

## Parliamentary debates in the House of Commons on the revival of European integration (5 July 1956)

**Caption:** In the House of Commons, on 5 July 1956, referring to the efforts being made to bring about a European revival, British MPs debate future relations between the United Kingdom and the Europe of the Six.

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## Parliamentary debates in the House of Commons on the recovery of European integration (5 July 1956)

### COMMON MARKET, WESTERN EUROPE

9.56 p.m.

**Mr Geoffrey Rippon** (Norwich, South): I wish to raise tonight the question of the action which the Government have taken and the attitude which they have adopted in the year which has elapsed since June, 1955, when the foreign Ministers of the six countries of the European Coal and Steel Community — Belgium, France, the Federal Republic of Germany, Italy, Luxembourg and the Netherlands — met at Messina and expressed agreement in principle on the establishment of a common market by stages in Western Europe.

The conference, as the House will be aware, agreed a procedure involving the carrying out of preparatory work and study upon a number of specific questions by an inter-governmental committee prior to the holding of one or more conferences to draw up agreements and arrangements. It was further specifically agreed at Messina that the Government of the United Kingdom, as a member of Western European Union and an associate member of the European Coal and Steel Community, would be invited to participate in these deliberations.

Therefore, the first question which I would ask the Economic Secretary to answer is: when and how that invitation was conveyed to the Government and what was the response? As I understand the position, British experts took part in the earlier discussions but their participation ceased when the inter-governmental committee, which met in Brussels under the chairmanship of M. Spaak, had finished dealing with the technical examination of the problems involved and had come to the drafting of the report.

If that is the case, then the second question arises as to why the Government, while not necessarily committing themselves in any way, could not have continued to participate in the deliberations and to express their preliminary views upon the report, and particularly upon the proposed methods for implementing it.

The fact is that the Spaak committee has now completed its complex and lengthy report and events are moving fast. On 8, 9 and 11 May the Common Assembly of the European Coal and Steel Community met at Strasbourg and adopted, with only one dissentient vote, a resolution going a considerable way towards defining the form of the common market and laying down general lines of policy.

On 29 and 30 May, the Foreign Ministers of the six countries which signed the Messina Resolution met in Venice and agreed — apart from the reservations which they made about the position in regard to overseas territories — to adopt the Spaak report as a basis for negotiation. They further agreed to convene a conference, which opened on 26 June, in Brussels, to draft the necessary treaty.

It is encouraging that at Venice it was decided in keeping with the Messina Resolution that the proposed draft treaties — on Euratom as well as the common market — would contain provision for British participation as well as for participation by other nations. So the door is still open for British participation either as a full or associate member, but the real question remains as to how far it is in our interest and those of the other nations concerned that we should remain on the side line until the treaties have been drafted and signed and we are presented with a *fait accompli*.

It is not just the simple question of deciding in principle whether we are for or against a common market. May it well not be the case that, while a common market in one form might be acceptable, in another it might not?

[...]

**Mr Rippon:** Questions of timing and procedure, of safeguards and exceptions, have all to be considered, as have, indeed, all the questions which were formulated and posed in the main body of the Messina Resolution.

It seems that in the course of the full year which has elapsed since the Messina Conference the Government must have formed a view on the general principle. It must also have considered such questions as, for example, whether a free exchange zone or a customs union is the better system from our point of view; what distinctions ought to be drawn between agricultural and industrial products; or what would be the position of overseas countries linked with member States. Surely these are matters which must be considered and upon which a view must be formed before, and not after, treaties are drawn up and signed.

Consequently, I ask the Economic Secretary when the House can expect to have a statement of the result of the Government's deliberations during the course of the year upon the matter of the common market, a vitally important matter which is at present being debated and thrashed out in the Parliaments and other assemblies in the rest of Europe. No one denies that, in the words used by the Chancellor of the Exchequer the other day, this is 'a very large and difficult question,' but it may well be said that if once we were agreed on the principle, then the difficulties, in a famous phrase, would argue themselves. Indeed, they are being argued now, and there are signs that they are reaching the point of being resolved.

