Keep out of the Common Market

COMMUNIST PARTY PAMPHLET

PRICE 1/-

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THE public is being deluged by a torrent of propaganda seeking to prove that the only feasible way out of the present economic difficulties is to join the European Economic Community, or as it is usually called, the Common Market.

The three main political parties all support Britain's entry. It is true that Labour has said that it will go into Europe only if it can "get reasonable terms for entry". But all this is being brushed aside, and supporters of the Market in the Labour Party are already speaking as if no one in his senses would oppose this marvellous solution to our problems.

All the familiar tricks of advertising are being used as if to launch a new cosmetic or detergent. "Britain *must* go into Europe" is the slogan. One would almost imagine that the British people had never heard of Europe before.

The question is not whether we should interest ourselves in Europe, but whether we should enter this particular economic and political grouping, made up of some West European states.

Mr. Wilson has said that he hopes that there will be a great debate in the nation about our joining. He is very right about the need for such a debate, but we need the full facts to conduct it. This proposal for Britain to enter the Common Market merits the most careful examination, for even those who are pro-Market admit that entry would have profound effects on every aspect of our life.

The question of our joining the Market was first put forward seriously by Harold Macmillan early in 1960, because he needed to divert attention from the failure in all directions of his government and because of pressure from the U.S. Now Harold Wilson is clearly doing the same.

The Common Market, as defined in the Treaty of Rome, is essentially three things. First it is a customs union. This means that all tariff barriers separating the countries of the Common Market are gradually reduced until there is free trade in goods. This state of affairs will be reached among the present Market countries by 1968.

Secondly, the Market is an economic union, with free movement of capital and labour between the member countries. The Market states agree to harmonise their policies on equal pay, taxation, the social services, energy and transport policies. Committees are sitting on all these questions, but no early decisions are expected.

Then thirdly, there is the idea of political union. This would mean a supranational Government for the whole Community, with a common policy, based on an agreement on such things as foreign affairs. At present any advance in this direction is being resisted by General de Gaulle. But the fact remains that political union is the stated aim of the Rome Treaty.

Let us examine what the effects of entering this union will be on Britain.

Trade with the Common Market

If Britain joined we should, after a transitional period, reduce all tariffs against the Common Market countries, which in turn would reduce all tariffs against us. Around the enlarged Market there would be a common external tariff directed against the non-Market states.

Now this means of course that it should be easier for certain British capitalist concerns to sell their goods in Common Market countries than in countries outside the Market.

It does not follow however, that British exports will grow in the Market to a much greater extent than Market exports will in Britain. A senior British economist, Professor Joan Robinson, has put the position like this: "From our point of view, there is no presumption, rather the reverse, that the gain to our exports from freer access to the European Economic Community would offset the increase of imports due to their access to ours. Suppose that our deficit grew instead of declining after joining the Six. Each of them has its own mixture of control with *laissez faire*, in many ways more successful than ours, but in relations between them the rules of the game are strictly imposed. When full employment cannot be achieved with balanced trade, it is full employment that has to give way. Italy was recently subjected to this treatment, and there is no reason to suppose we should be spared". (*Economics: An Awkward Corner*, Joan Robinson.)*

At present exports and imports between the Common Market countries and the United Kingdom are roughly in balance.

The tariffs protecting British industries are in general much higher than the Common Market tariff is against us. The Confederation of British Industry tells us that "British industry would face reduced protection to a degree ranging from 10 per cent in the case of plastics and machine tools, around 14 per cent in respect of most machinery, 24 per cent on cars, 33 per cent on some man-made fibre textiles and some chemicals, and 50 per cent on some scientific instruments and optical goods". (*Britain and Europe: an Industrial Appraisal*, Confederation of British Industry.)

There is no need to go into a long detailed argument. If a group of countries are going to reduce the tariffs between them, the country that stands to lose the most in the short run is the one with the highest tariff. This is elementary.

