

Conservative European Reform Group

It has been agreed to form a group in Parliament which will consist of Conservative members who support the following statement:

"We believe in the urgent need for fundamental reform of the Common Market in the interest of securing genuine European co-operation based on the partnership of nation-states. It is our belief that the present structure of the EEC is damaging to the interests of the UK and that this situation will persist until substantial and fundamental changes are made either in the basic structure of the Common Market or else in the relationship that Britain has with the Community. With the Community reaching the limits of its financial resources and approaching its imminent enlargement this is clearly the right opportunity to secure the necessary change. In particular we believe that there is an urgent need to adopt policies directed to:

- A) The ending of the C.A.P. and the restoration to national governments of control over agriculture policy.
- B) The reform of the system of financing the Community budget to take account of the ending of the C.A.P. and to ensure that no member state has to carry an unfair share of expenditure as Britain has done since joining the EEC.
- C) The restoration to each member state of the right to take action on unfair trading practices, such as dumping, by third countries.
- D) The reassertion of the power of national Parliaments over the institutions of the Community.

**Sir Anthony Meyer:** Will my right hon. Friend explain to any of my hon. Friends who may have been misled by the subtle charm of my hon. Friend the Member for Southend, East (Mr. Taylor) that the objectives of the so-called European reform group are irreconcilable with the settled policies of this party and this Government, and that its activities cause grave damage to effective European political co-operation, at a time when such co-operation is desperately needed to dissuade the Russians from putting any pressure on Poland?

**Sir Ian Gilmour:** Yes, I agree with my hon. Friend. But the charm of my hon. Friend, the Member for Southend, East (Mr. Taylor) must indeed have been very subtle because the prospectus that the group put forward is not only at odds with the policies of this Government, but it is incompatible with our continued membership of the Community. It is, therefore, a dud prospectus. At present, political co-operation is vitally important.

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**Mr. Parris:** With regard to the question of my hon. Friend the Member for Flint, West (Sir A. Meyer), does not my right hon. Friend accept that there are some of us who feel that radical change is needed within the Community, and that we have not despaired of changing it?

**Sir Ian Gilmour:** I am sure that my hon. Friend is right. In fact, the so-called radical changes that were proposed in that document are incompatible with membership of the EEC.

Members of the Conservative European Reform Group

Jonathan Aitken ✓	E Peter Lloyd ✓
Anthony Beaumont-Dark ✓	E Tony Marlow ✓
Sir Ronald Bell ✓	Albert McQuarrie ✓
David Bevan ✓	Roger Moate ✓
John Blackburn ✓	Gerry Neale ✓
Richard Body ✓	Matthew Parris ✓
E Sir Nicholas Bonsor (of "Convenor")	James Pawsey ✓
Michael Brown ✓	Barry Porter ✓
John Butcher ✓	Harvey Proctor ✓
John Carlisle ✓	E Richard Shepherd ✓
Geoffrey Dickens ✓	Keith Stainton ✓
Den Dover ✓	E Teddy Taylor ✓
John Farr ✓	Robert Taylor ✓
E Peter Fry ✓	Neil Thorne ✓
Peter Griffiths ✓	John Townend ✓
Warren Hawksley ✓	E Bill Walker ✓
Charles Irving ✓	Nick Winterton ✓
Toby Jessel ✓	Till Knight ✓
Michael Latham ✓	Rosy Waller ✓

E = member of Executive

**CERG**



**THE  
CONSERVATIVE EUROPEAN  
REFORM GROUP**

President : **RT. HON. SIR HUGH FRASER**

Steering Committee:

Chairman : **SIR NICHOLAS BONSOR  
PETER FRY  
PETER LLOYD  
ANTHONY MARLOW  
ROGER MOATE  
RICHARD SHEPHERD  
EDWARD TAYLOR  
BILL WALKER**

*"We believe in the urgent need for fundamental reform of the Common Market in the interest of securing genuine European co-operation based on the partnership of nation states. It is our belief that the present structure of the E.E.C. is damaging to the interests of the United Kingdom and that this situation will persist until substantial and fundamental changes are made."*

The group was established in November 1980, following a meeting of nine Conservative Members of Parliament who had severe reservations about the effect of the terms of membership of the E.E.C. and certain trends and developments within the Community. The growth of the group was rapid; in December thirty six members went to meet the Prime Minister at Downing Street to discuss their proposals for reform and there are now over forty Members of Parliament who belong to the Reform Group. It will be the Group's aim to co-operate with other European politicians who share their views.

