

Parliamentary debates in the House of Commons (21-24 June 1971)

Caption: From 21 to 24 June 1971, British MPs meet in the House of Commons to debate the issue of the United Kingdom's relations with the countries of the Commonwealth in the event of the UK's accession to the European Economic Community (EEC).

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Foreign and Commonwealth Affairs

European Economic Community

1. **Mr. Raphael Tuck** asked the Secretary of State for Foreign and Commonwealth Affairs if he will now specify the safeguards which he has been able to obtain from the European Economic Community for Australian and New Zealand trade with the United Kingdom.

The Secretary of State for Foreign and Commonwealth Affairs (Sir Alec Douglas-Home): In relation to trade with Australia we have secured explicit recognition by the Community that if circumstances arose during the transitional period in which significant volumes of trade in commodities subject to Community levy systems risked serious disruption the enlarged Community would deal with the position and would likewise take rapid and effective action to deal with any difficulties which might arise in the operation of the transitional mechanisms. The problem of New Zealand's exports remains to be resolved in the negotiations.

Mr. Tuck: Is the right hon. Gentleman aware of the recently expressed disquiet in Australia and New Zealand? He continually talks about the transitional period. Where does he expect Australia and New Zealand to sell their goods after the transitional period – to the moon or Mars? These countries fought alongside us in two world wars. Is the right hon. Gentleman now going to throw them gaily to the mercy of the winds? Does not the right hon. Gentleman consider that the Australian or New Zealand wife of long standing will be more faithful to him than the new German or French mistress?

Sir Alec Douglas-Home: I need not pursue the latter point very far. We are aware of our obligations to these two faithful allies. I hope that the Australians will be able to export a great deal to an expanding and rich market. If, by any chance, the hon. Gentleman is thinking of sugar, the International Sugar Agreement is to be reviewed in 1973, and Australia is a member and Britain is a member. This comes before the transitional period begins.

Mr. St. John-Stevas: Would not my right hon. Friend agree that Australia asked for no special safeguards at the beginning of the negotiations? With regard to New Zealand, would he not agree that, while it is eminently reasonable that safeguards should be provided, no pattern of trade for any country can be permanently frozen?

Sir Alec Douglas-Home: That is so. I do not know what the future would have been even if there had been no Common Market in the picture.

Mr. Healey: Would the Foreign Secretary say whether he has yet reached agreement with the Deputy Prime Minister of Australia on how the matter should be handled in Brussels?

Sir Alec Douglas-Home: I have just said how the matter has been handled in Brussels. If there are any further matters that the Australians want us to take up with the Commission or the Community, we shall be only too glad to do so.

3. **Mr. Marten** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the latest position in the negotiations to join the Common Market.

4. **Mr. Blaker** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the latest position in the negotiations for entry into the European Economic Community.

7. **Mr. Barnes** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a further statement on the progress of the negotiations for Great Britain to join the European Economic Community.

Sir Alec Douglas-Home: I have nothing to add at present to the statements made by my right hon. and

learned Friend of the Chancellor of the Duchy of Lancaster on 9th June and by my right hon. Friend the Prime Minister on 10th June. As the House will be aware, my right hon. and learned Friend is about to start a further round of discussions with the members of the Community, and, with Mr. Speaker's permission, will make a further statement on his return.

[...]

5. **Mr. Farr** asked the Secretary of State for Foreign and Commonwealth Affairs what arrangements have been made for the continued entry of Australian sugar and fruit products to the United Kingdom, in the event of Britain joining the European Economic Community.

The Under-Secretary of State for Foreign and Commonwealth Affairs (Mr. Anthony Royle): I have nothing to add to the statement made on 17th May by my right hon. and learned Friend the Chancellor of the Duchy of Lancaster and to his answer that day to my hon. Friend the Member for Keighley (Miss Joan Hall).

Mr. Farr: I thank my hon. Friend for that reply, but will it not be a consequence of our entering the Common Market that all the imports which we take from Australia at present will have a tariff imposed on them, which will not only be bad for Australia but will have a serious reciprocal effect on our exports to that country, which is our third biggest customer now?

Mr. Royle: My right hon. Friend the Secretary of State has already stressed that Australia's sugar exports will be safeguarded until the International Sugar Agreement is renewed in 1973. The Community has explicitly recognised the risk to trade with third countries through the transitional period and has agreed that it would be the intention of the enlarged Community to take effective measures to avoid any unnecessary disruption.

Sir D. Walker-Smith: Since my hon. Friend the Member for Chelmsford (Mr. St. John-Stevas) has sought to defend the attitude to New Zealand's exports by saying that no trade pattern could be frozen for ever, could my hon. Friend the Under-Secretary of State explain why we are seeking admission to the European Economic Community, which has precisely that purpose and effect?

Mr. Royle: There would be continuing developments in trade after we joined the Community, and there would be discussions between ourselves and the Community on measures to avoid unnecessary disruption; this would be achieved by action through the appropriate institutions of an enlarged Community, both at the level of longer-term policy and at the level of day-to-day management.

[...]

9. **Mr. Deakins** asked the Secretary of State for Foreign and Commonwealth Affairs what further consultations he has had with the European Economic Community about the agreement on sugar from developing Commonwealth countries after 1974, concerning the quantities involved, in view of representations from the Commonwealth countries concerned.

Mr. Anthony Royle: My right hon. and learned Friend the Chancellor of the Duchy of Lancaster reported to the House on his most recent discussions with the European Economic Community on sugar from developing Commonwealth countries in his statement on 9th June. The communiqué published in the OFFICIAL REPORT on 9th June represents the official view of the developing member countries of the Commonwealth Sugar Agreement.

Mr. Deakins: Is it certain that the Six accept and agree with our interpretation of the agreement on Commonwealth sugar?

Mr. Royle: It was arranged at the Lancaster House Conference with the representatives of the Governments of the developing Commonwealth that the communiqué should be presented to the Six at the meeting at Luxembourg. That was done.

Mr. Scott-Hopkins: Does my hon. Friend agree that the communiqué has been written into the report in Luxembourg and is therefore now part of the negotiations and accepted as such? Does he also agree that the Common Market countries are not likely to increase their quota and their manufacture of sugar from beet?

Mr. Royle: It is certainly correct that the communiqué has been written into the record at Luxembourg. The question of beet sugar production in the Community was not affected by the discussions with the developing Commonwealth.

