

## EDITORIAL COMMENTS

### *British Immigration Bill*

The attention of observers within the Community as well as the Commonwealth will be increasingly drawn in the next few months to the progress of the recently published U.K. Immigration Bill through Parliament. The new Bill is due to come into operation on January 1, 1972 and will replace a series of statutes passed between 1914 and 1969 with a single code of permanent legislation on immigration control. Many of the more controversial aspects of the Bill will be of concern to those interested in removing obstacles to the free movement of labour within the Community. In Britain debate on the Bill will probably focus upon the proposals for patril "rights of abode," on rules for controlling the entry of non-patrials, on the new appeals procedure proposed, on a number of new criminal offences concerned with the contravention of control regulations, assisting illegal entry or harbouring illegal entrants. Persons who are to enjoy the "right of abode" and who are thus free to come and go as they please, are citizens of the United Kingdom and Colonies who are themselves connected with the United Kingdom by birth, adoption, naturalization or registration; or who have a parent or grandparent with such connections (a "patril" link); or who have been lawfully settled (without restrictions on their period of stay) in the United Kingdom for five years; and certain other Commonwealth citizens who are children or grandchildren of citizens born in the United Kingdom or in the British Islands. Supplementary immigration Rules define conditions on leave to enter which apply to persons without "patril" qualifications; leave may be given for a limited or an unlimited period, or may be subject to conditions restricting employment or activity, or registration with the police. An important consequence of the proposals is that Commonwealth citizens who go to the United Kingdom to work will no longer have an automatic right to settle there. They will enter on the same footing as aliens and they will need in the great majority of cases to have work permits which specify their employment and its place for a fixed initial period of usually one year. Not until the end of five years will restrictions be removed, with the acquisition of the "right of abode". However, the United Kingdom, the Republic of Ireland and the British Islands (Channel Islands and the Isle of Man) will remain a "common travel area" and thus Irish workers will continue to enter and leave without restriction and will not require work permits. The anomalies implicit in the proposed legislation, introduced by a country which is applying for membership of the Community, will be readily apparent. The Bill is already receiving close investigation in Parliament and substantial amendments may be expected. Whatever else may be said about the measure, it is one which clearly has been drafted predominantly with a view to national law considerations.

*Monetary Disunion*

Elsewhere in this issue <sup>1</sup> will be found the text of the resolution adopted by the Council of Ministers and the representatives of the member States, in which they express their desire to introduce, in the course of the next ten years, an economic and monetary union, in accordance with a phased plan commencing on January 1, 1975. The first phase of this plan covers three years and the resolution spells out a number of measures to be carried out in the course of that phase. Some of these measures were, in fact, adopted as early as March 22, 1971.<sup>2</sup> Decision 71/141 contains provisions on the reinforcement of the co-ordination of short-term economic policies. Decision 71/142 provides for the re-inforcement of the collaboration between the Central Banks of the member States. The third Decision (71/149) establishes a mechanism for granting mutual financial assistance to the member States within the framework of Article 108 of the Treaty of Rome.

This encouraging start to the grand design was followed by the meeting of the Ministers of Finance of the Six in the last week of April. Such meetings have been held regularly since the summer of 1959 and have proved to be very useful in furthering the co-ordination of monetary policies of the Six during the transitional period. Sometimes, they have also been useful in facilitating Council decisions to be taken on matters of short-term economic policy and on questions of harmonization of fiscal policy. It seems that these meetings which are definitely not Council sessions in a formal sense will continue to be held, though their importance might be queried, as the questions normally discussed form part of the problems which, according to the established programme, should be considered as part of the current business for the Council acting as an institution of the Community. Be that as it may, the meeting in Hamburg was essentially devoted to preparing the implementation of the decision inviting the Central Banks of the member States, by way of experiment, to keep fluctuations of the rates between Community currencies within margins narrower than those resulting from the application of the margins in force for the U.S. dollar. It was envisaged that this concerted action *vis-à-vis* the dollar would be initiated as from June 15, 1971. Though the Ministers had, on the same occasion, a discussion on the problems which were at that time arising from the increasing flow of dollars into the Federal Republic, they evidently did not consider the situation to be dangerous and they postponed any decision as regards joint action in this respect until their next meeting which was planned for May 11. However, this optimistic view was shattered by the developments in the exchange markets during the following week. The German Government, faced with the phenomenon of an ever-increasing influx of dollars, felt compelled to consider the possibility of floating the DM. On the initiative of both

<sup>1</sup> *Post*, pp. 206-212.

<sup>2</sup> Decisions 71/141, 71/142 and 71/143; J.O. 1971 L 73/12-17.

the German Government and the Commission of the European Communities the consultation procedure established in 1969 was set in motion and the Council assembled in haste on May 8. Notwithstanding the utmost efforts of the Commission because of the opposition of France and Italy, no agreement could be reached. The Council, after a full night's debate, could do no more than declare that it was understandable that some member States might feel obliged, in the particular circumstances, to move away from adherence to currency rates, normally a prerequisite for the functioning of the Common Market. The same day, floating rates for the DM and the Dutch Guilder were established. As a matter of fact, the declaration stated also that all Governments had pledged themselves to restore normal relations as soon as possible, but at that moment there were not many people who took that part of the declaration seriously. A few days later, the French Government announced that it would no longer be able to co-operate in further discussions on the implementation of the economic and monetary union programme as long as the measures taken by Germany and the Netherlands continued to exist. Gloomy predictions were heard from several sides as if the grand design were in danger of total collapse.

At this moment, a month later, one might suggest that things will not turn out as badly as predicted. It should be stressed that this time, contrary to what happened in 1969, there has been a measure of consultation among the Six before the decision was taken. Moreover it seems that the Governments of member States will, in the near future, be able to agree upon co-ordinated measures designed for the control of voluntary movements of dollars which disturb normal market conditions. The Council meeting of June 15, which dealt with monetary union problems, was not cancelled. There are signs that the restoration of the pre-existing currency rates might be pursued even by the Governments which could not find a solution to their problems other than floating rates, in the beginning of May. And last, but not least, before long it will again be recognized that the programme for an economic and monetary union is not only the expression of political good will that existed at the beginning of this year, but that its implementation is a fundamental necessity for preserving the achievements of the Community obtained up till now.