent scepticism which is one of the dangers of an old civilisation.’

‘I am convinced that these difficulties can and will be overcome. From our point of view at any rate in this country, this is an opportunity which we cannot miss. For we believe that it offers a unique chance to benefit ourselves, to benefit Europe, and to benefit our Commonwealth partners. This opportunity may not recur. Indeed, there is a real danger that narrow views or selfish interests might stir Europe into fresh divisions which would be fatal to all of us in the years to come.’

‘The negotiations which must soon be set on foot will necessarily be complicated and perplexing. The statesmen of different countries are fortunate in having the services of skilful advisers and experienced civil servants. Yet I do not believe that these problems can be resolved by the aid of a bureaucracy, however intelligent or devoted. Decisions will have to be made and risks taken.’