

## Parliamentary debates in the House of Commons (2-13 February 1970)

**Caption:** In a speech to British MPs on 10 February 1970, British Prime Minister, Harold Wilson, presents a White Paper giving a point by point analysis of the likely consequences of British accession to the European Economic Community (EEC).

**Source:** Parliamentary Debates. House of Commons. Official Report. Fourth session of the Forty-Fourth Parliament of the United Kingdom of Great Britain and Northern Ireland. Eighteenth year of the reign of her Majesty Queen Elizabeth II. Dir. of publ. Hansard. 1969-1970, No 795; fifth series. London: His Majesty's Stationery Office. "European Communities (White Paper)", p. 1080-1084.

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[...]

### European Communities (White Paper)

**The Prime Minister (Mr. Harold Wilson)** : With permission, Mr. Speaker, I should like to make a statement on the White Paper laid before Parliament today, and now in the Vote Office.

While this, as I have already told the House, deals exclusively with the economic assessment of the cost of British entry to the Communities, on a wide range of assumptions, hon. Members will no doubt wish to study it against the background of the four White Papers published in 1967, dealing with the decision of 2nd May to make application, and the basis of that application ; with the legal and constitutional issues ; and with the matters relating to the common agricultural policy. The fourth White Paper was the statement of the then Foreign Secretary at the meeting of the Council of Western European Union in July, 1967.

The structure and content of today's White Paper follow the pattern I outlined at Brighton last autumn and announced to Parliament soon after. The estimates and assessments made in 1967 have been recalculated on the basis of more up-to-date information, and they cover, in particular, agriculture, the balance of trade in industrial goods, invisibles and capital movements, and the consequences for each of these which entry into the Communities might have for us, and, in particular, for our balance of payments.

The House will see that the White Paper also sets out the potential implications of membership for the development of our industry, and concludes with an overall economic assessment of the theoretical range of possible costs, in both balance of payments and resource terms, which membership of the Communities could involve.

I have indicated to the House on a number of occasions the difficulties arising from the wide range of assumptions which must be made. Before saying a word about them I should make it clear that, for reasons the House will understand, the calculations do not allow for what we would hope to achieve in the course of the negotiations, whether in terms of quantities and costs, or in terms of periods for transition and adjustment.

The assumptions that have been made relate in the first instance to the common agricultural policy, and as far as possible reflect the most recent decisions of E.E.C. Ministers : in particular, the summit meeting at The Hague on 1st and 2nd December last year, and the meeting of the Council of Ministers of the Communities ending on 22nd December. Even now we do not have a complete picture of the future shape of the Community's agricultural policy.

Clearly, we had to wait for the outcome of these meetings, as I have told the House more than once, and this was why my earlier hope of being able to lay the White Paper before Christmas was not realised.

But the House will recognise that this is a continuing process. The Ministers of the Six met last Thursday, Friday and Saturday, when the White Paper was already in print, and there will be further meetings which may necessitate revision of the estimates.

Even if this were not so, the House will understand that many of the estimates must be highly speculative. There must, for example, be a wide margin of error arising from any calculations which may be made about the response of British agriculture and industry to changes in prices and tariff levels whose effects cannot be fully felt for a number of years. Hon. Members will realise what margin of error this involves both in the calculations of the agricultural cost, and its wider implications in industrial, commercial and financial matters.

Given the assumptions, we have sought to present, within an inevitably wide range, as full and objective an account of the position on agriculture as is possible. We have, however, found it very difficult to present any

meaningful estimates about invisible earnings and capital movements : still more difficult to make any about the long-term industrial consequences, described in the White Paper as the " dynamic effect " of entry, though here many hon. Members will have studied the report made by the Confederation of British Industry and published by it a few weeks ago.

We have not found it possible to set out figures in quantifying these industrial consequences. It is right that those who are engaged in industry and trade, to whom would fall the responsibility of taking the thousands of day-by-day decisions which entry into the Communities would entail, should judge-as hon. Members will seek to judge-to what extent membership would give industry more opportunity for successful enterprise and expansion.

