

## 'The European bargain, at home and abroad' from The Guardian (12 December 1974)

**Caption:** On 12 December 1974, commenting on the outcome of the Paris Summit of 9 and 10 December, British daily newspaper The Guardian analyses the difficult position of Harold Wilson, British Prime Minister, who must renegotiate with his partners the conditions for the United Kingdom's accession to the European Communities while making sure he does not endanger the outcome of the national referendum on whether the country should remain in the Communities.

**Source:** The Guardian. 12.12.1974. Manchester.

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## The European bargain, at home and abroad

The Paris summit meeting has been more constructive than its predecessors. Perhaps the proposal to drop the word summit has been beneficial. Or perhaps the instinct to cling together in an increasingly bleak and troubled world is blurring the edges of the member states' determination to have their own ways. Yet in spite of their more workaday appearance, these meetings of heads of government in the next year will continue to be as dramatised as *The Ring*. Paris produced histrionics, not in the grand manner of de Gaulle and Macmillan, but of grand guignol, more suited to the personalities of the present incumbents of the Elysee and Number Ten. Did it produce anything of greater substance?

In Britain the most discussed item will be renegotiation, and in particular the formula, worked out with such ostentatious pain, to deal with grievances about the size of our contribution and prospective contributions to the European budget. Whether this ought to be the most important item seems doubtful. It is true, of course, that the eight other countries are taking it seriously because they realise that other issues about which they care will be affected by the happiness or otherwise of the British negotiating team — issues like the use of the veto, direct elections to the European assembly, and progress towards a closer economic union. Even on the simple internationalist issue of a lesser use of passports they would doubtless welcome a more forthcoming British attitude.

In the world of Community horse-trading all such subjects hang together, so the British preoccupation with our budget obligation will be placed high on mental agendas. Yet in the real world the living standards of ordinary people in Britain will probably be affected more by the discussion in Paris about whether Germany, economically the strongest partner, can lead the rest in a cooperative effort to avoid world slump, bringing the United States along with it. The signs on that subject by the German Chancellor were encouraging, and so was the impression he brought back from Washington. Somewhat less encouraging was the discussion on how to deal with the international oil crisis, but the outcome will not really be clear until after the meeting of the French and American Presidents in Martinique.

### The three levels

What is going to make judgment of the developing drama of British renegotiation so difficult is that each scene will have to be considered at three levels. One is the level of the real world, and in that we will doubtless be shrewdly served by the Prime Minister, who still commands one of the keenest financial and administrative minds in the country, and by the Foreign Secretary, who can negotiate with persistence laced with charm. Mr Wilson and Mr Callaghan may be relied upon to get the best bargain on such matters as the budgetary contribution as is available.

But they operate also at a second level — that of the Labour Party, whose official fiction is that everyone favours renegotiation, while the truth is that most party members and almost all the leading figures are in their hearts either convinced getters-out or enthusiastic stayers-in.

Mr Wilson has committed himself so deeply to party unity as the overriding issue that everything he does will be judged, at home and abroad, with that knowledge in the front of everyone's minds.

And the second slides into the third level, for Mr Wilson undoubtedly enjoys the Walter Mitty role which party necessity has thrust upon him. The sedulously peddled icy retort which the Prime Minister gave to the French President, his black-as-thunder aspect during the delayed luncheon, and the dramatic turn for the better between the early and late evening television news bulletins — all these, alas, will be matched again and again in the months ahead. Batman and Robin indeed.

What is depressing about the central position our budgetary contribution will have is that it almost accepts that Britain's position as the poor man of Western Europe will be maintained throughout the decade. The calculation that by 1980 we shall be paying 24 per cent of the budget although representing only 14 per cent of the Community's gross national product seems to accept the inevitability of our poor economic performance. One of the purposes of the transitional period was to give Britain time to build up the

economic benefits of membership before we had to meet the full obligations. A series of events has conspired to thwart that purpose so far: the oil crisis, our industrial difficulties, culminating in the disaster of the three-day week, and the country's new political feverishness, particularly its unwillingness — thanks to lack of commitment by Labour's leadership — to face up to the European opportunities.

### **Cost and advantage**

It is psychologically disastrous that Europe should be discussed only in terms of costs. The transitional arrangements make the calculations difficult, but it has been estimated that this year, with 16 per cent of the Community's GP, we would have paid 22 per cent of the budget if we were already full members. It is right that Mr Wilson and Mr Callaghan should try to improve on that, but it is wise also to remember that the difference of £150 millions this would have made in 1974 is less than one-twentieth of our balance of payments deficit. That does not argue that the budgetary negotiations are of no account, but if one believes that one of the reasons for going into Europe is to revive our industry by the greater economic cooperation and larger markets which Europe offers, then the figures must be seen in perspective.

That is going to be a problem for the Prime Minister. There is often a clash between a negotiating role, where difficulties must be emphasised, and a political role, where the country must be offered a vision. If we are to stay in Mr Wilson will have to seek by next October the full-hearted consent of the British people, to borrow a phrase he is fond of wrapping round the neck of his predecessor. To prepare himself and the country for this, Europe will have to be given a positive as well as a negative aspect over the next six months. The Prime Minister knows how gloomy the economic prospects are for Britain outside the Common Market. He is going to have to sell at home as well as bargain abroad.