

Fabian International Bureau

BP161511

(330)

BRITAIN AND EUROPE

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FABIAN TRACT 330

Two Shillings and Sixpence

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January, 1961



I. The Roots of British Isolationism

BRITAIN has never been, in the full sense, a European nation. British people, speaking of 'Europe', refer to foreign parts. To travel on the 'continent' they must go abroad. While the other nations of Europe have been separated from their neighbours by frontiers that were invisible to the naked eye and periodically shifted or dissolved, Britain has been divided from hers by a boundary as solid and as changeless as the sea. This barrier effectively isolated not only the territory but the minds of her people. Intellectually, artistically, politically, Britain has remained outside the main stream of European tradition.

During the nineteenth century, such splendid isolation became for a time the conscious object of policy for British statesmen. Britain's imperial responsibilities, and her widely-disseminated trading connections, drew her out into a wider world. While she remained powerful she could afford indifference to continental alliances, contenting herself with seeking to ensure that no power should achieve such supremacy as might seriously endanger her own position. The first world war demonstrated that the balance of power could not always assure peace. Britain could not avoid being sometimes sucked into Europe's battles, if only to assure her own interests. Yet, when it was all over, Britain remained as reluctant as ever to commit herself effectively to the defence of European security. Revulsion from the grotesque horrors of the recent slaughter encouraged the blind hope that it might be possible to defend peace by words rather than deeds, conferences and resolutions rather than tanks and guns. 'Collective security' replaced 'the balance of power' as the magic password to international peace; and equally allowed Britain to continue to stand and watch from the side-lines.

In commercial matters Britain showed herself equally obstinately independent. The free trade principles, which for a time had coincided with Britain's best interests, began by the end of the nineteenth century to be undermined by a growing sense of imperial glory and the increasing political power of producers at home. The followers of Kipling and Joseph Chamberlain were no longer inclined, as Whig governments only forty years before, to regard interdependence with Europe as a basic British interest; and saw tariffs and preferences as a means of increasing the power and independence of the British Empire. And when, after the first world war, world slump threatened the economy, similar sentiments continued to condition British reactions. The British blobs on the atlas, though no longer quite such a gaudy red as fifty years before, still roused quickening heartbeats. Thus it was to the Commonwealth, rather than to her neighbours in Europe, that Britain looked for the establishment of a system of mutual preferences to revive trade; and little heed was paid to the indignation this performance aroused in Europe. Imperial prosperity was to be assured by imperial autarky.

The Second World War

Hitler forced Britain temporarily on to the European continent. But as soon as the war was over Britain once again became preoccupied with her own problems, domestic reconstruction at home and imperial devolution abroad. Her foreign relations were mainly dominated by the relationship with the United States on the one hand and with the Soviet Union on the other. Above all, she was not affected by the factors, derived from their wartime experience, that conditioned the attitude of other European nations towards co-operation. The peoples of Western Europe, who all in one sense or another belonged to the ranks of the defeated, looked to increased European co-operation from a realisation that only in combination could their nations in future compare in power and influence with the world-powers of the United States and the Soviet Union; from a desire to seal up once and for all the fissures, especially that between France and Germany, which had been the underlying cause of three major European conflicts in the last seventy years; and from the feeling among many that any pooling of sovereignty within a wider whole was one step towards the more harmonious ordering of all the world's affairs. Britain, yet again unconquered, still regarded herself as a great power and the centre of a world commonwealth; was not immediately concerned over the need to remove the century-old differences between France and Germany; and had far to go before being convinced of the necessity of supranational organisations.

Thus, though she would combine for defence purposes — for example in the Brussels, Dunkirk and Atlantic treaties — she was less than luke-warm about combination for economic or political ends. She agreed to join the Council of Europe in May 1949; but stubbornly resisted any proposals that would involve sacrifice of sovereignty to that body. She refused even to discuss the proposals which the French Foreign Secretary made in May, 1950, for the establishment of a Coal and Steel Pool under a supranational authority. And later she similarly rebuffed all attempts to induce her to participate in a European Defence Community providing for the integration of British forces with those of the West European nations.

The attitude of British governments to such developments was purely instinctive. Policy was dictated, not by calculation, but by the immediate and unreasoned revulsion from entanglement with Europe which British politicians and public shared alike. It is arguable that in all these instances, the policies originally proposed had features to which British governments could legitimately make reservations. Yet if Britain had taken the smallest initial interest, she might have been in a position to affect the decisions finally to be taken, that were crucial for the future of Europe. By flinching away from even the consideration of any plan involving co-operation in Europe, she deprived herself of the opportunity to exercise any influence on the course that events were to take.

It does not seem that any considered or consistent policy was followed. The line of action was no doubt 'empirical', the adjective British policy-makers always find convenient to justify a refusal to devise any independent initiative, or to attempt any anticipation of future events. There is no

evidence that any thought was given to the situation that would eventually arise for Britain if such projects took their course without her, and Britain was to find herself on the outside looking in. And if there was, in fact, some clear anticipation that British indifference might itself serve to halt the movement towards further integration, this judgment can only underline how gravely British statesmen and diplomats underestimated the momentum behind the movement in Europe for closer integration.

II. Common Market and Free Trade Area

BUT the situation for Britain only became critical with the setting up, under the Rome Treaty, of the European Economic Community. This embraced a customs union, to be introduced by stages, administered by a supranational commission under the supervision of a Council of Ministers; together with measures to secure the 'harmonisation' of some aspects of economic and social policy. A parallel Treaty provided for the establishment of Euratom, an international organ to control the dissemination of atomic materials and techniques within the Community.

The British reaction to these proposals was not imaginative. An observer was sent to the meetings of the committee which negotiated the Rome Treaty; but his only function was to express British objections and reservations. British ministers, officials and journalists for long appeared sceptical of the effects of the negotiations. When at last they began to be aware of the economic implications for Britain, they stubbornly refused to acknowledge the political. Finally, many of their actions, designed to preserve British interests in the situation then developing, were seen by many on the continent as a deliberate effort to sabotage the Rome Treaty.

Britain's principal counter-move was the plan for the establishment of a Free Trade Area, covering all West Europe. Within this there would be internal free trade except in agriculture. But each country would be allowed to maintain its own external tariffs. There was no provision for economic co-ordination in other fields. And there would be no political institutions.