On this question the C.B.I. is decidedly cagey. "So far as this Committee is in a position to judge, tariff changes should not in the main give rise to any intolerably adverse effects. Obviously, some industries and regions would be more affected than others. But, if there are some areas where difficulties may be expected, there are a great many others where the stimulus of competition, coupled with the wider market opportunities in Europe, should offer substantial gains by encouraging a more rational and efficient structure of production, marketing and employment".

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* *In fact Mr. Wilson has given the British economy the full Italian treatment without entering the Market. But the above description shows that once in the Market no other type of policy would be open to a British Government.*

Can you believe it? A powerful campaign is being waged to show that the Common Market is Britain's sole source of economic and political salvation. Yet when one of the main sponsoring organisations for the Market speaks, the best it can say is that the projected tariff changes "should not in the main give rise to any intolerably adverse effects". Note that it does not specify any areas of Britain where the tariff changes would offer the slightest immediate advantage. All it can say is that some areas, stimulated by the intense competition engendered by the Market might, if they carry out a root and branch reorganisation of their industry, do somewhat better than they are doing today.

Trade and the Commonwealth

There is a vast difference between the situation of the founder members—France, West Germany, Italy, Belgium, Luxembourg and the Netherlands—when the Market was being formed and that of Britain seeking to join today.

None of the founder members had to give up any existing markets with other countries. But Britain will definitely have to give up some of its present profitable trade with the Commonwealth.

At the moment most products from the Commonwealth countries come into Britain at a lower tariff, or no tariff at all, compared with the imports of other countries. In turn we get charged lower tariffs on our exports to the Commonwealth than do the non-Commonwealth countries.

But if Britain entered the Common Market we should have to charge Common Market tariff rates on all goods coming from the Commonwealth. Preferences would be abolished. No one has the effrontery to suggest that the Commonwealth countries should continue to give preferences to British goods, while the United Kingdom withdraws preferences on Commonwealth goods.

It is true that Commonwealth preferences are not so valuable as they used to be. India, Malaysia and Pakistan give only limited preferences, and most African Commonwealth countries none at all.

But Australia gives preferences averaging 9 per cent; Canada 8 per cent; and New Zealand 18 per cent on British goods.

If these preferences were abolished because of British entry to the Market a very heavy blow would be struck at British trade with the Commonwealth. In 1965 British exports to Canada were £200 million, to Australia £280 million and to New Zealand £134 million. Commonwealth trade still plays a big role in the British capitalist economy though its weight is declining. British exports to the overseas sterling area (roughly the Commonwealth minus Canada) were still 34.5 per cent of its total exports in 1965, and British imports from the same source were 32 per cent of the total.

Nevertheless British capitalism has been losing ground in this trade, and Mr. Wilson sounded the alarm in the House of Commons on June 1st, 1965: "From 1959 to 1964 Commonwealth imports rose by £1,989 million. British exports accounted for only £65 million. Of the total increase of Commonwealth imports of nearly £2,000 million

Britain managed to corner a bare 3 per cent, Germany 4 per cent, Japan 12 per cent and the United States 46 per cent, even though we had the benefit of colonial preferences".

Thus in those very years in which the monopolists, the Tories and right wing Labour spokesmen were boosting the great benefits that entering the Market would bring, they were passively allowing the U.S. to conquer an even greater portion of the Commonwealth trade at our expense. No doubt American big business is contemplating with great joy the possibility of Britain losing its present preferences, so that further profitable inroads can be made into the Commonwealth markets.

But the fact remains that with £1,659 million of British exports to the overseas sterling area, plus £200 million to Canada, there is still a great deal of trade to lose; and entering the Market is the quickest way to lose it. As things stand the problematic gains from joining the Market will be outweighed by these certain losses. It is sheer fraudulent book-keeping to boost the gains of entering the Market and hide the consequent losses of Commonwealth trade.

Cost of living

Everything connected with the real costs of our entering the Market is being glossed over by the Marketeers and the Government. This is especially the case with agriculture and food prices.

