



The Lord Privy Seal – The Right Honourable Edward Heath, M.B.E., M.P. 9. Juli 1916. Britischer Politiker (Conservative Party). Studium der Philosophie, Politik und Wirtschaftswissenschaften. Nach dem Krieg bis 1951 u.a. Mitarbeiter in einer Londoner Bank. Anschließend ausschließlich politische Tätigkeiten. Seit 1950 Mitglied des Unterhauses. 1951 erstmals Regierungsmitglied. Nach verschiedenen anderen Verwendungen 1960–1963 Lordsiegelbewahrer mit der doppelten Funktion, den Außenminister im Unterhaus zu vertreten und sich der europäischen Fragen anzunehmen. Führte 1961–1963 die Verhandlungen über den Beitritt Großbritanniens zur EWG, den er 1973 als Premierminister (1970–1974) durchsetzte.

## The Lord Privy Seal Heath

*London*

### «Great Britain and Europe»

Mr. President, Herr Bürgermeister, Ladies and Gentlemen.

Mr. President, it is now 18 months since the first occasion when you invited me to visit this club, and you have on several occasions since then repeated the invitation.

Perhaps you will agree that I was for a considerable part of that time somewhat preoccupied and therefore to my great regret it was not possible to visit Hamburg before this. This therefore doubtlessly emphasises my delight at being here in this great city today and being with you here tonight. And I must thank you, Mr. President, for the very kind welcome which you have given to me, first of all in your own language and then for the benefit of myself and other Englishmen in my own language, and to thank you, Ladies and Gentlemen, for the extraordinarily kind way in which you have received those words of welcome. I do indeed take it as a very great honour to be invited to address this club which is so well known throughout Europe. And also to find this tremendous gathering here tonight who have come to listen and I hope to think about our subject which is that of the place of Britain in Europe today. I have come over to pay an all too short visit to the Federal Republic. I am going tomorrow to Hanover to the Trade Fair and then to spend Saturday and Sunday in Berlin. But I am particularly glad to be able to begin this tour in this splendid city of Hamburg. And for some of the reasons which you, Mr. President, have already mentioned to us. But in particular I think because the physical reconstruction of Hamburg of which I have seen evidence since I arrived here this morning, and the spiritual development of Hamburg symbolises so much of what is best in the whole of Germany today.

And I feel that in starting this tour I start here with an advantage because the ties and the common interest which link Hamburg with England are very old and very firm ties indeed. I have perhaps been just a little surprised already this afternoon to find how far some of the ties go back.

There is of course a considerable British Community in Hamburg. There has been a Chaplaincy here for more than 350 years. I am told there has been an English Bowling-Green here for nearly as long as that. Now those of you who know English history will of course recollect that a bowling green is an indispensable part of every crisis as far as England is concerned. It is therefore very appropriate that in the difficult times through which we are passing I should arrive here in Hamburg and find everything which is necessary.

And then too it was an Englishman, Robert Sloman, who was appointed the first Honorary President of the Hamburg Bürgerschaft over a century ago. You may think that this was purely an honorary appointment, in which case I may tell you that he was responsible for the construction of a first dry dock in Hamburg. And of course the trade and commercial bonds between us stretch back as you have said, Mr. President, to the Hanseatic days. British seamen and merchants have found sailors and merchants from this city in all parts of the globe. And today, as always, Hamburg is inseparably connected with Anglo-German trade.

I am indeed glad to say that flourishing trade between our two countries is proof of the manner in which trade increases between two highly developed countries with high standards of living. And this is characteristic of so much of the development which is going on between the industrialised countries of the world today. But then we congratulate ourselves upon the growth of Anglo-German trade, upon the growth of trade between this great port and the ports of our own countries then let us perhaps here pause for a moment to recollect something which is connected with matters which I wish to discuss later on. And that is the widening gap which exists between the development of trade in the industrialised world and the development of trade in the under-

developed and newly independent countries of the world today.