It was quickly pointed out by the Common Market countries that Britain was seeking to have the best of every world. She sought the abolition of discrimination within the proposed area; yet tried to preserve the discrimination that she herself maintained in Britain in favour of Commonwealth producers. She demanded, as a manufacturing country, free entry to the continent for her own manufactures in competition with high-cost French producers; but refused even to consider a modification of the agricultural protection she herself practised, that was of the greatest concern to French, Italian and other continental exporters. Above all, Britain was ready to acquire the maximum possible commercial advantages through closer association; while she explicitly repudiated the closer political union which many on the continent regarded as the principal object of the European Economic Community.

The final breaking-off of the negotiations by France, in December, 1958, was greeted with indignation by the British Government, and with fury by the British press. Yet nothing so reveals the incomprehension of many in Britain of the facts of the situation in Europe as this intemperate reaction. For it was never understood that it was Britain, not the countries of the Common Market, who so urgently needed, for both economic and political reasons, to bring about some link between herself and the Six. And it was Britain who, by refusing to pay the price that might have made this possible, was herself responsible for the ultimate breakdown of the talks.

The Seven

During the spring of 1959, preliminary discussions took place for the formation of another trading area embracing the Outer Seven, Britain, Denmark, Norway, Switzerland, Sweden, Austria and Portugal. The British Government declared that such an association would strengthen Britain's hand in future negotiations with the Six. The Treaty establishing the European Free Trade Area was signed later that year at Stockholm. Tariffs were to be cut by a series of reductions, as a result of which they would be abolished by January 1970. Quotas were to be globalised and increased by 20 per cent a year. There were complicated provisions to deal with deflections of trade. A Council of Ministers was established which could decide on escape clauses by majority vote. While agriculture was for the most part excluded, special agreements provided for the revision of tariffs on some British imports of Danish agricultural products and Norwegian fish.

Since the establishment of the EFTA there have been a series of attempts to mitigate the effects of the discrimination resulting from the formation of the two areas. Britain and France entered into a bilateral agreement by which some quotas were mutually increased by about 20 per cent. The Six agreed to extend their first ten per cent tariff cut to all GATT members. They extended the 20 per cent increase in quotas to all other countries of OEEC. Conversely the Seven offered to extend to others, on a reciprocal basis, the 20 per cent tariff cut which was due in July.

On the other hand certain concessions and quotas granted within the OEEC have not, despite protests from the Seven, been extended outside the area. The rate at which the external tariff will come into force has been accelerated. Quotas between member states will now be completely abolished by the end of 1961, eight years before the date originally envisaged. At the same time a number of moves for reaching some accommodation between the two groups have so far proved abortive. In June 1960, a meeting between the representatives of both agreed that there should be further discussions to reduce the damage that particular industries might suffer from further discrimination; but was unable to agree on any more far-reaching arrangement to overcome division in Europe. About the same time Britain announced that she would be prepared to consider the possibility of entering the E.C.S.C. and Euratom. But the negotiations that followed this offer quickly petered out.

Recent Developments

Since then, three further developments have taken place. General de Gaulle has circulated to the Community proposals for the institution of regular political consultations between its members at ministerial level, so that they may try to reach agreed policies on questions of foreign affairs and defence. Dr. Adenauer has agreed, after discussions with Mr. Macmillan, that British and German officials should undertake a joint study of means by which free entry for Commonwealth goods might be reconciled with some form of British association with the Common Market. Some of the Commonwealth Finance Ministers, at a meeting in September, at which they were specifically asked their reactions to the possibility of

further approaches to the Six, expressed concern that Commonwealth trading interests should be respected; but the meeting did not contest that further negotiations should take place. Government spokesmen have nevertheless continued to insist that there could be no question of Britain joining the Community 'in its present form'; and that further progress still depended on evidence of a 'general desire for negotiation'.

One of the difficulties in the way of agreement has been the differing interests of the members of the Seven. One of the chief purposes of the EFTA was supposed to be to bring pressure to bear on the Six. It has not in fact proved useful for this purpose. Only Germany among the Six has much stake in exports to the Seven. And there has been no sign that, even if her exports are seriously affected, she will be ready to bring effective pressure on her partners in any future negotiations that take place. On the other hand few of the members of the Seven have such an urgent need for association with the Six as Britain. Some of them, having a long-standing commitment to a neutral foreign policy, feel prohibited from membership of the EEC for this reason. Others, enjoying low tariffs, are reluctant to take action which would endanger these. Britain feels that she cannot now abandon her newly-found friends. The formation of the Seven has thus made it harder rather than easier for Britain to make an approach to the Six. Yet the passage of time alone is making the need to arrive at a decision increasingly urgent.

III. Britain's Place in Europe

BRITAIN today confronts the most important foreign policy question that she has been faced with since the war, perhaps during this century. The question she has to decide is simple: Is Britain a part of Europe? If she is not, may she wish to be in twenty or thirty years' time? And if she is eventually to find that her interests are closely bound with the Continent, would it be better to recognise this fact clearly now and act immediately, or seek to postpone facing the issue until a later date?

Britain's refusal to participate in moves towards European unity have throughout been based, not on functional, but on political grounds. When Britain declined to enter the ECSC, the Labour Government gave as their reason that Britain could not undertake to discuss proposals which would have committed her to the acceptance of wide powers by a supra-national authority over an essential part of the British economy. The Conservative Government's refusal to participate in a European Defence Community was equally based on the distaste for supra-national control of British armed forces. And the grounds that have been put forward against British participation in the Common Market have been of a similar nature. In the debate in the House of Commons on the breakdown of the FTA talks on 12th February, 1959, Mr. Maudling said that 'to sign the Treaty of Rome would be to accept the ultimate goal, political federation in Europe, including ourselves'. This 'would involve consequences for us and the Commonwealth which I do not think that the House as a whole would wish to see'. In the debate on the Stockholm agreement in December 1959, the same Minister said that Britain could not consider entering such an organisation as the EEC, because she had other 'responsibilities going far beyond the confines of West Europe'.

Yet it is precisely for political reasons that the exclusion of Britain from the new Europe could be so disastrous. It is just because the movement in progress for closer European union is likely, sooner or later, to lead to a closely-knit form of federation that the consequences of British failure to respond could be far-reaching and grave. For Western Europe is already now beginning to coalesce into a political and economic union of considerable cohesion, acting in concert on a number of issues vitally affecting Britain's interests. Eventually such a unit is likely to develop into one of the four or five most important political forces in the world. Britain can at present have no influence over the policies adopted by this group. And the longer Britain remains outside it the more difficult it will become for Britain to secure access.

The West European Coalition

The consequences of this are already beginning to be evident. The members of the Common Market are beginning not only to think but to act as partners in a single close association. For though some of the supranational organs of the Community are today perhaps declining in power, co-operation at inter-Governmental level is becoming closer.