Whatever the complexities and the difficulties are, the issue ultimately boils down to this. Either we want the present or some other common market proposals to succeed, or we do not. If we want them to succeed, surely it is in our own interests and the interests of everybody else that we should play a full and effective part in the preliminary stages. As *The Times* said in a leader on 22 June:

'... if Britain believes that the development of European economic unity (in which she would in considerable measure participate) would be valuable it is better to say so clearly and explicitly than to wait for others to act. An assurance of British collaboration would bring more support to the new movement in the Community countries themselves and would have an important effect on the attitude of the French Assembly, for example.'

There is an indication of that in the newspapers today. *The Times* went on:

'Thus it could be decisive for the success or failure of the venture.'

If, on the other hand, we merely hope that these proposals will come to nothing — I do not for one moment suggest that the Government would take such a negative attitude — it is clear that we may well have to face up very soon to the implications of them succeeding without us. If they succeed without us, then at best we shall be in the position of staying out or coming in on terms which we shall have had no part in negotiating or settling. At the worst, we shall find ourselves excluded altogether from the great reciprocal advantages enjoyed by the participating countries.

I raise the matter tonight not to air my own views on the subject, but to hear those of the Government. However, for my part, I believe that the stability of the Continent of Europe must depend in large measure on our securing larger economic units than have existed in the past, and a common market would, I believe, do much to play a part in a general lowering of tariffs, a breaking down of trade barriers and the promotion of freer trade. Moreover, as *The Times* said on 22 June, the advantages of a common

"... market, in which Britain might participate, speak for themselves."

There remains to be considered — I have left it to the last because it is clearly the most important consideration — what are the implications of the common market proposals for the Commonwealth and the Colonies. It is obviously necessary that there should be full consultation with the Commonwealth on these matters.

[...]

... the implications of these proposals are now being discussed by the Commonwealth Prime Ministers. It is

very important that this House should get its relations with the Commonwealth and with Western Europe, and theirs with us, in the right perspective.

In that respect, I do not think that I can do better than refer to the Guildhall speech of my right hon. Friend the Prime Minister on 30 April, 1948, in which he said:

"We in the United Kingdom are not merely a Power geographically situated on the western edge of Europe. We are also the heart and centre of a great Commonwealth and Empire. For us the welfare of the Commonwealth and Empire must always be the first consideration. That is paramount, not only for reasons of loyalty and sentiment, but because the British Commonwealth is in fact today an indispensable influence for the maintenance of world peace. The question we have to consider, is therefore, is there any fundamental clash between the conception of ourselves as the heart and centre of the British Commonwealth and Empire and the conception of ourselves as a member of a Western European Union. I am convinced that there is not. The dilemma is, in truth, largely an artificial one. I would even go further and would say that under present world conditions we can more acceptably play our part in our relationship with our great partners overseas, and with the Colonial Empire also, if we have succeeded in jointly rebuilding the political and economic life of Western Europe, and in giving to these areas a measure of prosperity and stability and a true feeling of lasting security."

I cannot anticipate tonight, nor, I imagine, can the Economic Secretary, the outcome of the deliberations which are currently taking place between the Commonwealth Prime Ministers, but I would ask my hon. Friend the following specific questions. Can he say what consultations have taken place with the Commonwealth nations through the normal channels in the full year that has elapsed since the Messina Conference? Were they consulted about the invitation extended to the United Kingdom at the conference to join in those deliberations, and, if so, with what result?

Will he not agree, at any rate, that if the Commonwealth nations are, in principle, in favour of British participation in one form or another, it is important that we should play an active part at an early stage and before any treaty is concluded, particularly as it is clear from the reservations which we made at the Venice Conference, on the subject of the way in which overseas territories would be brought into these matters, that there is still plenty of room for manoeuvre there?

Finally, can my hon. Friend give any assurance at all that there will be an early statement of the Government's policy on the common market in the light of the meeting of the Commonwealth Prime Ministers, because, while I think we all recognise the weighty considerations which militate against direct participation in the common market and the complexity of the practical difficulties involved — no one underestimates these — will he not agree that it would be gravely detrimental not only to our own interests, but also to those of the Commonwealth and Empire if we were at any time to find ourselves economically isolated from the rest of Europe?

