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I have just come from the Labour Party Conference, which I have been attending now as a member of the Party for nearly thirty years. I regard it as one of the important forums of democratic debate and free speech in this country. I was therefore puzzled by suggestions that I should allow myself to be muzzled in the public discussion over Britain's membership of the Community.

It is not a proposition that it ^{is} possible for me to accept. It is part of a European Commissioner's job to explain the policies of the Community, especially in the country from which he comes, and I intend to go on doing it.

I can only think these suggestions arise from a fundamental misunderstanding of the role and responsibilities of a Member of the European Commission - since I cannot believe that those who take a different view from myself of the merits of British membership of the Community are afraid of the facts or the arguments as they are seen by someone who shares the day to day responsibility of developing the Community's policies.

The European Commission does not consist of faceless - still less voiceless - Eurocrats. It is a political body charged under the Treaty of Rome with the ways in which Europe should advance and publicly responsible to the European Parliament.

There seems to be a basic contradiction among the critics of European Commissioners and the Commission's Information Office. On the one hand they attack the Community for either bureaucratic secrecy or for enshrouding their decisions in incomprehensible/^{jargon and} gobbledy-gook. At the same time, they apparently want to stop those who are in the best position to try to explain the Community from doing so.

If the public are to be well informed about the facts and the issues that will lie behind the fateful choice about Britain staying in the Community, there is an immense task of information to be undertaken. I believe the Denton Foundation is to be congratulated on the resources it is devoting to enabling the concerned citizen to make up his own mind on these great issues.

For some years now we have been living through the end of an era -- the post war era. The relations between the Communist world and the West have been changing; the partnership within the West between the United States and Europe is in a state of transition. Within the Community Germany has adopted a more self-confident and critical stance.

The determination to render another European war absolutely unthinkable was a major driving force in creating the European Communities and, indeed, many other organisations of an international character. The very success of the European Communities in rendering another European war unthinkable has removed that particular unifying force.

But the bell which tolled the end of the post-war era was the action of the Third World oil producers in radically altering the price relationship between themselves and the industrialised world. We cannot look for relationships with the oil producing countries to return to what they were before the price rises. The obligation is to redefine our relationships with the oil producing countries. Moreover, it goes far beyond oil. All those developing countries who provide the basic raw materials of the industrialised world will seek a new, more equal but more costly economic relationship. The old unequal balance between the affluent industrialised consumer world and the underdeveloped world of low consumption that has hitherto prevailed is now being revised on a major scale.

At the same time, we must remember that the same

action which has created a crisis of adaptation for the industrial world, has created a crisis of catastrophe for those developing countries which have no oil. The thousand million men and women and children who live in this new Fourth World face famine and grinding poverty on a scale never known before.

For the Community, however, the economic problems of the rise in energy prices are of a magnitude that we have never faced before. The Commission has calculated that the Community's indebtedness by reason of oil deficits alone will amount within the next five years to over 60,000 million dollars, and that calculation does not include the interest payments. If you spread that debt out between the population of the Community, it means that every man, woman and child in the Community from Greenland to Sicily, will be in debt to the tune of 230 dollars, or £100 each. The overall cost to the Community in real terms of offsetting the deteriorating terms of trade, of paying the interest on the foreign debt, and of making the necessary investment in its own energy resources, in restructuring industry and maintaining employment, could amount to over 4 per cent of Gross National Product.

The necessary economic adjustments cannot be imposed suddenly without involving intolerable social tensions - the more so as the burden for the Community as a whole works out very differently for the different Member States. The margin of manoeuvre for Governments between inflation and recession has now become very narrow indeed.

The challenge is clear. We must have the breadth of vision and the imagination to forge a new European solidarity to meet the triple problem of protecting our economic welfare, of redefining our relationship with the producers of raw materials, and of playing our role in protecting the less fortunate developing countries. And Europe must be united if it is to play its part in forging the wider international unity which will also be needed to meet the challenge.

The initial response of the Community to the energy crisis was deeply disappointing. We saw the individual European countries running for national cover and scrambling to get the best deal for themselves. Such policies could only end in the destruction of bargaining power for the crucial international economic negotiations which lie ahead. They would end in beggar-my-neighbour policies of protectionism with each country pursuing savage deflationary policies which would throw the industrial nations into unprecedented miseries of unemployment. The nation states would return to Hobbes' "state of nature" in which people refused to act in their own interests by acting in each other's interests, and life was "nasty, brutish and short". It is the duty of the Commission and the Community as a whole to stop this happening.

Fortunately, some sensible initiatives to promote the unity that we need have been taken in recent months. The Community, for example, has promoted the Euro-Arab dialogue. This dialogue deals not with energy as such but with the setting up of cooperation in all fields, particularly the economic, technical and cultural fields. This should contribute to the links of interdependence which must result in greater security for

mutual trade between Europe and the Arab States.