The National Farmers' Union tells us that "after allowing for distributors' margins, the total cost to the consumer of the present 'food basket' would rise by even more than £685 million. For a family of four, food costs might rise by around 25s. per week". (See *Britain and Europe*, C.B.I.)

Our food prices are kept low at present because of foodstuffs imported from Commonwealth countries and subsidies paid to our farmers by the Government. Once we entered the Market food subsidies would, under the Market agricultural policy, stop, and Commonwealth foodstuffs and agricultural raw materials would have to pay the high Market tariff.

Taxation

The Common Market has a different system of taxation, one which British business men consider much more favourable to their interests. They believe that it will be possible, if we are in the Market, to reduce taxation on incomes, including the incomes of companies, and increase taxation on consumer goods.

The Common Market countries are introducing what is called a value added tax, that is to say a tax on all commodities as they make their way through the various stages of manufacture to the ultimate buyer who, in this case may be someone buying finished goods at the shop counter, or a firm adding to its plant or machinery or increasing its stocks of semi-finished manufactures or raw materials.

The harmonisation of indirect taxation and the adoption of a value added tax might well involve some increase in the price of goods not now taxed. such as foodstuffs.

Some Tory writers have had the audacity to argue that a value added tax would not increase the prices of the goods taxed for employers would regard it as a tax on costs, and would not try to pass it on in increased prices to the consumers. But the employers always pass on other indirect taxes imposed on them. The argument is nonsense.

Additional price increases might take place because of Market taxes on certain materials now admitted duty free, and increases in the prices of some manufactures and semi-manufactures from the Commonwealth which would have to pay the Common Market tariff.

We are not through yet. Harmonisation of social security schemes might also mean higher costs.

Social security benefits

The "harmonisation of social security" means that the British system of financing unemployment, sick and industrial injuries benefits will be brought more into line with that of the Common Market countries.

The British scheme is financed on a three way system, contributions from employers, workers and the state. The Common Market schemes are financed almost entirely by employers and workers only. Thus a West German worker's contribution will be anything from 20s. to 30s. a week, with a similar contribution from the employers. In return of course (and this is stressed by the Marketeers) the continental worker will receive higher benefits in some cases, though some of our welfare services such as the Health Service, are better.

What is the effect on prices? It is safe to say that virtually all of the employers' contribution—West German and British—is passed on in the form of increased prices. So if the state contribution could be eliminated and a higher contribution paid by the employers, this would undoubtedly be passed on to the consumers in higher prices.

Thus as a result of going into the Common Market a whole series of measures likely to raise British prices would be introduced; changes in agricultural policy which could increase food costs by 25s. a week for a family of four; a value added tax likely to raise the prices of all commodities; new taxes on some raw materials and manufactures and semi-manufactures from the Commonwealth; new methods of financing social security which would enable employers to raise prices. All this would be done by a Government which is savagely holding down wages in order, so it says, to prevent price increases.

Consider these extraordinary facts. For years British Governments have been concerning themselves with the problem of rising prices. They have passed the Restrictive Practices Act, the Monopolies and Mergers Act, abolished resale maintenance, strengthened rent control and introduced the reference of proposed price increases to the Prices and Incomes Board. Yet we now have the Labour Government supporting entry into the Market knowing that this will mean at the very least a 3½ per cent to 4½ per cent increase in the cost of living.

The Marketeers argue that this is not a very serious rise. But we say that this must be taken alongside the tendency for all prices to rise, fares, rents, rates, consumer goods.

The Balance of Payments

When one remembers the really stringent policies adopted by British Governments since the end of the war to "defend the pound"—particularly the extraordinary efforts of the Labour Government in the last two and a half years including the fiercest possible pressure on wages and salaries—one naturally asks whether entrance into the Common Market will help or hinder. Will for example the constantly recurring crises in the balance of payments be eliminated?

