



## BRIEFING PAPER

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# The 1974-75 UK Renegotiation of EEC Membership and Referendum

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## Summary

The Labour general election manifestos in February and October 1974 promised a renegotiation of the UK's terms of membership of the European Economic Community (EEC or Common Market), followed by a referendum on the UK's continued membership.

Having won the elections first without a majority and then with a narrow majority, in 1974 and 1975 Labour Prime Minister Harold Wilson and his government negotiated concessions for the UK from other European governments. The main areas of UK concern were:

- the Common Agricultural Policy (CAP),
- the UK contribution to the EEC Budget,
- the goal of Economic and Monetary Union,
- the harmonisation of VAT
- Parliamentary sovereignty in pursuing regional, industrial and fiscal policies.

The 1975 referendum campaign was announced on 7 January 1975 and a White Paper on the referendum was published in February 1975, which was debated in Parliament in March 1975.

At the Paris Summit of Heads of State or Government in December 1974 and the Dublin European Council in spring 1975, the UK Government successfully negotiated with the other eight Member States the introduction of the Community's regional policy, a budgetary correction mechanism and market access for New Zealand dairy products.

The Cabinet endorsed the results of the renegotiation on 18 March 1975. The House of Commons endorsed them on 9 April 1975.

The *European Referendum Bill* 1974-75 was introduced on 26 March 1975 and passed its Second Reading on 10 April (312 to 248 votes). It received Royal Assent on 8 May.

The referendum was on 5 June 1975. With a turnout of 64%, 67% voted in favour of staying in the EEC and 33% voted against.

This paper also indicates comparable stages in the present Government's proposed renegotiation of the UK's relationship with the European Union.

# 1. Background

The Labour government of Clement Attlee after the end of the Second World War did not support moves towards the creation of the European Coal and Steel Community (ECSC). The Labour Party maintained this position throughout the 1950s and early 1960s, and was opposed to the Conservative Government's application for membership of the European Economic Community (EEC, also known as the Common Market) in 1961. But at the March 1966 general election, the Labour Party manifesto stated that EEC membership was an aim, "provided essential British and Commonwealth interests are safeguarded". Harold Wilson, who became Prime Minister in October 1964, said in August 1965 that the EEC's agricultural policy was the main obstacle, because, unless it was changed, it would have "a most serious and damaging effect on Commonwealth imports and upon our balance of payments".<sup>1</sup>

But by May 1966 the Labour government was saying the UK wanted to be part of an expanded EEC. In the 1970 general election, Labour was committed in principle to EEC membership, but the Conservatives won the election and Prime Minister Edward Heath applied for membership the following year. As Leader of the Opposition, Harold Wilson was highly critical of the terms of entry negotiated by Edward Heath, and promised to renegotiate the British terms of entry if Labour was returned to power.

The Conservative Government, initially backed by the Labour Opposition, supported parliamentary approval of the decision to accede to the EEC rather than public approval via a referendum. However, in March 1972 Labour joined Conservative eurosceptics calling for a consultative referendum before entry.

Edward Heath took the UK into the EEC in January 1973, bringing its membership (with other new members Denmark and Ireland) to nine.

On 4 March 1974 Harold Wilson became the Prime Minister of a minority Labour Government and he was returned to power with a majority of three in the election on 10 October 1974.

Both Labour's 1974 election manifestos promised a renegotiation of UK terms of entry, which would be subjected to a national referendum to determine whether the UK should remain in the EEC on the new terms.

After winning the February 1974 election, Harold Wilson sought to fulfil his election manifesto promise by asking other EEC leaders for certain concessions for the UK.

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<sup>1</sup> Joining the CAP. The Agricultural Negotiations for British Accession to the European Economic Community 1961 – 1973. Ed. Sir Michael Franklin, Peter Lang AG, 2010.

## 2. Labour referendum pledges

### 2.1 Labour's 1974 manifestos

The Labour Party's [general election manifesto February 1974](#) committed Labour to providing a referendum on whether Britain should stay in the Common Market on renegotiated terms, or leave the EEC.

Britain is a European nation, and a Labour Britain would always seek a wider co-operation between the European peoples. But a profound political mistake made by the Heath Government was to accept the terms of entry to the Common Market, and to take us in without the consent of the British people. This has involved the imposition of food taxes on top of rising world prices, crippling fresh burdens on our balance of payments, and a draconian curtailment of the power of the British Parliament to settle questions affecting vital British interests. This is why a Labour Government will immediately seek a fundamental re negotiation of the terms of entry.

We have spelled out in *Labour's Programme for Britain* our objectives in the new negotiations which must take place:

'The Labour Party *opposes* British membership of the European Communities on the terms negotiated by the Conservative Government.

'We have said that we are ready to re-negotiate.

'In preparing to re-negotiate the entry terms, our main objectives are these:

'Major changes in the COMMON AGRICULTURAL POLICY, so that it ceases to be a threat to world trade in food products, and so that low-cost producers outside Europe can continue to have access to the British food market.

'New and fairer methods of financing the COMMUNITY BUDGET. Neither the taxes that form the so-called "own resources" of the Communities, nor the purposes, mainly agricultural support, on which the funds are mainly to be spent, are acceptable to us. We would be ready to contribute to Community finances only such sums as were fair in relation to what is paid and what is received by other member countries.

'As stated earlier, we would reject any kind of international agreement which compelled us to accept increased unemployment for the sake of maintaining a fixed parity, as is required by current proposals for a European ECONOMIC AND MONETARY UNION. We believe that the monetary problems of the European countries can be resolved only in a world-wide framework.

'The retention by PARLIAMENT of those powers over the British economy needed to pursue effective regional, industrial and fiscal policies. Equally we need an agreement on capital movements which protects our balance of payments and full employment policies. The economic interests of the COMMONWEALTH and the DEVELOPING COUNTRIES must be better safeguarded This involves securing continued access to the British market and, more generally, the adoption by an enlarged Community of trade and aid policies designed to benefit not just "associated overseas territories" in Africa, but developing countries throughout the world.

David Cameron pledged during the previous Parliament that if the Conservatives were returned to government in the 2015 general elections, he would legislate to hold an in-out referendum on the UK's continued membership of the European Union, following the negotiation and agreement of a number of reforms.

David Cameron identified areas for reform in his [Bloomberg Speech](#) in January 2013, which he consolidated in March 2014 as follows:

- Powers flowing away from Brussels, not always to it;
- National parliaments able to work together to block unwanted EU legislation;
- Businesses liberated from red tape;
- UK police forces and justice systems able to protect British citizens, without interference from the European institutions;
- Free movement to take up work, not free benefits;
- Removing the concept of "ever closer union".