Again, in October the Community agreed to a scheme for tapping some of the oil money I spoke of and putting it to good use in the Community. This 'Community loan' scheme will involve the Community, as such, borrowing up to \$ 3,000 million from the oil countries to lend on five-year terms to Member States in balance of payments difficulties. The technical details of the scheme are now being worked on, and I hope we may be in business very early in the New Year to deal with any Member State that wants to put in an application.

Meanwhile, in November, the Community agreed for the first time to make a medium-term loan to a Member State. This was a loan of \$ 1,400 million for $3\frac{1}{2}$ years to Italy.

The Commission has also been hard at work preparing the basis of a common energy policy for the Community. The objective is to agree on targets for energy supply which will substantially reduce Community dependence on oil imports in the coming years, and to give Community support to the massive investment and research and development effort which will be needed if the targets are to be met.

The Commission's proposals on coal will be of particular interest to you, for they offer a brighter future for the British coal industry if Britain remains in the Community. We propose that Community coal production should be maintained at its 1973 level, and to achieve that we would hope there can be an increase in British coal production, in which the big new Selby coalfield would have an important role to play.

to ensure that more power stations are fired by coal, which will open up export opportunities for British coal. We also propose Community action to ensure there are guaranteed sales outlets for coal, even if the price of oil fluctuates, and Community action to ensure that there are the necessary funds for new investment and for research into new mining techniques.

The Community has also been in the forefront of efforts to help the developing countries worst hit by the fuel crisis. It was the Community which took the initiative to get a world-wide emergency aid scheme going to assist those countries, and showed itself ready to move ahead on its own without waiting to see how far other industrialised nations were prepared to dip their hands into their own pockets.

In a wider context, Henry Kissinger a fortnight ago made a very impressive plea for unity amongst the industrialised nations in dealing with the energy crisis, and set out important proposals for action. The International Energy Agency has now been set up, which is an important step in the direction of achieving this unity.

The French Government has made an imaginative and timely plea for a conference of oil producing and oil consuming countries including the developing countries.

The British Government has been active in putting forward proposals for recycling the huge flow of oil funds.

So the initial depressing phase of self-defeating nationalism in the response of the industrialised nations to the energy crisis has given way to a phase in which some sensible initiatives have been taken and some sensible proposals made.

But these are only first steps. The question now is whether we have the political will and the breadth of vision to take up the various proposals, to overcome the differences of approach where they exist, and to make a unified response to the energy crisis a reality.

This is not impossible, although there is no room for narrow, self-defeating nationalism. I think there is considerable agreement on the aims. The proposed Community Energy Policy and the International Energy Agreement have very similar objectives, and the Commission for its part is determined to forge a sensible relationship between the two. What is striking about the French and the American proposals for a producer / consumer conference is the similarity not the difference of approach. Equally, the British and American approaches to recycling of oil funds have a close similarity. And I hope it is agreed on all sides that the object of unified action is not to try to put the clock back by means of a capitalist cartel, but is to redefine our relationships in a new and fairer way with the producers of raw materials.

I mentioned earlier how the determination to make another European war impossible was one of the major forces driving the nations of Europe towards economic and political solidarity. Now we have the new threat of economic warfare and economic chaos because of the energy and raw materials crisis and it is my belief that only a new economic and political solidarity between the nations of Europe can protect them in the difficult years that lie ahead.

It is with considerable reluctance that, at this stage, I must say that I disagree with the recent suggestions of that great Socialist, Willy Brandt. He suggested that the European countries with the strongest economies, such as Germany, France and the Benelux countries, should push on towards economic integration, while the weak, in particular the United Kingdom and Italy, should come along behind at their own pace of development. He is a great European and a great internationalist. I know he put his ideas forward with the best of intentions and in a constructive spirit. Equally, I fully recognise the case for flexibility in dealing with Member States with particularly severe economic problems, and I think that the Community is indeed becoming an increasingly flexible and pragmatic organisation.

But the Community must be founded on equality of status between the Member States, whatever their size or wealth, if it is to remain a meaningful "Community". There can be no divisions, no second-class status, if the Community is to find the economic and political solidarity it needs to face the enormous problems that lie ahead.

And equally the Community cannot find the economic and political solidarity it needs to protect its citizens unless it is founded on fairness. That is why there must be a balanced pattern of expenditure in the Community that ensures that the transfer of resources is to the poorer Member States from the more prosperous Member States. And that is one of the main reasons why we must have a really adequate Regional Development Fund.

A major contribution to the economic and political solidarity that is so essential if we are to be able to protect our future would be a speedy and successful outcome to the British renegotiation.

