



# Conservatives Against the Treaty of Rome, 1975



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## Introduction

During the 1975 Common Market Referendum campaign, the Conservative opponents of Britain's continued membership of the European Economic Community (EEC), led by Neil Marten, Ronald Bell, Richard Body, and a handful of other brave Tory MPs, joined together with Tory constituency activists to form Conservatives Against the Treaty of Rome (C.A.T.O.R.), an organization whose express purpose was to campaign for a 'No' vote in that 1975 Referendum. Having joined this penniless campaign as a freelance journalist and young Oxford graduate (1973), along with my brother, Anthony, who played an active role in that campaign, I was subsequently invited to draft C.A.T.O.R.'s official manifesto, *The Conservative Case Against the EEC*, which was officially launched on 3<sup>rd</sup> June 1975. Since both this manifesto and the Conservative 'No' campaign in general received virtually no coverage in what was then an overwhelmingly hostile 'pro-European' media, the text of this long forgotten manifesto is set out below for the benefit of Bruges Group members and other 21<sup>st</sup> century readers. You can judge for yourself the extent to which this humble 1975 document (originally 8 pages of typescript) has proved to be prophetic, and the extent to which the economic scaremongering it criticized 38 years ago remains a key component of pro-EU propaganda today.

**Philip Vander Elst\***

\* Philip Vander Elst is the author of the Bruges Group pamphlet, *The Principles of British Foreign Policy*.

# **The Conservative Case Against the EEC**

## **(3 June 1975)**

### **Red Herrings**

A myth has grown up that those of us who are opposed to the EEC are a motley crew of Marxist extremists out to destroy Britain. Not only is the existence of Conservatives Against the Treaty of Rome itself a refutation of this charge, but it is equally the case that a strange assortment of bedfellows is to be found in the pro-Market camp, which enjoys the dubious support of the Chinese, French, and Italian communists, a breakaway section of the Communist Party of Great Britain, Peter Hain and the Young Liberals, and Sir Oswald Mosley. To see the divisions over the EEC as a Left v. Right conflict is misleading, as socialists are in power on their own or in coalitions in over half the EEC countries – for example, Germany, Holland, Ireland, Denmark, Luxembourg, and Italy. The phantom of the ‘Red Menace’ is merely diverting attention from the important issues. We ask all Conservatives to decide the EEC question on its merits and not allow themselves to be stampeded by irresponsible scaremongering, from whatever quarter it comes.

### **The Economic Case Against the EEC**

We utterly reject the view of the political and civil service establishments that Britain cannot survive and flourish outside the EEC because – it is alleged – she will then deprive herself of a ‘home market’ of 250 million people in which to trade. If one excludes food, the EEC countries currently enjoy a favourable trade balance with us in manufactures of £1,000,000,000 per annum. They are therefore hardly likely to damage themselves by raising huge tariff barriers against us if we withdraw from the Community. It is furthermore the case that two-thirds of our trade is with countries outside the EEC. There is, in addition, no reason why Britain should not, on withdrawal, be able to negotiate a free trade agreement with the EEC in industrial products similar to that which exists between the Community and the EFTA countries. Certainly that is the view of Roy Hattersley, the pro-Market Minister of State at the Foreign Office. However, even if Britain could not negotiate such a free trade pact, it should be remembered that the EEC’s low tariff wall (7½ % on average) is an absolutely negligible obstacle to trade as is proved by the fact that in the years before Britain joined the Community, British exports to the EEC

were steadily increasing in value and volume. The Common Market external tariff, moreover, is due to come down to an average of as low as 5 % as a result of this year's GATT negotiations.

There is no basis in economic fact or theory for the belief that economic prosperity depends on size, either at national or plant level. The average size of factories in the USA, Japan, and West Germany, is smaller than in the UK, yet their productivity is greatly superior to ours. Countries such as Sweden (with the highest living standard per head in the world), Switzerland, and Japan for example, have all enjoyed enviable economic records since the war irrespective of the relatively small size of their 'home markets'. The same has been true of Norway, which, like Britain, is a trading nation, importing 50% of her food. In 1974 Norway enjoyed the most prosperous year in her history, making nonsense of all her pro-Marketeers' apocalyptic predictions about her future economic performance outside the EEC. The experience of Hong Kong is another convincing refutation of the economic fantasies of the pro-Marketeers. Hong Kong has no domestic market for her products worthy of mention, no domestic fuel supply, has received no foreign aid since the war, and only 13% of her total area can be used for agriculture, which means that she has to import virtually all her food. Yet within the past 20 years, against all the expectations of current economic orthodoxy, she has grown from a very minor trading port into a great manufacturing centre exporting to some 70 nations round the world. Wage levels have risen enormously for a rapidly expanding population (the level of industrial wages is the highest in Asia, after Japan), and unemployment is of a temporary and highly transitional nature. This phenomenal progress has been entirely due to the Hong Kong administration's policy of encouraging maximum free trade (unilaterally) and giving private enterprise its head through balancing its official budgets and imposing only minimum taxes. The West German 'miracle' of the 1950s, which occurred *before* the EEC was founded, was the product of similar measures.