10.10 p.m.

**Mr Arthur Holt** (Bolton, West):

[...]

I would underline what the hon. Member for Norwich, South (Mr Rippon) has said. I entirely agree with every word he said. I hope that the Government are giving the closest consideration to this matter. It is one of those peculiar subjects on which Free Traders and Protectionists are united. As the world is developing at the moment, huge free-trade markets are arising in Russia, the United States, India and China. There is very little future for little entities with barriers round them of one kind or another.

If Europe is to take any part or have any influence in the world in the future, and if the institutions of civilisation are to go on developing and playing a powerful part in the world, we have to make a step in the direction of greater unity. Many of the suggestions that have been put forward for unity in Europe before have revealed many difficulties for us if we were to participate in them. No doubt there are great difficulties in the idea of the common market.

If the Government feel that they cannot participate in the common market as at present conceived they must,

at an early stage, indicate what they are prepared to do and to what extent they are prepared to co-operate in the kind of thing that is suggested on the Continent. We shall do a grave disservice to European unity if we are not prepared to make suggestions, to back them actively and to get put forward our point of view that we are genuine in the matter and want to move onward. I agree entirely that, although there are difficulties, they are not insuperable in relation to this matter.

Just under 50 per cent. of our trade is done with our Commonwealth and just over 30 per cent. with Europe. If we could find a scheme which would increase further the trade between these two groups at the moment, we should do something which is not only for our benefit but greatly for the benefit of Europe. I hope that, particularly at this moment, while Commonwealth Ministers are here, this matter is receiving the urgent attention of the Conference. I am fortified in the knowledge that the Chancellor of the Exchequer has in the past been a great exponent of increased co-operation in Europe. I hope that the Government will not lag behind in this respect, as they appear to have done in some other European policies, and that we shall receive information at an early date of what their positive policy in this direction is to be.

10.14 p.m.

**Sir Robert Boothby** (Aberdeenshire, East):

[...]

I have a melancholy feeling sometimes that history may repeat itself. We did not participate in the discussion which led to the formation of the European Coal and Steel Community. That was a great pity, and we may still live to rue it. We did not participate in the discussion which led to the E.D.C. The result, I am certain, was the collapse of the E.D.C. altogether, carrying with it great dangers for the unity of the Western world.

Now, are we participating to the necessary extent in the discussions about the common market? I do not know. I have not been very encouraged by the attitude of the Government during the past two years. At Strasbourg we produced a thing called the 'Strasbourg Plan'. It was designed to marry the economic interests of Western Europe and of the dependent and associated territories overseas. It would have set up not only a central investment bank but also a system of secondary preferences which might easily have been worked out. It was dismissed, rejected out of hand; and that was the end of that.

Then we had the Messina Conference, which at least resulted in a representative of Her Majesty's Government going to attend discussions about a common market, but I am not aware that that representative indicated any possible line on which we might associate with the common market in Europe.

I have never liked this conception of a six-Power Europe; it is too small. As the hon. Member for Bolton, West (Mr Holt) has said, we are confronted by Asia, Russia, China, India and, on the other hand, the United States. Those are continental economies of continental scope. In this age of mass production, how can these separate little nations of Europe really hope to survive without really close economic co-ordination? It is not possible. I say that there must be more than six nations participating; it must be Western Europe as a whole, and that can be achieved only on one condition — that we take the lead. If we lay down the terms the Scandinavians will come in, and then, with our overseas territories, we shall have the eminence of an economic unit which can stand on its own feet and face the dollar area on what I might call level terms.

These are terrific matters, and they cannot be discussed in a short Adjournment debate at a quarter past ten at night. This matter is of tremendous importance, and I wish to ask my hon. Friend if we are now in consultation with the committee discussing the possibility of a common market in Europe? What I do not want to see is a draft treaty presented to the Parliaments of the six countries — in the same way as happened about E.D.C. — which we must all either accept or reject. If that happened then, once again, the proposal would fall to the ground. We must tell them on what terms we will come in because, if we take the lead, the proposal will succeed, and if we do not take the lead it will not. If it involves, for the time being, omitting agriculture and horticulture, I say we should go ahead with it, and I believe the other countries will come

along. Let us indicate what we want done if we are to participate. I believe that if they really see that we are prepared to come in and take the lead they will virtually allow us to write our own ticket.