I hope people in Britain will recognise what is at stake in this issue. I have often thought that one of the main reasons for Britain refusing to join the Communities at the outset - a decision bitterly regretted by later Governments - was that Britain's war experiences, while terrible enough, had not been the same trauma that they had been for the original Six who suffered the additional horrors of invasion. Now that we have a desperate need for strength in unity in face of the crises of energy and inflation, I trust that a similar mistake will not be made. I hope that Britain's possession of substantial energy resources will not breed the illusion that Britain can weather the storms of future years in isolation.

I noticed the other day a report commissioned by the Yorkshire Group of British Business for World Markets, which put forward the view that it would be to Britain's economic benefit to withdraw from Europe, especially in view of the recent energy discoveries.

I cannot think of any area of the U.K. where the disadvantages of withdrawing from the Community can be seen more clearly. Yorkshire is less peripheral in the Community than in the United Kingdom. There is the new trans-Pennine motorway almost completed. There are the splendid new ferry terminals for the Hull-Rotterdam service, which I use when I want to drive from Brussels to Scotland without making a detour to London. Hull is the spearhead for the trade of the North of England penetrating our new continental home market of 280 million consumers. Having invested in this spearhead, it would be folly to blunt it by retaining the tariff wall between ourselves and the Continent, which we are at present dismantling.

I must say, I find the narrowness and short-sightedness of this report puzzling coming from hard-headed Yorkshire businessmen.

It is an error to think that Britain's present trade deficit with the E.E.C. is a function of E.E.C. membership, and I compliment James Poole for the excellent job he did in the Sunday Times this week in shooting down this myth. The plain fact is that Britain has a disturbingly large trade deficit, even in non-oil trade with the rest of the world, and, to quote James Poole, "it would appear that for most of 1974 the E.E.C. deficit has been a declining part of the overall non-oil trade gap". The E.E.C. trade deficit is a reflection not of our membership of the E.E.C., but of our own economic weakness.

The Report I referred to also put forward the idea that Britain could leave the E.E.C. and return to E.F.T.A. I am afraid it is simply an illusion that Britain could leave the E.E.C. and return to its old trading partners. Those of the E.F.T.A. countries which did not join the E.E.C. have been forging free trade links with it, and they are not going to give them up to be charitable to a Britain that has sacrificed its most important trading market. The old trading patterns have changed, as Jim Callaghan recognised on Thames television last week. Can I remind you of what he said? He said that we are now so enmeshed in the Market that pulling out would be a quite traumatic experience. The Commonwealth has found new markets and those arrangements can not now be rebuilt. He pointed out that coming out of the Market is very different from not going into the Market.

Half Britain's exports now go to the Community or countries associated with it, and the Community is by far the most rapidly growing market for British exports. Even if the Community did grant us free trade status outside it -- and I for one think this would be unlikely -- we would have lost control over the decisions that govern our terms of trading.

It must be recognised that there is no way back to our old trading patterns and we should not be seeking one.

Nor will North Sea oil last for ever, and there is no guarantee that the price will always be competitive. Its existence can do nothing to protect us against the dangers

of beggar-my-neighbour deflationary policies, world-wide inflation or all the other raw materials crises or food crises which we are likely to face in the coming years.

I have mentioned the major changes taking place in the world : changes in relations between East and West and between developed and developing nations. We are facing a new definition of these relations between rich and poor in which Britain will need to have a say. British living standards will depend on these essential decisions in international affairs. Make no mistake : we live in a world of increasingly interdependent economies, and this is particularly so for a small, over-populated island which is unusually dependent on trade and has an unusually open economy.

It is only by being part of the European Community that Britain can have any real influence - real sovereignty if you wish - over the decisions on world economic affairs and world trading relations which will determine its future. And equally the European Community will be a more powerful - and I think better - political unit with Britain as a member.

When the renegotiation is over, the British people will want to have all the information necessary to answer one key question - the cost of staying in versus the cost of coming out. That cost cannot be measured simply in terms of cash we pay into and get out of the Budget. It cannot even be measured sufficiently in general economic terms, including the benefits to British industry, which do not appear in the Budget at all, of being able to plan and produce on the basis of a new home market of 280 million people in one of the world's highest income zones.

It involves also making a judgment on the most important imponderable of all : the cost of going it alone in the kind of world which lies ahead of us. A world which, of late, has become a distinctly rougher and more uncertain place to live in.

Perhaps in Hull I can put it in seafaring terms. In these stormier seas, Britain must choose between being aboard a large vessel that can safely put its bows into the storm, or of taking its chances in a smaller and not very seaworthy smaller boat.

I cannot believe - if the full facts are known - that the British people will want to go it alone in such circumstances. It is not only the negative business of being left at the mercy of decisions taken by others in their own interests. There is also the positive side that a Western European Community with Britain a major member will have the experience and the weight to make a constructive contribution to economic peace-making in the very dangerous world which lies ahead.

This is what the European Community and Britain owe, not only to their own peoples, but to mankind as a whole.