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'No harmonisation of VALUE ADDED TAX which would require us to tax necessities.

'If re-negotiations are successful, it is the policy of the Labour Party that, in view of the unique importance of the decision, the people should have the right to decide the issue through a General Election or a Consultative Referendum. If these two tests are passed, a successful renegotiation and the expressed approval of the majority of the British people, then we shall be ready to play our full part in developing a new and wider Europe.

'If re-negotiations do not succeed, we shall not regard the Treaty obligations as binding upon us. We shall then put to the British people the reasons why we find the new terms unacceptable, and consult them on the advisability of negotiating our withdrawal from the Communities.'

An incoming Labour Government will immediately set in train the procedures designed to achieve an early result and whilst the negotiations proceed and until the British people have voted, we shall stop further processes of integration, particularly as they affect food taxes. The Government will be free to take decisions, subject to the authority of Parliament, in cases where decisions of the Common Market prejudice the negotiations. Thus, the right to decide the final issue of British entry into the Market will be restored to the British people.

The promised referendum would have been consultative under the [Labour manifesto election commitment](#) in February 1974:

If re-negotiations are successful, it is the policy of the Labour Party that, in view of the unique importance of the decision, the people should have the right to decide the issue through a General Election or a Consultative Referendum;

However, Labour's [October 1974 manifesto](#) pledged a binding referendum:

The Labour Government pledges that within twelve months of this election we will give the British people the final say, which will be binding on the Government - through the ballot box - on whether we accept the terms and stay in or reject the terms and come out.

On 11 March 1975 Edward Short, the Leader of the Commons ([c 291](#)), said:

This referendum is wholly consistent with parliamentary sovereignty. The Government will be bound by its result, but Parliament, of course, cannot be bound by it. Although one would not expect hon. Members to go against the wishes of the people, they will remain free to do so.

### 2.2 The Government informs the EEC Council

On 1 April 1974 the Foreign Secretary, James Callaghan, [outlined the position of the UK Government](#) to the EU Council of Ministers, saying the British people should have approved the original terms of entry and that his government wished to put this right with a successful renegotiation. He referred for the first time to the possibility of a negotiated withdrawal from the EEC if the renegotiation was unacceptable.

David Cameron launched his reform agenda – briefly - at the European Council on 25-26 June 2015:

- No to “ever closer union” and decisions taken far from people;
- Eurozone integration must be fair to those inside and outside the single currency;
- Welfare incentives encouraging EU citizens to seek work in Britain must be tackled;
- Need to maintain competitiveness, jobs, growth, innovation and success.

This triggered the start of technical talks involving UK and EU officials. The European Council agreed to return to the matter in December 2015.

We shall negotiate in good faith and if we are successful in achieving the right terms we shall put them to our people for approval. But if we fail, we shall submit to the British people the reason why we find the terms unacceptable and consult them on the advisability of negotiating the withdrawal of the United Kingdom from the Community. I am confident that no one in the Community would wish to argue that it would be in the interests of the Community to seek to retain my country as a member against its will. But I stress that I do not hope for a negotiation about withdrawal. I would prefer successful renegotiation from which the right terms for continued membership will emerge. To some extent that will depend upon us—but it will also depend upon the attitude of the other partners in the negotiations.

James Callaghan outlined to the Council of Ministers the main UK objections to its terms of entry, which had been spelt out in the 1974 election manifesto, and set out the Government's main renegotiation objectives as follows:

**Major changes in the Common Agricultural Policy**, so that it ceases to be a threat to world trade in food products, and so that low-cost producers outside Europe can continue to have access to the British food market.

**New and fairer methods of financing the Community Budget.** Neither the taxes that form the so-called 'own resources' of the Communities, nor the purposes, mainly agricultural support, on which the funds are mainly to be spent, are acceptable to us. We would be ready to contribute to Community finances only such sums as were fair in relation to what is paid and what is received by other member countries.

As stated earlier, **we would reject any kind of international agreement which compelled us to accept increased unemployment for the sake of maintaining a fixed parity, as is required by current proposals for a European Economic and Monetary Union.** We believe that the monetary problems of the European countries can be resolved only in a world-wide framework.

The retention by Parliament of those powers over the British economy needed to pursue effective regional, industrial and fiscal policies. Equally we need an **agreement on capital movements which protects our balance of payments and full employment policies.** The economic interests of the Commonwealth and the developing countries must be better safeguarded. This involves securing continued access to the British market and, more generally, the adoption by an enlarged Community of trade and aid policies designed to benefit not just 'associated overseas territories' in Africa, but developing countries throughout the world.

**No harmonization of Value Added Tax which would require us to tax necessities.**

Mr Callaghan also told EC leaders that the UK Government was "now engaged in a root and branch review of the effect of Community policies", which it would present to them.

Callaghan also explained why the Government and the British people were questioning the current terms of EEC membership. They were concerned about:

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- A “rigid programme” leading to permanently fixed parities and Economic and Monetary Union by 1980;
- The concept of a European Union, which Mr Callaghan described as “quite unrealistic and not desired by our peoples, certainly not by the British people”;
- The cost of the Common Agricultural Policy, which for the UK as a high importer of food was particularly burdensome;
- Trade with the Commonwealth and developing countries in industrial and agricultural sectors, and the generalised preference scheme;
- Aid and regional assistance, and whether existing rules interfered with British power over its economy to pursue “effective regional, industrial, fiscal and counter-inflationary policies”.

He called for “fundamental changes” to the Community budget:

12. We are not asking for charity. We seek a fair deal. In 1973, only paying 8.5% of the Community budget in accordance with the transitional key, we were already the second largest net contributors. At the end of our normal transitional period we shall be paying over 19%, well over the 16.5% which is our likely share of GNP at that time. If the full ‘own resources’ system were to be applied to us with no changes in 1980, we should find ourselves paying still more, perhaps several percentage points more, of the Community budget — in even sharper contrast with the relatively low share of GNP we can then expect to have. I am sure you will agree that something must be done about that. Britain cannot accept a permanent drain across the exchanges of several hundred million pounds sterling a year.

The Government’s initial approach, Callaghan explained, was to seek changes to EEC policies and decisions, with Treaty changes only “if it should turn out that essential interests cannot be met without them”, or if existing rules “interfere with the powers over the British economy, which we need to pursue effective regional, industrial and fiscal policies”.

