

Discussion

Britain and Western Europe

Jenny Warren

The present crisis of British membership of the EEC — loss of the established right to veto Common Market decisions that are contrary to Britain's national interests, the failure to obtain any substantial long term solution to its disproportionately large payments to the EEC budget, the largest ever rise in EEC farm prices — is bound to reinforce the labour movement's case for withdrawal. Nevertheless, it is important to discuss the issues involved since it is quite obvious that the argument has not yet won wholehearted conviction either within the movement as a whole or on the Left, while the political forces within the country for staying in the EEC are very strong.

I thought the best part of Bob Rowthorn's informative article (*Marxism Today*, May 1982) was his attack on the 'bizarre combination of imperial nostalgia and revolutionary romanticism' which infests some thinking about an alternative foreign policy for Britain. He rightly stressed the importance of our own trading relationship with the rest of capitalist Europe (though he exaggerates in

talking about economic integration) and, while being positive about the potential for trade with Third World and socialist countries, realistically pointed out its limited quantitative importance in the immediate future. He also made a valid point about the need to evaluate British-Western European trade and its different components of manufactures, services and primary products as an integral and interacting part of Britain's total world trade, although he relied too heavily in his analysis on a single, rather untypical year of balance of payments surplus due to the recession and North Sea oil exports.

I want however to take issue with Rowthorn's conclusion (which, surely, is drawn chiefly from his view of Britain's close relationship with Western Europe and not just from Mitterrand's election victory) that the demand for British withdrawal from the EEC 'has lost some of its original force'. His case basically is that Britain's increasingly large manufacturing deficit with the other EEC countries is not a problem because it is

offset by surpluses elsewhere, on other items in the balance of payments; that import controls would cause damaging retaliation from the other EEC countries; and that, because of economic integration, 'cooperation between the countries of Western Europe' is essential in tackling the economic crisis and exerting some control over the multinationals.'

In fact the manufacturing deficit with the other EEC countries is an extremely important problem for the British economy because Britain is still a major industrial nation and should be able to compete in its main regional markets. If it cannot compete there, it will find it increasingly impossible to compete in other world markets where its chief competitors now are the same multinationals against which it has to compete in the EEC. Britain no longer has the imperial option of the post-1913 period, when, as Rowthorn explained, it switched its manufacturing export trade to its captive colonial markets and put barriers up around its home market in the face of French and German

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industrial competitiveness in Europe.

As Rowthorn himself says, Britain's economic situation is quite desperate, and its longstanding manufacturing deficit with the major industrial nations of Western Europe seems to me to be a critical symptom of this. Should import controls be used therefore to correct the deficit? Rowthorn is somewhat ambiguous on this matter. He says it would be suicidal to attempt to 'roll back' the tide of EEC imports and yet says that import controls might be useful as a weapon against the multinationals — which are the principal 'carriers' of trade in the EEC. However I share entirely his concern that it would be unrealistic to make any Canute-like attempt to shift trade away from the EEC as a solution, in itself, to the problem of the deficit. There is nevertheless a very strong case for using specific import controls, not for the shortsighted kind of protectionism that simply preserves the profits of inefficient companies but as part of an economic plan to improve industrial competitiveness.

If import controls, and other alternative economic strategy measures which are not allowed under the Treaty of Rome, are needed, then how can Britain stay in the EEC, despite the close economic relationship and need for cooperation with other European industrial nations? This touches

on the larger questions which Rowthorn has usefully raised of whether membership of the EEC is on balance good for 'Britain' (or, in terms of this discussion, the 'British economy'). Unfortunately in attempting an answer, Rowthorn describes some cloud-cuckoo-land in which 'France' and 'Britain' act together for socialist objectives within the EEC seemingly, regardless of the fact that France (*pace* Mitterrand) and Britain (*viva* Thatcherism and social democracy) are capitalist countries and likely to remain so in the foreseeable future.

In discussing the merits of EEC membership it is in fact essential to make clear whether one is asking: is membership of the Common Market good for British capitalism and its multinationals, or whether one is asking the very different question: is the implementation of an alternative socialist policy for the British economy feasible within the EEC? This seems to me to be an important point which often causes confusion in the debate on withdrawal.

Finally with regard to the question of retaliation if Britain were to impose import controls and indeed withdraw entirely from the EEC. This raises in a new world situation the old question of whether 'socialism in one country' is feasible. The evidence so far, from the Soviet Union to Cuba, suggests

that it is feasible for countries in entirely new historical situations to make the breakthrough to socialism. The crucial factor in the case of Britain as a major industrial nation would be not to 'remain on good terms' with capitalist countries if by this is meant refraining from taking necessary socialist measures, but to strengthen the British economy by taking whatever measures are necessary. In this way it would be possible to conduct an expanding trade with Western Europe on a negotiated basis.

Naturally, not only European capitalist countries but also the US which still exercises some neo-imperialist hegemony (through the IMF for example), would put bully-boy pressures on a socialising Britain, but the currently fashionable, old-fashioned scenario of 'capitalist encirclement and intervention' seems to me politically defeatist rather than realistic. The evidence also suggests that, because of the uneven development of political advance, the breakthrough to 'socialism in one country' in an entirely new historical situation is inevitable, as the internal pressure for change inexorably builds up.

'See also his article with John Grahl on 'Tackling the problem of Europe' in *New Socialist*, May/June 1982.

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