Chapter 1

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Two wars of global dimension within a single generation left the West Europeans in a resurgent mood to establish lasting peace and stability in Europe.\(^1\) Even before the second world war formally came to an end, the European statesmen with the human carnage and material devastation fresh before their eyes, began to question the well-established political traditions of Western civilisation. The important political and strategic matters normally discussed after any great military event, were, of course, not the only problems that invited their attention. But beyond these immediate issues, the post-war leadership debated and doubted the very validity and relevance of such time-honoured concepts like the 'nation-state', 'territorial sovereignty', 'economic protectionism', etc. In a historical context, marked by multifold crises not limited to one or two countries, and by a deep revulsion against what had happen-recently, the Europeans felt that the long era of the 'nation-state' and national egotism should come to an end. To them, at least for the moment, such a political

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1. The words 'Europe', 'West Europe' are used interchangeably although the text with reference to the states and peoples of the Benelux, Britain, Federal Republic of Germany, France and Italy. Similarly 'Little Europe', 'Six' 'Continentalists' refer to the original members of the ECSC and the EEC.
entity, based as it was on the fundamental principles of nationalism and territorial sovereignty, seemed irrelevant and obsolescent. As a well-known authority on European affairs put it,

"it became increasingly obvious that the nation-state was from many points of view an obsolete form of political organization incapable of guaranteeing to its citizens either their military defence or the prospect of a rising standard of living."

Such growing belief in the obsolescence of nation-state led the European states to think and act in terms of a 'United Europe'. Prominent individuals and great statesmen belonging to the West European states championed the movement for 'European unity'. Among those who supported the idea of 'European Unity' were statesmen like Winston Churchill, Pope Pius XII, Paul Henry Speak of Belgium, Alcaide de Gasperi of Italy, Robert Schuman of France and Konrad Adenauer of West Germany. Among Resistance leaders were Ernesto Rossi, Alfred Mozer, Altiero Spinnelli. And lastly, writers like Albert Camus, George Orwell and Denis de Rougemont also supported the idea of European unity.


*. 'United Europe', 'Movement for European Unification', 'European Unity', 'European Integration', all the terms are used in similar sense.
Perhaps the greatest contribution to European unity movement was made by Jean Monnet of France. Rightly called 'Mr. Europe', Monnet was deeply convinced that Frenchmen and other Europeans had priceless energies and ideas to contribute to the world, but they would be able to make their proper contribution only if they were unified. He believed that all nation-states had their day, and that modern society should develop a wider 'supranational' framework. He sought an international order in which national or supranational groups dominating the other groups would not arise. Deeply committed, but at the same time thoroughly business-like, Monnet worked with inexhaustible patience towards his goal of a 'Limited Europe'. A great part of what has been done to unify Europe "results from the genius and persuasive qualities of this one individual (Monnet)."3 The European Coal and Steel Community (ECSC) and the European Economic Community (EEC) owe their existence largely to the efforts of Monnet.

Monnet, however lacked the public eminence to rouse the people to his cause. It was left to the edifying personality of Winston Churchill who, with his oratorical gift could mobilize the European people in support of a 'United Europe'. In a broadcast to the world on 10 March

1943, Churchill, outlining his conception of 'United Europe', said:

One can imagine that under a world institution embodying or representing the United nations there should come into being a Council of Europe. We must try to make this Council of Europe into a really effective league, with all the strongest forces woven into its textures, with a High Court to adjust disputes, and with armed forces, national or international, or both, held ready to enforce these decisions and to prevent renewed aggression and the preparation of future wars. This Council, when created, must eventually embrace the whole of Europe, and all the main branches of the European family must some day be partners in it.

The reaction to this speech was unenthusiastic, coming as it was in the midst of war. It was not until his Zurich speech that he was able to obtain any real attention for his proposal. Speaking on 19 September 1946, at Zurich University, Churchill, now in Opposition, said:

We must build a kind of United States of Europe .... I am now going to say something that will astonish you. The first step in the recreation of the European family must be a partnership between France and Germany. In this way only can France recover the moral leadership of Europe. There can be no revival of Europe without a spiritually great France and a spiritually great Germany (Emphasis added).