The matter of Treaty amendment was unclear. According to the account of the negotiations by Nicholas Spreckley, former head of the Foreign Office’s European department, published in 1976,<sup>2</sup> the Foreign Secretary hoped to avoid Treaty change, while many in the Labour Party assumed that Treaty amendment, or amendment of the UK Accession Treaty, was unavoidable. There were concerns that any likelihood of Treaty change might endanger the process of renegotiation: “There would be confrontation with the other countries and it would not be possible, as the Secretary of State wished, to tackle the renegotiation objectives step by step”.<sup>3</sup> It was suggested that only the budget might require a Treaty amendment and that the CAP reforms could be

In July 2012 the Conservative-led coalition Government launched a [Review of the Balance of Competences](#) between the EU and UK. The Review concluded in late 2014, finding that in general the balance of competences was about right and that the UK had often helped shape the EU agenda; but also that:

- Subsidiarity and proportionality are not always sufficiently implemented; EU should focus on areas where it adds genuine value.

- Need for greater democratic accountability of EU institutions; national parliaments should have greater role in decision-making.

- Need for less and better EU regulation, more effective implementation and enforcement of existing legislation.

- Rights of all Member States must be protected as Eurozone integrates.

In January 2015 the Prime Minister wanted “full-on treaty change”, but by June reports suggested he would accept reforms in a “legally binding and irreversible” process, leading to a later Treaty change. Other EU Member States are reluctant to agree to Treaty changes to suit the UK because of the risk of the UK electorate voting to leave the EU.

<sup>2</sup> FCO, [The Common Market Renegotiation and Referendum 1974-1975](#), Report by Nicholas Spreckley, Part I, 1976.

<sup>3</sup> FCO, [The Common Market Renegotiation and Referendum 1974-1975](#), Report by Nicholas Spreckley, Part I, 1976.

achieved within the scope of the existing Treaty, including UK commitments to the Commonwealth countries and New Zealand in particular.

Mr Callaghan also made clear that the UK was “deeply concerned about the politics of the Community; about the broad direction which it is going to take both in its internal development and in its relations with other countries or groups of countries”. On foreign policy, he emphasised that the UK wanted to “remain a member of an effective Atlantic Alliance” and pointed to concerns about disagreements between the Community and the United States:

18. We shall not always be able to agree with the United States but the Community in devising its procedures and its common positions must always try to work with America whenever it can. Conversely America must try and work with us. Only if the Nine work harmoniously with the United States on both economic issues in the framework of the Community and on political issues in the framework of political cooperation, shall we surmount the difficulties to which President Nixon and Dr Kissinger have recently drawn attention.

The UK Government would continue to “participate in the work of the Community and act in accordance with Community procedures, subject only to not proceeding with further processes of integration if these seem likely to prejudice the outcome of the negotiations”.

On 4 June 1974 and in subsequent discussions in 1974 and 1975, James Callaghan spelt out in detail to the Council the main points of concern. These are summarised in the European Commission’s [Background Notes](#) to the Dublin European Council on 10-11 March 1975.

## 3. UK-EEC negotiations

### 3.1 Method and process

The negotiations and discussions were carried out by the Prime Minister at Heads of State or Government level,<sup>4</sup> by Ministers in the Council of Ministers and by both in bilateral meetings with other EC governments; also by EU diplomats and senior civil servants.<sup>5</sup>

In the UK a Cabinet committee was set up to handle the renegotiation, under the chairmanship of the Prime Minister. It included the Foreign Secretary, James Callaghan and other departmental ministers, some of whom were anti-Marketeers (e.g. Tony Benn, Peter Shore).

A Referendum Information Unit headed by an FCO official, Martin Morland, was set up to brief the press and provide the public with factual information on the renegotiation and the referendum.

The period between the two 1974 elections was difficult for the renegotiation. Nicholas Spreckley recorded in his [1976 report](#) (p.86):

Britain's partners felt little inclined to give away any points over the budget, or indeed any other renegotiation item, when they knew that a further General Election was imminent. It was far from certain that the Labour Party would be successful in obtaining a better majority or even in retaining power, and it was clearly a waste of time for the other countries to begin serious work and make real concessions in a negotiation which in four or five months' time might no longer be necessary.

### 3.2 Results of the renegotiation

The main achievements of the renegotiation were achieved at the [Paris Summit](#) in December 1974 and the [European Council in Dublin](#) under the presidency of the Irish Prime Minister, Liam Cosgrave, on 10-11 March 1975.

Member States reached agreement on the budget correcting mechanism and on access and pricing provision for New Zealand dairy produce. The Prime Minister said in a statement on [12 March 1975 cc509-22](#) that the Government had "now taken our discussions within the Community on renegotiation as far as they could go". The Cabinet would review what has been achieved over the last year in the renegotiation as a whole, on the basis of the objectives set out in the Labour Party manifestos of February and October 1974.

The new terms were agreed in the Cabinet on 18 March by 16 to 7.

On 18 March ([HC Deb 18 March 1975 cc1456-80](#)) Harold Wilson set out to the Commons what had been asked for and what had been achieved at the renegotiation (main points in bold):

David Cameron set up a Europe Cabinet Committee to consider issues related to the EU referendum. Its membership is:

- Prime Minister, David Cameron
- Chancellor of the Exchequer, George Osborne
- Foreign Secretary, Philip Hammond
- Home Secretary, Theresa May
- Work and Pensions Secretary, Iain Duncan Smith
- Business, Innovation and Skills Secretary, Sajid Javid
- Chancellor of the Duchy of Lancaster, Oliver Letwin
- Parliamentary Secretary to the Treasury and Chief Whip, Mark Harper
- Minister for Europe, David Lidington

Mats Persson (of think-tank Open Europe) was appointed as an adviser on Europe.

<sup>4</sup> The first summit meetings between 1961 and 1974 were before the formal establishment of the European Council.

<sup>5</sup> Michael Butler, for example. For a detailed account of the negotiations, see Stephen Wall's book, *The Official History of Britain and the European Community. Volume II. From Rejection to Referendum, 1963-1975*, published in 2013.

## OBJECTIVE ONE

The manifesto called for: **Major changes in the common agricultural policy** so that it ceases to be a threat to world trade in food products, and so that low cost producers outside Europe can continue to have access to the British food market. My right hon. Friend the Minister of Agriculture gave precision to these objectives in his statement to the Council of Ministers on 18th June, on which he reported to the House on 19th June. He asked for:

1. The establishment of firm criteria or pricing policy, taking account of the needs of efficient producers and the demand/supply situation.
2. Greater flexibility, taking account of the need for appropriate measures to deal with special circumstances in different parts of the Community.
3. Measures to discourage surpluses and to give priority to Community consumers in the disposal of any surpluses which arise.
4. Improvement in the marketing régimes for some major commodities, particularly beef, with a view to avoiding surpluses.
5. The improvement of financial control.
6. Better access for certain commodities from outside the Community, with particular regard for the interests of Commonwealth producers and of the consumer.