I did myself very recently see some figures for this. They were the last three years available up to 1961. It showed the trade between the industrialised countries of the world in those three years had increased by 26 %. The trade between the industrialised countries and the underdeveloped countries of the world had increased by 4 %. If one then takes the trade of the industrial goods alone the trade between the industrialised countries and the world had increased by 32 %, and the trade between the industrial countries and the developing countries had increased by 2 %. We therefore see an everwidening gap in the trade between the industrial countries of which Western Europe is so large a part, and that with the developing countries whom we are all trying to help. And this is one of the essential factors in the development of British, European, American and Commonwealth policy in matters of trade.

Now the reason for the similarity of the interests of our two countries needs little explanation. We in Britain and you in Hamburg are fully aware that for both of us foreign trade is the basis of all enduring prosperity and growth. We have both always recognised how important it is to establish sound trading relations with overseas countries. The point I would like to make is this: To create trading links it is necessary to understand the way of life and the requirements of those to whom you sell and from whom you buy. And so it becomes second nature to us to develop a knowledge of other nations and understanding of their problems. No person, no city and no country which pursues maritime and commercial interests, can possibly pursue those interests without becoming fully conscious of the outside world and of the need to ensure that customers in overseas markets are themselves prosperous. And so this means that we who indulge to such a large extent in world trade develop an outward looking approach to the problems of trade and to the problems and interests of other countries particularly those with whom we trade, and this again is a most important point when we come to consider the future development of Europe and of our two countries and of those countries which are associated with us.

And so with the same approach to these matters and with these interests in common we found ourselves, our two countries, in a wide measure of agreement during the negotiations in Brussels. Here in Hamburg, you expressed strong support on many occasions for Britain's entry into the EEC and the other two communities. We were much heartened by this during the negotiations in Brussels. We know too that you share our disappointment that the negotiations were broken up. I am sure that we shall now have your support in the work we are trying to carry out to prevent the widening of the economic divisions in Europe, and to prevent these divisions from damaging the political cohesion and the security of our own continent.

In saying just now that I was going to talk to you today about Great Britain in Europe I would like to give you my ideas on the way in which Britain fits into Europe and how Europe can develop in ways that match her immense resources and responsibilities in the twentieth century. And in doing this the first point I would like to stress to you is the extensive nature of the commitments to Europe which Britain has assumed since the war, and to add to this the way in which this commitment continues. I think it is important if we are to evaluate what happened at the break-up of the negotiations and to judge how we are to formulate policy in the future that we should for a moment look at this continuing commitment of Britain in Europe.

Immediately after the war we played a considerable role in assisting the shattered economies of Europe to revive after the war. of course, our contribution was a smaller one than that of American friends. But in another way it required a greater sacrifice from us. This was especially so when it involved shipping to Europe commodities that our own badly weakened economy needed. And then came the period for the programme of the economic revival of Europe. And here it was given an institutional form through the Marshall Plan and through the work of the Organisation for European Economic Cooperation, which has now become the Organisation for European Development. We were prominent, very prominent, gesture of the American people to say

that if Europe would organise itself economically then America would provide much of the finance with which it could be done. But together in Europe we organised the economic reconstruction which has borne so much good fruit since that time. In the political sphere we helped to create the Council of Europe of which there will be a meeting of Ministers in Strasburg next Monday and a meeting of the assembly on Tuesday. And our economic and political participation was paralleled by our military commitment to defend Europe.

And so in all three spheres we found a new and serious commitment of Britain in Europe. In the post-war period the first European expression of the principle of collective self-defence was the Brussels Treaty of 1948. Then in response to the Soviet threat Nato was created as the structure for the organisation of Western defence. Again, in these steps towards the evolution of a common Western system of defence Britain played a principal part. And in recognition of this today we maintain for the first time in British history a permanent peacetime Army on the Continent. An Army which is of course backed by our tactical and strategical nuclear power. We are pledged to maintain the freedom of the inhabitants of West Berlin and the viability of that city.