Though the movement for United Europe or integration of Europe received an emotional vent in the early post-war


years, the protagonists of the cause were hardly unanimous over its meaning and realization. Some regarded 'United Europe' as an entity transcending national sovereignties and finding its institutionalized expansion in common European legislative and executive wings. For some it meant a gradual phase-wise realization through effective politico-economic integration. These two dominant themes find their expression in two different schools: 'Federalists' and the 'Functionalists'.

The federalists were largely drawn from the war-time Resistance Movement. Their main concern was to direct the unity movement towards the creation of a supranational system endowed with political authority to meet the needs of collective defence, internal security and reconstruct the war-ravaged economies of the member states. These federalist enthusiasts drew several constitutional blueprints for a supranational European state. Economic and social progress in Europe could be attained by creating supranational bodies with sufficient authority. As R.W.G. Mackay, a European federalist would put it: "We can hope for real economic and social progress in Europe only if there is a political authority with power to bring it about."6

The ambitious, even revolutionary schemes of the federalists, however, ended in failure. The Strasbourg Resolution (presented at the Council of Europe in 1950), the European Defence Community (EDC) and the proposal for European Political Community - the three federalist attempts suffered defeat once they encountered practical realities. Many federalists, after these set-backs, realized the unwillingness of nation-states to merge their sovereignties. Now with the benefit of hindsight, one wonders that even if the supranational bodies were raised they would have perhaps met the same fate as the "other 'premature' federal unions have broken down in Central Africa, the Near East, Malaysia and the Caribbean."  

Conversely, the functionalists' approach to European unity was altogether different. They believed that progress towards European unity could be made by dealing with 'particular aspects' of governmental function, in economic and security fields. Through a gradual process, more by means of reciprocal adjustments, institutions appropriate for each function could be set up. The 'Europeanization' of such institutions need not necessarily

result in the immediate loss of political authority of the existing nation states. In due course, so did the functionalists believe that sovereignty would find itself whittled away by this relatively painless process.

As David Mitrany, the foremost of functionalists explains:

By entrusting an authority with a certain task, carrying with it command over the requisite powers and means, a slice of sovereignty is transferred from the old authority to the new, and the accumulation of such partial transfers in time, brings about a translation of the true seat of authority. 8

Unlike the federalists, the functionalists, pragmatic as they have been, do not envisage a priori, any constitutional framework or prescription. The organization and authority of a functional agency are decided by the nature of function that is undertaken. Therefore, not only is there no need for any fixed constitutional division of authority and power, prescribed in advance, but anything beyond the original formal definition of scope and purpose might embarrass the working of the practical arrangements ... 9

The ECSC, EEC and the European Atomic Energy Community (Euratom) embody the functional features.

9. Ibid., p. 72.
Thus the main difference between the functionalists and the federalists is that functionalists are concerned with eliminating the nation-state system in the gradual process of building a welfare society. On the other hand, federalists see integration as superimposing a new system, either global or regional, and in due course replacing the nation states by a supranational structure.

The last of the approaches to integration is the pluralist approach. Pluralists see integration as essentially the formation of a 'community of states' defined by a high and self-sustaining level of diplomatic, economic, social and cultural exchange between its members. The states are continuously engaged in a process of adjustment to each other's actions, and in bargaining. The pluralist organization would be a loosely structured intergovernmental agency based more on cooperation in certain specified fields.

The influence of the Pluralist approach had been considerable in the creation of several important European organizations in the post-war era. The Organization of European Economic Cooperation (OEEC), North-Atlantic Treaty Organization (NATO), Council of Europe, and Western European

Union (WEU) were seriously influenced by the pluralists. The Labour Party's official stance on European integration, during its years of opposition was pluralist.

During the first decade after World War II, Europe saw an unprecedented growth of several international arrangements and organizations. These arrangements owe their creation both to the European statesmen who created them for their strategic and military purposes and also European integrationists. While those created for political and strategic purposes were intergovernmental (plural) in nature, those by the integrationists were functional in character. Attempts by the federalists to create federal organizations with supranational powers failed in face of growing support for functionalists and national governments' refusal to surrender their sovereign powers. The ensuing discussion would make a brief survey of the plural, functional and federal attempts to unite Europe and Britain's part in such efforts. For purposes of analysis, all the European undertakings would be broadly categorised into military and non-military.