In addition to putting up prices acceptance of a Common Market type of agricultural policy would greatly increase Britain's difficulty in paying its way in the world. If we join the Common Market the deficit will increase enormously. Britain will have to pay an agricultural levy on all food and agricultural goods coming into the country from non-Common Market states, mainly from the Commonwealth and newly independent countries. This will come to £200 million—£250 million a year in foreign currency and will be paid into the Common Market agricultural fund.

Mr. Wilson told the House of Commons on November 10th, 1966, that "on the basis of present Community arrangements and prices and present world prices . . . after any transitional period, the adverse effect on the United Kingdom balance of payments might be of the order of £175 million to £250 million . . ."

There is no shortage of authorities—including Douglas Jay, President of the Board of Trade and the Oxford economist Dr. Beckerman—who say that entry into the Common Market would increase the deficit in our balance of payments by far more than this, by at least as much as the average deficit over the post-war years.

This staggering deficit would arise from: contribution to the agricultural fund £200-£250 million; loss of exports £480 million; increase in capital export £100 million, not to mention the increase in imports which is bound to come.

The C.B.I., a most enthusiastic advocate of entry, foresees additional burdens on the balance of payments. It even goes so far as to suggest that the result of going into the Market will be that the country will find itself deeper in debt.

In fact most supporters are emphatic in stressing two contradictory points—that there is need to put sterling in a sound position before entering the Market; and that the immediate effect of entering will be to weaken the balance of payments and make the pound more shaky than ever.

The way out of this dilemma is, they suggest, for Britain to borrow from European banks to help it over the difficult period.

What a situation! A great campaign is launched for Britain to get into the Market. Then it is discovered that in the short run this will increase our economic difficulties. So then comes the "solution"—borrow more from the European banks, add to our debts and increase the power of the foreign banks to intervene in our affairs in the future.

The extraordinary thing about all the voluminous literature on the Market is that none of those who support British entry can suggest how this will ease the balance of payments problems in the slightest degree. Everywhere we look there is the certainty that this cardinal problem of the economy will be made more difficult of solution if we join the Market. Yet entry is brazenly put forward as a complete long term remedy for the country's economic ills.

The Market and Planning

How far will joining the Market interfere with the right of a British Government, particularly a left Government, to conduct policy without interference from abroad? It has been alleged in the past that the Market is hostile to nationalisation and economic planning, even of a limited type.

It is not strictly true that Market rules forbid these things. Italy nationalised its electricity supply industry in recent years, and France has operated a series of economic plans. But both nationalisation and "planning" must conform to the rules of the Community. The Coal Board, for example, controls the import of coal into Britain with the result that imports are zero. In the Market it would have to take imports of coal from other Market countries without discriminating against them.

In effect a nationalised industry must play the rules of the game as laid down by the free enterprise pundits who drew up the Treaty of Rome.

Export of capital

It is generally held that a country can only export capital to the extent that it has a surplus on its balance of payments.* Yet even in deficit years huge exports of capital have taken place from Britain, thus greatly weakening the balance of payments and leading to successive crises. The Labour Government has sought to control this export of capital to countries outside the sterling area and, by means of voluntary agreement, to limit it even inside that area—all this in an effort to overcome Britain's crisis and achieve a surplus in the balance of payments.

This remedy or safeguard is forbidden in the European Economic Community which is based on the free movement of labour and capital between the states in the organisation. On this the C.B.I. waxes lyrical: "Entry would require the removal of restrictions on the flow of private capital from Britain to Europe and it is to be hoped that this might presage the relaxation in due course of restrictions on overseas capital investment generally". It adds that Britain will have to retain permanently higher interest rates to attract investment of European savings, and we know how this increases costs of social service building.

Import controls

There is a serious lack of balance between Britain's exports and imports resulting from all its past economic history. To correct this

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* *A surplus arises when a country receives more money for the goods and services it sells abroad than it pays for the goods and services it buys abroad.*

imbalance will take a number of years, and in the process the British Government ought to apply a measure of selective import control at moments when the flow of imports threatens to create a balance of payments difficulty.