10. **Mr. Moate** asked the Secretary of State for Foreign and Commonwealth Affairs if, as a result of his negotiations, he is now in a position to quantify the dynamic effects on Great Britain's rate of economic growth if Great Britain were to join the European Economic Community.

[...]

Mr. Anthony Royle: I am interested to hear the hon. Gentleman's comments. I agree with him that if we join the European Economic Community growth will come to this country.

Mr. Ridsdale: Is it not a fact that Lord Stokes has advertised fairly freely that there would be a certain amount of growth in the motor car industry if we entered the Common Market?

Mr. Royle: I should have thought that Lord Stokes's comment on behalf of the motor industry would be greeted with pleasure by right hon. and hon. Members on both sides.

Mr. Jay: If the Minister does not know what the economic consequences of joining the E.E.C. will be, why does he go around saying how wonderful they will be?

Mr. Royle: I think the right hon. Gentleman, I am sure quite unwittingly, is not playing quite fair with the House. I did not say – and I think that he knows this – that I did not know what the economic benefits might be. All I have said is that it is not possible to prove that entry will produce particular results. This is different from what might be expected.

11. **Mr. Tilney** asked the Secretary of State for Foreign and Commonwealth Affairs whether, in the discussions on the terms of entry for Great Britain into the Common Market, the possibility of New Zealand either joining the Common Market herself or federating with Great Britain was raised.

Sir Alec Douglas-Home: These matters have not been raised in the present negotiations, nor have they been raised by New Zealand with us.

Mr. Tilney: But since New Zealand is part of British and European civilisation, and since in terms of transport Wellington is nearer London than Edinburgh was at the time of Union, could not arrangements be made in the future for New Zealand, if she so wishes, to join the E.E.C., especially as in 10 years' time an over-populated Europe may be in need of cheap New Zealand food?

Sir Alec Douglas-Home: The New Zealand Government must have thought of this. If they want to make any approaches in the future, of course they would be considered.

Mr. Molloy: Is the right hon. Gentleman aware that very many people in this country share the apprehensions of the New Zealanders about the grave situation they would be in if the present Parliament pitchforked this country into the E.E.C., and that many people believe that in the event of that calamity the latter part of the right hon. Gentleman's title, "Commonwealth Affairs", would become defunct? Many people do not wish that to happen.

Sir Alec Douglas-Home: The hon. Gentleman is expecting calamity. I am not inclined to do that.

12. **Mr. Fell** asked the Secretary of State for Foreign and Commonwealth Affairs what further consultations he has now had with the Foreign Minister of Norway concerning the effect upon the respective countries' fishing fleets of their applications to join the European Economic Community.

[...]

Mr. Clarke: Would my right hon. Friend confirm that the negotiations currently being carried out about New Zealand, although highly important, deal only with the very narrow commercial problem of butter exports to this country and that nothing is being contemplated which would oblige this country to sever its trading links with New Zealand or which would threaten the deep emotional and cultural ties between the two countries, as some anti-European pressure groups are trying to tell the public?

Sir Alec Douglas-Home: Our purpose in the negotiations in the next few days will be to get a fair solution to the New Zealand problem acceptable to everyone, including New Zealand.

Mrs. Hart: Can the right hon. Gentleman say whether the present negotiations, before the publication of the White Paper, will cover the main issues affecting our relations with the developing countries? Can he say whether the negotiations and the White Paper will cover the kind of commodity agreements that we are likely to have with countries depending upon us so much for their trade? Can he also say what form of association is likely to be entered into with those countries which have been offered it and whether it will be in precisely the same form of association as for the Yaoundé countries?

Sir Alec Douglas-Home: I have noted the two points made by the right hon. Lady and I see no reason why they should not be in the White Paper. We will try to include as much information as possible on these points if that is the desire of the Opposition.

28. **Sir R. Turton** asked the Secretary of State for Foreign and Commonwealth Affairs if he will define the extent to which he has agreed, during the recent negotiations with the European Economic Community, to adopt the system of community preferences during the transitional period; and what exceptions to the community preference rule it has been agreed will be permitted to continue after the end of the transitional period.

Mr. Anthony Royle: I would refer my right hon. Friend to the statement by my right hon. and learned Friend the Chancellor of the Duchy of Lancaster on 7th May. Apart from the separate issue of sugar, none of the arrangements so far agreed with the Community extends beyond the end of the five-year transitional period.

Sir R. Turton: That is not a reply to my Question. Is not our correct stand against raising tariff barriers against non-applicant E.F.T.A. countries such as Sweden, Austria and Switzerland an exception from the Community preference rule? Why do we not make a similar stand against erecting new barriers against our Commonwealth partners?

Mr. Royle: I think my right hon. Friend is aware that our E.F.T.A. partners are completely satisfied with the way in which we have conducted the negotiations and our attitude to Community preference. I am sure that right hon. and hon. Members on both sides of the House will remember that this was said when my right hon. and learned Friend the Chancellor of the Duchy of Lancaster attended the E.F.T.A. meeting at Reykjavik last month. On the question of Commonwealth countries, our approach has been not to seek detailed plans in advance to cover all possible contingencies, which would be impossible and, moreover, out of line with the general basis on which the negotiations are being conducted, but to seek from the Community an unequivocal declaration of principle and to make effective and flexible arrangements for implementing it.

Mr. MacLennan: In the absence of an agreed Community policy on sheep, will the importation of sheep products from New Zealand be unaffected by the negotiations save for the common external tariff? Also, are the special interests of the hill farming industry in this country being protected in the current negotiations?

Mr. Royle: We understand that the Community has no intention of going ahead with a sheep meat regulation. It is our intention to do all we can to safeguard the position of the hill farmers.

[...]

The Chancellor of the Duchy of Lancaster (Mr. Geoffrey Rippon): With your permission, Mr. Speaker, and that of the House, I should like to make a statement about the meeting with the European Community which I attended in Luxembourg on 21st and 22nd June. As the House will have seen, this meeting achieved a number of agreements of the very greatest importance. The House will, I hope, bear with me if the length of my statement is in relation to their importance.

The meeting first reached agreement on arrangements for British participation in the main institutions of the Community. Briefly, these arrangements would give this country a place in the institutions equal to that of France, Germany and Italy.

Certain further details, including our participation in the European Court of Justice, remain to be decided, but I think it is already clear that there will be no difficulty in making arrangements which are perfectly satisfactory to us.

We also reached satisfactory agreement on the problems connected with our entry into the European Coal and Steel Community. In the first place, the Community delegation confirmed that they had no intention of calling in question the size or the legal position of the British Steel Corporation or the National Coal Board. We ourselves had never regarded this as a matter for the negotiations. But I was glad to have the Community's statement on the record.