Two military treaties were signed between the major West European powers in immediate succession after the war, largely on British initiative. One was a bilateral treaty, the Dunkirk Treaty, signed in 1947 between France and Britain.
It was a treaty of alliance and mutual assistance in which each party undertook to come to the assistance of the other in the event of renewal by Germany of a policy of aggression. The parties to the treaty also undertook to cooperate with each other in the general interests of their prosperity and economic development.

A year after its signing, the Dunkirk Treaty was extended in 1948 to the Benelux countries. The Brussels Treaty, as it came to be called, was primarily a treaty of collective defence. The parties undertook to give military assistance and any other type of assistance needed in case of military attack on any of them. It was expressly stated that such action would be taken in accordance with Article 51 of the U.N. Charter. The Treaty also provided for collaboration in economic, social and cultural fields. The two Treaties - Dunkirk and Brussels - were conceived partly as safeguards against a revived German threat and partly against Soviet expansionism.

The above two treaties, therefore, in all their spirit were nothing more than intergovernmental arrangements against any future military threat. Britain played an active part in bringing the countries together to sign these treaties.
Meanwhile cold-war developments hastened the Europeans to take urgent steps for the defence of West Europe. In February 1948, Czechoslovakia came under the communist sway. The coup was soon followed by Russian walkout from the Allied Control Commission on Germany. This incident was succeeded by the "Berlin Blockade". Outside Europe, in June 1950, North Korea invaded South Korea. Though the incident occurred beyond European borders, it entailed several security implications for West Europe and was the immediate cause for a proposed European Defence Community.

A proposal was made by Churchill and Paul Reynaud, on 11 August 1950, for the creation of a 'United European Army' under the Command of a European Minister of Defence. Following this call, on 11 August 1950, the French Government took the initiative and launched the proposal for the creation of a European Defence Community, also known as the "Pleven Plan". According to the "Pleven Plan" the armed forces of the member states would be integrated under a single unified authority. On 27 May 1952, the Treaty establishing the European Defence Community (EDC) was signed between France, Germany, Italy and the Benelux countries. The EDC Treaty provided for the real merger of the armed forces of the signatory states. It created institutions similar to those of the ECSC. In essence the EDC was federal in design.
In practical terms, the EDC meant to serve two-fold purpose: (i) To prevent rearmament of Germany, as planned by the United States within the NATO; and (ii) To prepare the defence arm of 'United Europe' which would have the double merit of eliminating the danger of German revival and of securing Europe against any aggression from the Soviet Union. 11

The EDC plan also envisaged a parallel European Political Community (EPC) on federal lines. The EPC was to consist of a bicameral Parliament with a directly elected lower house and an indirectly elected upper house; an Executive Council, whose President would be elected by the upper house and which would be responsible to the Parliament; a Council of Ministers and a court of Justice.

The Conservative Government of Churchill which succeeded the Labour in 1951, however, refused to join the proposed EDC. Though Churchill, while in Opposition, called for a United European Army, he subsequently refused any role for Britain in such a federal military set-up.

Making major foreign policy speech in the House of Commons on 11 May 1953, Churchill said:

Where do we stand? We are not members of the European Defence Community, nor do we intend to be merged in a federal European system.12

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Churchill's opposition to the federal idea was shared equally by Sir Anthony Eden, his Foreign Secretary. Speaking about the EDC Plan at Columbia University on 11 January 1953, Eden said: "I am speaking of the frequent suggestions that the United Kingdom should join a federation on the continent of Europe. This is something, which we know, in our bones, we cannot do." 13

The EDC Treaty, hence was signed by the Six European Powers without Britain. However, with the French Parliament's refusal to ratify the Treaty it collapsed and along with it, the EPC, the federalists' ambitious scheme too collapsed. Whether successful or not, what emerged from the EDC deliberations was Britain's opposition to the federal idea and or its institutional set-up.

After the collapse of the EDC plan, it was decided at a Nine Power Conference in London in September 1954 to include Italy and West Germany in the Brussels Treaty. It was also further agreed to restore German sovereignty and to allow controlled rearmament of West Germany. Britain made a commitment to maintain her armed forces on the continent. Thus a treaty creating the Western European Union (WEU) was signed in Paris on 23 October 1954, with

above provisions. Though the treaty declared to encourage the unity and progressive integration of Europe, it in itself was not a treaty of integration. It could, therefore, safely be ranked with the Dunkirk and Brussels Treaties. However, it was an advance over the NATO in the sense that it made obligatory on the part of member states to come to each other's rescue in the event of an external attack on any one of them.

