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BRITISH APPLICATION TO JOIN EUROPEAN COMMUNITIES

Text of statement by the Rt. Hon. George Brown, M.P., Secretary of State for Foreign Affairs, at the meeting of the Council of the Western European Union, The Hague, on July 4, 1967.

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Mr. Chairman, the United Kingdom has applied to become a member of the three European Communities -- the European Economic Community, the European Coal and Steel Community, and EURATOM. I have been charged by Her Majesty's Government in the United Kingdom to make clear to the member Governments of the Communities the reasons for our application and its consequences as we see them.

We in Britain are conscious that this is a decisive moment in our history. The issue will shape our future for generations to come.

We believe the same is true for Europe as a whole. And we believe that the present opportunity may not easily come again. Unless Europe is united and strengthened she will not be able to meet the challenge of the world today. And we must all of us meet it, or Europe will drift further and further into the margin of events. None of us, I believe, envisages a role of that sort as being commensurate with the skills and wealth and wisdom of our continent. The world as a whole too would surely be the loser. European civilization has given so much to it in the past. It has so much still to give.

The European Communities are developing on an economic base. But we in Britain, no less than the present members of the Communities, do not see the issues only in economic terms. The balance of economic advantage for us is a fine one. Some of the most decisive considerations for us have been political.

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Together we now have the possibility of gradually building up between us a true unity of purpose and action. But political power, and the ability to assert a European influence on events, must grow out of economic strength. That is why we have laid particular emphasis in our approach to this question on the technological aspects.

An integrated market and continuing progress towards economic union, the removal of national barriers which at present obstruct European industry from reaching its full potential, and the consequent development of technological enterprises on a truly Continental scale -- these are urgent requirements. I believe there is a close meeting of minds between us on these objectives. We are none of us big enough as individual countries to provide all the resources for development and research for which the sophisticated products of our times call with mounting insistence. Too often we have watched the enterprise and inventive genius of our scientists and technicians failing to attain their rightful fulfilment. The rewards go elsewhere, to those countries which can offer the vital element of a large enough market.

Britain's entry into the Communities would do much to redress the balance. In the preliminary discussions which the Prime Minister and I had with you earlier this year we found wide recognition that this was a common problem and one which we could contribute a lot to solve. In particular, our contribution in nuclear development for peaceful uses, in computers and in aircraft, should greatly strengthen the Community.

Of course there is some scope for progress through bilateral cooperation -- for example with projects where respective governments control the purchasing programs. But the field here is limited. In the commercial field, and it is the greater part of the field, let us have no illusions, there is no alternative for Europe to the development of a larger commercial market in which Europe-wide industries and companies can freely operate without tariff or other barriers. This alone will allow effective technological development. Britain's entry would bring the Communities within sight of attaining a market of three hundred million people -- a population greater than either that of the United States or the Soviet Union. This, combined with our skills and research knowledge, would united be an extremely powerful unit. If we do not unite, then I believe that the 1970's will find Western Europe producing the conventional equipment of the 1960's and being forced to look outside Europe for the advanced equipment of the 1970's. But if we can achieve this unity, we can be confident that Europe will maintain a commanding position in the increasingly competitive markets of the world, with all that that implies, for the welfare and standard of living of our own peoples, and for our contribution to world development.

But, as I say, we are aiming at something far more than material prosperity. We see this leading to a greater political purpose for Western Europe. And if that purpose is to be realized, Britain must share it. We want, as soon as we can, to develop really effective political unity with our fellow West Europeans.

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The advantages for all of us of this unity will reach far wider than Western Europe itself. We see this as a major step towards a reconciliation and a revival in that larger Europe which has remained too long divided between East and West. We see this unity as enabling us all to bring a powerful influence to bear in other fields -- in the Western Alliance and in the world as a whole. We see it too as enabling us all to contribute more effectively to the needs of the developing world. We see it, in short, as power for peace.

The need becomes more urgent with every year that passes. As successive crises have arisen in one part of the world or another we have, I believe, all felt increasingly that Europe has not played the part it could and should. Europe has made a remarkable recovery since the war, but we must now look to greater unity for the additional strength which will enable Europe to play its full part in the future.