For our part, we have accepted the Treaty of Paris and its implementing legislation and have undertaken to remove incompatibilities between our legislation and practices on the one hand and the Treaty of Paris on the other, either before or at any rate very soon after our accession. As regards transitional measures, it has been agreed that tariffs for steel products covered by the Treaty of Paris would move at the same rate as has been agreed for industrial products generally. We have also secured a transitional period of two years during which we might, if we wished, maintain control over the export within the enlarged Community of certain high grades of scrap.

In return for our access to the reserve funds of the Coal and Steel Community, which amount to about £90 million, we have undertaken to contribute roughly £24 million to the reserve funds of the Coal and Steel Community. This is rather less than would be called for on a strict application of the ratio of the value of our coal and steel production to theirs. The £24 million would be paid in three equal annual instalments, starting from the date of accession. The money would be banked in the United Kingdom and would be used primarily, if not wholly, in this country.

I turn now to arrangements to cover the period which would have to elapse between the signature of an accession treaty providing for our membership of the Communities and the entry into force of the treaty after the completion of processes of ratification here and in the member countries of the Community.

We have agreed with the Community that in this period joint procedures would be established to ensure that decisions taken by the institutions of the Community took due account of the interests of candidates as prospective members, and that consultations would take place before such decisions were taken. It was perfectly reasonable that the Community, on its side, should ask for the same procedures to apply to decisions to be taken by the candidate states which might affect their obligations as prospective members of the Community.

We also raised with the Community the problems of our hill farming areas. They themselves have similar problems and have adopted a variety of methods to deal with them. So they were sympathetic to the needs of farmers in our hill areas and recognised the need for appropriate action in these areas where special

conditions obtain. I am, therefore, satisfied that in the event of entry we should be able to give the continuing assistance needed to maintain the incomes of farmers in the hill areas.

I now turn to New Zealand. The agreement which we reached with the Community in order to provide adequate arrangements for the very special position of New Zealand is a complex one, and I ask the House to bear with me if I set it out in some detail.

First, it was agreed that there would be special arrangements for New Zealand dairy products. Quantitative guarantees have been agreed for the first five years, during which New Zealand would be guaranteed a market for agreed quantities. Butter is, of course, the product of particular importance to New Zealand. The guaranteed quantity of butter would be reduced during the transitional period so that in the fifth year New Zealand would be guaranteed 80 per cent. of present quantities. For cheese, for which New Zealand can in any case expect to continue sales to this country at a reasonable level after our entry, the quantities guaranteed would be reduced to 20 per cent. in the fifth year. The result is that in terms of milk equivalent New Zealand would be assured of selling 71 per cent. of the present quantity even in 1977. The price level would also be guaranteed to New Zealand at the average of that enjoyed here during the years 1969-72. We estimate that this will result in prices to New Zealand substantially higher than the average of recent years.

During this first five-year period, it would be open to the Council of the Community, on which we would, of course, be fully represented in accordance with the agreement on institutions of which I have just told the House, to make adjustments as between guaranteed quantities of butter and of cheese, provided that the tonnage expressed as milk equivalent corresponded to the total quantities approved for the two products for the year in question.

During the third year after our accession, the institutions of the enlarged Community would review the butter situation in the light of the supply and demand position and trends in the major producing and consuming countries of the world, particularly the Community and in New Zealand.

Among the considerations of which account would be taken during this review would be the progress made towards an effective world agreement on milk products and the question of New Zealand's progress towards diversification of its economy and its exports. The Community has undertaken to make every effort to promote the conclusion of an international agreement on dairy products. We have, moreover, agreed that the enlarged Community would undertake to pursue a trade policy which would not frustrate New Zealand's efforts to diversify. Increased earnings by New Zealand in other markets might result. I would interject that this particular element of the agreement is of the greatest importance to New Zealand and has been appreciated by New Zealand Ministers as such.

In the light of this review, the Council of the enlarged Community would decide on suitable measures for ensuring the continuation of the derogation system for New Zealand beyond the end of 1977. This also has been particularly welcomed by New Zealand.

All this means that New Zealand even in 1977, six years hence, would be guaranteed sales of 136,000 tons of butter and at least 15,000 tons of cheese. These are minimum guarantees and she might well sell more. Since we estimate that the price which New Zealand would receive would be substantially above the level of recent years, this would give her the prospect over the five years of total export earnings at or above the level of the level of those which she has enjoyed in our market in recent years.

Taken together, this represents a very satisfactory deal for New Zealand and a very considerable concession by the European Community, the implications of which will not be lost on hon. Members. In the circumstances, it is gratifying, but not surprising, that the New Zealand Prime Minister has commented:

"One of the main requirements from our point of view was that there should be comprehensive and specific criteria to govern the review of the special arrangement when the time came for it to be renewed. The review formula represents a major concession to New Zealand and a result which is highly satisfactory.

"I am confident that we can safeguard New Zealand's interests within the framework of the broad agreement reached between Britain

and the Six. Moreover we shall be on a unique footing in our future dealings with the enlarged Community. No other country will enjoy the same advantages".

I now turn to arrangements for our participation in the Community's budgetary system.

Here the arrangements which we have agreed would provide for a maximum annual contribution to be paid by the United Kingdom in the first 5 years amounting to 8.64 per cent. of the Community's budget in 1973, rising to 18.92 per cent. of the Community's budget in 1977. Before the end of 1977 the Commission would calculate the contribution which the United Kingdom would have made in 1977 had we then applied in full the Community's budgetary system. On the basis of this calculation, a limitation would be applied to our contribution for a further 2 years, namely, 1978 and 1979, to ensure gradual progression to our full final contribution.

The House will want to know how the resulting contributions would compare with the estimates which I gave to hon. Members on 16th December when we made our initial proposals. The estimates of the budget of an enlarged Community have been revised downwards substantially since last year. At that time, it was thought that the budget of an enlarged Community might grow to a figure of \$4,500 million in 1977. However, the butter mountain of which we heard so much at that time has melted, and agricultural prices in the Community have risen very little over the past four years, while world prices have gone on rising. The price gap, and consequently the cost of agricultural support in the Community, have accordingly fallen. The budget is now expected to grow from \$3,300 million in 1973 to \$3,800 million in 1977.

