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DOES SWITZERLAND REALLY NEED THE COMMON MARKET?

THE COUNTRIES presently knocking at the door of the European Economic Community are doing so on the assumption that the expanded market that entry would offer them would boost their export and business opportunities. It is what the famous White Paper on the "Cost of Entry" termed as the **dynamic effects**, and it is on these unquantifiable but expectedly favourable consequences that the Pro Marketeers of Great Britain are banking. A wider market means enlarged scale of production, more encouragement towards rationalisation, more competition and in general a sane prod to produce more and better.

Switzerland does not intend to enter the Common Market, at least not under the provisions of the Treaty of Rome. Still, her negotiators have been lingering in Brussels for many months in an attempt to get out of the EEC the most that they can. Should these discussions not lead anywhere, there are reasons to hope that Switzerland will not be the worse off for it.

The growth of the countries of the EEC has been high and has often been compared with the low British rate of growth by the Pro Marketeers. But the rate of growth has been just as high in Switzerland, if not higher. If Switzerland should want to secure some advantages with the Community, it is presumably to improve her already extraordinary pace of economic expansion. This of course would mean more prosperity for the Swiss people, which is always desirable, but also more bottlenecks, more dependence on foreign labour and higher over-employment inflation.

A European market of three hundred million consumers would favour economies of scale and stamp out the remaining industries with artisan methods and favour national specialisation.

The first point has already been cleared by a series of private agreements between Switzerland's giant companies and their subsidiaries abroad or other European companies operating in the same field. The working agreement between Brown Boveri and French electromechanical companies was made outside any Common Market framework and good business will continue whether or not Switzerland joins the Club.

Secondly, Swiss industrialists have not waited for the outcome of negotiations in Brussels to build up their strength, as attested by the Ciba-Geigy merger. The major Swiss firms are strong enough to hold out whatever the political future of Europe may be. At the present time many of them are so overburdened with export orders that they have to defer production to their European subsidiaries and import back from them the goods which labour restrictions prevent them from manufacturing at home.

Switzerland will not need the prompting of a hypothetical affiliation to the EEC to specialise because it already is, industrially speaking, one of the most specialised countries in the world. There is a wide gamut of machines, watches, precision products, foodstuffs and specialised equipment which the Swiss will always sell because they hold the undisputed lead. In the same way the French buy more Japanese transistors and cameras than home-made ones, although Japan is not in the Common Market, and the Americans will always sell their Jumbo jets because no one else produces them.

The situation may of course not always be so rosy and the intention of the Swiss negotiators in Brussels must be to provide for the long term. It can perhaps be argued that the material situation of the Swiss would be better in the event of an international recession if Switzerland were a member of the EEC. But at present Switzerland is not suffering from a lack of export business (although her trade balance admittedly shows a deficit) and her dealings with the Common Market have never ceased to increase.

The case of Great Britain is both bleaker and more urgent. The White Paper on the "Cost of Entry" gave an indication of the considerable initial cost as the British will have to pay for dearer European food prices and fund the European agricultural kitty. Switzerland, which already gets supplied by Europe, would not have to suffer an austere transitional period.

This important document has to our knowledge no Swiss equivalent. Its findings have been debated at length, but all commentators agree that with an uncertainty in its estimate of the cost of entry of a billion pounds, it can't be considered as a final answer. But as long as the returns are interesting then it is worth paying for the cost. But it is harder to estimate these than it is to put a tag on the cost of entry.

The expectation of every pro-Marketeer is that, once in Europe, England will export **more**. But the opposite can also happen and the British find themselves paying an exorbitant price for their entry into Europe **and** finding themselves inundated with cheaper continental goods. This is what would happen if the **dynamic effects** should go the wrong way.

Mr Nicholas Kalder, the inventor of Selective Employment Tax, fears that Great Britain could become the Northern Ireland of Europe. In a pertinent article in the "New Statesman" of 12th March he notes that British productivity has improved at a much slower pace than elsewhere in Western Europe and that this has a cumulative effect helping developing countries to grow yet faster and impeding the progress of the stragglers. Mr Kalder reckons that the British will have to accept a diminution of **10 per cent** of their real income if these **dynamic effects** are to work in the right direction. Enough to give the Prime Minister many sleepless nights.—P.M.B. (The Swiss Observer)

NEWS OF THE COLONY

Auckland Swiss Club

The Shooting Competition held at the Swiss Farm last May and June were very enjoyable, apart from the fact that at one stage we were short of ammunition due to the unexpected amount of competitors. Although the weather conditions were not always good, the scores were very pleasing. Here's hoping for better weather in the future. Scores for May and June were:

	Obligatorisch	Feldschiessen	Eidg. Einzelwettschiessen
M. Abplanalp	78	—	—
M. Anderson	115	77	—
M. Bachman	81	66	71
A. Binder	108	65	44
R. Buchen	107	60	77
J. Campbell	117	80	63
M. Campbell (Mrs)	83	71	60
A. Dudding	101	—	—
C. Edwards	100	69	81
H. Enzler	112	80	88
H. P. Enzler	106	55	53