We are equally determined to make it clear to any potential aggressor that the integrity of the West is such that any attack on any part of it is an attack on all. And here again we may perhaps remind ourselves of the events following the break-down of the proposals for the European community. It was after those proposals were rejected, that the then British Foreign Secretary, Mr. Anthony Eden, made his tour of Europe and as a result the Western European Union of the seven countries was created and the pledge which I have mentioned of the permanent British forces on Europe was given. And the importance of this was that it led to the admission of the Federal Republic to NATO. And so I looking back over those years we can say that Britain played a major part in all three developments in Europe: the economic, the political and the military. We welcomed the return of the Federal Government and Italy to full membership in the Western community of nations. It was abundantly clear to us that Europe could never be fully reconstituted without both Germany and Italy. Only if this was assumed would the foundations be laid for further progress towards the consolidation and expansion of the political and economic strength of Western Europe.

Now, Mr. President, one of the most important factors in shaping this further progress is the continued transformation in British thinking about Europe which is occurred in the course of the last few years. This is a historical fact of the greatest importance and significance both for us and for you. Let us just think for a moment about the circumstances of the break-down of the negotiations. Not so long ago it would have been perfectly natural in those circumstances for the British Government or perhaps any other government in a similar position to declare at once that it was unwilling to pursue any further plans for a closer relationship with Europe and that it would withdraw from all its commitments. But that has not been the position. Instead we find that both you and we say that despite this break-up in the negotiations of Brussels we shall not turn our backs on each other. Instead of retracting our commitments we both declare our intention of trying to bridge the gap that at present divides us one from another in Europe. You, Herr Bürgermeister, speaking to this club in March said these words «the enormous importance of Britain's decision to turn towards the European continent more than ever before in her history was of the greatest importance.» And those were very true words indeed. You may rest assured that we in Britain fully tend to pursue a policy towards the expansion of European power and importance in the world. It was because of the change of thought in Britain that we came to the point of entering into the negotiations. Perhaps in continuing this line of thought I might just mention to you some of the reasons which led us into that position. In the first place we concluded that if we succeeded in achieving a broad European market in which barriers to the movements of goods, services, capital and persons are brought down we could help to do two things. First we ourselves could contribute to the close fertilization of ideas and techniques which has

been so potent a factor in the economic growth of Western Europe as a whole. That was a contribution which we could make and again we could start ourselves to achieve the growth in our own exports necessary to secure a steady growth in our national products. And the second reason was this: We came to understand more clearly than before towards the end of the decade of the fifties that the economic and social unity of Europe is the pace-setter for the closer political development of Europe. In seeking memberships of the community we were embarking on a course which would lead to a closer form of political association within Europe in which we believe we in Britain with our long history of parliamentary democracy could have played a most constructive part. Thirdly it seemed to us that this Europe strengthened economically and politically would count for more in the Western alliance and would be able to think out clearly and firmly for its own particular European interests. The Western partnership as a result would become a stronger and a more wholesome one and its greater resources could be employed more effectively. And finally, the stronger grouping of Western nations would become an example of stable political democracy to the development countries. These would gain by the greater facilities for trade as well as for aid that a thoroughly modern and efficient prosperous and expanding Western community of nations could make available. We always believed that there was no inconsistency here in what I have been saying with our wish to continue to foster our relations with Commonwealth countries. We perceived that both the advanced and the developing countries of the Commonwealth would stand to gain from Britain's membership in an association of nations that was increasing in political cohesion and in economic strength.

In short I may sum up then these reasons by saying that the more closely developed Europe has been our vision and which I tried to express in my opening statement in the negotiations of Paris in October 10, 1961, will be a source of strength and stability to itself, to the West as a whole and to the developing countries of the world. Mr. President, I believe that the validity of what I have just said is as widely accepted here as it is in my own country. It is this common attitude which creates the pressures on those who have a different view and who are content with a narrow, self-sufficient and in our view sterile view of Europe. Here I would like to say that in looking at this problem of the stability of Europe as a whole we in Britain welcomed the Franco-German Treaty as signalling the end of past divisions. Certainly if we are to have a stable and prosperous Europe then friendship between France and Germany is essential. We have long believed that and we welcome the developments which have taken place to ensure consolidation of Franco-German friendship. Having, Mr. President covered the thoughts which were lying behind our minds, when we came to the point of the negotiations let me now offer to you some comments upon them.