Of the political and economic institutions that were established in Europe, some bore functional features, while others were on pluralist lines. The earliest of the organizations under this category was the Organization of European Economic Cooperation (OEEC) which was the institutional response to Marshall Aid. Ernst Bevin, who was eagerly seeking American aid for the reconstruction of Europe "grabbed it (George Marshall's offer to give aid) with his two hands." Without Bevin's efforts the Marshall plan could hardly have taken concrete shape. The OEEC's major task was to draft a four-year coordinated recovery programme based on national recovery plans. It should further recommend the method of allocation of American aid among its members.

The Labour Prime Minister Attlee, however, was quick to declare that participation by Britain in the OEEC would not amount to her commitment to any economic or federal union with Europeans. Speaking in Commons on 5 May 1948 on the OEEC issue, Attlee said that he was disturbed by the suggestion that

We might somehow get closer to Europe than to the Commonwealth .... While I want to get as close as we can with other nations, we have to bear in mind that we are not solely a European power but a member of a Great Commonwealth and Empire.  

Attlee's opposition to a European federal or customs union soon reflected in the OEEC deliberations on the political set-up and the closer economic union among its members.

The French wanted a strong executive board working full-time, and a transnational European secretariat with a Secretary-General with the power to take initiative in important matters, without the prior consultation of the member states. The British strongly preferred decision-making to be left to the member states. The Labour Government proposed a Council of Ministers functioning on the principle of 'unanimity'. After a bitter debate between the two positions, a compromise was struck by which decisions

were to be taken by mutual agreement of all member states but should avoid paralysis through lack of unanimity.

The compromise solution was, however, in accord with the British view. Equally vehement was the Labour Governments' opposition to an American proposal that a 'European payments Union' be created for the multilateral settlement of member countries' accounts. The British thus rejected any idea of submitting themselves to a multilateral decision-making authority.

The British Labour Government also declined to treat with significance the historic "Congress of Europe".

Various enthusiasts of European unity organized the "Congress of Europe", at The Hague, from 8-10 May 1948. Attended by delegates from sixteen European states, including Britain, the Congress, with Churchill as President of Honour, resolved that

the nations of Europe must create an economic and political union in order to ensure security, economic independence, and social progress; and for this purpose they must agree to merge certain of their sovereign rights.\footnote{Atlee's Government not only refused to participate in the Congress but also outrightly refused even to send representatives.}

\footnote{Quoted in, H. Robertson, \textit{European Institutions, Cooperation; Integration; Unification} (London, 1959), p. 12.}
official or unofficial delegates to the Congress. A series of letters between Churchill and Attlee show the apathy of the ruling party. Requesting the Labour Prime Minister Attlee to send the Labour delegates to the Congress Churchill in a letter dated 2 February 1948 said:

The cause of European Unity is one which we both have at heart and I trust it may be kept above the level of our domestic party politics. I ask you to make it clear that the efforts of the promoters of this conference ... enjoy your goodwill and that members of the Labour Party need have no hesitation in attending.\(^\text{17}\)

Attlee's reply to Churchill, addressed on 4 February 1948, read:

As I think you realise, it would be undesirable for the Government to take any official action in regard to this conference. Any advice to members of the Labour Party as to their participation in the conference is a matter for the Executive of the Labour Party.\(^\text{18}\)

In a strongly-worded letter to Churchill on 10 February 1948, the Chairman of the National Executive Committee (NEC) of the Labour Party, Emanuel Shinwell questioned the very genuineness of the representative character of the proposed Congress. As he put it:

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18. Ibid., p. 236.
It is felt that the subject of European unity is much too important to be entrusted to unrepresentative interests and the proposed composition of the congress seems to us open to objection, in particular because the number of private individuals selected by an unknown process robs the congress of any real representative character. My executive feel that such a congress scarcely hope to make any practical contribution towards the furtherance of European unity and may, on the contrary, discredit the idea.19

The Labour's NEC forbade the party members from attending the Hague Congress. However, 40 Labour M.Ps defied the NEC directive and decided to attend the Conference.

