

Hamburg Institute of International Economics (HWWA) (Ed.)

Article — Digitized Version

Great Britain: No more “Stop-and-Go”?

Intereconomics

Suggested Citation: Hamburg Institute of International Economics (HWWA) (Ed.) (1972) : Great Britain: No more “Stop-and-Go”?, Intereconomics, ISSN 0020-5346, Verlag Weltarchiv, Hamburg, Vol. 07, Iss. 6, pp. 165-, <https://doi.org/10.1007/BF02929479>

This Version is available at:

<https://hdl.handle.net/10419/138647>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.

the USA to most of the socialist states in 1965 — took a more reserved view of liberalisation than Japan and the European groups.

It is at least partly because the political landscape has changed that today US firms in particular show an interest in demonstrating their willingness to engage in an intensive East-West trade by issuing a statement conjointly with the other countries, which have in the meantime acquired a relatively large stake in the East-West business. US industry attaches importance to such a statement for drawing attention to the fact that the US Administration is now also dealing differently with East-West trade in a political and legal respect.

Although the statement drawn up in Paris has not yet been published, reference may be made here already to its constructive approach. The document may be expected to contain proposals for the removal of the difficulties impeding particularly the economic relations between East and West. It is in any case to be welcomed that private institutions in important industrial countries of the West — as well as their Governments with whom they seem to have secured agreement — are making active efforts to indicate possible ways for negotiations and arrangements. In the end it may be possible to replace the bilateral method by the multilateral principle. zb.

Great Britain

No more "Stop-and-Go"?

In the atmosphere of elation about the massive tax cuts in Great Britain, which the Chancellor of the Exchequer announced recently, a remark on monetary policy which Mr Barber made in his budget speech received little attention, although it augurs a notable change in the economic policy of the Tories. Mindful of past experience, of balance of payments considerations again and again setting an early end to phases of expansion, he told the Commons that "it is neither necessary nor desirable to distort domestic economies in order to maintain unrealistic exchange rates". The Chancellor of the Exchequer may count on general assent for his view that there is little point in maintaining and defending a fixed exchange rate for its own sake. Nevertheless, there is an uneasy feeling that the brakes will have to be applied after a while to stop a strong expansion resulting from the policy of massive demand stimulation which has now been pursued for over a year — and this for two reasons. One is that British accession to the Common Market will limit the British Government's freedom of action in the sphere of monetary policy; after entry into the first stage of economic and monetary union, revaluation and devaluation of exchange rates

will not be ruled out in principle, but they will be more difficult. The other one is that even with full freedom of policy in regard to exchange rates, the "stop-and-go era" can hardly be said to be definitely a matter of the past. Sooner or later the upward trend of prices and costs would in such conditions still exert enough pressure on the central bank and the public authorities to force the economic policy makers to apply the brakes. The only reason why such measures have not been brought to bear directly on inflationary developments in the past is, after all, that the restrictive policy, while described as "balance of payments-orientated", coincidentally tended to curb one of the causes of the external disequilibrium, namely, the fact that prices rose faster than in the outside world. wt.

EEC

Harmonisation of Immigration Policies

Differences of opinion certainly exist in the Labour Party about the value and benefits of the European Communities to Great Britain, but the party is agreed that, if Britain soon becomes a member with all the rights and duties which membership implies, the other members will have to help solve many a problem which has hitherto been of concern to Britain alone. The Labour Party has the Asians in mind who lived in East Africa and after independence were considered *personae non gratae* by the Africans, especially if they retained British colonial citizenship. Though British subjects, they were not received with open arms in the United Kingdom either.

A Labour Party commission has recently published a report — entitled "Citizenship, Immigration and Integration" — which dealt with the conditions for immigration into the UK and suggested a better solution for the displaced persons, in particular — i.e. a revision of the Commonwealth Immigrants Act, 1968: United Kingdom citizens of overseas origin who no longer possess colonial, dual or other nationality should be granted the right of free entry into Great Britain on the same basis as other UK citizens. The "Green Paper" furthermore makes the point — which attracted special interest in the British press — that these UK citizens would be free to move in the territory of the European Communities and might choose the Netherlands and the Federal Republic as offering especially attractive prospects for future settlement. Whether all Europeans concerned fully realise the possible consequences is impossible to find out at present. For this reason it would be better if all present and future EEC-members would once more confer about the subject and adopt a joint resolution in the spirit of the Labour report. ja.