



*European Communities  
Commission  
Press Release*

*20 Kensington Palace Gardens  
London W8 4QQ  
Telephone: 01-727 8090*

May 13, 1975

The Rt. Hon. George Thomson, Member of the Commission for Regional Affairs, today sent the following message to the Labour Campaign for Europe :

THE COMMISSION AND BRITISH LEYLAND

I hope the referendum choice will be made by voters on the basis of facts and not of fiction. It is fiction for the anti-marketeers to assert that the European Commission has secret plans in its pigeon-hole in Brussels to veto the Government's proposals for British Leyland or for dealing with the future of the steel industry. The British Government has flatly stated that none of its policies for fighting unemployment are put at risk by Community membership.

Indeed it is the Government's own plan for rescuing British Leyland which would be frustrated if Britain were to pull out. A major premise of the Ryder Report is that British Leyland must use Government help to increase its share of the key European market. For example the aim is for British truck sales to go up from 1% to 5% of the Community market. But if Britain came out of the Community it would face a tariff on trucks of 22% instead of tariff free entry. Even if some kind of free trade agreement were negotiated it would face other restrictions - and the need to comply with Community decisions about the level of Government help - in which Britain would have had no say.

What the anti-marketeers ignore is that it is in the best interest of British workers that we should agree rules about subsidies with our Community neighbours. The Treaty already makes it clear that Governments have every right to nationalise industries and to take vigorous action to help regions and industries in difficulty. But it does provide a watch-dog to protect against mutually destructive subsidising of exports.

I cannot imagine anything worse for British Leyland than the outbreak in Europe of a mutual subsidy war in the car industry in which the vastly greater resources of the Governments of West Germany and France and the comparable resources of Italy were used to boost exports of Volkswagen, Renault or Fiat at Britain's expense.

When it comes to British Leyland and Europe the anti-marketeers are like a manager of a boxer who insists on his man taking on an oponent who is heavier and fitter with one hand tied behind his back and without any rules. It is surely in our own interest that the Community should have rules and practices to ensure that healthy public investment for growth is accompanied by fair play. Of course the Commission like any referee of a boxing match expects to get barracked from the crowd but I never knew a boxing fan who felt the sport would be better for having no rules and no referee. One final point: the political decisions behind the rules are always made by the elected ministers of the national governments. The Commission's job is to ensure that the political will of the Governments to cooperate is carried out.