Responding to the Hague resolution to set up a European Consultative Assembly to which the Parliaments of the OEEC countries would nominate members, a Franco-Belgian proposal drew up a plan to set up a European Assembly in August 1949. Churchill wrote to Attlee on 26 July 1948 to involve the British Government in working out the details of the proposed European Assembly. The Labour Prime Minister, however, felt that time was not yet ripe to convene a European Assembly. As he put it:

It seems to me that if an assembly is to be convened this must, in view of the vital importance of the matter, be done by the Governments and not by independent organizations or by Parliaments. On the other hand, I think that this is not the right time for Governments to

19. Ibid., p. 235.
take this major initiative, when their hands are so full already with urgent and difficult problems.20

Whatever was the zest and splendour that surrounded the Hague Congress, the Labour Government, for its part, chose to remain detached from the happenings on the continent.

Next to the Hague Congress another major initiative for European integration was taken by the French Foreign Affairs Minister, Robert Schuman. On 9 May 1950 Schuman called for the creation of a common European Coal and Steel Community. The plan itself had been originally a brain child of Jean Monnet, who induced Schuman to give it political tone and ever since came to be called the Schuman Plan.

The Schuman Plan had both economic and political overtones. Economically the Plan aimed at creating an entirely common coal and steel market for West Europe. It would, in effect, merge the coal, iron, and steel economies of Europe into a single fold by removing the trade barriers and regulating fair competition. Irrespective of nationality every participant would have direct access to the products within the common market.

More than economic, the Schuman Plan was political in design. Its implementation would usher in long-term

political changes in Europe. The Ruhr, with its tremendous coal and steel resources, and which had always been the source of great military strength to the Germans, would be placed under a common international authority, thereby alleviating the French fears of German military revival in future. The Plan could be equally attractive to the Germans since it would enhance the international status of Germany once it was accepted as a full-fledged sovereign member of the proposed community. For all intent and purpose, the Schuman Plan bore Franco-German strategic considerations. Monnet coupled the idea of controlling German heavy industry with the prospect of an eventual United States of Europe. From a theoretical standpoint, the Plan was functionalist in character, because it envisaged in a piecemeal manner the creation of a single 'European' market for two basic key commodities. The Plan, if accepted by European powers would have meant that they should surrender their power to make political decisions as far as coal and steel were concerned to a common High Authority.

The draft treaty of the Schuman plan was sent by France to Britain, Italy and the Benelux countries, after it obtained the West German Chancellor, Adenauer's approval. It required the participating states to accept,
in advance, the principle of a European authority on coal and steel, which could overrule national governments. Except Britain all the other invitees agreed to participate in the negotiations on the draft treaty. The Six Governments - France, Germany, Italy and the Benelux countries proceeded, despite the British refusal to participate, with their negotiations. And within a surprisingly short spell of time, the 'Six' reached an agreement in April 1951 to establish the European Coal and Steel Community (ECSC).

The agreement was certainly historic in the sense that for the first time in the recent past the European nation-states had voluntarily decided to submit a part of their national sovereignty to a common European authority. Of course, the agreement by itself might have covered a narrow field of national economic life, but it was undeniably a brave beginning to integrate European economies on functional lines.

The British Government believed that the Schuman Plan was 'supranational' in character, and rejected the submission of their basic resources to a 'supranational' body over which the British Parliament would have no control. The very principle of supranationalism was anathema to the Labour Government as it was to the Conservatives. Moreover the precondition on the part of the French that the acceptance of the principle of subjecting
the coal and steel to a High Authority should precede the actual starting of negotiations, was not liked by the British. The British Government felt that such precondition would mean compromising one’s sovereignty. It also felt that the whole Schuman affair involved the basic difference of approach to any political issue between the British and the French or rather the West Europeans as a whole. Replying to the Debate on the Schuman Plan at the House of Commons, Attlee said:

...They (the British Government) feel that there is a substantial difference of approach between the two governments as to the basis on which the negotiations should be expedied.... They have, accordingly, to their regret, found it impossible in view of their responsibility to Parliament and People, to associate themselves with the negotiations on the terms proposed by the French Government.21

An exhausting series of Anglo-French exchanges took place on the Schuman issue, leaving each side firm on its stand.

Even the Conservative Government which replaced the Labour in October 1951 adopted almost the same attitude as the Labour towards the Coal and Steel Community. Though Macmillan attacked the Labour’s stand on the Schuman issue and described the week in which the Labour’s

policy statement was issued as "a black week for Britain, for the Empire, for Europe and for the peace of the world"22, yet when his party came to power, its policy in no way materially differed from that of its predecessor. It was only in December 1954, that a loose 'Association Agreement' was signed between Britain and the ECSC.