I do not wish to go into them in detail because I wish to look particularly in the second part of my speech towards the future. But if we are to be successful our future policy must be based on the lessons which we have learned from the negotiations themselves and from the manner in which they were brought to a conclusion. It is, I think, very necessary that the record should be kept straight. We all know tendency for historical myths to grow and I would not like to happen that in that particular case. What then were the reasons for the break-up of the Brussels negotiations. Let me take the opportunity of putting it to you from the point of view as we see it in Britain. Of course, a very considerable number of reasons have been given at different times. It was said on January 14th that the reason was that we were an island and that we had trading connections with all parts of the world. Now, of course, when I heard that Britain was an island I took this matter seriously. I immediately in Brussels referred the matter to the Governmental committees sitting in Whitehall and they of course discussed it with the Commonwealth countries and with our EFTA partners. And after a time they duly informed me that they had come to the conclusion that Britain was an island. But they also said that they had by careful investigation come to the conclusion that Britain was an Island when we started the negotiations in 1961. It did not therefore seem to be a very valid

reason for breaking off the negotiations. And as for trade with all the world then here in the Federal Republic and particularly in Hamburg we have a prime example of another great country and a great trading nation which trades with all the world. And then it is said that the Treaty of Rome does not really allow us to become a member of the community. But the Treaty of Rome is an open treaty which in its preamble says that the purpose of the Treaty is to establish the foundations of ever closer union in Europe. Article 237 specifically states that any European state may apply to join.

It does not say that islands are excluded and as one distinguished European statesman said to me, when visiting his capital later, «you know that this is a very dangerous thing, they will be after peninsulas next and say that no peninsula can be a member of the European Community.» Well, Article 237 does not exclude peninsulas either, and it says that the conditions of admission are to be negotiated. It would therefore appear that those who said you sign the Treaty of Rome or you don't become a member, are in fact themselves ignoring the provisions of Article 237 of the Treaty of Rome. And so they are flouting both the preamble to the Treaty, which is to work to create the foundations of an ever closer union, and the provisions of Article 237, which states, European states may apply and negotiate the conditions of admission and it must be plain to all that on January 14th of this year we had not completed the negotiations for the conditions of admission. And so it is again said all that is necessary is to sign the Treaty of Rome. I would like to look a little more closely at this point because it is still being reiterated in Europe that if we were to sign the Treaty of Rome then of course we could become full members of the Community. What then was the position? On October 10th, 1961 in the statement to which you referred, Mr. President, I accepted the Treaty of Rome. I said that the only changes we required in it were the changes of voting arrangements and financial arrangements which were obviously inseparable from the accession of any member. Moreover, I accepted not only the Treaty of Rome but all the protocols governing the special arrangements for each member which are attached to the Treaty of Rome.

And I accepted that completely. Therefore there can be no argument that if only we were prepared to accept the Treaty of Rome then we could become a member of the Community overnight. If that were the case and we had continued the negotiations of conditions then it would have indeed been possible to become members of the Community. But it is said of course you did not accept the common tariff. On October 10th, 1961, in Paris, I accepted the common tariff completely. It would have been within our rights to negotiate the level of the future common tariff to average the British most favoured nation tariff and the community tariff. We did not avail ourselves of that right under the GATT. We said in order to save a long tedious and complicated negotiation we would accept the community tariff and we were prepared to go to the 20 % reduction which was then being discussed in the Dillon round.

But it is said you have not accepted the common agricultural policy. On October 10th, 1961, in Paris, I accepted a common agricultural policy. The reason was that the common agricultural policy did not then exist. When it came into being, on January 14th, 1962, I then accepted the common agricultural policy at a meeting on February 28th, 1962, and what I did was to put forward certain proposals for supplementing the common agricultural policy. In the course of the negotiations two of these were accepted by the whole Community. The first for an agricultural review for the whole Community annually which would then help the Community to decide its policy. The second for a long-term assurance to the agricultural industry in the enlarged Community which would enable it to maintain its standard of living. These are the industrial communities of the European countries. We asked for one or two other things which were not to alter the common agricultural policy but to supplement it and in our view made it more of a common agricultural policy for the Community as a whole.

