

## Reply by Harold Wilson to the press conference by President de Gaulle (London, 29 November 1967)

**Caption:** On 29 November 1967, commenting on the veto on British accession repeated two days earlier by General de Gaulle during a press conference in Paris, Harold Wilson, British Prime Minister refutes each of the arguments put forward by opponents of the United Kingdom's accession to the European Communities.

**Source:** Western European Union Assembly-General Affairs Committee: A retrospective view of the political year in Europe 1967. March 1968. Paris: Western European Union Assembly-General Affairs Committee. "Reply by Harold Wilson to the press conference by President de Gaulle on the occasion of a Press Gallery luncheon at the House of Commons (29 November 1967)", p. 154-157.

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[...]

1. It was said that it was contradictory to propose the opening without delay of negotiations with the Six while declaring our willingness to accept all the provisions and regulations governing the Community. If we accept those clauses in advance, what is there to negotiate about?

I quote the Treaty of Rome. Article 237 provides that “any European State may apply to become a member of the Community. It shall address its application to the Council, which, after obtaining the opinion of the Commission, shall give a unanimous decision thereon. The conditions of admission and the adjustments to this treaty necessitated by it shall be the subject of an agreement between the member States and the applicant State.”

This speaks for itself, since any agreement has to be negotiated.

2. It was said that the report of the Brussels Commission showed that the Common Market was incompatible with the economy of Britain in a number of respects.

Did the Commission recommend, or did they not recommend, that “negotiations should be opened in the most appropriate form with the States which have applied for membership”?

3. It was said as proof of this incompatibility, that Britain’s chronic balance of payments deficit proved the permanent disequilibrium of her economy.

What was France’s balance of payments disequilibrium in the two years after she signed the Treaty of Rome? Without going into the unprofitable question of what our balance of payments would have been this year but for the Middle East, have the French Government not seen that the international staffs of the IMF and OECD strongly support the view that the decisions we have taken offer a firm prospect of transforming our balance of payments within twelve months?

4. It was said that the British economy was incompatible because of its “sources of supply, credit practices, and conditions of work”.

On sources of supply and channels of trade, we have stated that we accept the Treaty of Rome. And the present members of the Community, acting under that treaty, have themselves accepted the Yaoundé Convention, which ensures that developing countries with whom France and others had long-standing trading — and indeed political — connections, should be able to trade freely with the Community. We have made it clear that we should expect to follow this precedent.

5. This brings me to the references to our credit practices.

I am not clear what the reference here is. But if the French President is referring to the working of the City of London and considers, perhaps, that our arrangements for financing industry on the free market of the City of London are not in accordance with the doctrines of the Treaty of Rome, I feel it right to point out that it is the French credit system, not ours, which controls the allocation of specially favourable credit, industry by industry, in accordance with the priorities laid down by the Commissariat du Plan.

6. In the same sentence there was a reference to our “conditions du travail”.

If the French President was referring to recent strikes in Britain, let me say I deplore these as profoundly as General de Gaulle no doubt deplores strikes in his own country. But, to put this into perspective, let me also point out that in 1966 Britain lost, through industrial disputes, for every 1,000 persons employed, 180 man-days — too many — against 240 in France. Figures to be published

tomorrow show that for the five years, 1962-66, our figure was 230 against a French figure of 322.

For both of us the figures are too high. We must both of us do better.

7. It was said that the Common Market was incompatible with the way in which we fed ourselves, with our agriculture “subsidised to the hilt” — those were the words.

Let us show at least an elementary knowledge of the facts. Both agricultures — ours and that of the Community — are substantially supported and look for their extra returns both to the taxpayer and the consumer. But in the Community the support is more from enhanced prices to the consumer than from the taxpayer.

In my statement to the House on 2nd May, I made it clear, as I had done before, that we had to recognise that the Community’s agricultural policy was an integral part of the Community and that we must come to terms with it. And we recognised, too, that it would involve far-reaching changes in the structure of British agriculture.

The points we had in mind to discuss with the Six were spelt out in the Foreign Secretary’s statement to the Western European Union, Command Paper 3345, of which for greater accuracy a copy was given to the French Government.

8. It was said that we could never really accept the “crushing” levies laid down under the Common Market’s financial regulation for agriculture.

Again, I quote what I said in the House in announcing our application — and the same thought was repeated in Command Paper No. 3345. These financial arrangements “would, if applied to Britain as they now stand, involve an inequitable sharing of the financial cost and impose on our balance of payments an additional burden which we should not in fairness be asked to carry”.

But the point that the automatic acceptance of a mathematical formula of calculating contributions could involve inequitable burdens was strongly pressed, not by us, but by Germany in May 1966, and a solution was found. Is the French Government really saying that no solution could be found for Britain, particularly as Britain’s accession would certainly lead to an increase in France’s net income from the fund?

9. It was said that the Common Market was incompatible with British restrictions on capital movements abroad as compared with the freedom of such movements among the Six.