Ministerial meetings specifically devoted to the problems of foreign affairs have been held, for example, at Strasbourg in December last year. Quarterly meetings of foreign ministers have now been suggested. The Community has established its own foreign missions in London and Washington. Seventeen outside countries have entered into diplomatic relations with it. There have been proposals for a joint political secretariat. There have been plans for separate institutions covering defence, culture and economics. Three are joint organisations representing workers and employers within the Community.

There have been a number of issues on which France and Germany in particular have agreed to support the position of the other. Dr. Adenauer has been at pains to avoid hurting French susceptibilities. General de Gaulle has supported Germany over Berlin. The Free Trade Area negotiations themselves provided the most striking instance of a case where the six nations, whatever their own interests, banded together in presenting a common front to the representations of Britain and her partners. More recently an equally united front was presented in the response to the Seven. Today proposals by General de Gaulle for still closer political consultation are under consideration.

While there may be temporary set-backs this movement is almost certain to gather momentum in the future. As the EEC continues to develop, the sentiment of common purpose is likely to harden. History shows many examples of associations that started at an economic level leading on to political union. If in the next decade purely military factors decline in importance in the world situation, allegiance within the Six will shift increasingly from NATO towards the Community. In time its members may come regularly to adopt common policies on matters affecting foreign relations, as do other regional groups, such as the Asian-Arab, the Organisation of American States, now, perhaps, the African nations. They may come to follow common voting policies in the United Nations. In a very large number of cases the decisions arrived at will be of vital importance for Britain. Britain herself, as her world-wide commercial and political interests continue to contract, will certainly find her interests in future centred increasingly in Europe. Yet, in this situation, she is likely, in a few years' time, to find herself confronted in that continent with a close-knit coalition, embracing most of her nearest neighbours and some of the most powerful nations of Europe, impervious to her own influence and acting in unison on matters of vital concern to herself.

The group with which Britain has associated herself in Europe can never be of remotely comparable influence. Its total population, excluding Britain, is about 38 million, against 170 million in the Six. Three of the six other members are neutrals, who are unwilling to be closely associated with any form of political alliance. All are small powers, geographically dispersed, politically uninfluential. Even in the rare cases where they find they have a common interest, their views can never have the weight which will be attached to those of the Community.

The Commonwealth

Two main reasons have been given by British Government spokesmen

for declining any close political association with the Six. The first concerns Britain's responsibilities towards the Commonwealth. Even if it were accepted that the two forms of association were entirely incompatible, this is an argument that would require the closest reflection, with most careful thought for the long-term implications. Britain would have to consider whether she would be well advised to abandon those nations to which she is bound by geography for those to which she has been attached by history; whether in the long run regional groupings are not likely to become of increasing importance in a world of super-powers; and whether the links that at present hold the Commonwealth together will remain as powerful in twenty years' time as they are today. The sentiments that attach us to the Commonwealth are so powerful that it is extremely difficult for us to approach such problems in an objective spirit. Even when all sentiment is laid aside, the manifest advantages, in the world as it is today, of any international association joining nations of East and West, of every political persuasion, and at every stage of economic development, make us rightly reluctant to anticipate the dissolution of such an organism in the Commonwealth.

Thus it is fortunate that Britain is not faced with any such dilemma. Government references to Britain's obligations towards the Commonwealth have always been couched in the vaguest terms. Speakers have rarely quoted specific objections or misgivings about closer British association with Europe on the part of other members of the Commonwealth. Indeed several Commonwealth statesmen have publicly welcomed this prospect. At a Commonwealth conference, held under the auspices of the Royal Institute of International Affairs, at the end of 1958, a resolution was passed expressing the strongest support for British participation in European institutions. Even the recent meeting of Commonwealth Finance Ministers, while expressing natural concern that Commonwealth trading interests should be secured, gave its assent to the proposal that Britain should have further discussions with the Six. Membership of neither group need rule out participation in the other.

The main difficulty, in fact, lies not abroad but in this country. If an association with Europe is to be combined with our existing association with the Commonwealth, some adjustment of traditional sentiments may be required. Rapidly increasing contacts with the Continent have not yet been sufficient to overlay more deep-seated links with older associates. Cultural affinities with Europe cannot compensate for linguistic ties with the Commonwealth. Yet in a rapidly changing world, it is as essential that it should be easily possible to establish new relationships as that existing institutions, such as the Commonwealth, should themselves be flexible. It would be unfortunate if this country should allow its freedom of action in the international field to be too severely inhibited by the sentiments that bind us to the Commonwealth. Commonwealth countries themselves have had little hesitation in undertaking new associations, which have not themselves caused any weakening of the Commonwealth link. Australia and New Zealand have both bound themselves closely to the United States in the ANZUS Pact, from which Britain was, against her will, excluded. Both these two, and other rapidly developing Common-

wealth nations, have had no hesitation in placing severe restrictions on imports of manufactured goods from the United Kingdom, or in abandoning long-standing preferences where this has seemed in their own interests. Britain might do fatal damage to her own position in the world if she were to feel herself under any greater obligation to existing Commonwealth ties than other members have done.

Ministers have frequently quoted public opinion in this country as opposed to any action which might weaken the links with the Commonwealth. It is, in fact, extremely doubtful how deeply public opinion is concerned on the issue of closer ties with Europe. But if any vestigial strand of sentiment might stand in the way of policy that would in the long run be in Britain's best interest, then this is surely a field in which it is more than ever necessary for government action to lead, rather than submit to, public opinion.

Supranationalism

The second main factor that has deterred British governments from undertaking a closer association with Europe has been their aversion to any form of supranational institution. They have argued that it is essential for them to retain independence in all matters of economic and social policy, in particular on questions affecting tariff policy. They have been reluctant to submit Britain to decisions by the Council of Ministers or the Commission on such matters. Perhaps more important than these specific instances, they have argued that public opinion in Britain would not subscribe to the 'impulse towards political federation' that they detected at work on the Continent.

It is probable that in such arguments there are elements that are non-rational. The reluctance to sacrifice sovereignty is a characteristic shared by most governments in some degree. Both by history and by temperament the British are perhaps less conditioned than other European countries for the conscious act of abnegation that the association with Europe will entail. Yet in many fields Britain has herself already recognised that she can no longer retain complete independence of action. She has already sacrificed freedom to control her own tariffs by adherence to the Ottawa and GATT agreements. She has already agreed to submit many of her economic policies to the scrutiny of OEEC. She has already consented to subordinate her armed forces to supranational decisions in NATO and WEU. She has already herself called for the creation of a United Nations task force and the establishment of a supranational disarmament authority with wide powers. Most people in Britain today acknowledge that the day of unrestricted national sovereignty is past. It is unlikely that public opinion would strongly resist a limited submission to a supranational European authority if it received the necessary leadership.