But it is almost impossible to get the states in the Market to agree to this. Some of the measures taken by the Labour Government are contrary to the whole spirit of the Treaty of Rome.

The remedy which the Market permits to cope with an excessive flow of imports is deflation, that is any group of measures from tight credit squeeze to total wages and salaries freeze, which will cut down the purchasing power of the people, so that they will be unable to buy the same amount of goods, including imports, as before. Such a policy is being pursued at this moment by the Government, and is creating what Mr. Wilson regards as a "tolerable" level of unemployment. If we go into the Common Market this device of deflation or stop-go will be the only one left open to us.

The CBI recognises that as the Common Market develops the powers of national governments to plan economic policy will diminish. It says "it may be expected that national economic policy will shrink in scope to something approaching regional policy within the EEC as the power of a government to act in contradiction to the wishes of its partners is eroded, and companies become increasingly international in character".

This can have a particularly serious effect on areas such as Scotland, Wales and the north of England which now receive some small benefit from the regional incentives offered under the present very limited type of planning. Such incentives would be prohibited by the Treaty of Rome, the present drift to the South-East of England would be further aggravated and the plight of the neglected so-called development areas would get worse.

The underdeveloped countries

What effect will our joining the Market have on the newly independent, underdeveloped (or poor,) exploited countries of the world?

Slowly but surely, with quite a number of setbacks, the workers in the advanced capitalist countries are improving their position by struggle. On the other hand, the position of the former colonial and semi-colonial countries is stagnant if not definitely deteriorating. This arises from the fact that while the prices of manufactured goods and services rise, the price of colonial products is tending to fall. Thus these countries have lost more through the fall in the prices of the goods they sell than the value of all the "aid" they have received from the developed capitalist countries.

The former French colonies are receiving preferential treatment in the Common Market as associates, and so might some of the former British African colonies, as far as tropical materials and foods are concerned. But similar countries in Latin America and Asia, which today find it difficult to get markets for their products, will find their position getting even more difficult if other countries join the Market.

An underdeveloped country will remain at a miserable level unless it develops its own industry. This Hong Kong, India and Pakistan have been trying to do with textiles and other consumer goods. At present they have preferential entry into the British market and have established a fairly large trade. If Britain joins the Market these countries will have to pay the Market external tariff, and this will mean a sharp reduction in their trade. Their economic development will be seriously damaged.

During Mr. Heath's negotiations with the Common Market, he tried to get special preference for such states and failed. The utmost that might be got would be some transitional arrangement for a short period.

It is evident that further extension of the Common Market will lead to a great intensification of the difficulties of the underdeveloped countries—the world's poorest and most oppressed.

Long-term economic prospects

The immediate effect of Britain entering the Market could be calamitous, but, argue the Marketeers, in the long run it would be marvellous both economically and politically. So let us grit our teeth, endure the transitional period and then we will enter the promised land, where our trade will markedly expand, our incomes rise and we will make vast contributions to the peaceful unification of all Europe.

The economic advantages are said to be that industry will be plunged into the fiercest possible competition and forced to reorganise and modernise for survival; firms will need to be larger and productive units more efficient, and Britain will be part of an expanding market.

The competition will be so fierce, according to the CBI, that it will compel swifter migration of British workers from one industry to another, will accentuate the pull to the South-East of England and complicate problems of regional development.

Because entry would mean more reorganisation, more mobility of labour, a greater proneness to unemployment and pressure to hold down costs, the balance could well be tipped further against the unions, and workers' conditions be more difficult to defend.

It is not always true that ruthless competition provides a tremendous stimulus to the reorganisation of industry. It is now generally agreed that Britain began to fall behind in relation to the USA and Germany in most industries from 1880 onwards. Yet Britain was a free trade country, open to the competition of all the world, and the USA and Germany were high tariff countries. In fact it could be argued that too fierce competition set back British industry considerably, and that the British rich, in search of higher profits than were obtainable in Britain, chose to invest in the Empire rather than in the modernisation of British industry.