### **Now as to the outcome.**

On the supply of food at fair prices, in the three CAP price settlements since the Government took office the Minister of Agriculture has succeeded in keeping price increases below cost increases, and thus in real terms reinforcing the downward trend in CAP prices. This would benefit consumers and taxpayers and also is designed to reduce the risk of surpluses.

Increasingly, price proposals are being related to the costs of efficient producers and the supply/demand situation, and this approach is reaffirmed in the Commission's report on the CAP stock-taking for which we and Germany asked.

On the greater flexibility for special circumstances and improved systems of market regulation, especially beef, the Minister has secured changes for beef under which member States are no longer obliged to maintain high prices for producers by buying beef into store and denying it to consumers. Instead, they can let it go to consumers at reasonable prices and make up returns to producers by deficiency payments partly financed by the Community.

In addition, special encouragement has been given for sugar production in the United Kingdom. More generally, the monetary arrangements have been used to differentiate the percentage price increase between member States. There has been more flexibility in the use of national aids.

On the requirements of measures to discourage surpluses and to pay more regard to consumers, the downward pressure on CAP prices is itself a safeguard against surplus production—together with our proposals, now being pursued, for the reduction of support buying prices for milk products and cereals when surpluses start to arise. Then there is the recent practice, which I

understand is to be continued, that any surpluses which do develop are run down by cheap supplies to Community consumers rather than being unloaded on world markets. We have had this in the beef subsidy for pensioners and in the increased butter subsidy. British consumers again benefit from the monetary import subsidies paid to countries which have devalued and from special measures to keep Community prices below world prices, particularly the sugar import subsidy which is financed by the Community.

On the objective of improved financial control, some progress has been made—better estimates of costs and budgetary implications of new proposals, tighter monitoring of expenditure and the introduction of precautions against fraud.

On access for third-country foodstuffs, in 1971 we condemned from the Opposition benches the failure to provide security for Commonwealth Sugar Agreement producers. We constantly criticised the lack of arrangements for Commonwealth Sugar Agreement supplies after the end of 1974, which in fact turned out to be a time of world sugar famine—hence the crisis and the high prices we faced. But we have now got assured access for up to 1.4 million tons of sugar from developing countries, for which we pressed from 1971 onwards, so this objective has been achieved.

During this period of shortage, British refiners and manufacturers have purchased 170,000 tons of sugar to maintain continuity of supplies with the aid of Community subsidies of £36 million.

On access for New Zealand dairy produce, in the autumn of 1974 we secured an increase of 18 per cent. in the prices paid to New Zealand to ensure continued supplies, and at Dublin we got agreement on the broad lines of the continuing arrangements for access of New Zealand dairy produce after 1977.

No commitments had been made in 1971, but so far as butter is concerned the Commission has been instructed to prepare in the next three or four months a draft based on the maintenance of butter imports from New Zealand to Britain at around the level of 1974–75 deliveries—in other words, none of the degressivity which had been understood was to be brought about—together with price proposals to which the New Zealand Government attach the greatest importance.

On cheese, the Protocol to the Treaty of Entry ruled out any more access for New Zealand cheese of the kind provided for in 1973–77. But last week's statement has left the matter open, and we have given notice that we shall pursue it in the Protocol 18 review. We shall press this urgently indeed.

Improved access for other foodstuffs has been secured as a result of GATT negotiations, the trade sections of the Lomé Convention, the Mediterranean agreement and the Community's 1975 Generalised Scheme of Preferences which has now been agreed; improved access, too, for tropical oils, Canadian cheddar, soluble coffee and lard, though no achievement yet on access for certain other foods such as canned fruit and hard wheat. We have requested levy-free quotas for hard wheat and flour, and put on record that we shall at an early date seek elimination or reduction of the tariff on New Zealand lamb.

### **OBJECTIVE TWO**

#### **Community Budget**

The manifesto commitment was: **New and fairer methods of financing the Community budget.** Neither the taxes that form the so-called 'own resources' of the Communities, nor the purposes, mainly agricultural support, on which the funds are mainly to be spent, are acceptable to us. We would be ready to contribute to Community finances only such sums as were fair in relation to what is paid and what is received by other Member countries. It rapidly became clear that we could best secure our objectives not by seeking to overturn the system of financing the budget from "own resources" but by correcting its unfair impact by a mechanism which would provide a refund to us.

I reported to the House a week ago, and set out the corrective mechanism proposals, which as I said were an improvement on the Commission's proposals, and which satisfactorily met what we then proposed, involving a refund of up to £125 millions a year.

### **OBJECTIVE THREE**

#### **Economic and Monetary Union**

The manifesto commitment is as follows: **we would reject any kind of international agreement which compelled us to accept increased unemployment for the sake of maintaining a fixed parity** ... We believe that the monetary problems of the European countries can be resolved only in a worldwide framework. Since that commitment was made there has been a major change in the attitude of other European Governments to the practicability of achieving EMU by 1980. As a long-term objective it was restated in the Paris communiqué, but for all practical purposes it has been tacitly abandoned. For example, the second stage, due to start on 1st January 1974, 15 months ago, has never been adopted and practical work has been virtually at a standstill for a long time.

There is no prospect of our coming under pressure to agree to an arrangement, whether in relation to parity commitments or otherwise, threatening the level of employment in Britain. As for EMU remaining as a long-term Community objective, its realisation in the foreseeable future, as I hinted at Question Time, is as likely as the ideal of general and complete disarmament which we all support and assert.

### **OBJECTIVE FOUR**

Our election manifesto of February 1974 stated our objective as: **The retention by Parliament of those powers over the British economy needed to pursue effective regional, industrial and fiscal policies.**

#### **Regional Policy**

Since the turn of the year, and in the context of our renegotiations, the Commission has had an intensive discussion with us and other member Governments and has now formulated the principles under which it proposes to implement its rôle in the co-ordination of regional aids.

The Commission's hierarchy of assisted areas conforms to ours. No forms of national aids are ruled out in principle, and there is no interference with our existing regional aids. There is a particular problem relating to assistance given by the Highlands and Islands Development Board, for which a derogation is being obtained. In discussing the way in which regional aids might be changed to meet new circumstances, the Commission has furthermore acknowledged that national Governments are the

best judges of what is required in their own country and that the Commission will be prepared to consider changes in national aid systems compatible with the Common Market, when they are justified by problems of employment, unemployment, migration and by other valid requirements of regional development policy which constitute essential national problems. The Commission has further accepted that urgent action by Governments may be necessary and that treaty procedures will not hold this up.

