

investment in industry (by both British and foreign investors) has been removed. In the long run, the desired effect may result from the enlargement of the home market and the effects of competition (except that some British industries may find the climate altogether too bracing for their comfort). But, in the medium term, the problems are almost certain to be severe. It is going to require much effort to bring certain British industries up to scratch. Mr. Benn was quite right when he identified under-investment as the weakness of British industry. The implicit argument was that free competition within the EEC would kill not cure, and that industrial investment should increasingly become a matter for government action rather than private enterprise.

Balance of payments

Because of concern about Britain's competitive strength, the campaign produced a great deal of discussion about the British balance of payments. The anti-EEC faction argued that the lion's share of the visible trade deficit accrued from trade with the EEC; the pro-EEC side pointed out that the deficit *vis-à-vis* the EEC had fallen from 41 per cent of the total deficit in 1972 to 33 per cent in 1974, and that the trend was similar if non-oil trade alone was considered. Both arguments are less than complete; the economic case for joining or not joining has to be established on one's expectations of whether a rejuvenation of British industry can best be brought about within or outside the EEC. In that context, Mr. Benn's arguments, too, may have missed the point; nothing in Community rules prevented the British Government from giving an injection of venture capital to British Leyland, the leading British motor manufacturer, any more than the Germans were prevented from rescuing Krupp when that concern was in trouble or the Italians from nationalizing the generating of electricity. Much of the campaign against British membership was based on ignorance of the Community's adaptability and of how it could bend to the breezes blowing from member capitals.

More long-term significance may attach to the argument that, by joining, Britain has surrendered some degree of sovereignty. Member nations, in practice, have the right of veto in the Ministerial Council but, once orders have been passed there, they are binding. A case was put forward that this is undemocratic — an argument not entirely candid since powers of delegated legislation have long existed in Britain. But it does, admittedly, mean

a diminution of national sovereignty. The federalist argument that the best answer would be to go ahead and give real power to the European Parliament is plainly one of keeping with the temper of the times. But we can now expect that Labour will attempt to play a constructive role in the deliberations of that largely consultative assembly. Federalists may hope that one day the British democratic tradition will force an increasing number of British politicians to the conclusion that, if there are Community powers, there also ought to be a real Community parliament. In the meantime, a committee of the House of Commons is trying to keep track of EEC draft orders in order to ensure that the British representative on the Ministerial Council knows what the Parliament at Westminster wants him to do.

The future of oil in the British sector of the North Sea played an important part in the argument, especially in Scotland. There are those in Scotland who wish to emulate the Norwegian example and build an independent Scotland on that resource and on protected national fisheries. The voters rejected them. In the absence, so far, of an agreed Community energy policy, what can be said is that North Sea oil remains a British asset but that an attempt (along Canadian lines) to charge less to British customers than to other members of the EEC will run foul of the rules.

Commonwealth connection

Relatively little was heard during the campaign of the Commonwealth connection, which not so many years ago was presented as a viable alternative to membership in the EEC. That is not to be marvelled at, given the fact that no member of the Commonwealth urged Britain to break with the Common Market. The developing nations of the Commonwealth have made their peace with the EEC in the Lomé Convention, incidentally meeting one of the objectives of Mr. Wilson's renegotiation of the terms of British accession. Canada, in seeking its own contractual relationship with the EEC, has made it quite plain that it sees more commercial (and perhaps also political) potential in an EEC of nine than in an isolated Britain.

In assessing the situation created by Mr. Wilson's renegotiation, one has to balance imponderables. The uncertainties of 1974-75 undoubtedly acted as a brake on industrial investment in Britain, and it may be argued that the worsening of the international economic climate means that the opportunities lost may not recur for some time. On the other hand, the revised

Arguments less than complete