The only thing that is certain is that in fiercer competition our industry will suffer initial setbacks. Governments and employers may seek to overcome this by attacks on workers' wages and conditions.

A large Market

Then there is the argument that the Common Market, being a large free expanding market, will provide a stimulating environment for British industry and will shake it out of its present lethargy. This is particularly popular with the Americans who are fond of demonstrating that the large American market has been a powerful factor in American economic expansion. (Though the annual rate of growth in the United States in the post-war years by no means qualifies it for the top of the league position.)

Some economists think this is doubtful, but in any case there is a vast difference between a Common Market developed in a virgin territory and expanded by immigration, and a Common Market consisting of a group of national states brought together by treaty. The national conflicts between the states in this kind of Common Market are never far below the surface.

The idea of the large market is that industry will tend to concentrate in the Market states in which it is best fitted to grow. Thus the motor industry might be concentrated in Italy, the aircraft industry in France and the iron and steel industry in Germany. This it is said would be a new and successful division of labour, between the industry of the various states, each specialising on developing the industry for which it is most suited, and concentrating it in the largest and most modern plants equal to those in the US.

No such development is taking place in the Common Market. Each state is concerned with building up its own national industry. There is, in fact, the quite different tendency of firms in Germany, Italy and France to remain aloof from their neighbours in the Market, but to seek the support of American firms in the conflict against each other.

There is no basis either for the further argument that the British home market of 55 millions (it will be 70 millions in 20 years' time) is too small for British industry. Some of the most successful capitalist countries in Europe, for example Switzerland and Sweden, have very much smaller home markets than Britain, yet pay higher wages and salaries. A restricted home market will not hinder an economy which concentrates on the industries in which it is most efficient and which carry no excessive burdens.

When we ask the question in what British industries are the plants too small for real efficiency we are told only of aircraft and electronics, which in the US are both subsidised by the gigantic military programme. There is no reason why British industries of this kind cannot arrange appropriate co-operation with similar European industries, as they are doing over the manufacture of the Concord. This can be done without violently upsetting the whole British economy, increasing unemployment and jeopardising living standards, as entry into the Market would unquestionably do.

The politics of the Market

Supporters of the Market tell us that as General de Gaulle is blocking the way to development of political union in the Market, the fears that many people had that the country's independence would be undermined are groundless.

It must be stressed however that whatever de Gaulle may be doing and thinking, the purpose of the Rome Treaty is ultimately wholly political, and the politics are those of capitalist big business. The rules are set out in the Rome Treaty, and those who join accept the rules.

This has been emphasised again recently by the new West German Chancellor, Dr. Kiesinger, who said, just before Mr. Wilson's visit to Germany that "he would tell Mr. Wilson that the Common Market was not a commercial structure only, but that it was a political community, requiring a modicum of common foreign policy". (*Financial Times*, February 13th, 1967.)

Mr. Wilson has made it quite plain that he is aware that entry to the Market carries political implications as well as economic. Speaking to the European Assembly at Strasbourg on January 23rd, 1967, he said: "We mean business in a political sense because over the next year, the next ten years, the next twenty years, the unity of Europe is going to be forged, and geography, history, interest and sentiment alike demand that we play our part in forging it—and working it."

It was Hugh Gaitskell's call not to let a thousand years of British history be swept away that roused the labour movement to fight against entry to the Market in 1962.

Any suggestion that to enter the Market is to take a socialist step forward is not borne out by the facts, for the organisation and its institutions are designed to strengthen the rule of big business. It is a supreme model of an anti-democratic, bureaucratic state.

The existing institutions are the Council of Ministers, the Commission, the Parliament and the Court of Justice.