### **Industrial Policy**

We have not met with any serious difficulties from the EEC in the conduct of industrial policy during the past year. We have reported aids given under Sections 7 and 8 of the [Industry Act 1972](#). Article 222 of the Treaty of Rome specifically permits nationalisation; and Government participation in the equity of a firm does not in itself raise problems under the treaty. The Commission has accepted that in urgent cases we shall provide aid without first giving it an opportunity to comment. In such rescue cases a solution might be that when we prepare a plan to restore the firm concerned to viability we should discuss it with the Commission within the following six months. This would not be an onerous requirement.

The Commission has not yet commented on the [Industry Bill](#). The proposals for the National Enterprise Board and for Planning Agreements have much in common with arrangements in other member States. They are in no way incompatible with the treaty, provided that the Government's powers are not exercised so as to damage the competitive position of undertakings in other member States—a principle which we accept, as we have in the case of regional policy.

I should add that, as regards State aids, we had just as stringent an injunction on us as members of EFTA, and non-Market EFTA countries which have agreements with the EEC have accepted obligations just like the EEC obligations without having any part in EEC decisions in these fields.

I believe that this meets our objective. Steel is more difficult, partly for inherent reasons, partly because of action taken by the previous Government when they repealed Section 15 of the [Iron and Steel Act](#).

I am satisfied that potential problems over prices can be resolved by close contact between the Government and the Steel Board, and possible difficulties about mergers are also capable of a solution.

There is nothing in the Treaties of Rome or Paris or in practices or policies under the treaties which precludes us from extending nationalisation of the present private sector—even total nationalisation of the industry.

On the control of private investment there were, until the repeal of Section 15, powers under legislation passed by this House to prevent investment by non-British non-Community country steelmasters—and the much publicised mini-mill proposal at Newport could have been dealt with if Section 15 was still in force. It is not against the treaty in any way to use it.

My right hon. Friend the Foreign and Commonwealth Secretary gave notice at the Council of Ministers on 3rd March that it might be necessary to ask for treaty revision if there is no other way of solving this problem. If, as part of the control of the economy, the

Government—any Government—have to hold back the level of new investment in the public steel sector, it is unacceptable that the private sector should be free to expand where it wants and by as much as it wants, thus adding to the inflationary pressure on resources, quite apart from the location and regional problems, for example, in areas where steel men have been made redundant by technological change.

Since it is well known that other member countries have met with those and similar problems and have found administrative means of dealing with them without asking for an amendment of the treaty, I told the other Heads of Government in Dublin that we would study the methods they have used, whether by environmental controls, planning controls, industrial development certificate controls, or other means.

Were this to fail, we could still have recourse to extending public ownership or to proposing treaty revision. Concerning this continuing objective, the reference in the manifesto objective to fiscal policies has not proved difficult. There are proposals for certain measures to harmonise the structure of some indirect taxes, but any which were objectionable to us would require our agreement. I will come to this again on VAT.

#### **OBJECTIVE FIVE**

##### **Capital movements**

The manifesto commitment says: Equally we need an agreement on capital movements which **protects our balance of payments and full employment policies**. We have made use of the relevant Articles of the Treaty of Rome to revert to broadly the same exchange control régime as applied before entry. We can continue to take action under those Articles to protect our balance of payments.

#### **OBJECTIVE SIX**

##### **The Commonwealth and developing countries**

The manifesto said: The **economic interests of the Commonwealth and the developing countries must be better safeguarded**. This involves securing continued access to the British market and, more generally, the adoption by an enlarged Community of trade and aid policies designed to benefit not just 'associated overseas territories' in Africa, but developing countries throughout the world. I have referred to Commonwealth sugar and New Zealand dairy products

Another major achievement was the Lomé Convention. What was achieved—and a great tribute is due here to the work of my right hon. Friend the Minister for Overseas Development—was the transformation of a paternalistic arrangement with a restricted range of mainly ex-French and Belgian Colonies or Territories, in which they had to offer the Community reciprocal trade benefits, into a relationship based on co-operation with 46 countries in Africa, the Caribbean and Pacific—22 of them from the Commonwealth. The new convention governs access without requiring reciprocity, a completely new scheme for stabilisation for commodity earnings, and much increased aid. The convention has rightly been described as historic. For this and other reasons, almost all Commonwealth countries, advanced and developing, have expressed their hope that Britain will stay in the Community.

As to Asian countries such as India, Sri Lanka, Bangladesh and Pakistan, a good deal has been achieved for them already. They

have benefited from EEC emergency aid to those countries most seriously affected by the oil price rises. India has an agreement with the EEC, and the other three are negotiating them. The Generalised Scheme of Preferences has been much improved, and earlier this month the Council of Ministers agreed to work for continuing improvements to the scheme, with particular emphasis on the interests of the poorest developing countries, including those of the Indian sub-continent.

But it cannot at this stage be claimed, putting aside what has been achieved, good and less good, that all the problems so far as Asian countries are concerned have as yet been solved. In principle, yes, but there is so far no commitment about the necessary financial provision.

### **OBJECTIVE SEVEN**

#### **Value Added Tax (VAT)**

The manifesto commitment is: **No harmonisation of value added tax which would require us to tax necessities.** The proposals now being discussed in the Community are concerned with agreeing a uniform assessment base for VAT. They provide for our system of zero rating. We will be able to resist any proposals which are unacceptable to us.

Contrary to the situation four years ago, this VAT problem of harmonisation is no longer a real threat. So far from harmonising, a number of countries are insisting on increasing the number of VAT rates within their own tax systems and it seems there is no danger to our freedom here at all. That was not the position four years ago.

To sum up, therefore, I believe that our renegotiation objectives have been substantially, though not completely, achieved.

I have set out at some length the outcome of the negotiations on each objective mentioned in the manifesto, including those where the passage of time has diminished or eliminated the threat that we foresaw.

What now falls to be decided is whether on these terms, the renegotiated package as a whole, the best interests of Britain will be best served by staying in or coming out.

It will be seen from what I have said that the Government cannot claim to have achieved in full all the objectives that were set in the manifesto on which the Labour Party fought and won two elections last year. Some we have achieved in full; on others we have made considerable progress, though in the time available to us it has not been possible to carry them to the point where we can argue that our aims have been completely realised.

It is thus for the judgment now of the Government, shortly of Parliament, and in due course of the British people, whether or not we should stay in the European Community on the basis of the terms as they have now been renegotiated.

So I do not believe that in taking this decision, if that is the decision which the country takes, we are entering into a narrow regional grouping to the detriment of our world-wide relationships. My first regard, ever since I entered this House, has always been more to the Commonwealth than to Europe. We have to face the fact that practically all the members of the Commonwealth, deciding on the basis of their own interests and what is good for them, want Britain to stay in the Community. Of

course, it is a fact that many have diversified their trade away from Britain in the past four years. In many cases they felt themselves forced to do so as a result of the 1971 decision and terms. But a number also, New Zealand for example, have entered on a radical reorientation of their political stance related to the region surrounding them and are developing their economic policies in a similar direction.