Again, we have made clear that we fully accept the obligations of Community membership in this field, subject only to a transitional period during which we would by stages bring our policies into line with those of the Community.

But I would add that freedom of direct capital movement within the enlarged Community is essential to secure our aim of a European-wide industrial and technological base, and to give reality to the concept for which we, and others, are pressing of the European Company.

If we are to build up, as we must, the industrial independence of Europe, the first call on the capital arising in Europe from the thrift of Europe’s citizens must be for that purpose and for the needs of the underdeveloped world, and not diverted for gain to Manhattan, for the purpose of fertilising American technological development at a time when we need that capital in Europe to close the gap.

10. It was said that the Common Market was incompatible with the state of sterling, as devaluation has again demonstrated.

Did not France devalue? And is it not a fact that Mr. Couve de Murville’s carefully worded statement at Luxembourg earlier this month was widely interpreted in Europe, and further afield, as a call for devaluation

of the pound?

11. Critical reference was also made to the international loans required by Britain before, and concurrently with, devaluation.

International financial facilities were freely offered by the IMF, including France, as a means of ensuring international stability in financial and trading arrangements. We have made clear that the financial facilities provided on and since 18th November are a means of seeing the devaluation operation through with a minimum of disturbance to the world and ensuring that there is sufficient backing while the effects of devaluation are working themselves through the economy.

Perhaps I should have added that there have been some disturbances since 18th November. In France you have a free press. There were a lot of rumours in that press, mostly highly inaccurate, and we well understand the reluctance of the French to stop the publication of these misleading and somewhat unsettling rumours.

12. It was said that membership of the Common Market was incompatible with the state of sterling because of its character as an international currency and the encumbrance of the vast sterling balances.

Is the General prepared to respond to the Chancellor of the Exchequer's offer to discuss on a European basis all aspects of the international position of sterling, including the possibility of a European currency?

As to the "encumbrance of the vast sterling balances", Britain had no sterling balance problem before the war. It was originally created during the war. It was part of the enduring cost which Britain incurred in the fight to make Europe free. It was in fact part of the price we had to pay for those historic days to which General de Gaulle has frequently, and indeed movingly, referred — the days when Free France and Britain fought together.

13. We were told that any attempt to impose British entry would lead to the break up of a Community whose rules would not bear such a "monumental exception".

It is not Britain whose policy on such basic questions as foreign affairs, defence, and international monetary policy is the "monumental exception" to the general European consensus on these questions. Nor is it Britain which is now rejecting the article of the Treaty of Rome which provides that "any European State may apply to become a member of the Community".

14. To start negotiations now for British entry, so it was said, "would be for the Six to consent in advance to all the artifices, delays and make-believe which would tend to conceal the destruction of an edifice built with so much effort and amid such hopes".

This is based on a static conception of Europe when, unless all of us in Europe move quickly, we, as Europe, will fall behind. It is a laboured analogy of a European train slowed up by adding more coaches. What it fails to see is that a European train, for which Britain and other countries would provide additional motive force, could be much more powerful; and would also continue to move along the track which will lead to our common objective of a united Europe.

I have tried to make clear to all our friends in Europe, including our friends in Paris, that those who rely on a static concept in a rapidly moving world are themselves moving backwards. We want to join, with all those in Europe who are forward-looking, in a determined move forward.

15. We were told that a negotiation with Britain would not be the way to ensure that Europe was not "dependent on a foreign economic, monetary and political system" and that Europe should be a "counter-weight to the immense power of the United States".

What matters here is not words but action. Such action as the creation of the European technology for which

I called in my Guildhall speech. But while Britain is prepared to take an initiative in this field in advance of negotiations, that initiative will become a reality in terms of European industrial independence, only if we in Europe are ready to take all the steps necessary to create a single European industrial market.

16. Our attention was drawn to the coincidence between the American deficit in their balance of payments and the total of American investments in Western Europe; and that France “wishes this abuse to be ended”.

We are not going to solve our problems in Europe by attacks on one another’s balance of payments or on the balance of payments of the United States. Beggar-my-neighbour policies are not the answer. And if we were to embark on them — any of us — we should find that not all the cards are held on this side of the Atlantic.

What we have to do is to build up a vigorous and independent European industry.

Computers? Britain has opted for independence and we are now in an aggressive posture to enter the European market. Other countries in Europe have sold out to the Americans.

Aero-engines? Britain, together with our European partners, can lead the field. But only if those partners, particularly France, will take the same independent line. This means no agreement with Pratt and Whitney but with Rolls-Royce. End of commercial.

Atomic energy? We in Europe, again, can lead the world, but not if our partners insist on tying themselves to American know-how which we in Europe, if we work together, can do without. Time and time again we have run into trouble in Europe because French atomic energy insists on drawing on American know-how when we have the know-how to beat the world.

Nuclear fuel? Using the know-how of Britain, as well as that of our European partners, could make Europe both competitive and independent.

[...]

Source: Central Office of Information, London.