British Government spokesmen have in fact consistently exaggerated the degree of supranational control implicit in the Rome Treaty. The only truly supranational authority created under the Treaty is the Commission. But the Commission's powers are strictly limited (far more so than those of the ECSC which Britain has contemplated joining); and the powers it has actually used have been even more restricted. Most important decisions

have been taken not by the Commission, but by the Council of Ministers. The introduction of a directly-elected Assembly has been postponed. Attempts by the French government in 1959 to set up a political secretariat with autonomous powers were quickly blocked by the other powers. Even the French Government now see the community as 'l'Europe des patries', a confederation of governments, directed by regular meetings of ministers, rather than a close-knit federation administered by supranational authorities. And both French and German governments have recently agreed, for different reasons, that the powers of the Commission and of other organs of the community should be still further checked. All the evidence indicates that none of the governments of Europe is yet ready to make important sacrifices of sovereignty in such fields as foreign policy, national defence, internal finance and social policy.

The exact extent to which British independence of action in various fields might be inhibited by adherence to the community is nonetheless a proper subject for British concern. It is important that Britain should know just what sort of commitment she is making before taking the final plunge. In the last section of this pamphlet an attempt is made to consider exactly what sacrifices of sovereignty would in fact be involved in British association with the Community. The conclusion there reached is that, with one or two possible exceptions which are there considered, in no field would the powers of an outside authority be such as seriously to endanger British interests. One important point for British governments to consider is that, once inside the Community, Britain would be in a position to influence the decisions that were taken in such matters, and to give support to those members of the community who shared her own views. She might even seek to obtain some more information on this point while negotiating for entry. Certainly as an outsider, Britain, though intimately affected by moves towards integration in Europe, will remain powerless to influence them.

Economic Interests

Thus the political arguments for closer association alone are sufficiently powerful. What about the economic factors? Both opponents and advocates of closer British association with Europe would probably agree that in this matter economic considerations must be subordinate to political. And even those who resist closer British ties with Europe would probably accept that, taken in isolation, the economic advantages Britain would gain are substantial.

The general benefits to be derived from larger free trading areas are well-known. They are those gained by a more effective division of labour; the economies of scale achieved by securing larger production runs; the effect of increased competition on home industries; and the benefits to home consumers from cheaper imports (against which must be set corresponding sacrifices by some home producers). The failure to secure entry to such a market, however, entails not only the loss of these benefits but, in addition, the loss of exports, on which duties must be paid, to competitors within the community, trading freely.

This is the prospect which faces Britain as a result of the formation of the Common Market. The total number of consumers within that market is about 170 million, having a gross product worth over £50,000 million in 1958. Britain has herself secured the prospect of free entry to the market of the EFTA, having a total population of about 36 million, with a g.n.p., in 1958, of about £12,000 million. The countries of the Common Market are the most industrially advanced and the most rapidly developing in Europe. Industrial production in the Community is today on average about 60 per cent above the 1953 level; in the U.K. it is not much more than 20 per cent higher. In the first six months of 1960 the Community's exports were 22 per cent higher than in the corresponding period of 1959, and its imports were 24 per cent higher: Britain's own exports have slumped dangerously during the last year — exports to the Common Market being almost the only exception. Trade within the Common Market during that period was 30 per cent higher than a year before (itself 20 per cent above the previous year).

About 14 per cent of Britain's exports today go to the countries of the Common Market against about 9 per cent to the EFTA. The economies of scale and distribution that will emerge from the Common Market are more likely to be of benefit to British consumers and industry than those brought about within the EFTA. And because principal Common Market tariffs are on manufactured goods rather than raw materials, British exports are likely to suffer more from discrimination within the Common Market than they would within the EFTA, where there are fewer manufactures in direct competition. There can be little doubt to which group it would be more advantageous for British industry to belong.

In addition to the direct advantages of closer association with the Six, there are various indirect factors. By becoming a member of the Common Market, Britain would be in a position to exert influence on certain of its economic policies, for example, on agricultural marketing, quota restrictions, liberalisation of the outer tariff, dollar discrimination, etc., on which otherwise decisions unfavourable to her interests might be reached. Since the EFTA have no comparable powers in these fields, corresponding advantages cannot be gained here. Britain could hope to gain some of the benefit of the massive outside investment (including some from Britain) now going on in the Community. Not least, she might be in a position to obtain greater opportunities for Commonwealth, as well as British, exports within the European market.

Britain has of course gained some economic ends by remaining outside the Common Market. She has, for example, retained freedom to maintain the existing level of production for British agriculture: whether this is to be considered an economic gain, or the reverse, however, depends on whether it is viewed from the point of view of the farmer or of the consumer. She has retained the preferences she enjoys in Commonwealth countries: but from a purely domestic point of view she might have gained compensating advantages by allowing freer competition against Commonwealth imports in Britain. Britain's desire to retain preferences is not in fact based on economic grounds. And any such marginal advantages as have been gained must be set against the exclusion of her exporting industries from equal competition in one of her most vital markets.

The economic arguments therefore seem to show, almost as clearly as the political, the importance to Britain of securing closer association with Europe. In fact many of those who oppose a British commitment to Europe accept that Britain pays a heavy price for exclusion; but claim that the price of admission could be higher still. Such an attitude is largely a rationalisation. Although it is based on the assumption that adhesion to Europe must mean an unacceptable loss of sovereignty and sacrifices of Commonwealth ties, it was for long maintained without any examination of what sacrifices of sovereignty are implicit in the Rome agreement; or any attempt to find out what terms might be negotiated for the entry of Commonwealth goods to Europe. It has been conditioned as a rule by a complacent assumption that, while concessions in these fields would be disastrous, the political hazards of exclusion from Europe are little ones, that are either tolerable, or could be retrieved at some later date when the time is more propitious.