Again, I would not commend what I have announced to the House if this meant in any way weakening our transatlantic relationships. Relations with the United States are closer and better than they have ever been at any time, certainly in this generation, and in some contrast to what they have been in very recent times. Nothing in today's decision will in any way weaken that relationship.

The Prime Minister recommended to the British people that they should vote in favour of staying in the Community under the terms described.

In *Looking Back to Look Forward: 40 Years of Referendum Debate in Britain*,<sup>6</sup> Andrew Glencross analysed the UK Government's approach to 1975-75 renegotiation:

Negotiation by the Wilson government hinged on the same two factors applicable today: the scale of the ambition and the ability to forge partnerships with foreign capitals. Foreign Secretary James Callaghan outmanoeuvred EEC-sceptics like Benn by settling for policy reform (notably regarding the budget and the Common Agricultural Policy) rather than treaty change. This move reassured other leaders, by showing that British unilateralism was nevertheless compatible with the existing rules of the game.

Ultimately Callaghan claimed that the majority of renegotiation objectives from the February 1974 manifesto had been achieved, although the fact that the budget issue came to a head again not long after under Margaret Thatcher tells a different story. Labour's narrative about a successful renegotiation proved highly persuasive in the referendum campaign.

In March 1975 two White Papers were published:

- Cmnd 5999 was Harold Wilson's [statement in the House on 18<sup>th</sup> March 1975](#).
- Cmnd 6003, 31 March 1975, set out the results of the renegotiation of the UK's membership of the EEC and the Government's recommendation.

A shortened, simpler version of Cmnd 6003 was sent to every UK household before the referendum.

## Parliamentary approval

On 9 April 1975 the Commons approved the renegotiation and continued EEC membership by 396 to 170. See the debates on European Community (Membership), [HC Deb 7 April 1975](#), [HC Deb 8 April 1975](#) and [HC Deb 9 April 1975](#).

At the same time the Government drafted the Referendum Bill, to be moved in case of a successful renegotiation.

<sup>6</sup> Political Insight, Volume 6, Issue 1, pages 25–27, April 2015, available at Wiley Online at <http://onlinelibrary.wiley.com/doi/10.1111/2041-9066.12085/full>.

## Views in Europe

The other EEC Member States were prepared to make concessions to the UK, although the French foreign minister, Jean Sauvagnargues, called Callaghan’s wish list “wholly contrary to the very spirit of the community”.<sup>7</sup> According to Sir Nicholas Spreckley:

The Germans, the Dutch and the Danes seemed the most sympathetic to British objectives...But as so often, it was the French attitude which was at once the most important and the most critical. In these early weeks the French government took the line that the Treaties and the principles of the Community were inviolable.<sup>8</sup>

The French were unwilling to give at all, or “show any disposition to understand British thinking”. Germany worried about distractions from “the community’s progress”.<sup>9</sup> But German Chancellor Helmut Schmidt made concessions on the budget and “also went along with a diluted form of Britain’s demand for EC access to New Zealand dairy products”.<sup>10</sup>

## Public opinion

The European polling agency *Eurobarometer* asked the question: “Generally speaking, do you think that UK membership of the European Community (Common Market) is a good thing, a bad thing, neither good or bad or don’t know.

The results in [September 1973](#) and [May 1975](#) were as follows:

Date	A good thing	A bad thing	Neither good nor bad	Don’t know
Sept 1973	31%	34%	22%	13%
May 1975	47%	21%	19%	13%

French President François Hollande is against EU Treaty change. Economy Minister Emmanuel Macron rejects “à la carte” UK Membership of the EU. German Chancellor Angela Merkel does not rule out Treaty change to accommodate UK concerns. See Section 2.3 of [Commons Briefing Paper 7214](#), 4 June 2015, for other views in Europe.

IPSOS-MORI polls asked how people would vote if there were a referendum now on EU membership.

[May 2014](#)  
 Stay in 54%  
 Get out 37%  
 Don’t know 10%

[June 2015](#)  
 Stay in 61%  
 Get out 27%  
 Don’t know 12%

<sup>7</sup> [Bloomberg, 30 March 2015.](#)

<sup>8</sup> Nicholas Spreckley, [The Common Market Renegotiation and referendum](#), 1974-75, FCO

<sup>9</sup> [Bloomberg, 30 March 2015.](#)

<sup>10</sup> “Richard Nixon and Europe”, Luke A. Nichte, Cambridge University Press, 2015

## 4. The referendum

The decision to hold a referendum was controversial in the UK Parliament. Most politicians who wanted Britain to stay in the EEC did not want a referendum. Edward Heath was opposed to a referendum as a constitutional device. Margaret Thatcher, elected as leader of the Conservative Party in February 1975, called the referendum “a device of dictators and demagogues”.<sup>11</sup>

Supporters of a referendum were mainly those who wanted to leave the EEC and mostly from the Labour Party. One supporter, Tony Benn, said a referendum would make government truly accountable to the electorate.

Peter Kellner<sup>12</sup> told the Lords Select Committee on the Constitution in 2010 that “the decision to hold the 1975 European Communities referendum “... was wholly to do with holding the Labour Party together”.<sup>13</sup>

### 4.1 White Paper on the EU referendum

The White Paper of 26 February 1975, “The Referendum on UK Membership of the European Community” (Cmnd 5925) announced that a referendum would be held after the outcome of the renegotiation was known.<sup>14</sup> The Government’s own recommendations would be explained to voters in a White Paper and a popular version of this containing a less technical account would be distributed to every UK household.

In parliamentary debates in March and April 1975 MPs questioned the role of civil servants in the special information unit (the Referendum Information Unit) set up to handle requests for information.<sup>15</sup> It was criticised for being a government body and for “volunteering information without being asked”. One MP asked: “What has it become but a propaganda machine not for the Government but for the [European] Commission ...?”<sup>16</sup>

The franchise would be the UK Parliamentary franchise including peers. Special arrangements for the armed forces electorate were provided by order.<sup>17</sup>

Core public funding would be provided for both the ‘Yes’ and ‘No’ campaigns and there would be no expenditure limit on either side. Two umbrella organisations, Britain in Europe (BIE) (the ‘Yes’ campaigners) and the National Referendum Campaign (NRC) (the ‘No’ campaigners),

The official Conservative Party position supports a referendum on EU membership. Before the 2015 general election, Labour was opposed to a referendum, but the acting Labour leadership says the party now supports one by 2017. The Liberal Democrats oppose a referendum by 2017, but support one in the case of further transfer of sovereignty to the EU. The SNP is opposed.