Encouraged by the successful outcome of the Schuman Plan the continental 'Six' proceeded with a further plan to create a European economic community, commonly called the "economic relance". The Foreign Ministers of the 'Six' appointed a committee under the chairmanship of Paul-Henry Spaak, the Belgian Foreign Minister to plan the economic relance. Britain's Conservative Government sent an official of the Board of Trade with an observer status to the Spaak Committee.

The Spaak Committee submitted its report on 21 April 1956. Meanwhile the British Government suggested that all the eighteen countries of the OEEC should examine a plan for a European free trade area. Such a free trade area would be limited only to industrial goods, leaving out the agriculture. There would not be a common external tariff on goods imported from outside the area. The British, by

proposing such a plan, wanted to remove all possible barriers to the Commonwealth Preferences and at the same time remain associated with the Europeans. The 'Six' however delayed the consideration of the British plan to proceed with the consideration of the Speak Committee report. And on 25 March 1957, a treaty establishing a European Economic Community (EEC) and European Atomic Community (Euratom), commonly known as the Treaty of Rome, was signed by the Six. The Treaty came into effect on 1 January 1958.

Under the Rome Treaty, the 'Six' agreed to create a Customs Union that would remove the trade barriers between the member states, and also forms of trade discrimination between member states. A common external tariff would be levied on the imports of any member country from a non-member. The Treaty envisaged a common 'economic union' that would establish common economic policies, by gradually coordinating the national economic policies. Finally it expressed the political objectives of closer union among the people of the member countries.

In so far as the Political structure was concerned, the Rome Treaty established a tripartite body. There would be a Council of Ministers, the highest decision making body, represented by all the member-countries. Decisions
would be taken by a majority vote. * Decisions taken by the Council would be implemented by the Commission. The Treaty conceived the Commission as the highest executive organ. In addition to its executive functions the Commission was also expected to take initiative in policy formulation and put forward to the Council. However the Council has no power to modify the policy proposals made by the Commission. It can only either reject or accept them.

Lastly, the Rome Treaty created a European Assembly, the legislative body. However the Assembly, elected indirectly by the member states, was given very limited powers. It should be consulted on every piece of legislation but no power was given to initiate new legislation by their body. The Assembly, however, should approve the budget prepared by the Commission. It can also sack the entire Commission through a vote of censure adopted by two-thirds majority. Thus both the ECSC and the Rome Treaty were the two successful functionalists' achievements.

The British Government which refused to participate in the Speak Committee negotiations showed no appreciation of the final outcome of the Rome Treaty. It objected to

* However, in 1965 on French demand, the principle of decisions by 'majority' was replaced by decisions by 'unanimity'. Thus whatever the element of supranationality that the Rome Treaty contained was eliminated by the Luxembourg Compromise of January 1966.
the Rome Treaty as being 'federal' in its nature. Giving political reasons for Britain's unwillingness to join the European Economic Community (EEC) created by the Rome Treaty Paymaster General, Reginald Maudling told the House of Commons on 18 February 1958.

"...We must recognize that the aim of main proponents of the community is political integration. This is a fine aspiration, but we must recognize that to sign the Treaty of Rome would be to accept as the ultimate goal, political federation in Europe, including ourselves."

The Conservative Government, thus, was apprehensive of an unknown principle involved in the Rome Treaty, i.e., political federation. However, no where in the Treaty the word 'Federation' appears, though the term 'union' is mentioned in the Preamble to the Treaty. Nor does the Rome Treaty declare, as the ECSC does, the attainment of federation as its ultimate goal.