10.17 p.m.

**The Economic Secretary to the Treasury (Sir Edward Boyle):**

[...]

I would say at once to my hon. Friend the Member for East Aberdeenshire (Sir R. Boothby) that I am not in a position tonight to make any announcement about Government policy on this subject. I do not think that anyone would think it other than remarkable if a junior Minister, speaking in an Adjournment debate at twenty minutes past ten, were to make a major policy announcement on one of the most important policy matters that we have before us. We are here dealing in the truest and fullest sense of the word with a major political matter. I always think it very unfortunate that we tend to think of the word 'politics' in the sense of party politics, because this will be a major policy decision which could have very great consequences for Britain, Europe, and indeed for the whole free world.

May I briefly remind the House of what has happened? The present plans for a common market had their origins in a conference held in June, 1955, at Messina by representatives of France, Germany, Italy, Belgium, Holland and Luxembourg. I expect the House will recall the terms of the communiqué issued after the Messina Conference, in which the six countries agreed, in principle, to work towards the establishment of a common market among themselves and to promote certain common action in the sphere of transport and power. They also took the first steps towards the establishment of Euratom, a European organisation for nuclear energy, although I recognise that that question falls outside the scope of this debate.

In calling a special conference in Brussels, under the chairmanship of M. Spaak, to prepare a report to give effect to their plans, the six countries invited observers from certain European institutions, and they also offered a special form of association in their studies to this country. The correspondence was published as a White Paper in July last year. The Secretary of State for Foreign Affairs, in accepting the invitation to take part in those discussions, drew attention to our anxiety that the work of other organisations, notably O.E.E.C., should not be duplicated, and to the fact that there were special difficulties for us, to which I shall refer in a moment, in participation in a common market.

The report of the first Brussels Conference was subsequently presented by M. Spaak to his colleagues in April, 1956. Although our observer had attended the deliberations of M. Spaak's party, the report itself was a matter for the six Governments concerned. It was subsequently considered at a special conference of their foreign Ministers in Venice at the end of May this year, and adopted as a basis for negotiations destined to prepare a treaty to set up a general common market. A further conference met in Brussels on 26 June, again under the chairmanship of M. Spaak, to negotiate the treaty.

These negotiations will take some time to complete, and I must tell the House that my right hon. Friend does not look for any early accomplishment of this treaty; but the report on which it is to be based, which has been made public, I makes quite clear that considerable progress has been made since the original Messina Declaration of May, 1955.

We have not been directly represented, even by an observer, in the later stages of this work, but we have been kept in very close touch with what has gone on. We recently received with very great satisfaction an assurance by M. Spaak that he will be scrupulously careful to keep all interested Governments informed of the work through the medium of the Organisation for European Economic Cooperation. To some extent, I think, that answers the last point put to me by my hon. Friend the Member for East Aberdeenshire. M. Spaak has given us an undertaking, for which we have consistently pressed, that those Governments interested will be kept closely informed through the medium of O.E.E.C., which is an organisation with which we are very closely concerned and of which my right hon. Friend the Chancellor of the Exchequer is chairman.

**Sir R. Boothby:** Does not my hon. Friend think it would be better if we had somebody sitting in rather than relying on O.E.E.C.? I am frightened that the common market will go the same way as did E.D.C.

**Sir E. Boyle:** I realise that, and I intended to finish my speech with two or three sentences dealing with the point. I hope that I shall be able to reassure my hon. Friend about it.

There are, of course, special difficulties for Britain about a common market because of our other commitments. Our commitments are world-wide, linking us, on the one hand, to the Commonwealth and sterling area and, on the other hand, to all countries of O.E.E.C., as well as — although I am not sure that I like to mention it in this company — to all signatories of the General Agreement on Tariffs and Trade. Indeed, for a country only approximately a quarter of whose trade is carried on with Europe, we cannot possibly be unmindful of the wide spread of its interests.

