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Britain and the Common Market

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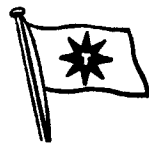
Whatever motives General de Gaulle may have to block Britain's joining EEC, the economic reasons given that the British economy be not mature enough for the Common Market, but must recover first, are basically wrong. Quite the contrary, the British economy would recover just because of its admission into EEC. The post-war chain of balance of payments troubles is above all giving expression to Britain's obsolete regional integration into the world economy. The British economy is certainly not up-to-date in some sectors, but by no means in all of them. In some fields it is even exemplary. But where it is antiquated, this backwardness would be overcome most easily through joining the Common Market.

The British economy is a member of that closely linked European industrial nucleus which extends from the Midlands far into Central Europe. When the gold standard dominated, this industrial nucleus was integrated in itself and into the whole of the world economy by the mechanism of competition. The British part-nucleus, however, was linked more strongly with regions outside Europe, particularly the Commonwealth, than the continental part-nuclei. When during the world-wide depression of 1931 the international automatism of the world economy collapsed and the governments' autonomous economic and monetary policies tore up the European industrial nucleus, Germany, located on the Continent, fled into bilateralism, while Britain took refuge with the Commonwealth by means of the Ottawa-agreements. Both solutions were inspired by sheer necessity. Nothing but the European politico-economical integration could offer a genuine solution restoring to the European industrial nucleus that position which the American

and Soviet industrial agglomerations located in the vast territories of their states had never lost.

Britain hesitated too long to join the European economic integration and first tried to get along with old-fashioned free trade solutions, that EEC could never have accepted. Only politico-economical integration creates an entity on par with the American and Soviet ones. Neither EFTA nor the Commonwealth offer a substitute for it. Both confine themselves to tariff policies, both are inadequate regional formations. The Commonwealth members are more or less tending towards other industrial centres, the British industrial nucleus being too small for offering a substitute. The same applies to EFTA, most of whose member countries are more closely linked with the continental industrial nucleus than with the British one. Britain has been always depending on free trade with the whole world, and the return to free trade on a world-wide scale leads via regional integration. This has been made clear again by the Kennedy Round. In this connection it need not be proven that Britain's joining EEC is not less important to the Common Market of the Six—economically also to France—than to England.

Even if we cannot help enduring French opposition, we should not accept the economic reasoning. Rather should the political reasons be exposed. These, too, are not insuperable. Politics is powerful but not almighty; if politics infringes upon economics too much, economics will call it to order. In particular if—as in our case—the economic forces are strong but the political ones weak. How long the exogeneous, political forces will keep the endogenous, economic ones in check is naturally not to be anticipated. In the long run they will be unable to do so.



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