The Political Dangers

Such assumptions are highly dangerous. The political dangers of isolation from a European coalition, such as is now being prepared, are grave. They are mounting. And they are becoming increasingly difficult to remedy. Present discussion of measures to 'bridge the gap' between the two groups, attempts to negotiate some form of purely economic 'association' for Britain with the Community, even a full-scale customs union, could for this reason be calamitous. For they are entirely irrelevant to the real challenge the country faces. The swapping of quotas and the harmonisation of outer tariffs might, with luck, go some way towards bridging the economic gap. They cannot begin to cover the political chasm, which in the long run, will have far more serious implications for Britain. Time is not on our side. Even from the economic point of view the problem is an immediate one. At the end of this year discrimination against Britain will increase sharply as the low-tariff countries of the Community begin to raise their duties while internal tariffs are further reduced. By December next year the internal tariffs of the Common Market will have been reduced by 50 per cent; the quotas, now down by only 40 per cent, completely abolished; while the barriers against Britain will be further brought into line. This will still further increase the difficulties of the British motor and other key industries, already in recession.

From a political point of view the present discussions among the Six about the form of future collaboration make the position even more urgent. The obstinate illusion that it may always be possible to jump on the European bus at a later stop could be fatal. We may well find that once the bus has gathered speed, it will not stop for further passengers.

The Labour Party cannot claim credit for having been any more far-sighted than the Conservatives on this issue. But it is perhaps time for the forces of the Left to show that they now recognise the vital importance of preserving Britain's place in Europe. Unfortunately there persists in some sections of the Labour movement an emotional antipathy to any British association with the Europe of Adenauer and de Gaulle. Yet Britain's abstention from Europe cannot unmake de Gaulle or Adenauer; her

adhesion might help to sway them. The fear of a threat from a 'Christian-Democrat Europe' to British socialist policies is in fact largely meaningless. Planning or nationalisation measures in Britain (providing these do not involve discrimination) could not be affected by the institutions of the Community, unless it is held that physical external controls remain a basic feature of contemporary British socialist thought. Welfare and social security standards in several Common Market countries today are if anything higher, rather than lower, than in Britain. Certainly trade unions and Socialist parties on the continent, which for long remained hostile to the ECSC, have today for the most part come out in firm support of the Community. Whether Britain is a member or not, the British economy is largely dependent on the policies of the Common Market countries. But by membership of the community, Britain would be better equipped to influence those governments towards expansive, full-employment policies (as the Rome Treaty specifically provides), and towards progressive measures in the social field.

Those who advocate closer British ties with Europe must however recognise the real problems that these could pose for Britain. It is not realistic simply to declare that Britain should 'join the Common Market'. The real problem today in fact is not *whether* Britain should seek to draw nearer to Europe, but *how* this is to be achieved without sacrificing important interests. The adherence of Britain to the community would, in any case, automatically demand the renegotiation of some of the provisions of the Treaty. It is the purpose of the next section of this pamphlet to examine the principal difficulties that membership would create for this country; and to recommend the terms which, as a result, Britain should seek to obtain in undertaking negotiations with the Community.

IV. A Policy for Britain in Europe

The Outer Tariff

THE outer tariff has an important symbolic value for the Six. The Free Trade Area negotiations proved that, without accepting at least the principle of a customs union, Britain will not be able to secure full membership of the European community. Once the principle has been accepted, it may be possible to secure some exemptions and special provisions to preserve traditional ties. For exactly similar reasons, Germany has been allowed a special dispensation to exclude trade with East Germany from the provisions of the external tariff. France has been granted preferential treatment in the Market for exports from her former overseas territories. It may well be possible for Britain too to secure special terms to meet her own special obligations.

Britain's earlier fears that the outer tariff might be unduly illiberal, and so raise her own manufacturing costs, should by now have been largely disabused. The negotiations that have taken place on List G, and the Community's offer to reduce the final tariff by 20 per cent, have altered the position. Raw materials prices would not be materially affected. On a large range of the most important materials, including oil, rubber, copper, tin, nickel, wool, cotton and jute, representing the bulk of Britain's imports, there is no Common Market tariff. For many other non-Commonwealth imports, the Common Market tariff is lower than Britain's (whose tariffs are among the highest in Europe). There would probably be a rise for some Commonwealth imports (if these became subject to the outer tariff) but the effect on costs would not be significant. And as a member of the Community Britain would, of course, have the opportunity to work for further liberalisation.

But Britain's main objection to adopting the Community's outer tariff has, of course, been based on reluctance to do away with the remaining Commonwealth preferences. This is an important concern. In considering what might be done to meet the difficulty, certain facts should be borne in mind. The greater part of the Commonwealth's exports to the U.K., including most raw materials, enjoy no preferences now. Much would retain free entry to the Common Market. (Even in existing conditions the proportion of the Commonwealth's trade going to Europe is increasing in relation to that going to Britain). Even where preferences exist, their rate has been successively whittled down or eroded by falls in the value of money, until today they are worth an average of 4-5 per cent against 10-12 per cent in 1937. As tariffs are likely to be further reduced, the value of the preferences will continue to go down. The growth of manufacturing industry in the Commonwealth and the introduction in some cases of quantitative controls to protect it, have made them an increasingly one-sided arrangement. Our newly emerging African partners, perhaps most in need of help, enjoy few preferences and have all to gain by entry into the Community on equal terms with the French territories. Finally, many would hold that, in the existing state of the world, the provision

of artificially protected markets, where goods may be sold at non-competitive prices, is an exceedingly inefficient form of economic bounty. It is one that is rightly viewed with disfavour by international opinion. And it is possible that in the future assistance to Commonwealth economies will increasingly take a direct form, investment, financial aid and technical assistance, rather than the provision of discriminatory trading facilities. In the long run it is no more in the interests of producers than of their customers that they should be assisted to produce at non-competitive prices.

But Britain must face the fact that, even if the importance of preferences is likely eventually to decline, any abrupt termination of existing arrangements would cause considerable hardship in certain parts of the Commonwealth. In particular Britain has a special obligation to the less developed Commonwealth countries. Thus, if Britain is to come to terms with the Community, it is essential that she seek to secure some provision by which the interests of Commonwealth producers, at present enjoying preferences, could be assured, were Britain herself to obtain entry into the Common Market.

The exports principally affected are of three sorts: meat and dairy products, mainly from Australia and New Zealand; cocoa and oil seeds, from tropical Africa; and manufactures, chiefly textiles and footwear, from India, Pakistan and Hong Kong.

The answer must clearly provide for some form of association between Europe and the Commonwealth. But if it is to overcome French objections, it must not create distortion of competition within the Market. And it cannot provide for completely free trade between Europe and the Commonwealth. There are general difficulties (for both parties) in the way of uncontrolled free trade between developed and under-developed countries — it is indeed precisely because the European countries are at a more nearly comparable stage of development that their economies are more compatible with Britain's than those of other countries of the Commonwealth.

