

## Speech by George Brown at the Tenth Congress of the Socialist International (Stockholm, 6 May 1966)

**Caption:** On 6 May 1966, the tenth congress of the Socialist International is held in Stockholm. On that occasion, George Brown, British Minister for Economic Affairs, delivers a speech in which he describes the conditions which must be fulfilled so that the United Kingdom might join the European Economic Community (EEC).

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[...]

But what, you will ask, are these conditions, are these interests "essential" and if so are they formidable, can they be negotiated so as to find solutions satisfactory to all parties ?

Let us examine them to see what they really amount to.

The most useful approach especially in this gathering would be to take on one by one the well known five broad considerations set out by Mr. Gaitskell in 1962 at our party conference in Brighton. I will remind you that these are :

First : Safeguards for the trade and other interests of our friends and partners in the Commonwealth ;

Second : Safeguards for our EFTA partners ;

Third : Safeguards for the position of British agriculture ;

Fourth : Freedom to pursue our own foreign policy ;

Fifth : The right to plan our own economy.

These five principles were an apt and succinct view of the general position of the Labour Party at that time. Today, the Labour Government continues to regard these considerations as matters of great importance but we recognise that the problems presented by some of them have become less formidable.

We recognise also that during the past few years much has happened both within and outside the Community to affect the ease or difficulty with which our interests might be cared for.

[...]

First the Commonwealth. It is clear that if Britain were to enter the EEC and apply the common agricultural policy as it now stands, it could have profound effects on the pattern of our imports from New Zealand, Australia and Canada - the heart of the overseas Commonwealth. At present Britain's imports from them are free of duty and many items enjoy a tariff preference over the same products imported from foreign countries. I am sure you will understand the size of the problem, if I remind you that foodstuffs represent 80 % of all New Zealand's exports to Britain, 58 % of all Australian exports to Britain, and about one quarter of Canadian exports to Britain.

Then there are the developing Commonwealth countries in Asia, Africa and the Caribbean. During the 1962 negotiations, the idea was that comprehensive trade agreements might be made with countries in Asia, and that association should be open to countries in Africa and the Caribbean. I see no reason why it should not be possible to reach similar solutions again. As you will know, Britain has recently concluded a free trade area agreement with the Irish Republic. I would not see any difficulty here if the Republic joined the Community at the same time as Britain, as would be the wish of both the Irish and the British Governments. The centre of our Commonwealth problem therefore is the hard core of difficulty for Australia, Canada and, in particular, New Zealand.

Turning now to EFTA, I should like to remind you first of all of the substantial progress the Seven have made since the signature of the Convention in this famous city six years ago. In fact the agreement came into force six years ago almost to the day.

In these six years EFTA has reduced its internal tariffs on industrial goods much more rapidly than

originally envisaged. And the final stage - complete abolition of internal tariffs on industrial goods - will be reached at the end of this year. This is three years ahead of schedule. I look forward with confidence to the further development of the Association as an important and prosperous trading group in its own right and also to the contribution that it can make to European unity. It is appropriate, I think, to remind ourselves that EFTA was formed to facilitate the ultimate unity of Europe - the preamble to the Stockholm Convention makes this clear - and we and our EFTA partners continue to keep this goal before us.

This means of course that the EFTA countries are deeply interested in the prospects for, and possibilities of, membership for some or all of their number. It goes without saying that we should wish to have full and frank discussions with our EFTA partners before any new step was taken.

You may remember that the Labour Party was very concerned about EFTA in 1962. We remain very conscious of EFTA's interests, although I think it is true to say that the difficulties, for example, over the position of the neutral countries of EFTA, are probably less formidable than they seemed in 1962.

However, I do not think that the same can be said about agriculture, with which I should now like to deal.

There are widely held misconceptions about British agriculture - not held, I am sure, by my friends here, but I would like to correct the impression held in some places that British agriculture is a small, unimportant relic that we dust off from time to time to display at the front of our collection whenever it happens to suit our purpose.

The fact is that, although agriculture now accounts for less than 4 % of our working population, it is still one of our major industries. We produce a great deal of food - nearly three times as much as Denmark or two-and-a-half times the output of the Netherlands. Moreover, many of our producers have achieved a high standard of efficiency, which is reflected in the fact that our overall productivity in agriculture has been increasing by about 6 % annually. I think we can also claim that our farmers and farm workers enjoy a standard of living that is more nearly comparable with that of the rest of the economy than is the case in the Community.

Why, then, do we believe that adoption of the EEC's common agricultural policy would pose so much difficulty for us ? I think there are four main reasons.

The first is that in changing over from the British system of agricultural support to the system used in the Community, with all the attendant upheaval and uncertainty, our producers would lose a great deal of the security that their present system guarantees them.

Secondly, there is the matter of prices. It is true that producer prices for most products in the Community promise to be rather higher than our own guaranteed prices. But by far the greatest price increase would be for cereals, and when this is reflected across the livestock sector in the shape of higher-priced animal feeding stuffs, it is apparent that the profitability of such products as pigmeat, poultry, eggs and possibly milk could well suffer a reduction. This would have political and social consequences since these are the products upon which many of our smaller and poorer farmers depend.

Thirdly, there is the effect that these changes would have on our cost of living and balance of payments. Both would constitute substantial burdens. The rise in the cost of living would be especially heavy because our consumers would have to pay, not only for the full cost of producer support at the higher Community prices, but also for the cost of bringing the prices of imported foodstuffs up to the high levels required to protect the internal Community markets.