The White Paper also makes no attempt to estimate the cost to Britain of remaining outside the Communities, if the final result of the negotiations were to produce terms and conditions which the Government, and Parliament, were to regard as unacceptable.

Again, the White Paper does not attempt to deal with the political arguments for entry into the Communities, beyond recalling what was said on this issue in the 1967 White Papers.

Hon. Members will wish to study this document, which I must say right away is lengthy, detailed and heavy going. I am sure, however, that most hon. Members, whatever their views on the issue of British entry, will accept that the figures have been calculated in a completely objective and neutral way. My right hon. Friend the Leader of the House will be arranging for talks through the usual channels for a full parliamentary debate-

**Mr. Dickens :** And a vote.

**The Prime Minister :** -after hon. Members have had adequate time to study the White Paper, and to study the public comment which the White Paper will no doubt generate both in Britain and overseas.

Today is not the time to attempt to draw conclusions in terms of policy from the White Paper. Britain's application for membership has been made and that is not in question. The Governments of the Six have made clear their intention that negotiations will begin in the summer. Until the outcome of those negotiations is known, neither the Government nor Parliament will be in a position to take final decisions. The negotiations will take place against the background of Britain's economic progress, and particularly of the improvement in our balance of payments and in the strength of sterling. Not only this House but the world outside recognises the sharp contrast of our position today with our position both in 1967 and in the previous negotiations from 1961 to 1963.

These facts create a situation in which Government and Parliament can take their decisions in full confidence that on fair terms we can stand and profit by the far more competitive situation that entry into the Market implies. But equally they create a situation which leaves no one in doubt that should the negotiations not lead to acceptable terms for entry, Britain is and will be strong enough to stand on her own feet outside. This was the target-a position of strength-I set for our economic policies when the House debated these matters in 1967.

The question of entry, what I have called the final decision, does not arise on this White Paper, nor indeed in the debate, which will follow. It is in the light of the negotiations which are due to begin in the near future that this decision must be taken. The Government and the House, of course, will recognise that political as well as economic factors are involved. If, when the decision is to be taken, the disadvantages for Britain appear excessive in relation to the benefits for Britain which would flow from British entry, the Government clearly would not propose to Parliament that we should enter the Communities. If, on the other hand, the costs, after negotiations, appear acceptable in relation to the benefits, the Government will recommend entry.

The Government will enter into negotiations resolutely, in good faith, mindful both of British interests and

of the advantages of success in the negotiations to all the members of an enlarged community. We have made clear that if the negotiations produce acceptable conditions for British entry we believe that this will be advantageous for Britain, for Europe, and for Europe's voice in the world. Equally, we have made clear that if the conditions which emerge from the negotiations are in the Government's view not acceptable, we can rely on our own strength outside the Communities. But I repeat what I have said on a number of occasions in the House and outside that this outcome—a failure of the negotiations—would involve a cost for Britain, a cost for Europe, and a diminution of Europe's influence in world affairs.

**Mr. Heath :** May I thank the Prime Minister for his statement and also for the publication of the White Paper? The Prime Minister has reaffirmed the Government's intention of entering into negotiations and that no decision can be reached until the results of those are known. I do not therefore propose to question him about this White Paper this afternoon. It appears to be a substantial document and we on this side of the House would obviously like to consider it carefully in preparation for the debate in the House.

I have no doubt, as the Prime Minister has said, that there will always be a sustained debate in the country. I would ask the Prime Minister whether he would agree with the hope which I would like to express, that those on whom the public rely to a large extent for guidance in these matters should fairly express the pros and cons of the options set out in the White Paper, as well as the political considerations, which will be taken into account?

**The Prime Minister :** I would like to thank the right hon. Gentleman for his opening words and to welcome what he said just before he sat down. It is important that this issue should be judged on its merits by all concerned. I expressed the view before the White Paper was published that it would provide adequate pabulum, both for those who oppose entry, who will regard it as confirming their worst fears, and for those who support entry, who will regard it as confirming their best hopes.

It is important that in presenting this document—and all of us here have a responsibility, regardless of the side that we may take on the policy issue—to see that the facts and figures set out therein, even over a wide range of assumptions, are fairly put to the people as a whole.

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