### **The truth about Britain's economic performance**

The moral is obvious: Britain's poor economic performance since 1945 has not been due to any attempts to 'go it alone' but to the harmful domestic policies of successive British governments, which have deterred thrift and risk-taking by embarking on inflationary government spending programmes that have imposed a heavy tax burden on the private sector and encouraged overmanning in industry. If our domestic policies are wrong, membership of the EEC will not save us. Correspondingly, if we do adopt the correct course of action we shall survive and prosper outside the EEC. In this respect we would remind the gloom pedlars of what

Mr Heath said in Paris in May 1970: *"We are not seeking shelter in the Community from the storms of the outside world. We have lived and thrived in that world among those storms for many centuries, and we can do so with equal success in the future."*

Recall also the words of Mr Maudling, quoted in Hansard, 26th July 1971: *"I have never accepted for a moment that it is disaster to stay outside of the Community and automatic prosperity to be inside. Anyone who argues that is quite wrong."*

We wholeheartedly agree with these sentiments expressed by the former leader and deputy leader of our Party.

### **Agriculture**

Membership of the EEC is in no way vital to Britain's economic future, and actually harms us in so far as the Common Agricultural Policy prevents us trading freely in food in all parts of the world and compels us to subsidize inefficient continental farmers through our contributions to the EEC budget. We could obtain beef, veal, lamb, mutton, wheat, maize, barley and dairy products more cheaply outside the EEC. Those who are bemused by the statistical arguments should ask the pro-Marketees these questions: "if world food prices are going to be higher than those inside the EEC, what need is there for the protectionist apparatus of the C.A.P.?" "If European farmers are now competitive, why do they need to be supported to the extent of 80% of the Community budget?" The C.A.P.'s goal of self-sufficiency in food production is a protectionist aim which cannot be reconciled with that image of an internationalist, outward-looking free trade area which pro-Market propaganda is so keen to foster in other contexts.

### **Pin-stripes Against People**

We deplore the despair and defeatism underlying the pro-Market campaign, which belittles the British people and saps their self-confidence. We have no faith in the superior judgment of the pro-Market 'establishment' in Westminster, Whitehall and the City, when we remember that the conventional wisdom has been wrong about nearly every major political issue this century. It was wrong about Appeasement and economic policy in the 1930s and it has been consistently mistaken about economic policy since the war, hence our present economic plight. The 'establishment' attitude towards the EEC smacks of escapism and an unconscious desire to find an excuse for its past failure. Why should we listen to these false prophets again?

## The Political Case Against the EEC

**Defence:** Membership of the EEC is in no way relevant to the defence of Western Europe against potential Soviet aggression. As the Council of Ministers stated on 6th June 1974: “defence does not come within the jurisdiction of the Communities.” The safety of Western Europe is secured by the North Atlantic Treaty which includes countries outside the EEC – Canada, Norway and Turkey, for example – and whose power in any case rests on the American nuclear deterrent.

**Treaty breaking?** The constitutional position is that no one Parliament can bind its successors, as Mr Heath’s Government warned the EEC countries at the time of Britain’s accession. Also, the Treaty of Rome, to which we acceded by the Treaty of Accession, though “for an indefinite period” is not in terms permanent.

