

## WE sometimes read articles in which there is speculation on what the E.E.C.—the Common Market—might possibly become. It seems to be more profitable to begin by asking ourselves what it is.

# Keep Britain Out!

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In the late 1950s, France, West Germany, Italy and the Benelux countries concluded the Treaty of Rome, which established the EEC. Under this Treaty, the member-countries agreed progressively to remove their tariffs against each other and to establish a common tariff against other countries. This arrangement contrasts sharply with the European Free Trade Area to which Britain already belongs. Under the EFTA system, the members again agreed progressively to remove tariffs against each other, but there is no common external tariff and countries may pursue whatever policy they wish towards non-members.

The EEC gives great power to a body called the Commission. This consists of people appointed by the governments of the member-states. A Commissioner, once appointed, remains in office for a term of years, even if the Government or Parliament of his country loses confidence in him. Initiative for tariff changes must come from the Commission, and powers exist to override the Parliaments of member-states. If, for example, the French Parliament wanted higher or lower tariffs than the EEC required, then the *fiat* of the EEC would override the French Parliament.

The EEC does not confine its activities to questions of tariffs. Such matters as subsidies for particular industries, and even the social services, come under its control. Eventually these will presumably be uniform throughout the EEC, and there will also be completely free movement of people and jobs through the area.

The Treaty of Rome makes no mention of political union, and in theory its members could pursue completely different lines of treaty relationships with outside Powers. West Germany might—in theory—belong to NATO, and France to the Warsaw Pact. Whether that is possible in practice is a very different question.

Not only does the Treaty of Rome give power of legislation over the heads of member-states, but it also possesses another rare feature. It is not limited in time, and makes no provision for a member to withdraw. This is not an *affaire* which the parties may disrupt when they choose; this is marriage with no provision for divorce.

There is, of course, a great deal more to the Treaty of Rome than I have not outlined. In particular there is the possibility of *ad hoc* arrangements for associated countries, such as the overseas members of the French Community. Possibly, but by no means certainly,



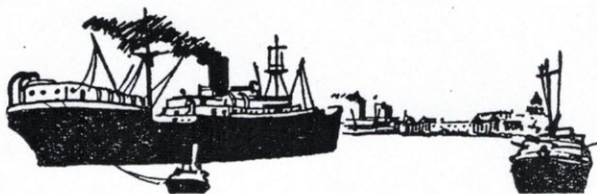
similar arrangements might be made for part or all of the British Commonwealth.

Should Britain join?

In the first place we must remember that we cannot leave if we join and then later do not like it. Britain would be irresponsible in the extreme if it joined without being completely sure that the balance of argument was overwhelmingly in favour, and that there was no serious possibility that its decision would later be regretted. We should not jump off a cliff unless we are quite sure that we can fly.

Economically, membership has certain obvious attractions. The idea of being able to import goods from Western Europe without paying duties on them is one that is attractive, at least to readers of this journal. The idea of being able to send our goods into a large overseas market without needing to jump over tariff walls is one that is attractive to everybody. It also opens up the possibility of international enterprises that can provide valuable "economies of scale" in matters requiring vast outlay of capital and specialist skill.

But against this, what are we losing? We are losing, once and for all, the opportunity of becoming a free trade country; of cutting down our own tariffs, either



unilaterally or by reciprocal arrangements, below those which the EEC countries may wish. So also do we lose the opportunity of making arrangements by which our products could enter the markets of countries outside Western Europe at reduced rates of duty.

We become tied irrevocably to countries with economies and interests that conflict with ours in a fundamental way. The EEC countries, though heavily industrialised and deriving great benefit from external trade, could probably survive on the food which they produce themselves. Britain is an industrial island, utterly dependent on trade for survival, because we have twice as many people as we can feed. In both world wars the Germans knew that if they could sink the ships that were bringing food to us, they could starve Britain into surrender. Even through the disastrous tariffs of the 1930s, Britain remained substantially a free trade country so far as food was concerned. However much the protectionists would have liked full-scale tariffs on food, it was impossible.

Thus there is a great conflict of interest between cheap-food Britain and the dear-food EEC. If we joined it is much more likely that the pattern would

resemble the EEC pattern than the British one. Hence our people would have to pay a great deal more for food than they do at present. This would necessarily either reduce our standard of living or bump up our costs of production—or both. Thus whatever improvement in trade conditions our goods would enjoy in Europe, they would suffer a great new impediment in outside markets. Our trade with the EEC is something like 20 per cent of our overseas trade. Perhaps if we joined it might go up to 25 per cent, or conceivably 30 per cent. But the overwhelming bulk of our trade must still be with non-Europeans. Furthermore, our non-European trade is the more vital part; for this is the trade with our complementaries. It seems very bad business to damage and perhaps wreck the great bulk of our trade for the doubtful benefit of a minor part.

There are those who say that we should go into the EEC and try to change it. What is the evidence that we should be able to do so, to more than a marginal extent? There are those who say that the EEC is only a first step to world-wide free trade. Again, what is the evidence? In 1962-3 Britain tried to negotiate entry to the EEC. We had established trading ties with the Commonwealth and with EFTA. If the approach of the EEC had been expansionist, if the men who ran the EEC really wanted world-wide free trade, then they would have been most anxious to attempt some kind of association with these great markets with which we had special trading arrangements. Instead, we were told in no uncertain terms that we would have to cut our special links with the Commonwealth and EFTA if we joined. This is not the attitude of expansionists desirous of world-wide free trade, but of jealous guardians of the cartels of a "rich man's club."

I have said that the EEC is not a political alliance, still less a federation. But there are many people who wish it to become such. If Britain belonged, and the rest of the EEC wished to force us into a federation, it would be inordinately difficult to resist. The North German Zollverein of the 1860s led inescapably to the German Empire of 1871 and no one who belonged to the Zollverein could keep out of the Empire.

The history of the last thousand years and more should teach us that whenever Britain has allowed herself to get involved in the tangled politics of Europe, the result for us has been disastrous and bloody wars. Our interest lies, and always has lain, as a great maritime nation, with trading links all over the world—"friendship with all, alliance with none!" For reasons of geography and history, other people have different interests. Let them pursue their course, and us ours.

This is not a counsel of narrow nationalism. The trouble with the EEC, whether we view it from an economic or a political standpoint, is not that it ties us to Europe, but that it sunders us from the rest of the world.