

Two points were made in yesterday's discussion which I should like to answer. The first was that our problem would be largely solved if Britain would change the pattern of its trade more rapidly, so as to trade more with the Community and less with third countries.

I am not sure that my colleagues realise how substantially our trade patterns have in fact shifted towards the Community in the six years of our membership. In 1972 imports from other Community countries accounted for under 32% of our total imports. The figure now is 38%. This represents an increase of 20% in six years. I note incidentally that the comparable figures over the same period show for Germany a decline of 7%, for France a decline of 8% and for Italy a decline of 9%.

I would add this. All of us know how attached people are to traditional modes of consumption and patterns of trade: and this is perhaps particularly true in food. How easy, for example, do our French friends think it would be to persuade the French consumer in, say, five years, to abandon the baguette in favour of the British loaf.

The second point made, in answer to what I said about the short-fall of UK receipts per head as compared with the Community average, was that the distribution of Community expenditure among the Member countries must derive from Community policies.

I thought that that was what the Commission was in fact saying in the third part of its latest paper. It spoke about special measures to increase UK receipts, but it made it clear that those measures must be based on Community policies.

I must again say, as I said before, that the simplest and most straightforward way of dealing with our problem would be our own suggestion for a receipt-based mechanism. But I do not want to insist on that.

I am absolutely ready to accept the principle that the distribution of Community expenditure must be derived from Community policies, so long as its application yields reasonable results. This is a question of methods, not of principles. Let us decide what result, in terms of amounts, would be reasonable. Then let us invite the Commission and our officials to work out for us solutions which, within that principle, yield the result which we have agreed upon.