The previous feeling of dissatisfaction with the way in which the Treaty of Rome has been interpreted and with some of its terms, has been muted by the knowledge that other Member States, notably France and Germany, would block any attempts at reform. However, the position is now radically different and the potential for development of E.E.C. rules is good. There are two main reasons for this: first, the European Community is growing, and with the inclusion of Greece, and in due course, Spain and Portugal, will have an entirely different social and economic balance than that of the original Six States; secondly, even without taking account of the enormous cost increase caused by the entry of the above countries, the Community will be out of funds in the early 1980s unless new money is provided.

The principal aim of the Reform Group in the light of these developments is to provide stimulus to the Government to take a lead in seeking change, and to ensure that the interests of Great Britain are fully realised when the inevitable reforms are made. There are four main areas of Community law in which changes must be made and they may be categorised as follows:—

#### 1. The replacement of the present Common Agricultural Policy

There is a widespread but incorrect belief that the current CAP is enshrined in the Treaty of Rome. However, article 39 provides that there should be a Common Agricultural Policy based on the need "to increase agricultural productivity, to stabilise markets and to ensure that supplies reach the consumer at reasonable prices". The commitment to an agricultural policy, therefore, is couched in general terms which the Group fully accept and which the present CAP fails to satisfy.

Indeed, the present CAP is deeply damaging to the overall interests of the United Kingdom. Until recently the consumer has been the main victim, but now there are clear signs that the growth of surplus production, coupled with an inadequate pricing structure, will severely damage the British agricultural industry. Farm incomes in real terms fell by 24% last year, and no industry can survive for long such a rapid rate of decline.

Also the United Kingdom is one of the largest importers of food in the world and it is clearly against the national interest that one of the main sources of E.E.C. income is a levy on imported food. Various estimates have been made of the cost to British consumers, and all have been hedged with qualifications; however, in a recent Parliamentary answer the Agriculture Minister estimated that the cost was around £3,000 million per year, which represents about £5 per family per week.

In the light of the wide variations in wealth and culture of Member States, the Group feel that it will be difficult to obtain agreement on amendments to the present CAP which would be politically acceptable to all Member States, and which at the same time would be adequate to cope with the serious structural problem of surpluses. It is therefore important that a scheme of National Support should be devised under the overall supervision of the European Community which would give the farmer security, the consumer protection, and satisfy the terms of Article 39.

#### 2. To provide a fairer contribution system

Since Britain joined the E.E.C. this country's net contributions have amounted to £2.6 billion which works out to about £1 million for each day of membership. The country cannot afford to subsidise other European States in this manner to the detriment of our own industries, and it is essential that the system of assessment for national contributions should be reviewed.

Despite the great success of the Prime Minister last year in her efforts to reduce the size of the British contribution, permanent remedies have yet to be found, and there is a need to be watchful in the negotiations to come.

#### 3. To allow National action against dumping and other unfair trading practices

Action against dumping has been regarded traditionally as something quite separate from normal trading policy. However, under the E.E.C. arrangements the British Government is powerless to respond to the dumping of goods in this country on its own initiative, and must refer the complaints to Brussels.

Applications which have been made demonstrate the shortcomings of the present system; there have been prolonged delays in dealings with the complaints and a marked reluctance to intervene to prevent the offending practice. Currently other Member States have a vested interest in allowing the dumping to continue, in fact their own trade with the offending country might be adversely affected by a joint European initiative.

A degree of power to intervene must be restored to allow individual Member States to protect their own domestic markets against unfair competition from third parties, although overall authority may remain vested in the Community.

#### 4. To restore limited powers to National Parliaments

Whilst understanding that the concept of an Economic Community necessarily involves a degree of centralised control, the Group believe action must be taken to curb the totality and scope of the legislation emanating from Brussels: such complete authority over national Parliamentary decision making is unnecessary and its consequences unacceptable.

The danger of introducing yet another tier of bureaucracy to supplement the many already in existence is great. There are now 10,420 full-time staff employed by the E.E.C. Commission who generate legislation, much of which is binding upon all Member States.

In the furtherance of this task the Commission produced, in the 11 months to December 1980, 3,098 regulations and 1,102 directives. This wholly unnecessary collection of law and embryonic law, which took up over 5% of British Parliamentary time but was still not satisfactorily vetted, dealt with matters ranging from those of substantial importance, such as advertising standards, accountancy practice and monopoly controls, to those of petty absurdity such as rear-view mirror sizes and lawnmower noise.

The Conservative Party has stated publicly its intention to cut down on the volume of legislation. In its attempt it has so far failed, there being over 65 pages of new legislation produced every day the House was sitting during the 1979/80 Parliamentary session. The excessive bureaucratic controls introduced by successive Governments have contributed largely to the decline of the manufacturing industry and the stifling of individual enterprise and initiative; unless steps are taken to erase the Brussels inspired law, there will be no possibility of the present Government being able to reverse this trend. The best way in which this can be achieved is by returning to national Parliaments some of the powers which have been surrendered to the European Community.