

Address given by Michael Stewart (Brighton, 1 October 1969)

Caption: On 1 October 1969, Michael Stewart, British Foreign Secretary, calls for UK accession to the European Economic Community (EEC) at the Labour Party's Annual Congress in Brighton.

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Speech by the Foreign and Commonwealth Secretary the Rt. Hon Michael Stewart, M.P., at the luncheon on Wednesday, 1 October given by the Labour Committee for Europe

It is two and a half years since our Government applied to join the European Communities. For reasons that are quite well known, we have not yet begun negotiations. But now the hopes of starting negotiations have revived and, with the hopes, there has revised also the debate about the desirability of British membership. As was natural the voices of old critics have been raised. I welcome this opportunity for discussion and I say that I believe that the reasons for our going ahead with our application are as valid now as they were in 1967. Indeed I think they have become stronger all the time.

Now I do not believe that it is beyond the capacity of the British people to survive outside the European Communities. I am sure we could. Basically our economic position is stronger now than it was in 1967. The improvement in the structure of our industries, the successes of our regional policy, the growth of agreements that link wage increments to productivity — these and other measures fostered by the Government, by management and by the Trade Unions, have all helped to produce an encouraging rise in productivity per hour: and we see the beginning of that export-led expansion which the British economy requires.

Yet, welcome as this progress is, it is no reason why we should throw away an opportunity for the still faster progress that we want and indeed that we need if we are to fulfil the aspirations of our people for a higher individual standard of life, for better social services and for greater power to help mankind. If we want to get the measure of that opportunity we must notice what has been happening, what is happening, in the countries of the European Economic Community. They enjoy as we do not a vast assured market. Indeed with the possible exception of Japan there is no country of the population and industrial complexity of Britain which does not have access to a far larger market than we in Britain enjoy: and we have to remember that Japan is nearly twice our size. Sometimes our partners in EFTA, Sweden and Switzerland, are quoted as examples on which Britain might pattern her future policies, but we have to remember that they are far smaller and less complex than Britain: they can specialise far more than Britain can: and despite our close friendship and shared democratic traditions, they have a very different foreign and defence policy from ours.

We must notice therefore that while our Gross National Product, our volume of exports and our standard of living are well among the highest in the world, nevertheless our rate of growth in all these vital aspects and in output per man hour, despite the recent increases, our rate of growth in these respects is lower than those of our main competitors. We can be proud of our own skill and vigour but we must not close our eyes to what is happening elsewhere. In the five years 1963 to 1967 income per head in real terms rose by 9% in Britain, but by 14% in the Community as a whole. For the Gross National Product the figures are 12% for Britain and 18% for the Community. Now we must in fairness accept the fact that the nations of the Community started out on a much lower level than we did. But this cannot obscure the other fact that their rate of growth has been faster. We are used to the impressive spectacle of German industrial performance but how many people have absorbed the fact that the French rate of growth during the past ten years in all the respects I have mentioned is significantly superior to ours.

I wonder, too, how many have realised that most German, French, and Belgian workers are not only as well-off today as British workers but their prospects in terms of current trends are better. And this is not only a matter of wages — it happens also in social services and what is called fringe benefits. In all the countries of the Community, workers' paid holidays are longer than in Britain: the average worker in France gets 32 days' paid holiday a year as against an average of between 2 to 3 weeks in Britain. It is quite true their food is dearer, and I shall refer again to this important point, but this does not mean that their standard of living is lower. We are right to be concerned about the cost of living but in the end it is the standard of living that matters — and that economists' phrase, the standard of living, means in reality the amount of food, clothing, housing, comforts or luxuries and leisure which a worker can get in return for a week's work.

This means we find ourselves living next door to a vigorous community increasing in efficiency; and to us, as a nation that has lived by trade, the increasing capacity of the Community to compete in world markets

must be a matter of great concern. I have said and I repeat that we could stand by ourselves, we could abandon the idea of negotiations for entry into the Community: but if we did so we should make the tasks that still face our economy all the harder, as indeed the Prime Minister made plain in his speech yesterday. For while we are certainly making progress, we all know that we have serious tasks before us. Moreover, year by year, the opportunities and advantages on which we had turned our backs would increase.

This is not a matter, as has sometimes been suggested, of concern only to businessmen. Our markets, our standard of life, the efficiency of our industries, these concern all workers and indeed all citizens. For our opportunities to make civilised provision for those of our citizens who for any reason are unable to work, that also depends on our productivity and the efficiency of our industries. At this Labour Party Conference, we are considering "Agenda for a Generation". This Government is resolved to work for a just and egalitarian society, the prospect of dividing a diminishing or even national income more and more fairly is not, I trust, our idea of socialism. It is too limited, too jejune a conception.