In these circumstances, our net contribution, for it is important to remember that we shall be receiving payments from the Community's budget, would be around £100 million pounds in 1973, rising perhaps to about £200 million pounds in 1977. These compare with £30 million for the first year under the arrangements I explained to the House on 16th December for 1973 and £140-£180 million for 1977.

These sums are important ones. But the House will recognise that the Community has made arrangements which would be very satisfactory to this country on a number of other issues during the meeting which I have just attended, particularly on New Zealand. It is fair and right that this country should, if it joins the Community, play its proper part in all aspects of Community policies and developments.

Finally, the conference discussed fisheries, and I want to make quite clear what the position is. As the House knows, we have put forward a proposition based on two essentials. First, a recognition by the Community of the need for change in the common fisheries policy and secondly a clear indication of what would be necessary as respects access to fishing grounds in particular. We have suggested exclusive fishing up to six miles from existing baselines for vessels genuinely fishing from home ports. This still remains our position.

The Six have now recognised that, in an enlarged Community, the access provisions of the common fisheries policy would have to be reconsidered and this will be the point of departure for the further discussions which will be necessary. It has been agreed that those discussions should be held with the Community at Ministerial level at a meeting in the week beginning 12th July, and that, at our request, the other applicant countries should also be invited in view of the fact that, as the House is well aware, fisheries is also a matter of great importance to them. I know that the House places great emphasis on a firm agreement on limits before reaching a decision, and that is why I have asked for this early meeting. I will then report further to the House.

I would like to pay a particular tribute to the understanding and co-operation with which the Community delegation dealt with these matters and to add a special word of appreciation to the rôle which the Commission played during what were arduous, but what I hope the House will agree, successful negotiations.

There is still plenty of work to be done. We have to reach agreement with the Community on transitional arrangements for our movement to Community policies regarding capital movements, on the European Investment Bank and on the safeguarding of employment in Northern Ireland, on the position of the Channel Islands and the Isle of Man, and of course on fisheries.

But the agreements reached in Luxembourg mean that we have now broken the back of the negotiations. We have been able to progress so far because the Community has demonstrated its political will to see the Community enlarged and to have Britain in as a full member with it.

Mr. Harold Lever: Altogether without prejudice to the judgment of hon. Members of the outcome of the negotiations, I think that we would want to recognise the arduous effort and work put in by the right hon. and learned Gentleman and his team –

Mr. Skinner: Rubbish.

Mr. Russell Kerr: Speak for yourself.

Mr. Lever: I entirely reserve the right of all hon. Members to decide whether champagne or some less agreeable liquid is appropriate.

May I ask the right hon. and learned Gentleman when he proposes to let the House have the White Paper and whether, in drawing up this White Paper, he will see that it is in plain English with a linguistic balance directed towards informing this House and the public fully of the meaning and consequences of the terms of entry?

Could he tell the House something more about New Zealand? We have read reported statements of some concern in New Zealand about the fixing of the price levels. I am anxious that the right hon. and learned Gentleman should tell the House why this particular formula for determining price levels was selected. As to fisheries, will he give some indication of when he hopes the loose ends which plainly exist will be tied up? Can he say whether he expects to be able to announce in good time before any decision is taken rather firmer proposals of what has been agreed here?

Finally, may I return to my plea that the House may be told in a clear manner what it is that the Prime Minister has agreed and what it is that the right hon. and learned Gentleman has agreed about sterling. It seems to be unfortunate that an area of fundamental importance to this country should require illumination, at the moment almost exclusively provided in weekly magazines, rather than from the Prime Minister or the right hon. and learned Gentleman. Could we have a clear statement, either in the White Paper or in some other way, about the detail of the sterling rôle which has been agreed?

Mr. Rippon: I much appreciate what the right hon. Gentleman had to say by way of introduction. As to the White Paper, I cannot give a precise date of publication. Obviously it will be for the convenience of the House that it should be made available as quickly as possible. It is a document which will cover grave and weighty matters, and I am sure that every effort will be made to see that it sets out the implications of the agreements reached and the nature of the terms and the full consequences of them.

Dealing first with the agreement about New Zealand, I think I can fairly say that at the end of two days of arduous negotiation there was only one matter remaining which was of real concern to New Zealand. Throughout the negotiations, I remained in the closest possible contact with the New Zealand Deputy Prime Minister, Mr. Jack Marshall. Indeed, there were long periods of time when we were together inside the conference building. The anxiety about price related to the minimum guarantee spread over a period of years. It is normal in agreements of this type generally to take a representative period of years. The original proposal of the Community was that we should take 1968-69, 1969-70, and 1971-72. In the early years, the price was much lower than it is now, so clearly it is in New Zealand's interest to take the highest level. We are referring to world prices having risen, which is one of the reasons why the shape of the Community budget has changed.

Because of the rise in prices, it is obviously in New Zealand's interests to take the period between 1970-72 rather than 1968-69. We struck out 1968. We could not persuade the Community to strike out 1969. It could be argued that this was at that stage a matter which concerned only the United Kingdom, the Chancellor of

the Exchequer and the housewife. The Community argued that this was a special arrangement, a special trading agreement of a sort not normally concluded with third countries, carrying the matter forward for a long period of time and that it would create a terrible precedent if we took only one real year and two hypothetical years, especially when we were talking of a time when New Zealand prices were rather higher than had been the average in the past three years.

If I might put it this way, because I appreciate that it is a matter of great concern, in 1970-71 New Zealand butter earnings were £52 million. Under the arrangements we have made in 1973 it has a minimum guarantee of £62 million, in 1974 the figure is £60 million and in 1975 it is £57 million. Of course, 1975 is the year of the review, and we worked very hard to get an arrangement whereby the review should come in the third year, when New Zealand will be guaranteed 88 per cent. of her butter exports and 60 per cent. of her cheese exports. Of course, she can sell more. If the world price rises she can get more, but if the world price falls she still has a minimum ceiling.

Mr. Boyd-Carpenter: While re-echoing, perhaps a trifle more emphatically, the congratulations of the right hon. Member for Manchester, Cheetham (Mr. Harold Lever) to my right hon. and learned Friend on his immensely strenuous and skilful work in these complex negotiations, may I ask him, in view of his considerable efforts on behalf of New Zealand, whether he can clarify one point in respect of the arrangements relating to that country? We all hope that at the end of the five-year transitional period a new agreement will be arrived at, but in the event of a failure by the Community to agree as to the future, will my right hon. and learned Friend explain what the position would then be? Would it simply continue indefinitely on the fifth year basis until a further agreement were made, or would all guaranteed entry come to a sudden halt?

