

What about the Common Market: a socialist guide

What is the Common Market?

The European Economic Community (EEC), to give it its proper name, is a customs and economic union between France, West Germany, Italy, Belgium, Holland and Luxemburg set up in 1957 under the Treaty of Rome. The aims were to create one huge market by abolishing all customs barriers between the Six and by erecting a uniform tariff against goods from outside and to establish common agriculture, indirect tax, transport and energy policies. These have largely been achieved. The next stage, to which tentative steps have been taken, would be full economic union with a common currency and after that maybe military and political union.

Why was the Common Market set up?

Basically because big industry needs a big market. After the war the rulers of the industrial countries of western Europe, whose economic rivalries had twice plunged the world into war, realised somewhat late that the traditional European nation-state was not large enough either as a market or as an outlet for investment. In this sense the Common Market is an example of the continuous centralization of capital into bigger and bigger units and it was no accident that it grew out of the free trade in coal and steel the Six had introduced in 1953. Also, Germany wanted free access for its industrial goods to France and France free access for its grain to Germany.

Why didn't Britain join at the start?

Britain's pattern of trade was different. The Commonwealth was not only a market for British industrial goods and an outlet for investment but was also a source of cheap food and raw materials. To have joined would have meant giving this up for something whose success was uncertain.

Why does Britain want to join now?

Growing industrialisation in the Commonwealth changed Britain's pattern of trade. Towards the end of the 1950's Europe emerged as the best alternative market for Britain's industrial goods. After failing to stop the Common Market by organising a wider European industrial free trade area, Britain under a Conservative government applied to join in 1961 only to be rejected. The present negotiations arise out of a second application to join made in 1967 under a Labour government.

So, this is all a question of markets?

More or less, and so is essentially a capitalist problem. Joining the Common Market is an attempted solution to the problem of finding new markets for British capitalism whose goods have not been selling so well in recent years. It is not a problem that concerns wage and salary earners, either here or in the Six.

But aren't some British industrialists opposed to entry?

Yes, those with investments and trade interests in the Commonwealth. They are in a minority but do have some influence on sections of the Conservative Party. The argument for and against the Common Market is basically between those firms who think they will gain and those who think they will lose from entry. Russia, too, is opposed to the Common Market as a rival capitalist power and so therefore is the

British Communist Party and the pro-Russia section of the Labour Party who have concocted various allegedly socialist reasons why workers should take the side of those against entry.

What will happen if Britain joins?

After a transitional period Britain will have to bring down its tariffs against the Six (and any others like Ireland, Denmark and Norway who might join at the same time) and to put up tariffs against outsiders, including the Commonwealth. British agricultural policy will have to fall in line with that of the Six.

Won't that mean an increase in food prices?

Yes. For historical reasons continental Europe has protected agriculture through high prices while Britain has pursued a "cheap food" policy. The British industrial capitalists were strong enough in the 19th century to abolish the Corn Laws which kept food prices—and wages—high. The continental capitalists were weak and, to get protection for their industry, had to ally themselves with the big landowners and to agree to protection for agriculture too.

But won't this make wage and salary earners worse off?

Not necessarily, since the level of wages is largely determined by the cost of living. Lower prices mean lower wages, as the workers of Britain found after the Corn Laws were repealed in 1846 and as the Six recognise when they say that for Britain to keep its "cheap food" policy would be unfair competition. Similarly, higher prices mean higher money wages. This is not an automatic process of course. Workers have to fight through trade unions and strikes to keep money wages rising along with prices. But this is what they've got to do all the time in all countries, and what workers in Britain must do whether Britain is in or out of the Common Market.

What will happen to wages if Britain joins?

They say money wages are higher in all the countries of the Six except Italy, but this is what you would expect if food prices are higher. And these wage levels were not achieved without struggle. There was a General Strike in Belgium in 1960 and in France in 1968 and a wage explosion in Holland after the failure of job evaluation; in recent years strikes have become more frequent in Italy and have even broken out in Germany.

Won't there be an influx of cheap Italian labour?

Maybe, but the answer would not be co-operation with the anti-Common Market section of British industry. The important point is that workers in all countries face the same problems and so have a common interest in uniting to solve them.

What about taxes?

The governments of the Six raise their money more by indirect than by direct taxes. Critics say that indirect taxes fall more on the poor and give this as a reason why workers should support those against entry. That indirect taxes—such as the value added tax—fall on the poor is only an illusion. All taxes in the end fall on rent, interest and profit as only the rich can afford to pay them. The tax system is irrelevant as far as the overall standard of living of wage and salary earners is concerned. Insofar as taxes raise the cost of living they can, if the workers are strong enough, be passed on to employers as higher money wages.

What about social benefits?

Supporters of entry say they are better, but as you would expect some are and some are not. Family allowances, which generally are higher in the Six, were long looked upon with suspicion by trade unions in this country wage subsidy for employers, which is what they are. The higher the family allowances paid by the State the less the employer need pay the family man. In any event, "social benefits" along with contributions and income tax are a means of evening out the income of workers so as to ensure that nobody is paid either too much or too little to keep fit to work, and leave the overall standard of living unchanged.

Will we lose our sovereignty?

What do you mean *our* sovereignty? Not having a stake in the country we have nothing to lose. Our rulers may have to hand over part of *their* law-making powers to the Common Market, but that's not our worry. It makes no real difference whether we are ruled from Brussels or London.

But won't we be ruled by bureaucrats from Brussels?

That's a bit of an exaggeration. The powers of the EEC Commission in Brussels were granted by the governments of the Six which (like those of the four who are applying to join) depend on popular election and majority acceptance. Governments and bureaucrats can only get away with what people let them.

Isn't a United States of Europe a good idea?

No, it would be just another super-power armed with nuclear weapons. Some nationalist delusions might disappear, but this would be no advance if they were replaced by another, different one.

What is the attitude of The Socialist Party of Great Britain and The World Socialist Party of Ireland to the Common Market?

First, that whether or not Britain joins is a capitalist not a working class issue. Second, that Britain's joining would not solve, and is not meant to solve, working class problems; it may not even solve British capitalism's problem of markets. Third, that, equally, working class problems will remain if Britain stays out. We are neither for nor against entry and regard this as an irrelevant issue. We advocate instead the establishment of a world community without frontiers based on common ownership with production solely for use.

How would you suggest we vote in any referendum on the Common Market?

The government don't want to risk one in Britain for fear that the anti-German and imperialist prejudices stirred up in the past might result in a vote for "NO". But in Ireland there's got to be one. We suggest abstention, or rather rejection of the false choice by writing "WORLD SOCIALISM" across the ballot paper.

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