One solution might be (if GATT permission could be obtained) to extend some of the existing preferences to the whole Community. Some of them would no doubt have to be re-negotiated. But by these means Commonwealth manufacturers would gain a privileged access to Europe, Commonwealth goods to the Commonwealth, and British to the Common Market. Possibly there could be a gradual freeing of trade with a slower rate for the less developed countries (as proposed for Portugal in the EFTA, and Greece and Turkey in the Common Market), so that eventually a free trade area combining Europe and the Commonwealth would be created.

In practice different solutions would probably be necessary for different items. For some commodities (butter, cheese) Commonwealth producers would probably not be prepared to give up favourable access to Britain for the sake of favourable access to Europe. For others again (textiles, cocoa, sugar and wheat) there would be resistance from the Community. In some cases Britain might secure an exemption providing for the continuation by duty-free, non-exportable quotas, of long standing trade in particular commodities (such as Germany obtained for the import of bananas, Italy for coffee). In others, Britain might be able to enter into

long-term bulk contracts (such as the French entered into for the sale of wheat to Germany). Some of the most vital commodities are food products; and here Britain might be able to ensure that the marketing arrangements for these within the Community (which are still to be determined) helped to secure the interest of Commonwealth producers (see below, under 'Agriculture'). Finally, it should not be forgotten that the outer tariff itself will have to be renegotiated, if only to bring it to an arithmetical average embracing new entrants to the Community. Here again there should be a chance to preserve Commonwealth trading interests. By a combination of such means Britain should be able to ensure that the total volume of exports of each Commonwealth country to Europe as a whole is maintained at its existing level.

Agriculture

In agriculture there are (quite apart from the question of Commonwealth interests) two entirely separate problems involved. The first, related to protection for British farmers, should not be insoluble. All the Common Market countries agree that a measure of protection for producers must be retained. Indeed for some time the German Government, under strong pressure from their own farmers, were seeking to postpone the extension of the Common Market to agriculture. French farmers also have some qualms. The British Government earlier accepted that there should be rules on the volume of quotas and subsidies, mutual confrontation of agricultural policies, and other measures. But there will be strong pressure from the low-cost agricultural countries, and in the long run Britain will probably have to go further. Thus she will almost certainly have to make some concessions on tariffs, especially on horticultural products. This would both test and reinforce recent legislation designed to improve the efficiency of the horticultural industry.

There is nothing to be frightened of in this proposal. British agriculture, contrary to general belief, is quite competitive with continental production in many commodities even at producer prices — more so than that of Germany, which proposes to join the agricultural pool. There is much to be gained by closer concentration of British agriculture in those fields in which it is most efficient. But this will only be achieved if the British Government show greater courage than hitherto in facing the special interests involved.

The second point concerns the level of consumer prices in Britain. The system of protection for agriculture in the Common Market is not yet finally determined. But at present it seems likely to provide for a system of managed markets, with commodity marketing boards and minimum prices. The effect of this for Britain would be a substantial rise in consumer prices at home where prices are kept low by subsidies to the farmer. The basic difficulty here therefore concerns, not the fact, but the form, of protection. Britain could do her best to bring about the adoption of types of subsidy which are progressive and non-protective in form, *i.e.* fall on the tax-payer rather than the consumer. If this fails, as seems likely (such subsidies would be intolerably expensive to continental exchequers), Britain could claim the right to maintain purchases of Commonwealth products at low or nil tariffs. In doing this she can quote the articles in the

Treaty on agriculture, which specify the need 'to ensure reasonable prices in supplies to consumers'. She would, by this means, at one stroke, not only keep down food prices at home, but help to solve the problem of Commonwealth entry to the Common Market.

Harmonisation of Economic and Social Policies

(a) Economic Policy

Although the Rome Treaty provides for 'the application of procedures which shall make it possible to co-ordinate the economic policies of member states', the machinery provided for this is scanty. Under Article 103, 'member states shall consult with each other and with the Commission on measures to be taken in response to current circumstances'. The Council of Ministers, may, on a proposal of the Commission, 'decide on measures appropriate to the situation', but this can only be done by unanimous vote. So far, in fact, measures of harmonisation have been only fragmentary. In practice discussions have been confined mainly to tariffs and quotas.

There is no provision under the terms of the Treaty for the submission of important questions of economic (other than tariff) policy to a final decision by an international body. Even on questions of import controls, the major preoccupation of the Treaty, there is an escape clause (Article 109) enabling a member state to take whatever action may be necessary to remedy a sudden balance of payments crisis, including the temporary re-establishment of quantitative restrictions. Similarly, freedom to control exchange rates remains with the individual members, though it is to be regarded as 'a matter of common interest'; and in extreme cases retaliatory action may be authorised. A Monetary Committee has been established 'to promote the co-ordination of the policies of member states in monetary matters', but it has only consultative status. Similarly there is to be 'co-ordination' between administrative departments and banks; but no provision for the enforcement of common policies. Still less are domestic policies affected. No section of the Treaty attempts to subject the vital budget and fiscal decisions of member states to supranational controls. Nor is the freedom to promote full-employment policies, which some left-wing critics have declared to be in jeopardy, inhibited. Indeed members are specifically enjoined to 'ensure a high level of employment'. The principal means by which these are today implemented in Britain, bank rate, hire purchase controls, budget deficits, state and local authorities' investment, and special assistance to area or industry, would not be affected by the terms of the Treaty.

(b) Social Costs

There are, however, certain more specific obligations which the signatories of the Treaty must enter into. The members undertake that they will 'maintain the application of the principle of equal remuneration for equal work'; that 'they will endeavour to maintain the existing equivalence of paid holiday schemes'; and have subsequently agreed to pay overtime wages at the French level. Britain has already agreed in principle — in the EFTA negotiations — that most of these provisions should be accepted, though without compulsion. There is in fact no reason why Britain should be afraid to adopt social policies as generous as those of her neighbours.

But British trade unions may wish to make sure that no undertaking in this field will infringe their continued right to free bargaining on basic wage rates.

(c) Movement of Labour

The Rome Treaty provides that 'the free movement of workers shall be ensured within the Community'. It is unlikely that Italy would agree to British membership of the Community without the acceptance of this obligation. However Article 49 (a) provides for the setting up of 'appropriate machinery for combining offers of employment and requests for work . . . in such a way as to avoid serious threats to the standards of living and employment in the various regions and industries'. At the same time workers are only to be assured of the right 'to accept offers of employment actually made'. These clauses are probably designed to prevent an uncontrolled flood of workers from Italy to the more developed members of the Community. The influx to Britain would probably therefore be considerably less than, for example, the present, uncontrolled, West Indian immigration. Britain might, however, ask for further clarification of the clauses, perhaps demanding, for example, some guaranteed length of engagement in the first job taken. At the same time British unions might seek some kind of undertaking from employers that foreign workers will not be sought where British labour is available.