Mr. Rippon: There would be no question of guaranteed entry coming to a sudden halt. The whole purpose of the arrangement we have made is to ensure that there will be continuity. The agreement refers to what will happen in the first five years and to the need in the third year to detail the arrangements for the continuing derogation. At that stage we shall have to determine the matter according to the criteria which we have set out in so much detail. I do not think that there is any likelihood of difficulty in that regard.

I apologise to the right hon. Member for Manchester, Cheetham (Mr. Harold Lever) for not having dealt with his two further questions – I was so concerned about New Zealand, about which I know the House feels deeply. He asked about the loose ends and, in particular, fisheries. One reason why I pressed for an early meeting on 12th July was to be able to give the House as soon as possible details about this matter which concerns so many people inside and outside the House. I cannot say exactly what the time-table will be on the other matters, but, of course, we have to clear them up before there is any question of ratification. Some of the details in relation to secondary legislation and other matters will carry over into the autumn, but certainly the House will have the full details of every aspect of the negotiations before any vote is taken.

I am conscious that I manifestly failed to satisfy the House on the last occasion of the adequacy of the arrangements which we have made for sterling. My difficulty is that sterling is not part of the negotiations, except in so far as the harmonisation of capital movements is concerned. We agreed that this would be a matter for discussion. I stated the British position in the negotiating conference and, after the French Minister had said that he accepted it, it was agreeable to the Community as a whole. I do not think I can add anything to the statement I made in Brussels. Although my explanation may have been inadequate, I assure the right hon. Gentleman that it was by accident and not by design.

My right hon. Friend the Prime Minister has explained what we have decided on sterling. As I told the House on the last occasion, we have not entered into any specific commitments in this matter. Whatever is done will be done with good sense, in an orderly way and having regard to the various conditions which have been elaborated – the need to maintain international monetary liquidity, the need to ensure that there is no undue burden on our balance of payments, and the need to protect the interests of existing sterling holders.

Mr. Thorpe: May I, first, congratulate the right hon. and learned Gentleman and his advisers on their skilful

work to date and welcome the success to date in progressing the welcome application made by the previous Government? Will the Chancellor of the Duchy say when he expects the outstanding matters to be resolved? Secondly, accepting the important matters that still have to be resolved, does he agree that the main factors involved are now sufficiently clear that, leaving aside those who do not want to get nearer to the Continent than paddling off Ramsgate and who will, therefore, reject any terms which the right hon. and learned Gentleman may bring back, the time has now come to take the political and economic case to the people of this country and to convince them that the future of this country does not rest with those who believe in isolation but in a larger and united Europe?

Mr. Rippon: To deal first with the matters still to be dealt with in the negotiations, as I said, we shall be considering specially on 12th July the problem of fisheries. We have said that we want to deal in particular with the whole question of access and conservation. Some of the other matters in relation to fisheries, such as marketing arrangements, which are very complex and have to be considered with the other applicants, may take a little longer. We may have another Ministerial meeting at the end of July – that is not entirely precluded. The deputies will go on meeting and progress is being made as rapidly as possible.

I have said that I believe we have broken the back of the negotiations because it is now possible to set before the House and the country a much clearer balance sheet. Obviously, in the negotiations we have been dealing simply with the burdens in relation to the financial contribution and the difficult issues where we had to have special arrangements for ourselves, for third countries, the Commonwealth and others. This has tended to focus attention on only one side of the picture. Now we are able to appreciate very much more the advantages which will accrue to us. I share the right hon. Gentleman's view of what a satisfactory conclusion to these negotiations and the enlargement of the Community would mean, not only to Europe but to this country, the Commonwealth and the whole free world.

Sir R. Turton: Following the question of my right hon. Friend the Member for Kingston-upon-Thames, if at the end of the transitional period Britain wants to exempt from Community preference quantities of Commonwealth sugar or New Zealand butter and the other members do not agree, will one country, for example, France, have the power of veto so that we cannot do it?

Mr. Rippon: As I have indicated before, the position is rather different in the context of sugar and New Zealand. The developing countries of the Commonwealth who are parties to the Commonwealth Sugar Agreement have been offered the broad protection of whatever form of association or trading agreement they may choose to negotiate. Therefore, if we fail to reach any agreement at all on sugar, which is highly improbable, the existing arrangements would continue. The assurance of continuity in general terms for New Zealand has been built into the agreement we have reached with reference to the first five years and the continuing arrangements, and we have provided for a review in 1975 as to the means of doing it in relation to all the criteria which we have agreed between ourselves, the Community and New Zealand. It is not possible to foresee now exactly what the provision would be in terms of quantities and price. We do not know what world market and Community market conditions might be prevailing then. It is provided that after the end of the first transitional period, in 1978, the guarantee should relate to butter. It may still relate to a higher figure than the one we have put in for 1977, because in terms of milk equivalent at 71 per cent. it would be 85 per cent. of the current figure and not the present 80 per cent. What the precise figure would be, I cannot say.

In regard to the arrangements made by the Community for determining these matters, those concerned about British sovereignty have had an interest in saying that matters affecting the vital interests of any country should be the subject of a veto. I think it inconceivable that this would be applied in the case of New Zealand. I imagine that what would happen is that the Community would do with this matter what it does with all problems, and that is to sit down and work out what is the right trade agreement in the precise circumstances of the third year of review.

Mr. Jay: In the case of New Zealand, do not these arrangements amount to this: that in the first five years there will be a 30 per cent. reduction in guaranteed supplies of dairy products, and that after that period there is no firm quantitative guarantee whatever?

Mr. Rippon: As the right hon. Gentleman knows, originally in 1967 no arrangement was made about cheese, but we felt it right – and certainly it helps – to have some guarantee on cheese, albeit that it is phasing out. At the time when the review takes place in 1975, the quantities would be 88 per cent. of butter and 60 per cent. of cheese. These will decrease, but the position of butter will clearly need to be considered again in 1975 in terms of the quantity that will be required. But there is no guarantee of a particular quantity – [HON. MEMBERS: "Oh."] – or for that matter of a particular price, because that falls for negotiation at that time.

Mr. John Mendelson: Why did the right hon. and learned Gentleman not say so in the first place?

Mr. Rippon: I have made it perfectly clear, or I have tried to do so, that the quantity and price of butter in the period after 1977 will fall to be re-negotiated in 1975, according to the criteria of the review which we have established. In the light of the Community's agreement that we are talking about only the first five years and that in 1975 we shall be discussing the measures necessary to continue the derogation, manifestly it would be a breach of that agreement if anybody were to say at that time, "Nothing after 1977".

