



# The Common Market and the White (wash) Paper

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**“An inward-looking protectionist club whose policies would extinguish all but the faintest hopes of a liberal based economy and a liberal way of life”**

**A**LTHOUGH the subject of Britain's proposed entry into the Common Market is meant to be part of a “Great Debate,” the so-called debate has been conducted on a level that would do little credit to a junior school debating society. In addition, the dice have been loaded in favour of the pro-Marketeers by the Government's decision to spend £600,000 trying to prove to the public that the EEC will provide high speed gas for the economy. In addition the media—both Press and TV have largely displayed a pro-Market bias. As a result the people's minds are being poisoned by an insidious torrent of propaganda which ridicules those who oppose entry but asserts the case for entry as if it were so obvious as not to require further argument. Typical of this attitude was that behind the recent White Paper which contained a mass of distortions and unsupported assertions and which skated over the arguments against entry.

Further, the debate has been bedevilled by side issues. Thus Lord Boothby, formerly a convinced European, has said that unless the fisheries regulations are changed he will vote against entry. This illustrates the weakness of the case for entry for it indicates that the arguments for and against must be very finely balanced for the fisheries regulations to sway someone (particularly a former leader of the European cause) into voting against entry.

It is strange that people should think that the future destiny of this country should be decided by reference to the future prospects of a very small minority.

Although the issues involved are both political and economic, much pro-Market propaganda is produced by people who are attracted by its *political* implications (e.g. Mr. Heath's vision of a “united Europe”) yet who seek to persuade people by talking about the alleged *economic* benefits.

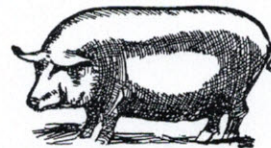
Although it would be wrong to doubt the sincerity of the Europeans who desire political union, what is highly questionable is their glib dismissal of the fears of those who foresee an abrogation of sovereignty. A United Europe implies that decisions which were once taken by separate sovereign parliaments will be taken by one central European body. If we enter we must immediately introduce amending legislation covering many aspects of our life and follow policies formulated and decided in Brussels and not Whitehall. Many problems which have been and still are the subject of bitter political dispute in

Britain would now be determined abroad rather than in the Mother of Parliaments. Clearly this involves a substantial loss of sovereignty however much the Marketeers may seek to sugar the pill.

Other supporters of entry argue that although we will to some extent lose control of our own destiny, the important issue is not sovereignty but “influence” and they believe that our influence will be increased if we are economically more powerful. This argument suffers from two false assumptions. The first is that political influence is proportional to economic strength. This is manifestly not true—witness the attention paid to the views of Pandit Nehru when he was Prime Minister of India. And secondly that our economy will in fact be strengthened by entry, whereas there are strong indications of the contrary.

From the beginning it has been agreed that entry into the Common Market would lead to an increase in food prices. What is certain is that if we enter the Common Market we will no longer gain an advantage from a drop in world food prices.

In addition to the harsh effects of the Common Market's agricultural policy, the EEC's tax harmonisation policies will have a further detrimental effect on food prices—an effect ignored by the White(wash) Paper. The present government has indicated that all foodstuffs except those currently subject to purchase tax will be exempted from the proposed value-added tax. Unfortunately the value-added tax in the EEC countries *does* apply to food. When we are forced to harmonise our taxation policies we will have to apply the value-added tax to a wide range of foodstuffs. The White Paper on this count alone, understates the rate of increase of food



prices which will be caused by entry into the European Common Market.

The Common Agricultural Policy has been condemned by many even amongst the pro-Marketeers. It helps to perpetuate inefficient French farming; and forces the consumer to pay the cost in higher food prices.

The Government admits that the Common Agricultural Policy will be a factor in reducing the standard of living and it forecasts that there will be a change in the pattern of food consumption in the UK; that there will be less butter consumed and more margarine; and in addition beef may become a luxury.

The White Paper claims that entry into the EEC will lead to an acceleration in the rate of growth. The evidence for this hope is shallow. In pointing out that our home market will be larger, it exaggerates the rate of increase by excluding the EFTA countries from our *present* home market! In any case no one has yet shown that the present size of the home market is the reason for our disappointing rate of growth. It is also argued that entry will increase our rate of growth because of the benefits to be had from large scale production. Rolls-Royce, British Leyland, and UCS all show that size, far from leading to greater efficiency leads to bankruptcy. Nor does being part of a rapidly growing market guarantee growth or prosperity. Neither Scotland nor Northern Ireland has done as well as the rest of the UK for instance and there is no reason whatever for assuming that Britain will enjoy the same rate of growth as the

EEC countries, nor that their's will be maintained.

Apologists for entry claim that it will eventually lead to an improvement in our living standards, but the *Sunday Times* has estimated that the consumer will not gain from entry until 1982 at least.

Despite this sorry picture, which has been confirmed by the *Sunday Times* (a pro-Market paper), supporters of entry say "What alternative is there?" In the 1960's there was a welcome reduction in world tariffs in which in 1964 Edward Heath played a prominent part. However, the proposed expansion of the EEC will certainly jeopardize trade liberalisation. The United States already worried by its balance of payments is becoming increasingly protectionist, and our entry into the EEC would certainly help to rekindle the protectionist fires which have done so much harm in the past.

We would be better employed trying to liberalise world trade, and expanding our own trade with third countries. This would do more for us and the world than entry into an inward-looking, protectionist club whose policies would extinguish all but the faintest hopes of a liberal based economy and a liberal way of life.

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