

Hamburg Institute of International Economics (HWWA) (Ed.)

Article — Digitized Version

EEC: A new crisis in sight

Intereconomics

Suggested Citation: Hamburg Institute of International Economics (HWWA) (Ed.) (1968) : EEC: A new crisis in sight, Intereconomics, ISSN 0020-5346, Verlag Weltarchiv, Hamburg, Vol. 03, Iss. 6, pp. 160-,
<https://doi.org/10.1007/BF02930371>

This Version is available at:

<https://hdl.handle.net/10419/137956>

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COMMENTS

EEC

A New Crisis In Sight

The French Government seems determined to cooperate in the removal of the last internal customs barriers within the EEC—due to take place on July 1—only on one condition: the Common Market agreements on beef and milk must become effective at the same time. The Community is thus threatened with a new crisis, quite apart from the still smouldering controversy about the entry of Great Britain and other states. The still unimplemented agricultural agreements—so the French Government points out—should have come into effect by April, 1, 1968.

Strong language has been used by the French who seek to establish an indissoluble link between the Common Market for industrial goods and that for farm produce, and these harsh words lead one to expect one of those controversies between France and the five other countries which by now have come to be a feature of the partnership. National advantage seems to be the sole determining consideration, and everybody, but France in particular, believes that concessions must always be made by the other side. Regarding the EEC France has clearly the better tacticians, if not the better arguments, which its partners are unable to match as far as tenacity of purpose and negotiating skill are concerned. The unyielding manner in which harsh demands are insisted on without regard for the interest of others has lately done nothing to promote a community spirit among the Six. It has, on the contrary, strengthened that policy of mutual obstruction which must ultimately kill the idea of a United Europe. re.

Association

Spain In Front of a Closed Door

Negotiations have been going on since 1962 on Spain's application to join the EEC as an associate member. The only result has been so far that Spain no longer insists on a formal association, which is being opposed particularly by the Benelux countries, but would be content with a preferential trade agreement. Negotiations for a wider agreement broke down because of Spain's far-reaching demands. The Span-

iards believe that the big deficit in their trade balance with the EEC can be wiped out only through a drastic increase in their exports. They therefore insist on an immediate abolition of EEC customs duties on industrial goods and on those farm products which are not subject to any market regulations, while reserving the right to protect their own economy by erecting customs barriers.

Failure to conclude a preferential trade agreement between Spain and the EEC is due to two causes: For one thing, there is the rejection for political reasons of the Franco-régime by trade unions and all left-wing parties, and for another, there is the seeming impossibility of reaching agreement on farm produce. 60 per cent of Spain's agricultural exports consists of citrus fruit, the demand for which is covered within the EEC by Italy and other Mediterranean countries. Moreover, Morocco and Tunisia have also submitted applications for associate membership—countries whose export structure is similar to that of Spain and whose wishes must likewise be given consideration.

A solution to these problems cannot be expected in the foreseeable future. The present round of talks between Spain and the EEC is unlikely to lead to anything more than a renewed confrontation of respective points of view. ri.

Middle East

Complicated Oil Deals

There are occasions when even the williest of foxes is compelled to recognise that sweet grapes have the awkward habit of hanging rather high. Take the case of France for instance: The fifty Mirage fighters which Israel ordered as long as two years ago have been subjected to an embargo though they had been almost fully paid up only shortly before. Reason? Israel was one of the belligerent parties involved in the Near-Eastern conflict. On the other hand, no embargo was imposed on the 52 Mirage aircraft which were ordered only a few weeks ago by Iraq and which had been bombing Israel. The machines in question are by no means the same, but are different types.

The reasons for this are to be found less in moral scruples as to who was actually the aggressor in