

- the immediate changes in trade and production patterns which would result from removal of tariffs against the Six, free entry into the Community market, erection of the Common External Tariff against third countries and the consequent changes in access to those markets. In the latter case the authors of the White Paper were thinking particularly of the loss of Commonwealth preferences. Using some simple and rather questionable mathematics, they estimated that Britain's balance of trade for items other than food was likely to deteriorate by £125 to 275 million. (The Economist called these estimates "unadulterated rubbish"). The expected increase in food prices as a result of adoption of the Common Agricultural Policy could also lead to a rise in wages which would make it more difficult for British industry to compete. Furthermore, if the burden on the balance of payments became excessive, the British Government might not have enough flexibility to pursue economic policies which would enable full benefit to be drawn from membership.

Some of these points may have been exaggerated a little to improve Britain's bargaining position with the Six, but there is no reason to doubt that they reflected, in their essentials, the government's thinking.

The Confederation of British Industries also made some estimates. It calculated that entry into the Community would mean a loss of protection on British manufactures of 2 1/4 percent (weighted average). On the other hand there would be a net reduction of only 0.09 percent in the tariffs facing their goods abroad (because there would be higher duties in markets where they had previously enjoyed preferences). They consequently saw an increase in the total import bill which would exceed that in export receipts. Thus, like the White Paper they expected an immediate deterioration in the balance of payments. However, notwithstanding this, the Confederation supported British entry because of the anticipated longer term benefits.

Various efforts were made by the Department of Trade, private research organizations and professional economists to define which British industries would be the winners in an enlarged Community and which would be in trouble. The conclusions differed considerably.

Professional economists divided on the issue of British entry - largely along right-left lines. The latter were sometimes accused of basing their opposition less on objective economic analysis than on their ideological biases in favour of economic planning and state ownership. Yet they did back up their option, with reasoned arguments. Professor Kaldor for example, considered that the adverse static effects of entry (the expected trade deficit, the rise in domestic costs, the large net contribution to the community budget and the loss of real income) would be so severe that the dynamic effects would be in a downward direction. Those who saw this kind of process taking place predicted that Britain would be frequently facing