

Report by Edward Heath on the ministerial meeting with the Six (October 1962)

Caption: Following the meeting held in Brussels from 25 to 27 October 1962 between representatives of the United Kingdom and the governments of the Six, Edward Heath, Lord Privy Seal, draws up a report on the progress in the negotiations for British accession to the European Communities.

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Miscellaneous No. 36 (1962)

The United Kingdom and the European Economic Community

Report by the Lord Privy Seal on the meeting
with Ministers of Member States of the
European Economic Community at Brussels from
October 25–27, 1962

*Presented to Parliament by the Lord Privy Seal
by Command of Her Majesty*

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PROGRESS OF THE BRUSSELS NEGOTIATIONS

MINISTERIAL MEETING, OCTOBER 25-27

In a statement made in the House of Commons on July 30 (Hansard, Vol. 664, No. 155, Cols. 34-35) the Lord Privy Seal undertook to issue a public statement after each Ministerial meeting in the negotiations between the United Kingdom and the member Governments of the European Economic Community which took place when the House was not sitting.

2. Accounts of earlier Ministerial meetings in August and October have been published as Cmnd. 1805 and Cmnd. 1838. The following is an account of the Ministerial meeting held in Brussels on October 25, 26 and 27.

British Agriculture

3. Discussion of British agriculture related to the arrangements to be made for transition from the present British system of agricultural support to the system which will be in force in the enlarged Community when the Common Market stage is reached.

4. The British Delegation had already explained to the Members of the Community that, while the United Kingdom recognised that at the end of the transitional period the present British system of deficiency payments would have to have been replaced by the arrangements agreed for the Community as a whole, the aim must be to make the transition as smooth as possible and adequate time should therefore be allowed for it. The Lord Privy Seal had put to his colleagues that the United Kingdom's arrangements for commodity subsidies should be continued during this period of transition, but that the level of British market prices should be progressively adjusted so that, by the end of the period, these prices would be harmonised with those of the Community as a whole. This, together with adjustments in the prices guaranteed to the producer, would ensure that by the end of the period of transition the commodity subsidies would have disappeared.

5. The Chairman, stating the view of the Members of the Community, said that, while they recognised that the transition should be gradual, they thought that if it were carried out in the manner suggested this would give rise to difficulties within the enlarged Community. In particular they considered that British farmers would for a time be receiving certain guarantees not received by the farmers of the Community. The Community therefore wished to make a counter-proposal. This was that the system of guaranteed prices should be replaced, at the moment of United Kingdom accession to the Community, by a system of consumer subsidies when justified and, in exceptional cases, by producer subsidies. These subsidies should themselves be phased out by the end of the transitional period which the Community had agreed for themselves, namely by December 31, 1969.

6. The Lord Privy Seal said that this counter-proposal would involve serious problems. He pointed out, furthermore, that the Community had allowed themselves a transitional period of 7½ years; their counter-proposal would leave the United Kingdom with a transitional period of uncertain

length, but one which would in any event be less than that the present members of the Community would enjoy. It was difficult to see how in some cases a period as short as 7½ years could be justified, particularly since the United Kingdom would have to make changes in its agricultural system in moving towards that of the Community of a wider ranging character than those which were being required of any of the present Member States. The Lord Privy Seal sought clarification of the Community's view that the British proposal would create difficulties within the enlarged Community.

7. In the exchange of views which followed the position of both sides was further explained, but it was not possible to reach agreement. It was therefore decided that Ministers should consider the problem further and resume the discussion at a subsequent meeting. In the meanwhile any Delegation would be free to raise technical questions for clarification at meetings of the Deputies.

New Zealand

8. The French Foreign Minister informed the Conference, with reference to the Ministerial meeting of August 1-5 that, in his understanding, the statements made about New Zealand from the Chair on that occasion did not mean either that France was committed on the principle, without knowing the method of application of that principle, or that she was committed on the methods given the uncertainty in which France still found herself on the principle.

Association

9. Ministers held a restricted meeting to exchange views on the Association of overseas countries. The delegations of the Community gave an account of the further progress which had been made in the negotiation of the trade and financial provisions of the new Association Convention at a meeting in Brussels on October 23-24.

10. The Lord Privy Seal then referred to the problems raised by the decision of some Commonwealth countries not to avail themselves of the opportunity to associate with the Community, and suggested that these problems should be solved in such a way as to limit damage to the trade of the Commonwealth countries in question and at the same time safeguard the interests of both the existing associated countries and Commonwealth countries and territories which may wish to associate with the Community. The Members of the Community undertook to consider these remarks and give reactions at a subsequent meeting of Ministers.

India, Pakistan and Ceylon

11. Agreement was reached on the text of a declaration which would be made by the United Kingdom and the Community stating their intention, if the United Kingdom joined the Community, to open negotiations with India and Pakistan within three months of accession.

12. The Members of the Community said that they were not prepared to agree to any suspension in the application of the Common External Tariff on textiles which had been provisionally agreed in August. For the rest, the Members of the Community saw great difficulty in making

any substantial adjustments in the rate of application of the tariff. Nevertheless they did not exclude the possibility that, when the Conference came to examine the agreements as a whole, some adjustments might be made for administrative reasons.

13. There was further discussion of the points left unsettled in the provisional agreement reached on August 2. The Members of the Community proposed certain reductions or suspensions of the common external tariff on a number of items. These proposals will be discussed further at a future meeting of Ministers.

British requests for nil duties

14. The British requests for nil duties on aluminium and newsprint were discussed. No agreement was reached and discussion will be taken up again at a later meeting. The Members of the Community were not in a position to discuss the British requests for nil duties on other materials.

Future Programme

15. As had already been arranged, the next meeting of Ministers will begin in Brussels on November 15.