Similarly, the economic problems of the developing world grow heavier every day. We are each providing substantial aid already. But we cannot say that we are doing enough. The requirement here, no less than in the political field, is for the common approach which a united Europe could provide.

Britain now asks to join you. We share your objectives. We want to link our efforts with yours. So do other European countries. We are convinced that this is the right road forward.

Fears have been expressed that there would be some radical alterations in that nature of your Communities if we and other European countries were now to enter them. There will of course be changes. But they will be changes of dimension -- a larger Community, a more powerful and more influential Europe. None of us should have anything to fear here -- for this whole concept of size is, as I have explained, the essential element of that unity we aspire to. And above all that unity requires a common purpose and outlook, and a will to work together. We have already given assurances about this, and what I have to say today will confirm them. The fundamentals of the Communities will remain unaffected, for we shall be accepting precisely the same Treaty aims and obligations in letter and spirit as yourselves. We aim to create with you a unity, which will be all the greater because it will be built on the rich diversity of achievements and characteristics of European peoples who share a common purpose and a common resolve for peace.

I have set out, in brief, the reasons for Britain's application to join the Communities. The processes of argument and debate in Britain which led to our decision were long and arduous. The issues have been carefully weighed in full realization of what is at stake. The massive vote which the Government received in the British House of Commons on 10th May in support of its application is the result.

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We seek to reduce the area of negotiations to the minimum. Much useful preliminary work was in fact done in the series of discussions which the Prime Minister and I had with your Governments earlier this year. These discussions isolated the major issues and pointed to ways of resolving them.

We want to keep the negotiations as short as possible so that we can start work with you in the Communities at an early date.

I now turn from the reasons for our application to the issues to be dealt with in the course of negotiations.

I begin with the Treaties. They, and particularly the treaty establishing the European Economic Community, are the pillars of the Community structure. We accept all three treaties, subject only to the adjustments which are required to provide for the accession of a new member, for example our participation and voting in the Communities' institutions, and our contribution to its financial expenditure. I shall come in a moment to the particular issues on which we seek satisfaction but let me say at once that, subject to this, Her Majesty's Government accept without reserve all the aims and objectives of the three treaties and will implement them.

I will go further. We recognize that the Community is a dynamic organization which has already evolved and will continue to evolve. If it is to be true to the spirit of the treaties which established it, the Community's institutions will develop and its activities will extend to wider fields beyond the activities covered by the existing provisions of the treaties. We believe that Europe can emerge as a Community expressing its own point of view and exercising influence in the world affairs, not only in the commercial and economic but also in the political and defense fields. We shall play our full part in this process. Indeed it is the realization of this European potential which has, above all, aroused our desire to join the Communities. As a member we shall accept whatever responsibilities the evolving Community may decide to assume and we shall join as eagerly as other members in creating new opportunities for the expression of European unity.

The questions to be settled before our entry are few.

It has been generally recognized that all of us, you no less than we, will need a transitional period or periods to permit mutual adaptation to the circumstances of an enlarged Community. I would like to propose, following your example at the outset of the Community's life, that the first year of the transitional period should be a standstill period. We see mutual advantage in following the example which you set in 1958.

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There would be the further advantage that it could give other members of the European Free Trade Association seeking membership of, or association with, the Community time to conclude their negotiations. If, in the event, any of these EFTA countries, or the Irish Republic, were, by the end of that twelve-month period, in sight of, or at least well advanced towards, agreement, I am confident that we could agree together on the obvious consequences for the tariff treatment we extend to them.

In the case of EURATOM we seek nothing more than this twelve-month initial period. In the case of the European Coal and Steel Community we seek only a limited period of transition. Thereafter we are prepared fully to implement these two treaties and all the arrangements made under them.

There is nothing in our law and practice which is irreconcilable with Community requirements. Many of the necessary adaptations could be made immediately following on a twelve-months standstill. In other cases, we shall be able to adapt our arrangements with very little delay; but some of the changes which we shall be called on to make, particularly in the field of agriculture, will be very considerable and an adequate period of adaptation will be needed. You needed it yourselves. What the period should be will be a matter for discussion with you.