(d) Movement of Capital

The Treaty provides for the abolition of all restrictions on the movement of capital for current payments, or of capital belonging to residents of the Community; as well as for 'progressive co-ordination' (though only by unanimous vote) of policy on exchange regulations. There is no danger to Britain in these provisions. Indeed, for Britain, as a capital-exporting country, they are of special importance: the Common Market can provide access for British investment, as well as trade, to the most profitable markets. At the same time, British companies would be assured of more favourable conditions for the establishment of subsidiaries in the Community.

Institutions

Britain should now have learned that she will not be accepted as a member of the European community unless she is prepared to make a basic political commitment. This will involve participation in most, if not all, of the basic institutions of the Community that have already been established. It is, therefore, important to examine carefully the exact nature of these institutions; to be sure what membership of them would involve; and to consider how far they can be reconciled with existing British institutions or commitments.

The ECSC and Euratom

The European institutions which possess the widest powers are the High Authority of the ECSC and Euratom. There is no doubt that membership of these bodies would submit the British coal, steel and atomic energy industries to a significant degree of supranational control. There is little reason, except narrow nationalist pride, to prevent Britain from participation in the ECSC. The whole object of the Community is to make coal

and steel production more competitive; an object that in the long run must be of benefit to all members. Membership is in fact only likely to reinforce policies already being carried out by the British industries. Britain is among the cheaper West European producers of coal and steel; and is largely self-supporting in both. It is thus most unlikely that membership would make much practical difference to the present administration of the two industries.

Membership of Euratom might prove more difficult. The Atomic Energy Authority has made advances in some fields that it is unwilling to make widely available. Both the Authority and British military circles are probably reluctant to relinquish their control of fissile materials (an essential condition of the treaty). On the other hand, Britain's lead in this field is probably now narrowing, and we may soon have much to learn from European research. It certainly seems likely that if Europe is to keep up with the Soviet Union and the United States in this field, she will have to undertake research on a continental, rather than a national, scale. However, it is improbable that membership of Euratom will be a condition of membership of the Community. In the long run, therefore, the question can only be decided in the light of an informed assessment of British national interests. What is essential is that in making their decision, the Government should have the courage to override the natural misgivings of existing authorities in Britain at any challenge to their own independence.

The British Government have already agreed to take part in discussions to study the possibility of British membership of both these bodies (though these have since run into difficulties). This is in itself an important advance on the previous position of both Labour and Conservative governments. It is by no means certain yet, however, that the governments of the Six, and especially France, would accept British membership of these organisations in default of some wider commitment. Certainly membership of these alone will not be enough to assure our future in Europe. Indeed it is doubtful how far this proposal is today feasible at all, since the three communities and their assemblies are shortly to be fused, and partial membership would produce obvious difficulties. The plan has already been taken in Europe as a move to frustrate further progress in other fields. The step achieves few of the functional advantages, and none of the political benefits, of wider membership. It remains essential for Britain to participate in other European institutions as well.

Assembly

In the last debate on British membership of the EEC on 25th July, Mr. Selwyn Lloyd said, if 'the plan is to make this parliament subordinate to a higher parliament', which might 'control the whole social and economic life of the people, the fiscal policies, the defence systems, the commercial policies', this would be 'no light matter'. This would indeed be true. In fact, under the Rome Treaty, the Assembly has only one function, to meet once a year, for one day, to discuss the annual general report of the Commission. It has no powers to initiate, or to give directives, either to the Commission or to the Council of Ministers, let alone to the individual governments. Its only positive power is to pass a vote of censure on the

Commission, which, if passed by a two-thirds majority, may cause the whole Commission to resign. The Assembly is thus entirely devoid of direct authority, and could not impinge on the powers of Parliament or any other body within the UK.

The Treaty proposes that the Assembly shall eventually submit to members proposals for election by direct universal suffrage. A body of this sort might have some importance as a pressure group even if its nominal powers were limited. It is known, however, that the French government, and others, are opposed to this step and it is likely that for some time the Assembly will continue, as at present, to be composed of M.P.s appointed from their respective parliaments. Britain has no reason whatever to fear participation in such an assembly. In fact there would be everything to be gained for Britain by increased contacts with influential parliamentarians of the Community. In particular, Labour members should welcome the chance the proposals would give them to influence, and perhaps revitalise, socialist activity in the affairs of the European Community.

Council of Ministers

The powers of the Council of Ministers are defined in the Treaty in sweeping terms: 'to ensure the co-ordination of the general economic policy of the member states' and to 'exercise a power of decision'. But a closer examination shows that the principal powers enumerated in the Treaty relate to the enforcement of the provisions concerning trading conditions, customs duties, fair competition, capital transfers, etc. Within this field, the powers of the Commission are significant—particularly, for example, where a member invokes an escape clause for the reimposition of quantitative restrictions or exchange controls. Yet Britain has already accepted the principle of majority decisions on such matters; indeed in the FTA negotiations it was she who was pressing for majority powers over them, to provide against the possibility of default by France. The Council also has powers (with the Commission) for restricting cartels and dumping within member states, and prohibiting subventions and fiscal provisions which distort competition. But these are part of the basic structure of a free-trading customs union, and contain no feature that Britain need reject.

For the rest, the powers of the Council are restricted to seeking to ensure 'consultation' and co-ordination; but without the sanctions provided for in the matters just considered. Britain could well ask for some modification of some enthusiastic but somewhat imprecise phrases of intent on such matters. At the same time she should demand a weighting in qualified votes at least as heavy as that of France, Germany and Italy (4 votes). She might consider demanding 15 votes for a qualified majority (at present 12) so ensuring that a great power should not be out-voted unless all the other three great powers, plus two others, were united against her. Finally she could seek to provide for British consultation with the Commonwealth on matters which affect it. If possible, indeed, some form of permanent representation for the Commonwealth, perhaps by observers, should be secured.

The only properly supranational authority in the Community is the Commission. It has the power of formulating recommendations, but it exercises an independent power of decision only 'under the conditions laid down by the Treaty'. In fact the supranational potential of the Commission lies less in its actual powers than in the danger that it may gradually build itself up as a focus of loyalty and base for propaganda by supranational enthusiasts. Its decisions are subject to confirmation or to amendment (by unanimous vote) by the Council. Yet in practice all the important decisions so far have been made by the Council. There is at the moment a strong movement of opinion among member governments against allowing the Commission to acquire too much authority; and its pretensions to an independent sovereignty have been severely slapped down, notably by the French government.