One must accept that for the first ten years or so after the war the performance of our continental neighbours could be attributed to the fresh start which followed the wartime destruction of their economies: but this is not an argument that still can be used now that the war lies 24 years behind us. Nor of course do the six countries of the Community owe all their post-war expansion to the sheer fact that the Community was created. But there is no doubt that their confident and continued expansion into the late 1960s is very closely connected with the confidence which a common market creates. It is important that we should have that stimulus. First, in our export trade. The Community is our most important single market. Western Europe and North America provide the best outlets for our fastest growing exports — and in particular for those which depend on investment, research and development on which so much of the future depends. We are right to pride ourselves on the leading part which this country has played in technological advance. We do not want to see our skills wasted for lack of markets. Second, entry to the Community would be a stimulus to investment and the encouragement to businessmen to improve their marketing organisations in Europe. Third, there would be the greater opportunity of technological co-operation which could increase the prosperity of Europe and free it from excessive dependence on the United States.

I have spoken of advantages within our reach if we can enter the Communities. I must now speak of difficulties and problems. I mention first the vital question of food prices, for I am certain that this is one of the main causes of anxiety among those who doubt the wisdom of our entering into negotiations. There will of course be some increase in food prices: and may I say that less scrupulous reporters will pick out this phrase and leave out the rest. I will repeat it for them: there will, of course, be some increase in food prices. There will indeed be increases whether we join the Communities or not. In 1967 when we applied to join the Communities the Government estimated that on the assumptions — uncertain assumptions as we said — that world prices remained at current levels and that the European Economic Community's price levels remained unchanged — on these uncertain assumptions the increase in the cost of food to the consumer might be between 10 and 14% which would mean an increase of 2½ to 3½% in the cost of living — not, of course, (and this is a point which some people either through unawareness or disingenuousness sometimes overlook) — not, of course, in one leap but spread over a transitional period. When we look at that estimate today and at the wild estimates offered by our opponents we must consider this. First, we cannot predict what the future details of the Common Agricultural Policy will be. Many people in the Community think that their prices are too high. A great deal of hard thinking is going on in the Community about agricultural policy. No one knows for certain what the outcome will be except that it is certainly not likely to be an outcome which would make our membership more difficult. The pressures in the Communities for change are not for change in a direction which would be unhelpful to us. Second, there will be negotiations with Britain, there will be ratification, there will be a transitional period; increases would not come overnight. We are talking about movement of prices right on throughout the 1970s. Third, we certainly cannot assume if we look at past experience that food prices would remain static into the 1970s if we were outside the Community.

This means that some of the facts will only become clear as the negotiations proceed and some are bound, in the nature of things, to remain assumptions. But, as the facts become known, then, as the Prime Minister has said, all the information available will be given. Do not be surprised when new estimates are made if they

are less precise than some that have appeared in the press and if they are heavily qualified. Because anyone who tells you he can estimate this sort of thing precisely and without qualification is misleading you.

Beside the question of food prices there is the question of the influence, the effect, on the balance of payments. Here again estimates were published based on certain assumptions; but estimates of this kind must be even more qualified than estimates concerning the cost of living. The Government made it clear that we realised that we must come to terms with the Common Agricultural Policy of the Community, but we also made it clear that the existing arrangements for financing that policy would put an inequitable burden on the United Kingdom. And it was not only that we made it clear. It was recognised by Monsieur Pisani, the former French Minister of Agriculture, in the report he did for the Monnet Committee. It was recognised in the Commission's opinion of 1967, where they said that British acceptance of the existing financial arrangements would, to quote their words, "give rise to a problem of balance in the sharing of financial burdens."

This matter, also, is a problem which, like many others, must be covered in negotiations. Let me emphasise the word negotiations. And if the point I am going to make seems an obvious one, it is important to make it in case there are misconceptions about it. Neither the Government nor the Labour Party nor Parliament has ever said that we would seek to enter the Community on any terms that might be available. In the nature of the case no one could say such a thing. What we do say is that we believe that entry on reasonable terms offers great advantages both to Britain and to those who are now members of the Community. No one, I hope, rejects or resents the arguments of those who rightly point out that there are vital matters both for herself and for the Commonwealth with which Britain must be concerned in the negotiations: this was well understood, I think, in the approach made in 1967. What we do reject is the argument of those who say that we should not even try and that we should announce a firm refusal to negotiate. Because notice what such refusal would mean. It would be the announcement to the world that we would adopt a negative and insular attitude which would be bound to be injurious both to Britain and the world. It would mean that the Community would become more cohesive, that it would become a vast centre of economic power and political influence from which we should be excluded. Nor could we say to ourselves: "Never mind, we shall rely on EFTA and the Commonwealth." The world will not stand still if Britain chooses to be short-sighted. When EFTA was created it avowed as its purpose the wiser economic integration of Europe. Several of its members wish either to enter or associate themselves with the Community and regard our application as a pioneer. If we were to stand back they will judge in their own interests what their approach should be to the Community. Moreover several countries in the Commonwealth and many elsewhere — I could give you a whole list if I had time — have come to terms or are trying to come to terms with the Community; we cannot expect them to desist from this merely because we choose to stand aloof. Nor can we expect that no others will follow their example. The policy we follow is to negotiate in good faith and in good hope. It is not a policy of blind entry. We are resolute applicants; we are in no sense supplicants. But the policy we reject is the policy of blind refusal.