Information about spending limits and public funding for the designated lead campaign organisations for the 2016-17 referendum can be found in Commons Briefing Paper 7212 [European Union Referendum Bill 2015-16](#), 3 June 2015.

<sup>11</sup> HC Deb 11 March 1975 c314. She was quoting Clement Attlee in 1945.

<sup>12</sup> BBC journalist and President of the YouGov opinion polling organisation.

<sup>13</sup> House of Lords Select Committee on the Constitution 12<sup>th</sup> Report of Session 2009–10, [Referendums in the United Kingdom](#), Report with Evidence, Q 46.

<sup>14</sup> The draft White paper on the referendum was considered in a [Memorandum by the Lord President of the Council](#) (Edward Short) of 17 February 1975.

<sup>15</sup> See [HC Deb 11 March 1975 cc291-408](#).

<sup>16</sup> [HC Deb 23 April 1975 c1634](#).

<sup>17</sup> For debate on issues linked to Armed Forces voting, see [HC Deb 22 April 1975 cc1249-373](#).

already existed when they were given legal status under the *Referendum Act 1975*.

The funding and other arrangements for the 1975 referendum are described in Library [Research Paper 97/61, \*The Referendum \(Scotland and Wales\) Bill\* \[Bill 1 of 1997-98\], 20 May 1997](#). They were also examined in the Fifth Report of the Committee on Standards in Public Life, [The Funding of Political Parties in the United Kingdom](#), October 1998 (Cm 4057).

There was disagreement in the Cabinet over the wording of the referendum question. The FCO wanted a long preamble to the question, explaining the Government's position; the anti-Marketeters wanted the words "Common Market" rather than "European Community".

On 11 March 1975 there was a six-hour Commons [Adjournment debate](#) on the EEC membership referendum and the White Paper, and a shorter [Lords debate](#) on 12 March 1975.

## 4.2 The Referendum Bill

The [Referendum Bill](#) was [introduced](#) on 26 March 1975. The Second Reading debate was on 10 April 1975 ([HC Deb 10 April 1975 cc1418-547](#)). The House divided: Ayes 312, Noes 248.

It stipulated the franchise and the authority of the Government to stipulate by order the date of the referendum and make provisions for its conduct, subject to approval by affirmative resolution by each House.

It allocated responsibility for the conduct of the referendum and provided for the appointment of a Counting Officer.

It authorised grants not exceeding £125,000 each to the two campaigns on each side of the debate (Britain in Europe and the National Referendum Campaign).

The question adopted in the Bill was the one originally included in the Government White Paper, but with "The Common Market" added in brackets after "European Community":

**"Do you think the United Kingdom should stay in the European Community (the Common Market)?"**

The Bill received Royal Assent on 8 May 1975.

## 4.3 Referendum campaign and literature

For the 1975 campaign the Government agreed to suspend the normal convention of collective responsibility and individual Cabinet members campaigned on different sides.

The "Yes" campaign was officially supported by Harold Wilson's Government and the majority of his Cabinet, including Denis Healey, the Chancellor of the Exchequer, James Callaghan, the Foreign Secretary, and Roy Jenkins, the Home Secretary. It was also supported

The [European Union Referendum Bill 2015-16](#) was introduced on 28 May 2015 and had a Second Reading on 9 June. It deals with the franchise and conduct of the referendum. Schedules provide details of rules on the campaign and the conduct of the referendum. It gives the Secretary of State the power to make provisions for the date and the conduct of the poll, subject to approval by both Houses after consulting the Electoral Commission.

The most controversial provisions at Second Reading were the franchise, the timing of the referendum and the lifting of the purdah provision for the referendum campaign. Amendments on these provisions were tabled during Committee stage. The House divided: Ayes 544, Noes 53.

The wording of the question in the 2015 Bill is: "Should the United Kingdom remain a member of the European Union?" Its neutrality was questioned and the Electoral Commission is assessing the matter. Its findings and recommendations are expected in September 2015.

by the majority of the Conservative Party, including its new leader Margaret Thatcher, the Liberal Party, the Social Democratic and Labour Party, the Alliance Party of Northern Ireland and the Vanguard Unionist Progressive Party.

Seven of the 23 Cabinet members did not support continued EEC membership: Michael Foot (Employment), Tony Benn (Industry), Peter Shore (Trade), Barbara Castle (Social Services), Eric Varley (Energy), William Ross (Scotland) and John Silkin (Planning and Local Government).

Britain in Europe (BIE), the pro-European campaign, was supported by the European Movement, the business community, the press and the Anglican Church. The National Referendum Campaign (NRC) consisted of left-wing Labour politicians, right-wing Conservatives and some from nationalist parties in Ulster, Scotland and Wales.

Both sides published campaign leaflets which were distributed to all households in the ten days before the referendum:

- the [Referendum on the European Community \(Common Market\) Why you should vote YES](#)
- [Referendum on the European Community \(Common Market\) Why you should vote NO.](#)
- Government recommendation in [Britain's New Deal in Europe](#)

The following are summaries of the leaflets published in May 1975:

## Why You Should Vote Yes

It makes good sense for our jobs and prosperity. It makes good sense for world peace. It makes good sense for the Commonwealth. It makes good sense for our children's future. Being in does not in itself solve our problems. No one pretends it could. It doesn't guarantee us a prosperous future. Only our own efforts will do that. But it offers the best framework for success, the best protection for our standard of living, the best foundation for greater prosperity. All the original six members have found that. They have done well - much better than we have - over the past 15 years. . .

Our friends want us to stay in. If we left we would not go back to the world as it was when we joined, still less to the old world of Britain's imperial heyday. The world has been changing fast. And the changes have made things more difficult and more dangerous for this country. It is a time when we need friends. What do our friends think? The old Commonwealth wants us to stay in, Australia does, Canada does. New Zealand does. The new Commonwealth wants us to stay in. Not a single one of their 34 governments wants us to leave. The United States wants us to stay in. They want a close Atlantic relationship (upon which our whole security depends) with a Europe of which we are part; but not with us alone. The other members of the European Community want us to stay in. That is why they have been flexible in the recent re-negotiations and so made possible the improved terms which have converted many former doubters. Outside, we should be alone in a harsh, cold world, with none of our friends offering to revive old partnerships.

David Cameron said in June 2015: "If you want to be part of the Government, you have to take the view that we are engaged in an exercise of renegotiation, to have a referendum, and that will lead to a successful outcome". He clarified that this referred just to the negotiations, not to the referendum campaign. It is not yet clear whether there will be a free vote.