Britain's economic objections to the EEC centered around two points: 'Customs union' and 'Commonwealth'. Should the British join the EEC, the latter's customs union ends the Commonwealth Preferences System. In fact this was the most serious objection, that goods from

Commonwealth would be subject to a common external tariff (CET) agreed to by the EEC. Application of the CET directly conflicts with the Commonwealth preferential system. The Commonwealth preferential system guarantees preferential tariffs to the goods of its member countries. As Harold Macmillan, the Chancellor of Exchequer, explained to the Commons:

If U.K. were to join (such) a customs union ... (We) could not expect the countries of the commonwealth to continue to give preferential treatment to our exports to them if we had to charge them full duty on their exports to us ... So this objection, even if there were no other, would be quite fatal to any proposal that U.K. should seek to take part in a European Common Market by joining a customs union. 24

This was a clear statement of the British position. What Macmillan, in short, made clear was that the EEC Customs Union and the Commonwealth preferential system were incompatible. Britain could choose either the one or the other. The enthusiastic acceptance of the Spaak Report by the Six and the existing ECSC pointed to the British their increasing isolation from continental developments. The possibility of a 'Little Europe' emerging across the channel and the consequent alienation of Britain in political and economic fields was largely preoccupying the British thinking. Hence, the British Government pro-

posed in July 1956, two months after the Spaak Report was approved by the Six, the establishment of a loose link in the form of free trade between the Six and the other OEEC members. Such a free trade area would remove restrictions on trade among member states. Agricultural goods were excluded from the proposed area and also no proposal for a common external tariff was made.

A working group set up by the OEEC to study the British proposal submitted its report on 10 January 1957. The working group suggested the desirability of a free trade association between the two institutions to avoid division of Europe. Negotiations between the two sides were opened and continued even after the establishment of the EEC and Euratom in 1957. However, the new French Government headed by De Gaulle expressed its opposition to the idea of free trade area in November 1958. The French stand resulted in the collapse of inter-governmental negotiations on free trade as proposed by the British.

The British Government, however, did not close the issue. Maudling continued talks with the other Six states of the OEEC - Austria, Denmark, Norway, Portugal, Sweden and Switzerland. After a further period of about two years of negotiations, the seven states, known as the 'outer seven' signed on 21 July 1960, the Stockholm Convention creating a European Free Trade Area (EFTA).
The EFTA was a loose commercial arrangement, which permitted each country to maintain its own tariff levels from outside its area. Moreover the free trade area was limited only to industrial goods, but not agricultural products. This enabled Britain to enjoy its Commonwealth preferences not only on industrial but even on agricultural products. Any member of the EFTA gave a notice of thirty days in advance, before making the tariff changes within the free trade area. Politically the EFTA did not contain any federal or supranational features as the British found in the ECSC or EEC.

The last attempt to unify Europe on federal lines was made in late 1959. In that year the French President De Gaulle proposed the creation of a 'European political union' which, in effect, meant the extension of the scope of integration to defence, foreign policy and culture. The summit meeting of the 'Six' European leaders held at Paris and Bonn, appointed M. Christian Pouchet, the French Ambassador to Denmark, to work out proposals to "give shape to the desire for political union."25 When Pouchet submitted the draft treaty in November 1961 instituting 'European Political Union', the Five EEC members found that

the draft treaty was at variance with the declared objec-
tive of creating a true political union. They attacked
Fouchet draft on the ground that it bore French President
De Gaulle's concept of 'Europe of States', with institutions
that were intergovernmental in character.

The Fouchet draft, in fact recommended the creation
of a 'Union of European States', and a decision-making
body, 'European Council', which would take decisions on
the basis of unanimity. The Fouchet Plan could not succeed
as the Dutch vetoed further negotiations on the French
Government's refusal to allow Britain, who applied for
the EEC membership, to participate in the discussions on
the Plan.

The above survey of the European undertakings showed
Britain's preference for intergovernmental arrangements
at European level. At the same time one also learns about
the lukewarm attitude of Britain towards the continental
efforts at integration. Her attitude towards the European
movement was certainly at variance with that of her neigh-
bours. What explains for such behaviour on the part of
Britain? One can find a satisfactory answer only by making
a proper analysis of Britain's foreign policy objectives,
her strategic interests in the post-war world, and her
perception of the post-war international situation parti-
cularly in Europe.
Britain's perception of the post-war European situation led her to believe that Europe faced a grave danger to her security from the USSR. Ernst Bevin, the Labour Foreign Secretary, was too suspicious of Russia which according to him already made tremendous advancement in the East and had the intention to move further. Appraising the House of Commons about the Soviet attitude at Yalta, Bevin said that "it revealed a policy on the part of Soviet Union to use every means in their power to get communist control in Eastern Europe, and, as it now appears, in the West as well". Moreover, Bevin was also thoroughly convinced that without American assistance West Europe could not defend itself. More than any Western leader of his time, it was Bevin who attached the greatest importance to American protection to the West. As Bevin's biographer records, "Bevin came fairly soon after Potsdam to the conclusion that in view of Russian policy the only hope of European security lay in American assistance." A militarily strong West Europe could prevent the Russian access to the Mediterranean. With such firm conviction, Bevin set out to organize the defence of the West, with

