

EMBARGO: 14.6.1976  
19hrs.

EXTRACTS FROM A SPEECH BY THE RIGHT HON. SIR CHRISTOPHER SOAMES,  
VICE-PRESIDENT OF THE COMMISSION OF THE EUROPEAN COMMUNITIES,  
BEFORE THE EUROPEAN-ATLANTIC GROUP, MONDAY JUNE 14TH 1976.

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SOAMES ATTACKS IMPORT CONTROLS.

Let me assure you that we in Britain cannot have the influence and effect which we should have upon the development of the Community's policies, both internal and external, nor can we hope to defend our essential interests around the world, unless and until we have recovered our economic strength and stability.

For the moment we have been given a breathing-space. A measure of wage restraint is being accepted by the Trade Unions. Our international financial partners - including the main countries of the Community - are joining with us to prevent a further irrational depreciation of the pound. But these things are not enough in themselves - they are means to an end. Britain is buying time - or, perhaps more accurately, we are being lent the money with which to buy time. We have to use that time to good effect - and that means using it to get to the roots of the British problem by improving our competitive position which at present leaves so much to be desired in so many areas.

We all know what this means - more investment, better management, more incentive, a less restrictive attitude on the shop floor. Let me tell you what it does not mean. Britain's industrial competitiveness cannot be restored but can only be further impeded if we hearken to the siren advocates of import control.

Of course there are bound to be pressures for protection in a period of recession like that we have been passing through, which have given rise to our unacceptable level of unemployment. But Britain has no alternative but to succeed as an industrial and trading society, holding her own in her home market and winning and holding markets all around the world. A more acceptable level of employment can only be recovered and sustained upon a sound industrial base. And you can't get this by pulling up the draw-bridge. For how on earth are we - who are so dependent upon international trade - to achieve this by insulating our industry from international competition?

The plain fact is that import controls are bad news not only for the trader and for all who gain their living by industry, but also for the housewife. One man's import is another man's export, and higher barriers to trade mean higher prices in the shops - most of all in the country which restricts its imports.

And worse - if one of the major industrial countries were now to break the line against protectionism there would not only be the evident risk of retaliation. There is also the risk of the contagion spreading to other countries whose successful resistance to pressures from their industry or their unions would be condemned by protectionist pressures abroad.

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