But there it is said you did not accept the common agricultural policy which we had already accepted. And in view of the fact that we in Britain have a different price level, it would, I think be generally agreed that we needed to have

transitional arrangements, as indeed are allowed under Article 39 of the Treaty of Rome for this transitional period. And so I cannot agree that either the question of the Treaty of Rome or the common tariff, or the common agricultural policy were reasons why the negotiations should not be continued. Then it was said of course it is very difficult for new members to join while the community is formulating its policy. There are indeed difficulties but they are not grounds for preventing the accession of new members. Indeed that would mean that the community could carry its other obligations under its preamble and Article 237 until after 1970 when the transitional period has been concluded. And if that is the case it seemed to us at the time rather strange that shortly after January 14th Denmark was offered immediate, full membership. Somehow that seems to invalidate the argument that it is too difficult for countries to join during the transitional period.

And when we come to the question of the protocols and special arrangements, I have to say that we accepted all the special arrangements under the Treaty of Rome. The protocols for which we were asking were the most part concerned with the arrangements, were to cover the changeover from the preferential system for the Commonwealth into the new arrangements we were making under the Treaty of Rome, many of which of course would still have been preferential. For example, the arrangements for association under Part IV of the Treaty are of course preferential arrangements in which many of the Commonwealth countries were given the opportunity of joining. And so, let us look at the protocols. The Federal Republic has a protocol which really means that East Germany is treated as West Germany. There are no barriers and we fully accept that. The Italian Government has protocols which isolate its markets for important products in certain cases. We fully accept that. Luxembourg has a protocol which excludes agricultural products for the whole of the transitional period. We accept that. France has a protocol, necessary at the time of accession because of its balance of payments was a weak that it had to be allowed to keep all its import and export special arrangements until those balances of payments could be strengthened as France became a member of the Community. Well, of course, we accepted that.

And so we were prepared to accept all the special arrangements and we were asking really for protocols which were not on the scale of some of those already attached to the Treaty. And when I heard on January 14th that special arrangements were not possible then I asked myself why we had spent 18 months negotiating the special arrangements which were to be embodied in protocols and attached to the Treaty.

It was said that we would only be able to join when we had cut ties with the Commonwealth. That, Mr. President, we can never do. Nor do I believe that members of the Community wish us to sever the ties which we have with the Commonwealth countries. We have constitutional ties. We have ties of a common language. We have ties of many personal relationships, of connections with professional associations. We have trade ties which I have explained were in the process of being adjusted to membership of the Community. But we cannot sever constitutional ties with the Commonwealth nor, I believe, is anyone justified in asking that we should do so, because other countries of the Community maintain quite rightly their own ties with the countries which have been for so long associated with them. And again, it is said we must sever our bonds with the members of the European Free Trade Association. Would you, I wonder, think it would have been a good omen to come into the Community after having broken its obligations to six other countries with whom it had been associated. Would that have given you confidence in the future development of Europe either with us or on a wider basis? Europe, the new Europe cannot be created in that way and those are some of the reasons which were given for bringing negotiations to a conclusion. And in no case do I believe they were justified. It was said that we had not yet reached success. Everybody knew that on January 14th we had brought the remaining problems, almost all of them, to the point where we could together sit round the table for long sessions in the manner which is customary in the Community and there reach a package deal on all of these items right across the board.

Now, what then was the real reason for the break-up of the negotiations? It was, of course, because at that time, indeed because of the progress which had been made in the negotiations two very clear and differing visions of what Europe was going to be like emerged. There is a clear difference between them. The same way as the negotiations were stopped not for any of the reasons I have mentioned but by an act of policy because of this difference.