The common market is based on the principle of the gradual abolition of all tariffs within the area and the establishment of a common tariff against all countries outside it. No one would deny the advantages which the countries inside the area should gain — that is to say, a great single market within which industry could be developed to its best economic use, possessed of great bargaining power in its negotiations against outside competition. We realise that completely.

[...]

In our case the changes of policy which we should have to adopt to take part in the project in its present form would certainly not be easy to reconcile with our existing policies and our obligations to the Commonwealth. I am sure there is no need for me to emphasise in this debate the point about Imperial Preference.

Turning to the question of consultation with the Commonwealth, I can assure my hon. Friend the Member for Norwich, South that we have paid close attention to that matter, and we shall certainly do the very best we can to carry the Commonwealth with us at all stages in whatever decision we take. I cannot say much more than that, but I assure him that my right hon. Friend is fully seized of that point.

The House should realise that there are many weighty questions still unresolved, and many difficult features of the common market as at present envisaged. We cannot, at this stage, be sure that the venture will succeed. Some of these features may yet be discarded, but at present it has been suggested that not only should there be a single external tariff, with no internal tariff, but that this should be associated with freedom of movement of labour and of capital. Moreover, the supporters of the common market believe that it will be necessary also to harmonise economic policies, and indeed social policies as well, with the prospect of great pressure towards ever closer integration.

All these are points of very great importance and, as I say, we are very glad indeed that the Messina countries have agreed, through O.E.E.C., to keep us informed of their progress. We sincerely hope that they will be able to develop their ideas in such a way as to benefit all the members of this organisation, and to strengthen rather than to weaken the organisation itself.

I cannot, tonight, go any further in stating the policy of the United Kingdom, but what I should like to say to the House and, indeed to the country generally, is this — because I think it is important on this point to be quite explicit. In making this speech tonight I am quite deliberately — and my right hon. Friend has authorised me to say this — not ruling out any possibilities at all for the future. There is no question at all of the Government having closed their mind on the subject. I am not putting up, as it were, a smoke screen to conceal the fact that the Government have made up their mind in a negative direction, and I would ask the House to believe my sincerity there. We are studying the question, and it is precisely because of its importance, and because so much is involved and may be at stake, that my right hon. Friends do not believe that this decision can be made in a hurry.

In answer to my hon. Friend the Member for East Aberdeenshire I would only say that we do not want to

associate ourselves too closely at this stage and then be open later to a charge of bad faith. We must, first, make the basic political decision. I cannot tonight say how soon my right hon. Friends will be in a position to make a statement to the House. All I can say is that the time is not far ahead when we shall have a Recess. Believe it or not, there are some Ministers, perhaps, who do some amount of work, and even a certain amount of thinking during the Recess, and I know that I am absolutely safe in saying that there is no subject which will more attract the attention of the Government during the months ahead than this.

We fully realise that there is a major policy decision to be made here. We are completely open-minded and will be guided solely by what we conceive to be the proper harmony of the interests of Britain, the interests of the Commonwealth, the interests of Europe and of the free world as a whole.

10.28 p.m.

**Mr John Biggs-Davison** (Chigwell):

[...]

My reason for speaking for just one moment is that I was recently at a Brussels conference — not the Brussels Conference — on the subject of the common market in Europe. I had the opportunity of meeting and conversing with some of the Continental statesmen who are responsible for having prepared this project for a common market based, in the first instance, on the six members of the European Coal and Steel Community. The impression with which I came away was that just as my hon. Friend the Economic Secretary has not closed his mind so those statesmen have not closed their minds either.

They are willing to consider how the project can be improved. Many of them are willing to consider how agriculture can be treated differently from industry — and it should be treated differently — particularly as so many of them are anxious that any kind of economic integration which come about on the Continent of Europe should provide for the participation of Britain — and for the participation of Britain as the centre of the Commonwealth. I believe that the opportunity has recurred for Great Britain to take the leadership of Europe and to form that Europe-Commonwealth combination, perhaps in the spirit of the Strasbourg plan, to which my hon. Friend the Member for East Aberdeenshire (Sir R. Boothby) referred in his remarks.

[...]