

'The enlarged European market' from the Süddeutsche Zeitung (3 August 1961)

Caption: On 3 August 1961, in its coverage of the United Kingdom's application for accession to the European Communities, the German daily newspaper Süddeutsche Zeitung considers the political and economic implications of British participation in the EEC.

Source: Süddeutsche Zeitung. Münchner Neueste Nachrichten aus Politik, Kultur, Wirtschaft und Sport. Hrsg. Friedmann, Werner; Goldschagg, Edmund; Schöningh, Dr. Franz Josef; Schwingenstein, August ; R Herausgeber Friedmann, Werner. 03.08.1961, Nr. 184; 17. Jg. München: Süddeutscher Verlag. "Europas grösserer Markt", auteur:Staegmeyr, Elly , p. 1.

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The enlarged European market

By Elly Staegmeyr

The British Government's decision, welcomed by the *European Economic Community*, to negotiate full British membership in the EEC is of extraordinary importance. It has, after all, been the tragedy of Western Europe that efforts to create a comprehensive market initially resulted in an economic split. The Community of the Six was unable immediately to become the catalyst for Western European integration. It was Britain, on the contrary, who, after the failure of her plan to establish a large Free Trade Area, succeeded in attracting Austria, Switzerland, the three Nordic States and Portugal into her camp. These 'Seven' went on to form the small European Free Trade Association (EFTA). While also proclaiming the objective of a pan-European market, EFTA nevertheless clung on to the British idea of not agreeing to any far-reaching, political commitments. Over the past few years, however, Europe's economic face has changed so much in favour of the EEC that that was reason enough for Great Britain to recognise the need to cooperate with the Six.

The remaining *EFTA countries* will have no choice but to seek an association as well with the Common Market at the same time as Great Britain. When Prime Minister Harold Macmillan hinted at the unforeseeable consequences of a failure of the new European initiative, British Government circles immediately pointed out that Britain's impending resignation from the European alliances was not an attempt to put the EFTA countries under pressure. Britain has, in fact, formally assured them of her continued solidarity. The negotiations with the EEC, which every EFTA country will have to conduct individually, are to be coordinated, and EFTA is not to be buried before 'the legitimate interests' of all parties have been considered. While the Nordic States have obviously come to realise that Britain's historic decision will lead to the actual end of EFTA in its present form, Switzerland is preparing for possible 'temporary isolation'.

As the current debate at the House of Commons shows, the British Government's considered decision has caused some passionate opposition. But the economic argument that nearly half of British exports continue to go to Commonwealth countries and just one seventh to the Continent, has little effect. It is the Common Market's unexpected *dynamic* that has undoubtedly played an important part in Britain's change of direction. London, which at first tried to minimise the domestic economic consequences of customs disadvantages resulting from the creation of a bloc, now no longer wants to be excluded from the rapid development.

Trade between the Six has grown twice as fast as trade within EFTA. Furthermore, Britain's sales to the Common Market have grown by one fifth, while increasing by only one tenth for the rest of the world, where more competitive EEC goods were able to secure a higher market share. And there are more things to worry about. Dollars for the construction of factories nowadays flow much more easily to the Continent than to Britain, which has lost many a sterling investment to investment in Europe. And the same 2 000 agreements with which private companies have apparently secured advantages on the Common Market for themselves are also not taken lightly.

One should not be deceived about the extreme length and difficulty of the negotiations that Europe will have to face in any case. Britain makes her accession to the European Economic Community conditional on its special Commonwealth interests as well as the wishes of its agriculture being taken into consideration. That must certainly not lead to a weakening of the European Economic Community. But, despite all resolve in this matter, a certain amount of *elasticity* will also be necessary. It seems to us to be no bad idea to have ministerial officials from the six States participating in the negotiations together with the Brussels Commission. In Rome, all those years ago, the Six granted concessions to certain partners by means of special protocols. France, for example, was granted trade policy advantages for exchanges with her Overseas Territories, and Italy was accorded special funding opportunities for southern Italy. It is worth giving serious consideration to the Swiss observations that the Rome Treaties would certainly not be destroyed if new members were treated in the same way. As regards the solution of agricultural problems it might be an advantage that European agricultural policy has still not been finalised.

America, while initially afraid that regional associations might lead to disadvantages for her own trade, is now in favour of European unification. Macmillan calls it an essential element in the fight for freedom. The German Foreign Minister, Heinrich von Brentano, has confirmed that the Federal Republic wants to do its utmost to facilitate Britain's accession to the EEC and that he sees a way to achieve this if negotiations are based on pragmatism and a minimum of perfection. Let us hope, therefore, that the *opportunity* will be used to build, in conformity with the given circumstances, a European Common Market which might number 300 million inhabitants and provide the conditions for a new upturn.