The Council consists of one person from each member state, and is responsible to nobody. It cannot initiate any proposals for discussion, but can only consider those put forward by the Commission. Normally any amendment of propositions put to it for discussion have to get a unanimous vote. But the regulations that the Council decides on are binding in law from the moment they are issued on all member states.

The real driving force in the Market is the nine man Commission which is in every sense a bureaucracy. It is a body of officials exercising the powers of government. On nearly every question it is the only body which can initiate discussion. It prepares the budget, administers the Social Fund and takes member governments into Court when it thinks fit. It has its own powers of decision. It can give orders to any member state on the application of the Treaty of Rome rules to nationalised industries, order a government to withdraw emergency measures it may have taken to defend its currency; and it runs the agricultural market of the Community. In all these cases the bureaucrats have the last word. The members of the Commission are appointed by unanimous decision of the Council for four years, but their term of office is renewable. Professor Hallstein of West Germany has in fact been President of the Commission since the Common Market began.

The Parliamentary Assembly is merely a forum for discussion and has no law-making powers. It can dismiss the members of the Commission by a two-thirds majority, but so far has never done this.

The Court of Justice decides cases referred to it by the Commission or any member state about violations of the Treaty or the regulations made by the Council.

West Germany

It is this total absence of democracy which makes a mockery of the idea sometimes being put forward that Britain should enter the Market in order to change it.

The most powerful country in the Market at present is West Germany. Some who want Britain to enter argue that we should go in in order to control the growing influence and power of West Germany. We heard the same argument about Nato—the alliance would ensure that never again would Germany become a military power and threat to the world. Yet today the West German armed forces are the most powerful in Western Europe.

We believe that if Britain enters the Common Market we shall weaken our national independence and the right to manage our own affairs on many questions, and that this will be a grave danger even before open moves towards political union. Because Britain would be more dependent on the states and banks in the Market, pressure could be brought to bear on it to conform to the military and foreign policy of the Community countries, above all of West Germany, in return for economic concessions.

Some who want Britain to enter argue that the line of advance towards a completely united Europe is first to have an agreement between all the states of Western Europe, and then go on to an agreement that would cover all Europe, East and West. This would look plausible enough if the strongest state in Europe were not West Germany, which is devoted to complete revision of the European frontiers as they were settled at the end of the last world war, and where a new Nazi Party is now growing.

There is only one basis on which there can be a peace agreement in Europe, and that is that all states agree that the present frontiers remain unchanged. But West Germany demands a drastic revision, including the absorption of the German Democratic Republic into West Germany. It is working too to block agreement on a treaty to prevent the spread of nuclear weapons to West Germany. Such a policy creates tension and widens the division between East and West Europe.

Why has Wilson changed his view?

In Parliament on June 7th, 1962, when the Tory Government was trying desperately to get into the Market, Wilson opposed entry in a very interesting speech. He foresaw dearer food prices, and increased costs in industry. He thought we would face immediate serious financial consequences and diversion of investments abroad. He said "I still take the view too that . . . there are still many employers who are looking to the Common Market primarily as a means of strengthening their hands in a showdown with labour". He went on: "When one looks at the whole sorry, miserable history of the pay pause over the last year, I wonder whether there is not some reason for thinking that there are some Ministers who regard Europe as a means of enforcing the general wage freeze which the Government have been trying to get ever since the Prime Minister was Chancellor of the Exchequer . . . The plain fact is that the whole conception of the Treaty of Rome is anti-planning, at any rate anti-national planning . . . the title and chapter headings of Part 1 of the Treaty and the whole philosophy of the relevant articles show a dedication to one principle, and that is the principle of competition".

What has changed since that speech was made? There is now a Labour Government carrying out a wage freeze instead of a Tory Government. But the Treaty of Rome is the same now as it was then, the same as when Hugh Gaitskell set out five conditions which would need to be met, before he would consider Britain's entry—strong and binding safeguards for the trade and other interests of all the Commonwealth countries; freedom as at present to pursue our own foreign policy; safeguarding the interests of the Efta countries; the right to plan our own economy; working out satisfactory agricultural arrangements.