Mr. Raphael Tuck: France said so.

Mr. Rippon: France has said no such thing. We have reached a fair and honourable agreement with the Community. One of the things that arose from these negotiations was that the Europeans said they wanted to put us to the test of whether we are good Europeans. We have passed that test.

Mr. Orme: Ask France about the period between 1939 and 1945.

Mr. Rippon: I did not put a date on it. I was going to add that we had a test to put to the Community as to whether we could negotiate fair and reasonable terms not just for ourselves but for the Commonwealth. The Community has shown that it is willing to do so.

Mr. Blaker: Is not the New Zealand Government rather pleased with the arrangement my right hon. and learned Friend has made? Would he repeat to the House some of the remarks which have been made by New Zealand Ministers?

Mr. Rippon: I think it is fair to say that the New Zealand Government have welcomed these arrangements. They probably represent one of the best trade arrangements with a third country which have ever been negotiated. Understandably, there was reservation on the part of New Zealand from the point of view of price. New Zealand must in future years reserve its position as to what is the highest minimum price it can negotiate. We think that we have reached a fair arrangement at this time.

Mr. Harold Wilson: Could I ask the right hon. and learned Gentleman to recall the White Paper of February 1970 on estimated costs and benefits, in which there was a wide spread of the estimates of cost because of assumptions which could not then have been clarified? Since many of these matters have been clarified partly by negotiation and partly by the actions of the Six, is he now able to say whether he will be in a position to get a narrower range or a single figure? If he cannot give the figure this afternoon, will he say whether such an estimate is made in the forthcoming White Paper?

Secondly, with regard to New Zealand, it is clear that hon. Members on both sides of the House would still like more clarification arising from the question put by the right hon. Member for Kingston-upon-Thames (Mr. Boyd-Carpenter). Although the whole House recognises that New Zealand has obtained the best terms ever granted by the Six to any third country, the right hon. and learned Gentleman will surely realise that so far as Britain is concerned New Zealand has never been regarded as a third country. Would he recall that on Monday, in an obviously rough set of exchanges, the French were heard to say that the right hon. Gentleman did not understand the Common Market if he wanted to continue permanent arrangements with New Zealand? Have we the right to permanent arrangements with New Zealand if we want them?

Mr. Rippon: Certain comments were made in the course of negotiations on and off the record, but it is clear that the original text of the Community, which was unacceptable to us, has been drastically changed. It is now in a form which is acceptable to us and acceptable to New Zealand, subject only to the question of price. Of course New Zealand is not for us a third country, and we have always had the closest possible trading arrangements with New Zealand. The fact is that under this agreement New Zealand's earnings will be at a far higher average rate than when it was dealing directly with us. In regard to butter, by 1975 minimum earnings would be £57 million, compared with £52 million in 1970-71; and even in 1977, when the figure is down to a minimum of 80 per cent., the figure will be £51 million. We base these quotas on the minimum entitlement of New Zealand in this market, and in recent years that has been higher than the figure of exports to New Zealand. I hope that helps to explain the position to the right hon. Gentleman the Leader of the Opposition.

Mr. Harold Wilson: I do not want to press the right hon. and learned Gentleman unduly, but is he aware that the answers he has given relate entirely to the next three years? I was asking about arrangements after 1977. He did not in any way begin to answer the question I put to him on that period. It is only fair that I should not press him today for an answer if it is difficult, but I hope that he will undertake to see that the points made by a number of right hon. and hon. Members, including myself, are fully answered in the White Paper when it is presented to the House.

Mr. Rippon: Every trading agreement of this kind needs to be renegotiated at a certain point in regard to quantities and price levels. This we have agreed to do. But the principle of continuity is built into the agreement. There will have to be a general agreement between all the parties, but whether they are problems which concern us or any other country or New Zealand, they will be dealt with in exactly the same manner as similar problems are dealt with within the Community as a whole. There is a similarity of treatment in the final analysis in the review procedure as arises in every other case.

To come back to the first question put by the right hon. Gentleman the Leader of the Opposition, of course the 1970 White Paper in the circumstances of that time gave a broad range of possibilities. It will be possible in the forthcoming White Paper to narrow the range. I do not know that one can ever keep to absolutely precise figures in regard to a period so far ahead as 1977, 1978 or even 1980, because the size and shape of the budget will change. When we are in the Community we will have an interest to some extent in changing the size and shape of the budget so that we shall have more to spend on regional and industrial policies which are of interest to us. But within that limitation, I can assure the right hon. Gentleman that we will give in the White Paper as much information as humanly possible both on figures and the effect on balance of payments over the whole range of matters on which we have been negotiating.

Sir D. Walker-Smith: Does my right hon. and learned Friend appreciate that, in spite of his own hard and devoted work, the numerous and prior concessions on matters of major importance have made these negotiations only of marginal effect? While the plaudits of the Marketeers still ring in my right hon. and learned Friend's ears, will he recall the wise and prophetic words of Sir Robert Walpole, "They are ringing their bells now; soon, they will be wringing their hands"?

Mr. Rippon: I appreciate that my right hon. and learned Friend has deep convictions on this matter and that we do not always share the same view about some of the problems. But it is not right to say that there have been numerous and prior concessions. It has not been fully appreciated, though I can say so more firmly now that I have negotiated our contribution to the budget, how many concessions have been made by the Community to us. If I may cite one example, there are the arrangements that we made for a whole range of commodities which we felt were important to British industry and might be at risk if we entered the Community. There are matters of great concern to Canada, Australia and other countries. As a result of our agreements, well over 90 per cent. of all these commodities which come into the country duty-free will continue to come in duty-free after enlargement. That is a substantial concession to our point of view. We have negotiated not only this for New Zealand, but an agreement for all the developing countries of the Commonwealth. We have made, commodity by commodity, in the case of newsprint, plywood, aluminium, lead and bullion, arrangements which affect particular members of the Commonwealth in relation to industrial products, and we have built into the agreement a total comprehensive range of protections during

the transitional arrangement as regards any disruption which might take in trade between us and any third country, including Canada, Australia and the developing Commonwealth. We have an agreement which covers not only sugar, bacon, butter, fruit and vegetables, but one which covers every aspect of trade which might be disrupted as a result of our joining the Community.