Let me then briefly describe our view of Europe as it would have developed. I did this a year ago in London at the meeting of the Western European Union Ministers. And I described a Europe which would have consisted of the permanent members already there of the Community, together with the new members for full membership Britain, Norway, Denmark and possibly Ireland. That then would have been the centre core of European development. Associated with it would have been the developing countries such as Greece and Turkey and Portugal as a member of EFTA and also the neutral countries Austria, Sweden and Switzerland, an economic association because they were unable to accept the political consultation. And this Europe would have maintained its connections with all those countries right across the world with which its members had formerly almost still associated. For the Community that would have meant the 18 associated states. For us it meant the Commonwealth countries, independent and the dependencies. And this Europe would have been outward looking in its approach to world trade. It would therefore have supported the general and a balanced reduction of tariffs. It would have been developing its strength and prosperity and therefore able to become a strong and equal partner in the Western alliance with the United States. That seemed to us very briefly as I have described it, a vision of Europe which could develop unselfish to the benefit of countries across the world, as well as interested in its own strength and prosperity. But the other vision of Europe which has emerged is that of a much smaller grouping of countries which believes in being as self-sufficient as possible, supplying wherever possible its own needs. It must therefore be inward-looking, not interested in the reduction of tariffs but in the maintenance of tariffs. A grouping which would provide its own defence and which might therefore become of a tendency to move away from the Western alliance as a whole. In other words it would become or could become a third force.

These then are the two conceptions of how Europe might develop and it is essential that we all of us today should make up our minds which form of Europe it is that we want to see develop in these coming years because this is going to be what the argument is about. It is, I repeat, of the greatest importance what we should maintain our conception of the expanding outward-looking Europe carrying its responsibilities to the rest of the world and that we should do everything possible to further its development.

What then have we achieved? What we have achieved I think is a much greater understanding between us all of the problems of Europe today. We, on our part, have gathered a much greater knowledge and closer understanding of the working of the Community, of its ideals which it has, and the methods by which it seeks to achieve its ends. The Community, I believe, for its part, has gained a much greater knowledge of the Commonwealth countries, spread as they are right across the world, of almost infinite variety and with vast trading practices. And this in a way has been the Community looking outwards through the window on to the world. And in carrying through long negotiations and detailed negotiations of this kind I believe an impact has been made on the Community which, whatever may happen in the future, will always have an effect upon its development. We have also together achieved a considerable number of specific arrangements which would have been possible for trading arrangements between the Community expanded and the individual Commonwealth countries, but in particular the developing countries of the world. And here too, I think, the Community recognises that although the negotiations were not successful, some of these arrangements could be used still for the benefit of the developing countries. As though these were the broad achievements of the negotiations and the effect which they have had upon our countries, upon the Community and upon Britain. What then if the

future in this situation in which we now find ourselves.

It is not for me, of course, to discuss here the future of the Community but I would like to say something about the approach of Britain in these new circumstances. First, I believe it is very important that we should both endeavour not to take action which will in any way damage each other, I said immediately after the break-up of the negotiations, Britain will not turn its back on Europe and we will endeavour to pursue policies which are not damaging to Community countries. We would wish that the Community should also endeavour to pursue policies which will not be damaging to us nor to our partners in EFTA. At our meeting in Geneva, the EFTA countries agreed to adopt wherever possible this policy. Of course, we must be frank about this matter. In politics it is impossible to enumerate general principles, announce general principles, which are admirable, but we all know the difficulties which arise when we come to apply them in practice. We, for example, were prepared to make many changes and accept some sacrifices in the negotiations because of the advantages which we saw both to Europe and the Commonwealth and to ourselves. But let me take a specific example of where outside the Community we are not able to make the same changes.

I have already described how our agricultural policy differs from that of the Community. It would not be possible, in our national interest, to change over our agricultural policy entirely to that of the Community because we shall not be able to take advantage of the benefits we would have gained industrially, in industrial expansion in the way in which the Community has expanded if we had become members of the Community. But this does not alter the fact that there are many spheres in which jointly the Community and ourselves can follow policies which are beneficial to all of us. How then should it be done?