Mr. Wilson and Mr. Brown have been rushing from one European capital to another, in their anxiety to explain how determined they are to take Britain into the Common Market. Little is now heard of the five points, except for the question of agriculture.

Mr. Wilson is firmly on the side of big business, co-operating with them fully to run the capitalist economy and uphold their imperialist interests abroad; and big business is now directly built into the Government machine. It has always been big business that has been anxious to enter the Market, for the big firms want to achieve greater concentration of power and rationalisation at the expense of the middle sized firms; and going into the Market will certainly increase the power of the big concerns. A recent study by the French employers' organisation shows that the number of mergers and takeovers increased in France from an annual average of 60 from 1954-1961 to 150 from 1961-1965.

There is no doubt too that the US wants Britain as its biggest supporter inside the Common Market, and on this, as on other matters, Wilson is tied to the US Government. We must not forget that it was the US which first suggested the Market and forced its West European allies into it. America wants Britain in to strengthen her own interests still further. Those interests are already very considerable and take the form of direct capital investment, through the setting up of American companies in one or other of the Market countries. In fact the Market is actually increasing American penetration of Western Europe. This is what makes so farcical the argument now being used that Britain should enter in order the better, with West Europe, to stand up to the US.

The way to real prosperity

The way to economic expansion for Britain is not through the Common Market. Britain should maintain its national independence and do everything in its power to extend trade with all countries and help promote the peace of the world.

Of course we must be interested in trade with Europe, but with the whole of Europe. And if we want European unity we must not allow the existing divisions between East and West Europe to solidify again. We need to facilitate the development of trade and the growth of cultural and political contacts between both sides. The extension of the Common Market, far from doing this, would increase the divisions.

There is no longer any basis for anyone pretending that the cold war must continue. Such an attitude is a hangover from the days when the public was being brainwashed with the idea that the Soviet Union was preparing the massive invasion of Western Europe, and therefore all states in that area must join together and with US assistance prevent it. Not even the Government any longer dares to peddle that story.

Britain should work towards the unity of all Europe, and support an all European conference to discuss the expansion of all European trade, the development of an all European security system, and a nuclear free zone in Central Europe. This would bring about a great expansion of trade and be an important step towards world peace.

All restrictions on East-West trade should be lifted. We should promote a big expansion of trade with the newly independent countries, offering them favourable trading terms and low interest long term credits, with trading agreements over many years. Our aim must be to trade with the whole world and prevent the disruption of the world market either by closed trading blocs or cold war discrimination.

The British people must do their utmost to force the Government to end its support for the US war against Vietnam, for this endangers the peace of the whole world and is one of the greatest obstacles in the way of the development of peaceful coexistence, trade and aid.

At home we need a new policy, one which challenges the power of big business in order to use the country's resources to provide a better life for the majority of the people. We must free the economy from the present intolerable burden of military expenditure, and so release men and materials for industry and the expansion of the social services. We must cut excessive private investment overseas. These measures will help solve the balance of payments crisis.

The way to stimulate production is to end the incomes policy and replace it with a policy of higher wages, pensions and benefits. Cutting the purchasing power of the majority of the people only leads to unemployment and stagnation.

British industry needs modernising, through the development of real economic planning, based on the democratic nationalisation of industry, with workers and technicians playing a full part on all the controlling boards. Modernisation requires the investment of all available capital in home industry.

It is this kind of policy which will set our country on the road to real prosperity, and enable us to play an important part in promoting the peace of the world.

I accept the policy and wish to join the Communist Party.

Name.. Age (if under 18)..........

Address..

Send to Communist Party, 16 King Street, London, W.C.2.

Published by the Communist Party, 16 King Street, London, W.C.2, and printed by Farleigh Press Ltd. (T.U.), Watford, Herts.—CP/B/24/3/67.