So much for transitional periods, which are clearly something which you will want just as much as we in order to allow adaptations to take place over a reasonable period of time.

I now turn to certain other questions which we are convinced it is in our common interest to discuss together and resolve, beginning with those which I wish to raise in the field of agriculture.

First, there is the question of an annual review. When the Community and Britain negotiated in 1962, the Community readily agreed that it would be in the common interest that existing procedures should be developed to ensure that the Commission and the Council of Ministers were each year fully and accurately informed of the agricultural situation and prospects in the Community before taking decisions on the levels of common prices; and that these procedures should provide for taking effectively into account the views of the agricultural industry throughout the Community. A procedure for an annual agricultural review held in conjunction with the producer organizations could, we believe, contribute materially to the smooth running and effectiveness of the Common Agricultural Policy.

Secondly, there is milk. Here our aim is quite simple: that the Community arrangements should ensure that we have adequate supplies of liquid milk to meet demand for consumption throughout the year. I am sure you will recognize that, in conformity with the aims of the Treaty, we must be able to offer our consumers a continued assurance of supplies. We believe that this can be done without upsetting present Community arrangements.

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For pig meat and eggs, we should wish to see support arrangements to ensure adequate market stability in the enlarged Community.

As regards the financing of the Common Agricultural Policy, on which we had most useful discussions with all the six Governments and with the Commission earlier this year, I think it is recognized that the existing financial arrangements would put an inequitable burden on the United Kingdom. But those for the period after 1969 will necessarily be affected by our entry into the Community. We shall look forward to taking part as a full member of the Community in the negotiation of the agricultural finance arrangements for the period after the end of 1969, including the question of the aid which, in common with the members of the Community, we give to farmers in areas where there are special difficulties, for example in our case the hill farmers.

There are two main questions which arise in relation both to Commonwealth interests and to agriculture: sugar and New Zealand.

For sugar, as you know, we have an agreement with Commonwealth sugar producers which runs until the end of 1974. Your own transitional arrangements are due to expire six months later. The commitment we have under the Commonwealth Sugar Agreement is a contract which we must fulfil. We believe that the sugar exported to Britain under the Commonwealth Sugar Agreement can be accommodated within a reasonable production quota under existing Community arrangements, and without departure from the precedents which you have set for yourselves. We have also to look to the longer-term interests of the developing countries and territories, many of whose economies are overwhelmingly dependent on their exports of sugar and we believe that it is in the Community's longer-term interest that we should do so. In due course, we shall wish to discuss with you how these interests can be safeguarded in the longer term.

Turning to New Zealand: in 1962, and again when the Prime Minister and I visited the capitals of the Community countries in the first months of this year, we found general recognition that her case was of an altogether special kind, and should be treated by the Community as such. I do not believe that this should present the Community with problems which we cannot resolve together. New Zealand's economy largely depends on her trade in butter, cheese and lamb. Because of the size of the British market for dairy produce, we believe that provisions for exports of butter and cheese from New Zealand would in no way be inconsistent with substantial benefits accruing to other members of a wider Community; and we shall need to discuss such provisions with you. In the case of cheese it may be found that in practice there will be little or no problem. But we could turn out to be wrong about this. So we shall ask you to agree to a review procedure to enable action to be taken if it is necessary.

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For butter, more precise provision will have to be made. I am confident that in discussions together we can find a constructive and realistic solution. Community farmers have a strong interest with New Zealand in wishing to see the level of butter consumption maintained in Europe.

I now turn to the remaining questions relating to the Commonwealth.

During the 1961-63 negotiations between the Community and Britain it was provisionally agreed that, with one or two exceptions, association under Part Four of the Treaty of Rome would be appropriate for our dependent territories. We trust that you would still agree that for these territories this is the best arrangement. We should discuss together the position of any dependent territories for which association is not appropriate.

It was also provisionally agreed during the 1961-63 negotiations that association under what was later negotiated as the Yaoundé Convention should be open to independent Commonwealth countries in Africa and the Caribbean. The Community subsequently repeated this offer in the Declaration of Intent issued by the Council of Ministers of the Community in July, 1963 -- a declaration of intent which was in no way dependent on Britain's becoming a member of the Community. I trust that we can quickly confirm that the alternatives contemplated in this declaration will be open to independent Commonwealth countries in Africa and in the Caribbean.