Sir G. de Freitas: Is the right hon. and learned Gentleman aware that, as one who represents a steel constituency, I am pleased that he has been able to make the categorical statement that the British Steel Corporation will be left alone? Secondly, does the right hon. and learned Gentleman realise that, as one who is prepared to accept the new terms, so far as I can understand them, I should welcome more details in the White Paper about how the New Zealand transitional arrangements can be made permanent – the right hon. and learned Gentleman's phrase was "the continuation of the system after 1977"?

Mr. Rippon: I appreciate that when one reads a long and detailed statement of this kind it is difficult for anyone to follow all the criteria for the review. They will be set out in the White Paper. They will emphasise that these are arrangements for the first five years, and that measures will be taken to ensure continuity. There is an element of doubt, as there must be, about the nature of the exact agreement concluded in 1975, in the review year. We shall try to set out all these matters as fully as possible.

Mr. Dodds-Parker: May I add my congratulations to my right hon. and learned Friend on the success of the negotiations and ask him, following his penultimate reply, whether he is proposing any special machinery at this stage to help our Commonwealth friends, for whom he has negotiated so much under these arrangements, so that they may take full advantage of them?

Mr. Rippon: As regards the offer of association for the developing countries of the Commonwealth – Africa, the Caribbean, Mauritius, Fiji, Samoa and Tonga – the details of negotiation are for them. They will have a choice as to which form of association or trade agreement they prefer. Therefore, they will deal directly with the Community. Naturally, we shall be glad to do anything that we can do to help in any matter of concern to them.

Sir Myer Galpern: In the event of Great Britain joining the Community, what will be the relationship between the Community and the Isle of Man, the Island of Jersey and the other Channel Islands, and will the right hon. and learned Gentleman ensure that any terms and conditions negotiated on their behalf are fully acceptable to them?

Mr. Rippon: My right hon. Friend the Home Secretary and I have been in touch with representatives of the Channel Islands and the Isle of Man. We have proposed to the Community that what would be most suitable in their case would be a form of association. We have not yet discussed the details, but we want to conclude arrangements which are satisfactory to the Channel Islands and the Isle of Man.

Mr. Wingfield Digby: I wish to ask my right hon. and learned Friend a question about the Community budget. Does he anticipate that as the years go by the returns to this country from the Community budget will increase?

Mr. Rippon: I think so. What is important to us is not simply the gross contribution that we make but the net contribution that we make after allowing for receipts. We have taken a fairly conservative view of receipts, as we must while a large proportion of the budget is devoted to agriculture and where our likely receipts are not high in the early years. But they tend to rise under the present budgetary arrangements. We envisage that the size and shape of the budget will change, and this will determine the position in the later years. Certainly we have a direct interest in ensuring that a proper proportion of the budget goes to regional industrial policies, which are of great importance to us and will be of great benefit to the regions in this country.

Mr. Taverne: Is the right hon. and learned Gentleman aware that most of those who genuinely wanted the negotiations to succeed will regard the outcome as satisfactory and acceptable – [*Interruption.*] – that is, as opposed to those who did not wish them to succeed? Will the right hon. and learned Gentleman make urgent

representations to his right hon. Friend the Chancellor of the Exchequer that the policy for entry will not command wider acceptance unless he reverses the policies to deal with the recession?

Mr. Rippon: Naturally, I accept the first part of the hon. and learned Gentleman's representations. However, I cannot subscribe to the second part. That is not a matter for me. I believe that, as one right hon. Gentleman said, it has been well understood by those who have supported the application – that is to say, if fair terms can be achieved – that Britain's entry would mean a great contribution to the growth of our economy and towards solving the problems which give so much concern to right hon. and hon. Members on both sides of the House.

Mr. Hugh Fraser: I, too, offer congratulations to my right hon. and learned Friend on the outcome of the negotiations, even though it is clear that for New Zealand they are 4 per cent. better than disastrous. May I ask my right hon. and learned Friend for an assurance that this very important matter of sterling will be dealt with in the White Paper, especially as there will have to be a further debate on capital movements, which are important to this whole consideration? Will my right hon. and learned Friend also assure the House that, when the White Paper discussing the broad issues of this country's interests is published, the prospects for growth and of employment as a result of entering the Market will be made clear to the people?

Mr. Rippon: I am sure that my right hon. Friend is right in his third point. This is of great importance. As for his first point about New Zealand, if he reads what I have said in my statement – and it will be set out in the White Paper – I am sure that he will agree that it is an agreement that this House can accept. After all, the New Zealand Government regard it as satisfactory. As for sterling, that only arose in the negotiations in the context of the exchange of statements that we had in Brussels. My right hon. Friends the Prime Minister and the Chancellor of the Exchequer can deal with the additional implications. It will be one of the matters which will be covered in the White Paper.

Mr. Elystan Morgan: In his statement the right hon. and learned Gentleman said that agreement had been reached in order to preserve the labour position in Northern Ireland. Will he tell us whether negotiations were conducted concerning Wales and Scotland and other regions of acute economic difficulty and whether he considers that it would be fair, reasonable and necessary to protect these areas in the same way.

Mr. Rippon: The hon. Gentleman may have misunderstood. We have not yet reached agreement about Northern Ireland. I listed that as a matter still to be settled, but we have put forward proposals which refer to the obligation of continuing the Northern Ireland Employment Act.

Concerning the United Kingdom generally, successive Governments have accepted the principle of the free movement of labour. I do not think that any particular difficulties will arise. The areas of high unemployment will benefit from the growth of industry and the expansion of the market.

Mr. Tapsell: Is it a matter of agreement between Her Majesty's Government and the Governments of the Six that if we enter the European Economic Community we shall be entering an organisation which, in its political form, will, in the foreseeable future, be confederal and not federal?

Mr. Rippon: I believe that the President of the French Republic was right when he said that at this stage of the development of a united Europe talk of confederation or federation was unrealistic. We shall move forward step by step, with realism, harmonising our policies, and in that way we shall see how the Community develops. What it ultimately develops into is not a matter about which we can take a decision today. People vary in their ideas about how fast progress should be. All these matters will be fully within our control when we are inside the Community. A constitutional change of that kind could not take place without the unanimous agreement of all the Members of the Community.

Mr. Mackintosh: In view of the clear help that it has been to the right hon. and learned Gentleman to have the Deputy Prime Minister of New Zealand in Brussels or in Luxembourg to discuss technical difficulties in putting the New Zealand case and ultimately giving his approval to the agreement reached, would it not similarly be a good idea to take a representative group of the leaders of the fishing industry for the

subsequent negotiations? This is somewhat similar in the sense that not only is it a hard matter of fact but a matter of deep inbuilt fears, and to have some of the fishermen there to advise him would be of assistance. It would also prevent the outbreak of a lot of people more keen on fishermen than the fishermen themselves.