Broadly speaking, the Liberal Democrats, SNP and Plaid Cymru support continued EU membership, Labour is largely in favour, the Conservatives are split but the official Government position is in favour of continued membership based on a successful renegotiation of UK terms.

Why can't we go it alone? To some this sounds attractive. Mind our own business. Make our own decisions. Pull up the drawbridge. In the modern world it just is not practicable. It wasn't so even 40 or 60 years ago. The world's troubles, the world's wars inevitably dragged us in. Much better to work together to prevent them happening. Today we are even more dependent on what happens outside. Our trade, our jobs, our food, our defence cannot be wholly within our own control. That is why so much of the argument about sovereignty is a false one. It's not a matter of dry legal theory. The real test is how we can protect our own interests and exercise British influence in the world. The best way is to work with our friends and neighbours. If we came out, the Community would go on taking decisions which affect us vitally - but we should have no say in them. We would be clinging to the shadow of British sovereignty while its substance flies out of the window. The European Community does not pretend that each member nation is not different. It strikes a balance between the wish to express our own national personalities and the need for common action. All decisions of any importance must be agreed by every member. Our traditions are safe. We can work together and still stay British. The Community does not mean dull uniformity. It hasn't made the French eat German food or the Dutch drink Italian beer. Nor will it damage our British traditions and way of life. The position of the Queen is not affected. She will remain Sovereign of the United Kingdom and Head of the Commonwealth. Four of the other Community countries have monarchies of their own.

English Common Law is not affected. For a few commercial and industrial purposes there is need for Community Law. But our criminal law, trial by jury, presumption of innocence remain unaltered. So do our civil rights. Scotland, after 250 years of much closer union with England, still keeps its own legal system.<sup>18</sup>

### Why You Should Vote No

Re-negotiation. The present Government, though it tried, has on its own admission failed to achieve the 'fundamental re-negotiation' it promised at the last two General Elections. All it has gained are a few concessions for Britain, some of them only temporary. The real choice before the British peoples has been scarcely altered by re-negotiation.

What did the pro-Marketers say? Before we joined the Common Market the Government forecast that we should enjoy - A rapid rise in our living standards; A trade surplus with the Common Market; Better productivity; Higher investment; More employment; Faster industrial growth. In every case the opposite is now happening, according to the Government's figures.

Our legal right to come out. It was agreed during the debates which took us into the Common Market that the British Parliament had the absolute right to repeal the European Communities Act and take us out. There is nothing in the Treaty of Rome which says a country cannot come out.

The right to rule ourselves. The fundamental question is whether or not we remain free to rule ourselves in our own way. For the British people, membership of the Common Market has already been a bad bargain. What is worse, it sets out by stages to merge

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<sup>18</sup> <http://referendum75.org/content/why-you-should-vote-yes>.

Britain with France, Germany, Italy and other countries into a single nation. This will take away from us the right to rule ourselves which we have enjoyed for centuries.

Your food, your jobs, our trade. We cannot afford to remain in the Common Market because: it must mean still higher food prices. Before we joined, we could buy our food at the lowest cost from the most efficient producers in the world. Since we joined, we are no longer allowed to buy all our food where it suits us best.

Your jobs at risk. If we stay in the Common Market, a British Government can no longer prevent the drift of industry southwards and increasingly to the Continent. This is already happening.

If it went on, it would be particularly damaging to Scotland, Wales, Northern Ireland and much of the North and West of England, which have suffered so much from unemployment already.

If we stay in the Common Market, our Government must increasingly abandon to them control over this drift of industry and employment. Far reaching powers of interference in the control of British industry, particularly iron and steel, are possessed by the Market authorities.

Interference with the oil around our shores has already been threatened by the Brussels Commission.

Huge trade deficit with Common Market. The Common Market pattern of trade was never designed to suit Britain. Taxes to keep prices up. The Common Market's dear food policy is designed to prop up inefficient farmers on the Continent by keeping food prices high.

Agriculture. It would be far better for us if we had our own national agricultural policy suited to our own country, as we had before we joined.

Commonwealth links. Our Commonwealth links are bound to be weakened much further if we stay in the Common Market. We are being forced to tax imported Commonwealth goods. And as we lose our national independence, we shall cease, in practice, to be a member of the Commonwealth.

Britain a mere province of the Common Market? The real aim of the Market is, of course, to become one single country in which Britain would be reduced to a mere province. The plan is to have a Common Market Parliament by 1978 or shortly thereafter.

What is the alternative? A far better course is open to us. If we withdraw from the Market, we could and should remain members of the wider Free Trade Area which now exists between the Common Market and the countries of the European Free Trade Association (EFTA) - Norway, Sweden, Finland, Austria, Switzerland, Portugal and Iceland. These countries are now to enjoy free entry for their industrial exports into the Common Market without having to carry the burden of the Market's dear food policy or suffer free trade rule from Brussels. Britain already enjoys industrial free trade with these countries. If we withdrew from the Common Market, we should remain members of the wider group and enjoy, as the EFTA countries do, free or low-tariff entry into

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the Common Market countries without the burden of dear food or the loss of the British people's democratic rights.<sup>19</sup>

The Government pamphlet, "[Britain's new deal in Europe](#)", set out the renegotiated terms of entry for Britain. The Wilson Government recommended that the electorate should support continued membership on the renegotiated terms.

The Conservative Party also published a brochure, "[Yes to Europe](#)", calling for the UK to remain in the EC.<sup>20</sup>

The referendum was held on 5 June 1975. The turnout was 64.03% (registered electorate 40,456,877) and the results were as follows:

Yes	17,378,581 (67.2%)
No	8,470,073 (32.8%)
Valid votes	25,848,654
Invalid votes	54,540
Total votes	25,903,194

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<sup>19</sup> <http://referendum75.org/content/why-you-should-vote-no>.

<sup>20</sup> Yes to Europe, The Conservative Guide for the 1975 Referendum Campaign. London: Conservative Research Department, 1975. 96 p. p. 28-52; 55-66. Available on [CVCE website](#).

## 5. Further reading

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<sup>21</sup> This bibliography was compiled with the help of Kiely Wing.

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[Telegraph 5 June 2015](#), Seven lessons from Britain's 1975 EEC referendum: What can we learn from the last popular vote on Europe, held 40 years ago today?

*Bruegel Policy Contribution*, [The UK's EU vote: the 1975 precedent and today's negotiations](#), Emmanuel Mourlon-Druol, 8 June 2015

*Financial Times*, 31 July 2014, [European history lesson gives Cameron a headache](#), Jim Pickard and George Parker

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