I realize that the Yaoundé Convention is due to expire in May, 1969. It would scarcely be practicable for the Commonwealth countries in question to negotiate accession to the present Yaoundé Convention. I therefore suggest that these countries should be allowed to continue their present trading arrangements with Britain until new arrangements come into force after the expiry of the Yaoundé Convention in the negotiation of which it should be open to them to take part.

Agreement was also reached in principle in the 1961-63 negotiations that there should be certain trading arrangements for developing independent Commonwealth countries for whom association was not thought appropriate. We hope it will be possible to revive that agreement.

Another aspect of Community development to which we referred in our preliminary talks with your Governments was capital movements. I believe the discussions we then had about this were particularly useful. We fully accept the obligations of membership of the Community in this field, subject only to a transitional period during which we would by stages bring our policies into line with yours.

During our preliminary talks we referred to the problem of the possible leak of portfolio investment from the United Kingdom into

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third countries, particularly into North America. We have given further consideration to this problem and we would propose, if it proves necessary, to take action to deal with it ourselves, after consulting you as provided for in Article 70(2) of the Treaty.

So far as tariffs are concerned we shall be prepared to accept the Common External Tariff as it will stand after the "Kennedy Round" reductions have been made. We shall of course also need to discuss how our tariff structure will be adjusted to that of the Community within the period of adjustment to which I have referred earlier.

There will be a limited number of other points which will need to be considered. The points of this kind which we have in mind at present include our accession to the agreements associating Greece and Turkey with the Community, and certain matters affecting the harmonization of laws in the agricultural and food field: we think that most of these could be settled after we join the Community.

In all other fields we accept, as I have already made clear, the obligations of the Treaty establishing the European Economic Community and the regulations, directives and other decisions taken under it, subject only to a transitional period and, of course, to developments in the Community in the meantime.

I recognize that the Member States of the Community on their side may wish to propose other questions for consideration during our negotiations. We shall of course be perfectly ready to discuss these questions. I would only add this. I have set out fully and frankly the issues which we believe will require attention in negotiations to provide for our entry into the European Communities. Our list is not a formidable one. More than ever we hold to our view that it presents no questions to which an answer cannot reasonably be found in our common interest. I hope that, when the Community comes to respond, it will be as full and frank as I have been and will mention in full any additional points which you think should occupy the negotiations ahead. We shall then, between us, have a complete view at the outset of the task which faces us.

I will not make any suggestions at this stage about the procedures we might adopt for the conduct of those negotiations. I am sure that we shall be able to fall in with whatever is proposed.

It only remains for me to say that the British Government and those who will be responsible for the conduct of our negotiations with the Community will spare no effort to bring them to a successful and speedy conclusion. We are confident that you will do no less. It will be a negotiation, certainly, but with a difference. The wider interests of Europe must prevail. Europe as a whole can gain, or lose, from our endeavors. And Europe, already, is all of us.

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This application is therefore not just a matter of economics and politics. The history and culture of our continent is the birth-right of us all. We have all contributed to it and we all share in it. Our application flows from the historical development of our continent, from the sentiments which, as Europeans, we all share and from the idea we all have of the part our continent should play in the world. Today the European spirit flows strongly in the movement towards a greater unity. Surely it is in the interests of all our countries that Britain should make her full contribution to this unity. With Britain as a member of the Community, Europe will be enabled to play a greater role in terms of power and influence, and to contribute in far greater measure not only to the development of her own potential but to that of the world as a whole.

The opportunity is now before us to take a decisive step towards this greater unity. I have pledged the full determination of my country to succeed in this task. History, I am sure, will judge us all harshly if we fail in this endeavor.

I hope that the statement which I have made to you this afternoon will help the Community in its consideration of our application and enable negotiations to open as soon as the opinion of the Commission has been given in September. I am therefore conveying formally the text of my statement to you, Herr Brandt, as Chairman of the single Council of Ministers of the European Communities. I shall also convey copies to the President of the Commission. I am also arranging for the text to be made public in the United Kingdom.

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