Mr. Rippon: I think that many hon. Members have taken the last point. On the substantive suggestion, we must remember that these are intergovernmental negotiations. Grave problems would arise if representatives not only of our industries but of all the industries and communities of the Community and other applicants were present in that building at the same time. It is difficult enough as it is to reach total agreement.

The hon. Gentleman said that the agreement which we had reached was approved by the Deputy Prime Minister of New Zealand. It is important not to commit him in that way. Both he and his Prime Minister have made a number of statements which are on record. I am not entitled to improve or alter them in any way. I quoted what the New Zealand Prime Minister said. Many right hon. and hon. Members will have noted what the New Zealand Prime Minister said about the agreement in general. He reserved his position on the question of price. He would have liked to see a higher minimum price, and that must be understood.

Mr. Braine: My right hon. and learned Friend mentioned the arrangements for Commonwealth commodities. He suggested that the Community had made considerable concessions in this regard. In that context he did not speak of Commonwealth exports of manufactured goods, which are vital to the developing countries. Is he satisfied that, as a result of entry, there will be no adverse effect upon such exports from such countries? Is he also satisfied that the generalised preference arrangements which the Community is introducing on 1st July will be fair to countries like India?

Mr. Rippon: We do not see any difficulties concerning exports of manufactured goods. On the contrary, I think that the Commonwealth will find great advantages in the associations which are being created. It is worth bearing in mind that whereas members of the Community have been greatly increasing their trade with each other, they have also been expanding their trade with the rest of the world, and notably with the Commonwealth. I think that we want to be part of that expansion, too.

The Community has adopted a certain view about generalised preferences and, as we would wish, has included the developing countries of the Commonwealth in this offer. I am sure that this will be found to be satisfactory. My hon. Friend will remember that we pressed the Community, and got agreement, to include Hong Kong among the notable beneficiaries of the new proposals.

Mr. Peter Shore: Noting how quickly the right hon. and learned Gentleman's so-called guarantees crumble in the face of questions, is it not clear that from the beginning to the end of the negotiations he and his colleagues have been out-witted, out-generalled and out-faced? Will he confirm that in the proposals which he has accepted for the financial contribution, in the transitional period alone, Britain is to pay across the balance of payments no less than £1,100 million, which is £400 million more than he put forward and assured the House only three months ago was a fair and equitable contribution?

Mr. Ripponrose –

Mr. Shore: The love-in has to stop some time. Finally, is it not clear that on this occasion, as on others, he has reached agreement only by abandoning essential British and Commonwealth interests?

Mr. Rippon: I am afraid that the right hon. Gentleman is under a misapprehension. He is still thinking in terms of the figures which appeared in the White Paper published by the Government of which he was a member. I assure him that we have carried on these negotiations on exactly the basis – give or take a point or two – which the right hon. Gentleman and his colleagues initiated in 1967.

Mr. Selwyn Gummer: Will my right hon. and learned Friend confirm two points? The first is that he referred throughout to the minimum returns for New Zealand and said that therefore, during the period both of transition and thereafter, New Zealand could expect to sell a good deal more than is in the agreement because of the need for more butter which will arise as the Community becomes a net importer of butter.

Secondly, will he confirm that right hon. and hon. Members on both sides would very much like someone to go as far as to guarantee their incomes at least until 1977?

Mr. Rippon: I hope that in my previous answer I made it clear that the £1,100 million, which was the upper range of the previous Government's White Paper, is superseded and that the details will be set out in the White Paper.

Certainly these are minimum quantities and minimum prices for New Zealand. That is the floor. If, for example, there is a world shortage of butter, then New Zealand could take advantage of meeting that shortage. There was an occasion in the past year when the Community wanted New Zealand butter. This may continue and they may buy it. We are talking of the minimum arrangements for the United Kingdom market. If, on the contrary, there was a surplus, again New Zealand has the minimum and perhaps a higher price than the world price might be. These are minimum arrangements. We hope that there will be opportunities for New Zealand to sell more than these minimum quantities. This also applies to cheese, which was not included in the proposals made by the last Government in 1967.

The position has changed since then, so it is right to have some guarantee, but it is only a minimum. We envisage that the sale of large quantities of New Zealand cheese will continue in this and other markets. There is also the important agreement that we have reached, whereby the Community has undertaken not to frustrate New Zealand's efforts to find other markets, that is to say, to ensure that where there is a surplus in the Community, we would not seek to sell that surplus in any way that was detrimental to New Zealand's efforts to sell in other markets. That is very important.

Several Hon. Members *rose* –

Mr. Speaker: This will have to be the last supplementary question. Mr. Orme.

Mr. Orme: Is the right hon. and learned Gentleman aware that although my right hon. and learned Friend the Member for Lincoln (Mr. Taverne) congratulated him on what he had achieved, many of us on this side of the House believe that the terms that he has brought back are an absolute disaster, and that the love-in that we have seen in the House this afternoon will not exist when they are known to the British people? Will the right hon. and learned Gentleman tell the British people that during the next five years they will have to pay out millions of pounds extra for New Zealand products which now enjoy Commonwealth preference?

Hon. Members: Too long.

Mr. Orme: Will the right hon. and learned Gentleman tell the House and the country when the benefits are supposed to start to flow? There are to be five years of penalties. When will the benefits begin?

Mr. Rippon: They can start only when we join the Community, and I think that they will start then, and be manifest at a very early date. Wise people have said that when one considers the balance sheet of joining the Community or not, and one looks at the cost, it is important to consider the cost of the lost opportunities if we fail to join. The opportunities that will be afforded to British industry if we join the Community are tremendously important to everyone who works and earns his living in British industry. When we begin to harmonise our policies with those of the Community, we must bear in mind that although there may be some problems of harmonisation of food prices, wages, social benefits and pensions in the community, as a result of the growth that those countries have generated, have risen considerably above our own levels. I hope that when the hon. Gentleman puts to his constituents and others some of the difficulties, he will not forget to emphasise the enormous opportunities.

When we talk about the price of butter, let us not confuse it with our sentiment for New Zealand. If people really are concerned that New Zealand should prosper, and that her farmers should get a fair deal, they must not complain if those farmers get a higher price for what they produce.