Finally, as I have already mentioned, there is the problem of third country suppliers. The combined effect of preferences in our market for Community producers and of increased home production of some commodities would react adversely on some of our traditional Commonwealth and other overseas suppliers. New Zealand would probably suffer the most unless special arrangements were agreed for her.

These then are the main problems that the EEC's common agricultural policy would present for us. I do not believe them to be insuperable. Doubts have been expressed in the Community itself on such matters as the high prices of cereals and the cost of disposing of the surpluses that these high prices are likely to encourage. But it will clearly take some hard and patient study if the problems are to be resolved.

One of the points to which we attached importance when in 1962 we came to make up our minds as socialists on the question of British membership of the EEC, was that of continuing to be able to pursue an independent foreign policy. In formulating this criterion we had no thought of seeking to avoid involvement with others, as our record in NATO and in all the European attempts at defence co-operation since 1945 should make clear, nor were we reluctant to play our full part in international life and in international organisations, as the record of the present British Government in the United Nations over the last eighteen months abundantly proves.

Our relations with the rest of the world outside Europe are a matter of fact. Britain is deeply and extensively involved in affairs not only in Europe but throughout the world. It is true that most of our direct colonial responsibilities have diminished, as a result of our own choice and our own efforts, but we retain very real obligations towards the member countries of the Commonwealth and also towards many other traditional friends throughout the world, some of whom continue to turn to Britain as they have long done for help and protection. May I refer to Harold Wilson's recent definition of our position - "We are in Europe. But our influence and power are not, and must not be, confined to Europe".

But this is not true of Britain only. Nor is it true exclusively of those European powers which have until recently governed dependent territories in different parts of the world. If I may return to something I said at the beginning of my speech, we in Europe cannot turn away from the problems of the wider world, created by the need for peace, disarmament and tolerable living standards for many hundreds of millions of people.

My conclusion is that it is not only possible and desirable to look beyond the frontiers of Europe if one is to be a good European : it is essential to do so. We believe that the problems which face all of us today exist on a world scale, and they must be tackled on a world scale, where possible by the countries of Europe acting together. If we thought in Britain that it was necessary to forsake these wider interests and obligations in order to become members of the EEC, this would be a formidable obstacle. But this is surely not the case. The really important problems concern all of us in Europe. I am confident that closer integration in the economic sphere need not prove an impediment to any country's influence or efforts but will help all countries to work more closely together.

Our fifth main concern relates to economic policy and management. The progressive harmonisation of economic policies is bound to impose new disciplines as a corollary of economic partnership. But happily a socialist Britain has much in common with the EEC both in the objectives of economic policy, and in the methods that are employed to promote these objectives. The Community, for example, aims to achieve "...a continuous and balanced expansion, an increased stability, an accelerated raising of the standard of living". I am quoting from Article 2 of the Treaty of Rome. And similar sentiments are expressed in our own national plan. Again Article 104 of the Treaty is very close to our own economic policy objectives. Thus it requires each member State to "pursue the economic policy necessary to ensure equilibrium in its overall balance of payments and to maintain confidence in its currency, while ensuring a high level of employment and the stability of price levels".

A particular concern of ours in 1962 was the ability to plan our economy. Fortunately this does not now appear to pose serious problems for us. There is nothing in the Treaty of Rome which inhibits the approach set out in our own national plan.

There may be certain difficulties in the international monetary field. I would not see the problems as insurmountable, but a good deal of study will be required to work out solutions acceptable to all sides.

[...]

I should like at this stage to correct the impression which seems to have gained ground of late, that the renewed interest shown in Britain in membership of the Common Market, to which I have already referred, is in some way related to our present economic difficulties. This impression, wherever it might be held, is quite wrong. We know full well that the restoration of Britain to economic health is a task for the British Government and the British people. We have already achieved substantial progress, and we shall continue to apply ourselves to the task with determination. Thus there is no question of regarding entry into the Community as offering easy relief to our present difficulties. On the contrary, I regard it as essential, and I am sure the existing members of the Community agree, that if Britain were to enter the Community, it should do so with a healthy economy and a strong balance of payments.

Of course, the attitude of the British people and of the British Government towards membership of the EEC is only half the story. The other half is the attitude of the member countries of the Community. Britain applied for membership once before and was unsuccessful. We should want to be sure on any future occasion that all parties to the negotiations were determined to bring them to a successful conclusion. I cannot, of course, say when or in what circumstances British membership is likely to become the subject of negotiations. We recognise that the members of the EEC have at present a heavy work load of their own. We in Britain shall also be much concerned in the coming months with the far-reaching changes which we are determined to bring about in our own economy. But we are also conscious that, with each year that EFTA and the EEC travel along different roads, the problems of bringing the two organisations together do not become any easier.

I have no doubt that the problems can be resolved provided that goodwill exists on both sides, but much detailed exploration and study is required. While it may be a mistake to expect any early or dramatic developments we intend that no opportunity should be lost for probing and determining the way in which we could move forward so that when the time came, our response could be quick and positive.

We want an expanded EEC, we want to be a member of it and we want to find the basis on which this would be possible. And the Labour Government in Britain, deeply conscious of its responsibilities to the world, is determined to play its full part in bringing about the European unity which is so fundamental to both.