Mr. President, I think it is essential that there should be the fullest consultation between Britain and the Community. We have already developed some means of doing this since the break-up. We have created bilateral committees or recreated bilateral committees, and in particular we have had a meeting of the Anglo-German Committee. We have also had a meeting of the Anglo-Italian committee, the Anglo-French Committee is in existence, and we hope soon to create, indeed very shortly, an Anglo-Benelux committee for our bilateral relations with Belgium, Holland and Luxembourg. At the same time, we are strengthening our mission to the communities in Brussels and in Luxembourg in order the better to be able to carry on consultation and exchange of views about our policies.

But there is even more than that which is possible. It is that we should have an established form of multilateral consultation between Britain and all the members of the Community. We therefore welcome your Foreign Minister's proposals of the Council of Ministers at Brussels that this, a close form of multilateral consultation, should be created. We have heard two arguments against this. It is said first of all that we wish in Britain to use a veto on the progress of the Community. Nothing could be further from the truth. We wish to do nothing which will in any way impair the progress or the development of the community. I made that claim when I opened the negotiations in Paris in October 1961 and that is still our position.

Secondly it is said that Britain is in no different position from any third country of the world. It is difficult to understand how this can be said after the 18 month's very close negotiations which we have carried out with the Community, which 5 members and the commission wished whole-heartedly to be brought to a successful conclusion. And we believe that this consultation would be justified and would greatly assist us all in our objectives.

Then of course there is the political sphere. We believe of course that the defence of the West is indivisible and we play our part together. We therefore believe that NATO provides a forum for political discussion about the great issue of the day which affects both sides of the Atlantic. And let me express the hope that as we have got differences of policy in Europe about future developments that these differences may be frankly and openly discussed between us. There is no hope of finding a reconciliation between policies without

full, frank and friendly discussion about them and the place to do this is NATO.

But on the other hand it is understandable that we European countries should wish to have political consultation between ourselves. There is already in existence the forum of Western European Union where this can be done. Until the negotiation consultation in this forum were working extraordinarily well. I think, Herr von Brentano would agree with me that apart from the negotiations themselves we were always able to exchange views about political matters of interest to the seven of us. But now it is desirable that we should return, and as soon as possible, to full consultation between the European countries themselves.

Again therefore we welcomed Herr Schröder's initiative in calling for a meeting of Western European Union. We regretted it could not be brought about. We hope that again a further attempt will be made in the comparatively near future to re-establish this form of consultation between the European countries themselves. Now let me give four examples of policy where we have been endeavouring to develop the interest of Europe since the break-up of the negotiations. First of all in the defence sphere the proposal of my own Prime Minister at Nassau we should create a multinational deterrent within NATO. Our belief here was that it would strengthen NATO from the point of view of its nuclear capacity but secondly that it would give other countries in Europe who have not at present got the opportunity a much greater chance of participating in the knowledge about the nuclear defence of their countries, a much greater knowledge of the targetting of this defence and therefore a greater assurance of their own security. Those were the reasons why it was proposed and as you know we have offered to assign the strength of the V-bomber nuclear force to the multinational force for this purpose. It would therefore be the first time the SACEUR has under his command the strategic nuclear force and it would, if carried into effect, enable the other countries of the alliance who wished to have the much greater opportunity of the form of participation I have described in the defence of the alliance including their own countries. Secondly, in the economic sphere we are about to enter on discussions on the Kennedy round in the GATT for the multi-lateral reductions of tariffs. The British Government wholeheartly supports this initiative. And we will play our part fully.

You, in the Federal Republic are considerably affected by this. Therefore we believe that we should support the Kennedy round. But there are some who say the purpose of this is in order to allow American economic power to dominate us European countries. That, of course, we do not believe and we do not wish to be brought about. What we want to see is a balance negotiation which will lead to solution which is fair and reasonable for the European countries as well as for the United States and the other countries of the Commonwealth, Japan and the developed nations, as well as the underdeveloped ones which can benefit from favoured nation treatment, as a result of the negotiations.

