

Public Talks
The Real Issue at Brussels

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1971

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By the end of this century the heavy unemployment, the strikes and the rising prices, these things that are most important to us today, will be forgotten.

One issue, however, that will still be affecting the lives of ordinary men and women of these islands in the year 2000 is the Common Market and 1971 is the year of decision.¹

Recently, in the House of Commons, Mr. Rippon stressed the need for the general public to ‘realise what is at stake in these negotiations’.

But what is at stake? Many who oppose entry are concerned with national sovereignty and other constitutional matters: what of that body of law and custom, which for centuries has ensured that the British people have been the freest in Europe? But tyranny has many guises, and ‘liberty of the subject’ has a hollow ring for the bankrupt or unemployed. To be meaningful, liberty and freedom must have a firm basis – that is, the opportunity for all to earn a good living. How will the United Kingdom’s acceptance of the Treaty of Rome affect this most basic issue?

Considerable publicity has been given recently to the ‘complex and difficult negotiations arising from the agricultural policy currently being pursued by the six Common Market countries’.

Much has been said about food prices rising if we join, although the Minister has stated that agreement has been reached in respect of pig meat, eggs and liquid milk ‘such as to suit the British farmer and customer’. But Britain is primarily an industrial and trading nation, and it is from these activities that the British farmer derives

¹ Negotiations for Britain to join the Common Market began in June 1971.

his market.

What then is to become of our factories, mills, ports, shipyards, and mines? Will joining the Common Market bring good work around the Tyne, the Clyde and the Mersey, or in the Ridings, and beyond the Severn? For it is on these places that the strength and prosperity of the British people depend.

The government have also stated that, in an enlarged Common Market, Britain could be in a position 'to attract more investment', 'to achieve economies of scale', and 'to take advantage of the vaster trading opportunities'. They have also asserted that joining the E.E.C. would bring us a domestic market five times greater than the present British market. These and similar statements have now been repeated so often that they are accepted as self-evident; investigation, however, suggests that they have little foundation.

In April 1969 Professor Colin Clark and his associates, working at Oxford, published a research paper² showing the shifting pattern of economic potentials in Western Europe.

Their paper showed clearly that the creation of the Common Market had dramatically shifted what might be described as the European balance of economic power away from this country.

As a result of this shift, the UK had become a peripheral region of Europe in respect of its attractiveness as a location for mobile industry. Relatively, this country's attractiveness had been reduced from being on a par with the main centres of European industry and population to about the same level as central Italy.

Furthermore, the paper showed that this situation would not be radically altered by our entry into an enlarged Customs Union, although the position of London and the South East might be marginally improved.

Finally, they concluded: 'Since the Customs Union agreement entails not only the unhindered movement of goods across frontiers, but also freedom of labour and capital, the possibility

2 *Industrial Location and Economic Potential in Western Europe*. Published in *Regional Studies*, Volume 3, Issue 2, pp. 197–212, by Pergamon Press, 1969.

arises that the labour and capital of Common Market countries which are remote from the potential centre of Europe will migrate to the centre, to the detriment of the countries on the periphery.' The U.K. would be a country on the periphery.

The results of this research, partly supported by taxpayers' money through the Social Science Research Council, cannot now be written off, since proof of its accuracy is already accumulating.

A study of Common Market countries shows that the greatest growth has occurred in those areas where the potential has risen most. A good example is Western Germany where the substantial influx of foreign families is creating local problems.

Already in this country difficulties are arising in the North East and in parts of Yorkshire, where employment agencies have been opened for the supply of skilled contract labour to firms in Western Germany.

Some shipyard and construction companies are now saying that, as a result of this migration of highly skilled men, they are having to operate below full capacity, to the detriment of the less skilled workers they still employ.

The concentration of industry in the Rhine Valley of Western Germany, eastern Belgium, and the southeast Netherlands is in fact the same problem on a larger scale as that which has faced this country for many decades, and which remains unresolved.

Successive British governments have attempted to encourage prosperity in the regions by the creation of Development Areas, and then by Special Development Areas, by cash grants, Regional Employment Premiums, the offering of factories rent free for five years, the issue of Industrial Development Certificates, and many other schemes, but with only limited success.

In 1965 Scotland, the North of England, Wales, and the South West all suffered from unemployment above the average for Great Britain. Five years later, the position is largely unchanged, except that there has been an improvement in Wales, whilst the Yorkshire and Humberside region has joined those areas with unemployment

rates above the average.

Even these relative regional unemployment rates understate the real situation, since they do not take into account the continued attraction of both industry and population centres located around the London–Birmingham axis. Colin Clark's work suggests that by joining the Common Market we shall intensify all these regional problems.

What then are the real issues in the Brussels negotiations? One must conclude that they are not matters of pig meat or eggs, nor even whether our share of the Commission's budget is 10%, 15%, or 20%, but they are matters of British industry and trade.

The right terms will surely be those that will encourage regional prosperity in Britain; the wrong terms will be those that merely intensify the problems that already exist this side of the Channel.

The popular assumption that joining the Common Market will automatically solve our internal problems of growth and regional development is entirely unfounded, and is no substitute at all for effective Government policy.