**Political Union:** The central argument for Britain’s continued membership of the EEC is that her voice will have more weight in the world if she merges her political identity with her neighbours to create a ‘United Europe’ with common institutions and a common defence and foreign policy. This creates two difficulties. First, if Europe is to ‘pack a bigger punch’, it logically entails that the national parliaments of the member states must become subordinate to a common European Parliament and a common European Government within the framework of some kind of federal system. This must inevitably mean the end of Britain as a self-governing nation state. As West Germany’s President Scheel said in June 1971, when he was his country’s Foreign Minister: *“the aim remains a European Government...the argument over a United States of Europe or a Federal Europe is one of words. A European Government will take decisions on common policies and will be subject to a European Parliamentary control.”*

Already, the Commission has produced a plan for transforming the European Parliament from the talking shop it is at present into a directly elected assembly consisting of 355 MEPs, 67 of which would come from Britain (about one sixth of the total), each MEP representing one giant constituency of 500,000. These proposals of the Commission currently enjoy majority support in the Council of Ministers. Thus the objective of European political integration – the creation of a European State – is not just a pious aspiration to which only lip service is paid. It is seriously intended to become a reality by our partners, some of whom, like the Commission, are impatient with Britain’s reluctance to move more rapidly in a federalist direction. For British pro-Marketees to deny that continued membership represents an unparalleled and cumulative surrender of national sovereignty, is therefore the sheerest hypocrisy. The benefits of ‘European Unity’ that they hold out

to us, cannot be obtained in any other fashion. This leads to the second difficulty to which we draw the electorate's attention.

Western Europe is not one politically homogeneous entity upon whose foundations a European Superstate can be created. The EEC consists of 9 states with different cultures, different political and legal institutions, different political traditions, all with their roots in different histories. With the exception of Holland, Britain is the only EEC country that has known three centuries of stable parliamentary government under a constitutional monarchy. By contrast, Germany and Italy have only been relatively stable parliamentary democracies since 1945 and have only been united nation states for barely a hundred years. France has undergone absolute monarchy, two revolutions, two empires and five republics. On the Continent, moreover, rewriting paper constitutions, the rapid turnover of ineffective coalition governments and political engineering generally, are all familiar features to the minds of the respective European electorates while remaining wholly alien to the British. Italy and France have very strong authoritarian Communist parties, while there is not a single Communist MP in the House of Commons. How are all these differences and incompatibilities to be reconciled? The growing alienation of our people from Whitehall, reflected in the advance of the Scottish Nationalists, is admitted to be a serious cancer in our political system. Will not this problem become more intractable if our fellow citizens find themselves increasingly taxed and legislated for by newly manufactured bodies in Brussels or Strasbourg, to which they have no historic attachment?

It is understandable that the pro-Marketters are remaining silent about the implications of political union in this referendum, even going so far as to ban federalist speakers from addressing their recent Europe Youth rally in Trafalgar Square. They know how unpopular their real aims would be if they were more widely understood.

### **Internationalism**

In conclusion we commend the words of a great European, the late Professor Wilhelm Ropke, who was a life-long opponent of totalitarianism and nationalism as well as being the first German academic to be expelled from Nazi Germany for publicly denouncing Hitler: *"In antiquity Strabo spoke of the many shapes of Europe; Montesquieu would speak of Europe as a 'nation des nations'. Decentrism is of the essence of the spirit of Europe. To try to organize Europe centrally, to subject the Continent to a bureaucracy of economic planning, and to weld it into a block would be nothing less than a betrayal of Europe and the European patrimony."*

We believe, as Conservatives, that the truest form of internationalism results from free trade and free contact between peoples. It is that and the free flow of ideas and information across frontiers which cements the bonds between nations, not the establishment of unwieldy supranational organs. In calling for a massive 'No' vote on June 5th, we are urging our fellow Conservatives to reject the promptings of fear; to ignore fainthearted counsels, and above all else, to show themselves true to the spirit of liberal Europeanism.

## THE BRUGES GROUP

The Bruges Group is an independent all-party think tank. Set up in February 1989, its aim was to promote the idea of a less centralised European structure than that emerging in Brussels. Its inspiration was Margaret Thatcher's Bruges speech in September 1988, in which she remarked that "We have not successfully rolled back the frontiers of the state in Britain, only to see them re-imposed at a European level...". The Bruges Group has had a major effect on public opinion and forged links with Members of Parliament as well as with similarly minded groups in other countries. The Bruges Group spearheads the intellectual battle against the notion of "ever-closer Union" in Europe. Through its ground-breaking publications and wide-ranging discussions it will continue its fight against further integration and, above all, against British involvement in a single European state.

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The Bruges Group holds regular high-profile public meetings, seminars, debates and conferences. These enable influential speakers to contribute to the European debate. Speakers are selected purely by the contribution they can make to enhance the debate.

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