It is possible that Britain might have to examine carefully the spheres in which the Commission has powers to make independent proposals, to see whether any of these might be dangerous if wielded by zealous international officials with ministerial support. In particular she might seek to have proposals of the Commission amendable by a qualified majority. It seems likely that, in their present mood, member governments might well listen sympathetically to proposals designed to cut down the power of the Commission to act independently.

Other Organisations

The Court of Justice has powers only in relation to the 'interpretation and application of the Treaty'. Provided that Britain accepted the Treaty, whether in its present or a modified form, she could have no objection to participation in the Court. Similarly she has no reason to resist participation in the Investment Bank for investment in European under-developed areas, which has not in fact made exorbitant demands upon capital resources. But she might legitimately resist participation in the Development Fund for Overseas Territories in the light of her own commitments (though in the long run there could be some advantage in merging our own Colonial Development Corporation in this, so securing the assistance of German capital in the development of British territories). There could likewise be no objection to participation in the Economic and Social Committee, which has only consultative status.

The Effect of Community Membership for Britain

From this brief survey it would appear that there are no overwhelming difficulties in the way of British acceptance of the greater part of the Rome Treaty. Its obligations need not and should not affect existing arrangements for political consultation or economic co-operation within the Commonwealth. Nor will the powers of the British parliament and other bodies over British domestic affairs be encroached upon. Membership of the ECSC could submit the British coal and steel industry to certain restraints, but this possibility has already been conceded by the British government. Membership of Euratom may be more difficult, and an exception might be made here. But the sweeping, generalised phrases of the Rome Treaty should not blind us to the fact that its detailed pro-

visions provide the Commission and the Council of Ministers with only limited powers in limited fields. Binding decisions may be taken only on those matters affecting trading conditions in the market. Once Britain has accepted the basic principle of a customs union, she has little reason to deny the Community the powers to make this effective.

But even if the present functioning of the Community would demand no unacceptable sacrifice of sovereignty by Britain, it may be argued, may not the institutions soon develop in a way that would become intolerable to British opinion? It has already been shown that the present movement of opinion on the Continent is away from the extension of supranational authority within the Community. The admission of Britain, and probably one or two others of the Seven, would give added support to those in favour of hastening slowly. There is certainly an element of risk involved. But a trend in the Community in the opposite direction could be claimed as an equally cogent argument in favour of British participation. For the plain fact is that moves towards supranationalism in the Community would be equally serious for Britain whether or not she is a member. Inside, she could at least exert some control on the course events may take.

Under Article 238 of the Treaty 'the Community may conclude with a third country . . . agreements creating an association embodying reciprocal rights and obligations, joint actions and special procedures'. The association may range, according to the President of the Commission, 'from a purely consultative mechanism, on the one hand, to something very much more substantial on the other'. Greece and Turkey are both at present engaged in negotiating such a relationship. It is surprising that in all the discussion that has taken place on Britain's relations with the Community, there has not been more consideration of this alternative. It would certainly, for reasons that have been adequately described in this pamphlet, be less desirable than a more intimate participation in the institutions of the Community. But it would at least be a step in the right direction.

Even if a bolder policy were pursued, nobody suggests that Britain should simply state baldly that she is ready to sign the Treaty of Rome on the dotted line. She will need a basic exemption to preserve existing trade links with the Commonwealth on the lines of those granted, on similar grounds, to France and Germany. And in some other spheres certain amendments, amplifications and qualifications may be necessary. The Treaty may in any case shortly have to be revised to take account of the French government's recent proposals. But what Britain must not do is to seek to revise the entire basis on which the Treaty was established, or to seek to obtain a privileged position, half in and half out of the Community. For on these terms she will not be accepted. She must make it clear that she accepts the basic principles and purposes of the Treaty, and will abide by its obligations; but indicate the specific points on which she would like to see amendments or exemptions, to serve as the basis for negotiations. She should leave it in no doubt that if she were to be met on these points, she will undertake willing and whole-hearted membership of the European Community.

V. Conclusion

BBRITISH participation in the EEC could mark the opening of a new stage in British relations with Europe. There are many other fields in which Britain should now seek to extend co-operation. She should begin to play a larger part in European efforts to co-ordinate transport. Much more could be done to rationalise arms production and other aspects of defence policy. The vast expense involved in developing missiles and their warheads could be put on a European basis, so providing some measure of international control in this field. The WEU system of arms control could perhaps be developed as the kernel for some more comprehensive system of disarmament in other areas.

It is sometimes asserted that, whatever offer Britain may make to the Community, she will not succeed in securing entry, since its members are in any case determined, for a variety of national interests, to secure her exclusion. An objective study of the actions of the Six during the last two or three years cannot support this contention. It is possible that France would prefer to see Britain permanently excluded, even if she accepted, without reservation, all the obligations of membership. It is now clear, however, that Germany, through growing doubts about French aspirations, Dr. Adenauer's desire to enlist Britain in a united anti-Soviet bloc, and the hostility of the powerful German agricultural lobby to the Community's agricultural schemes, is ready, even anxious, to obtain British adherence, even to the extent of considering ways of achieving Commonwealth free entry. The Italians are known to be increasingly concerned at the prospects of permanent division in Europe. The Benelux countries have gone out of their way to leave the door open for British admission to the Community. It is unlikely that French hostility alone could secure Britain's exclusion.

If she were accepted as a fully fledged member of the European Community, Britain could occupy a position of unique importance, as a link between the two groups, Europe and the Commonwealth. The two associations should not exclude, but reinforce, each other. The essential need at this moment is for an act of political courage by Britain. For the next move lies with her. The attitude recently taken by ministers, that Britain must wait for a change of heart among the Six, can only ensure that nothing is done at all. We must seek, if possible, to act in harmony with our fellow members of EFTA. While some would remain aloof, others, Denmark, perhaps Norway, would probably move with Britain. But in the final resort Britain may have to be prepared to act alone.

In making such a move Britain must clearly recognise that a satisfactory solution must secure her political, as well as her economic, interests. There is in any case little doubt that the Six would hold together in resisting any British pretensions to partial membership, assuring her of the economic privileges without the political obligations. Britain will have to accept that half measures are no longer enough. She may be able to secure special consideration for her special circumstances. She may not be willing to go all the way in a single stride. But, in the long run, to secure the true benefits of membership of the European club, she will have to pay the fees in full.

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