Now Mr. Chairman, I have stressed the economic aspects because of the anxieties over food prices: and I have stressed the importance of looking not merely at the cost of living but at the standard of living. But there is, of course, another cause of opposition or of doubt, that is the fear that entry into the Community injures the political standing of this country. In judging this matter (and here I must ask our friends on the continent to try and enter into the British frame of mind on the subject) we are naturally influenced by the splendid record of our war effort 25 years ago when at one time the Commonwealth stood all alone, and we cannot help being influenced by the fine record of transformation of Empire into Commonwealth which followed. Britain has done much for mankind. But these facts, despite their assured place in history, must not blind us to present realities. We have to recognise today that no state in Western Europe can now exercise by itself all the influence for good which it could exercise as part of a great group working together. In the years immediately after the war the Western European powers saw the need to co-operate among themselves and with the United States in defence against the threat of aggression from the East. That necessity of defence still remains. But if we are now entering on what President Nixon has called "an era of negotiation" then we in Europe shall need to work together in a task more cheerful and no less necessary than that of defence — the task of working for better understanding between ourselves and the nations of Eastern Europe. We cannot do this successfully if we make no effort to co-ordinate our policies. Any one

state in Western Europe if it thinks it lives only to itself and by itself will dread making any agreement with the East for fear of what might follow. The work that we have undertaken recently with our partners in the Western European Union is a good beginning. We need to go further; and the more progress we make the more evident it becomes that political and economic interests are inseparable. You will have seen how the Community jointly defended the interests of all their members in the Kennedy Round Tariff negotiations. They were able to do this because of their combined strength. We must therefore reject the argument of those who say that the enlargement of the E.E.C. is a barrier to understanding with the rest of the world, whether it be the United States or the countries of Eastern Europe.

There should further be greater understanding of the need for a united European approach to the problem of aid to developing countries. In this connection we ought to notice that some Community nations can today afford to contribute to aid and development more generously than we can ourselves in present circumstances.

The Government recognise that with entry into the Community there goes acceptance of the degree of political and economic co-operation which flows from the Treaty of Rome. Indeed we want Britain to play her full part in the future stages of Community development. We fully support our friends in the Community who want to see more democratic control by a European Parliament of activities covered by the Treaty. We do not believe that in this process Britain will be swamped and submerged; we have greater faith in the political genius of our people than that. We believe that if Britain has much to gain from membership, she has also very much to give, and not least in the political field.

If anyone dreads that the political aspect of membership destroys some freedom of action that would otherwise be open to Britain let him remember this. Freedom of action for any nation — that is, its real, not its theoretical power to choose this course of action or that — is not determined merely by willingness or refusal to sign treaties or enter into international obligations. It is greatly determined by the strength and economic vigour of the nation. I do not want to see us in Britain deliberately turn away from the continent in pursuit of a theoretical freedom which, in a world containing the U.S.A., the Soviet Union and a closely knit Western Europe, is a freedom we should never enjoy in practice. We must not throw away the substance in pursuit of the shadow.

We must not forget also how much we have in common with our fellow Europeans, not only in terms of common origins and history but in their approach to modern life. The young, who travel more than any previous rising generation, probably realise this more than the middle-aged. But all of us should remember, whatever generation we come from, how deep are the wounds which Europe has inflicted on herself from lack of unity in the past and how the failure to construct that unity in a civilised fashion has provoked attempts to impose it by military force. The opportunity is now before us — and by us I mean both Britain and her neighbours — to secure for ourselves by common endeavour greater prosperity, greater security, both for ourselves and those in Eastern Europe, and an increasingly civilised and humane way of life. I know the difficulties which lie ahead in negotiation; these are difficulties to be surmounted; to be daunted by them is to reject realism and idealism alike.