

Statement by Geoffrey Rippon (9 June 1971)

Caption: On 9 June 1971, before the House of Commons, Geoffrey Rippon, Head of the British Delegation during the negotiations for accession to the European Economic Community (EEC), welcomes the progress made in the talks with the Community authorities.

Source: Parliamentary Debates. House of Commons. Official Report. Fourth session of the Forty-Fifth Parliament of the United Kingdom of Great Britain and Northern Ireland. Twentieth year of the reign of her Majesty Queen Elizabeth II. Dir. of publ. Hansard. 1970-71, No 818; fifth series. London: Her Majesty's Stationery Office. "European Economic Community", p. 1043-1046.

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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 7th June.

This meeting recorded agreement on three important matters and made useful progress in discussion of a number of other outstanding questions.

First, exports of sugar from the developing Commonwealth countries. The House will recall that when I reported on the previous Ministerial meeting with the European Community on 17th May I said that the Community had made a proposal regarding the developing Commonwealth countries whose interests are at present covered by the Commonwealth Sugar Agreement. I made it clear then to the Community that Her Majesty's Government would need to consult the other Commonwealth Governments concerned before replying to the Community's proposal. A meeting of the Commonwealth Governments concerned was held accordingly in London on 2nd and 3rd June. I was able to explain to them that the firm assurance which the Community had proposed met their anxieties and interests, and the meeting agreed on a communiqué, which, with permission, I will circulate in the OFFICIAL REPORT. On the basis of the statement included in the communiqué, the Commonwealth representatives agreed to accept the Community's proposal.

I informed the Community accordingly in Luxembourg on 7th June. At the same time, the Community made clear its position regarding imports of sugar from India, which is a party to the Commonwealth Sugar Agreement, and whose interests will be covered under the arrangements agreed earlier for Commonwealth developing countries in Asia.

These exchanges mean that the essential question of sugar from developing Commonwealth countries has been satisfactorily resolved. This represents a very substantial and satisfactory achievement.

Secondly, the House will recall that I reported on 17th May that agreement had been reached on satisfactory arrangements for the continued import of certain important raw materials for British industry. The problem of alumina was the only one left outstanding. This has now been settled. With permission, I will circulate the details in the OFFICIAL REPORT.

The third question on which agreement was reached was monetary matters. The future of sterling is not strictly speaking an issue in the negotiations. The Six have, however, expressed interest in the problems which would arise from the inclusion of a major reserve currency in an enlarged Community progressing towards closer economic and monetary union. We on our side have made clear our readiness to envisage an orderly and gradual reduction of official sterling balances after our accession, but we have also made clear that three conditions would need to be satisfied. First, any proposal would have to be acceptable to official holders of sterling, who would need an alternative reserve asset. Secondly, it should not impose an unacceptable burden on our own resources and balance of payments. Third, it should promote the stability of the international monetary system.

In my statement in Luxembourg I reiterated that we were prepared to envisage an orderly and gradual run-down of official sterling balances after our accession. I undertook that after our accession we should be ready to discuss what measures might be appropriate to achieve a progressive alignment of the external characteristics of, and practices in relation to, sterling with those of other currencies in the Community in the context of progress towards economic and monetary union in the enlarged Community. I said that we were confident that official sterling could be handled in a way which would enable us to take our full part in that progress. I also said that in the meantime we should manage our policies with a view to stabilising the official balances in a way which would be consistent with these longer-term objectives.

The Community took note of my statement with satisfaction and expressed their acceptance of our suggestions about the way in which this matter should be handled. It is, therefore, no longer an issue between us.

In addition to these matters on which agreement was reached on 7th June, I took the opportunity to explain to the Community the very great importance which we attached to a satisfactory agreement regarding fisheries. What we have asked for is a categorical statement that the present common fisheries policy would be modified after enlargement to meet the circumstances and needs of a Community of Ten. In addition we want a clear understanding from the start that there would be adequate protection for our inshore fishing grounds in particular. We have proposed that this could be secured by reserving exclusive fishing rights within six-mile limits — drawn from the base lines that were agreed at the 1964 European Fisheries Convention — together with an establishment clause which would be worked out to ensure that only vessels genuinely based on our ports and fishing from them could operate within these limits.

We consider this to be a safe and reasonable approach given our existing position and that of the Six, who already possess historic fishing rights of one sort or another round our coast line within the six to 12 mile zone. The really important thing to remember is the base lines agreed in 1964 from which the six-mile limit would be drawn, as this means protection of such important areas as the Minches, Moray Firth, Clyde, Cardigan Bay, Morecambe Bay, Solway Firth and the Wash.

The Conference agreed on procedures for considering this question.

Finally, I drew attention to the need to agree on machinery for the new member countries, if they were to join the Communities, to be closely associated with all aspects of Community development and activity in the period, which could cover a number of months, between the signature of an accession treaty and its entry into force. It is clear that all concerned have an interest in making satisfactory provision for this period, since both existing and prospective members of the Community will wish to ensure that the development of the Community's policies during this period will proceed in a manner acceptable to all.

We confirmed that the next meeting with the Community at Ministerial level would take place on 21st to 22nd June.

Mr. Harold Lever: I think the right hon. and learned Gentleman will be aware that while we welcome his reserving the fisheries problem we will treat this as a fairly interim statement and will expect a full report to the House on the further details. In the meantime, will he keep in mind the exchanges yesterday on the question of the six and 12 miles limits as relevant to this problem?

So far as the sterling area is concerned, the right hon. and learned Gentleman has eventually got round to conceding that this will have to be discussed and cleared up before the negotiations can be put out of the way. Though he has done this belatedly, there is very little in his statement which appears to give information to the House about what he really has in mind. May I now ask him what are the suggestions referred to in his statement which he had made about the way in which the matter should be handled and in relation to which the Community took note of his statement with satisfaction? Could the House know what the suggestions were so that it can express its satisfaction or dissatisfaction?

In particular, too, could he tell us what relevance his statement has about his willingness to undertake “an orderly and gradual run-down of sterling balances”? Does this mean that there will be an annual run-down or a run-down at regular intervals in the sterling balances? If so, how does he reconcile that with the condition which he makes that these matters should be dealt with in a way which would “not impose an unacceptable burden on our own resources and balance of payments”? Could we have those points cleared up?

Mr. Rippon: As far as the fisheries policy is concerned, I will, of course, report further in the light of the progress we make in the negotiations.

I think that what I have said about sterling is clear and in line with what we have said before. We have no preconceived ideas. All these matters are for discussion after our accession in the light of developments.