The third field is in the field of space communications. We have given a great deal of thought to this and we think it is a field in which there are great possibilities for European cooperation. We, you may remember, took the initiative in creating the European Launcher Development Organisation founded on one of our own developments. We have recently ratified that and we hope that your own ratification will not be long delayed. We have been pressing ahead with our work on the launcher and we are confident that your own work on the third stage will enable the programme to be completed in time. We are also of course cooperating with you and other countries in the European space research organisation and we were delighted at the decision to establish the organisation's data centre at Darmstadt. We expect the space research organisation to be one of the launcher organisation's most important clients in due course. But we have also been considering what other possible uses there are for the launcher and in particular the role that it would play in the establishment of a satellite communication system. We recognise that at the moment of Americans have a considerable technological lead but we are

determined to take part in the establishment and use of satellite communications and I have no doubt that you are yourselves. We want to participate not merely in the sending and receiving of communications but in the development and provision of equipment, that will be needed.

We ourselves have already commissioned a design study for a communication satellite but this does not mean that we are committed to any particular system of satellite communications. They are by their very nature worldwide and we favour as comprehensive a system as possible. We shall have to give a great deal of thought to Europe's role in the establishment of satellite communications and we are looking forward to discussing all these issues with the German Government and with other interested European governments. The Americans have in mind a single global type to be established as soon as possible and we must therefore decide reasonably quickly what our own attitude is to be. It was for this reason that Her Majesty's Government announced in the House of Commons that we would enter into discussions with our European partners in the launcher organisation, including of course Australia where the Woomera Range provides the facilities in order to see how jointly we in Europe can best play our part in any system of satellite communications. And the fourth example of an initiative since the break-up of the negotiations concerns all the complex problems of the fishing industries of Western Europe. We are convinced that the time has come to look at these complex questions as a whole and to seek a solution which is acceptable to producers and consumers alike. We of course had tried in the two conferences on the law of the sea to obtain a solution.

When we entered into negotiations in Brussels we thought the common fisheries policy of the Community, as it was formulated, might provide the basis for a wider European convention. But neither of those objectives was achieved and we think now that we should make a fresh attempt on a European basis. And we have therefore invited our friends in Western Europe to meet us at a conference in London in the autumn. These would be the Community countries, the EFTA countries, Iceland and Spain, and I hope that we shall be able to reach a satisfactory and lasting settlement of the many problems involved.

Our two countries in particular have, by tradition, many interests in common in the sphere of fisheries. We both have extensive deep water interests and we are both large importers of fish. We therefore look forward to working with you to the success of the conference.

I therefore, Mr. President, try to show that in the period since the breakup of the negotiations, our purpose has been first of all to prevent damage either to the Community or to ourselves and the EFTA countries. Our purpose has been to try to create the economic means of consultation which would allow us to achieve our objectives, of not causing harm to each other, of not making successive relations more difficult.

And I have also tried to give you the examples of the practical steps we are taking in Britain in conjunction with our European friends and allies to try to achieve some of the things which we would like to have achieved as a wider expanded community. I have also tried to show you the differences which exist, very real and fundamental differences which exist about the nature of the Europe which we want to see. We, in Britain, believe that we should work wholeheartedly for the sort of Europe which I have described to you. During the negotiations we received great support from your Government in Brussels.

We hope you will continue to share our view of Europe and I am confident that you will. We shall not be working alone. We shall be working with many other countries, five members of the Community, the EFTA countries, many millions of people in Europe who share the same ideals and conceptions that we share here today. It has of course been a setback and a bitter blow that the negotiations should not have been allowed to move to a successful conclusion. Meantime, I hope that we can, through the measures I have been describing to you, try to minimise the damage which has been caused and try to maintain the resolution and the will of all those in the Continent of Europe and

indeed throughout the world who want to see this conception realised. Because, as I have said to you at the beginning, we feel that this can be a great advantage to the future as a whole, that it can be of great assistance to the associated states, to the Commonwealth countries, that it can be a great example to the developing countries of the world and can lead them not only to prosperity but also to maintaining the free way of life which you and we are determined to maintain in the Europe of the future. ■