

What joining the Common Market meant

Source: CVCE. European Navigator. Étienne Deschamps.

Copyright: (c) CVCE.EU by UNI.LU

All rights of reproduction, of public communication, of adaptation, of distribution or of dissemination via Internet, internal network or any other means are strictly reserved in all countries.

Consult the legal notice and the terms and conditions of use regarding this site.

URL: http://www.cvce.eu/obj/what_joining_the_common_market_meant-en-4eff8691-8f25-4783-a5dd-19ef4035883a.html

Last updated: 08/07/2016



What joining the Common Market meant

The Common Market aimed to create in Europe a huge geographical area with a common economic policy, which, by merging national markets, could eliminate wastage of resources. Its supporters saw in it a means of removing obstacles to free competition and the promise of new sales outlets that would enable production to be increased. Implementation of a general Common Market posed major challenges, however, for the economies of traditionally protectionist countries like France. The difficulty was particularly acute inasmuch as the customs union proposed by the six Member States of the European Coal and Steel Community (ECSC) entailed elimination of quotas and tariff barriers and adoption of a common rate of customs duty.

Financial and monetary problems notwithstanding, the French economy in the mid-1950s was expanding rapidly. Its extremely high rate of growth made an opening of borders inevitable because France — which needed raw materials and had ever-increasing energy requirements — was forced to import on a massive scale to fuel its industrial expansion. Determined to become competitive, France needed to put itself in a position to win a larger share of international trade. Disparities in production conditions, however, as well as its preferential arrangement with the overseas countries and territories (OCTs) that belonged to the Union Française, prevented it from participating fully in the deregulation of trade at world level. Hence the — albeit relative — attraction for Paris of a geographically narrower system and a more gradual approach. Integration within the six-member Common Market, with efficient mechanisms for ensuring a staged deregulation of trade and for correcting disparities, while retaining the protection of customs duties vis-à-vis third countries, would offer the French economy a smoother path, opening up to its neighbours while modernising at the same time. Moreover, purely economic considerations were not the only reason behind the French decision to join the Common Market, for the Government in Paris also sought political advantage through Europe's economic integration.