27. Francis Williams, _n. 14_, p. 257.
the long-term aim of involving the Americans when the American opinion was ripe. In fact, "extensive Anglo-American collaboration was adopted as a policy objective of top priority by the Labour Government from the outset."^{28} The Brussels Treaty was regarded by Britain as an inducement that could lure American military support to Europe. Apart from the military factor, the British Government also recognized the importance of American financial assistance to reconstruct Europe. Bevin's major role in mobilizing the Marshall Aid has already been noted above.

Defence of Europe and its economic reconstruction with American assistance, therefore, were high objectives of Britain's European policy. But in attaining these objectives, Britain did not want to tread the path of European integrationists. Moreover, the belief was entertained in Britain that her major interests lay in Commonwealth and not in Europe. It was thought that British participation in a formal federation of Europe would not be wholly consistent with her position as the nerve-centre of the Commonwealth. Though Churchill, as noted earlier, was vocal in pleading for a 'United States of Europe',

yet when it came to the question of British participation, he was unwilling to place it above the Commonwealth and American ties. As early as 1930, in an article in The Saturday Evening Post, Churchill said that between Commonwealth and Europe, Britain would prefer remaining closer to the former:

The attitude of Great Britain towards European unification or 'federal links' would, in the first instance, be determined by her dominant conception of a United British Empire. . . . We are bound to further every honest and practical step which the nations of Europe may take to reduce the barriers which divide them and to nourish their common interests and their common welfare. We rejoice at every diminution of the internal tariffs and martial armaments of Europe. . . . But we have our own dream and our own task. We are with Europe, but not of it. We are linked, but not comprised. We are interested and associated, but not absorbed.29

Churchill maintained the same view after he came back to power in 1951. In the 'three-legged policy' of Britain which he outlined—Britain and the Commonwealth, Britain and the United States, and Britain and Europe—Europe was placed in the lowest order of the tripod relationships:

Everyone knows that (Commonwealth) stands first in all our thoughts. First, there is the Empire and the Commonwealth; secondly, the fraternal association of the English-speaking people; and thirdly, not in rank or status, but in order, the revival of United Europe.30

The 'three-legged policy' as outlined by Churchill enjoyed bipartisan support. The Labour Government of Attlee pursued a foreign policy which was generally akin to the Churchillian conception. So much so "Churchill himself often linked Bevin's work to his own ideas".31 As Michael Gordon puts it:

All in all, both in its defects and in its merits, the Labour Government's foreign policy was probably very similar to the kind of policy that would have been conducted by Churchill and Eden.32

Successive British Governments, both Labour and Conservative, regarded the tripod relationship as the basic premise of their foreign policies. For this tradition continued to guide the British policy-makers down to the period of Harold Wilson. As a keen observer of the post-war British European policy, Miriam Camps records:

All British Governments, Labour and Conservative alike, looked at their European relationship as one of a set of three relationships. (But) in the first post-war decade most people would have said that it was the least important leg of tripod on which British foreign policy rested.33

32. Ibid., p. 150.
As a matter of fact, traditionally British foreign policy had limited objectives in Europe. Britain performed, in so far as the European theatre was concerned, the role of "balancer" in Europe's balance of power game. Such a policy aimed at preventing the emergence of dominant European actor that might pose a threat to Britain's security and her overseas interests. Britain's European policy was, therefore, a "defensive" policy. As a Chatham House Report observes,

Her real aim was the preservation of a reasonable equilibrium on the continent and this meant unalterable opposition to such sweeping accessions of strength to any one state as would give it a position of potential dominance.34

Post-war Britain viewed Europe, during early post-war years, from the same strategic perspective. She had two primary objectives: containing the Russian advancement and safeguarding against a future German military revival. To attain the twin objectives she lacked the required capabilities and hence the imperative need to rely on American assistance. Moreover, given the American assistance she would try to attain the two objectives through the mechanism of intergovernmental undertakings and not the 'utopian' techniques of the European enthusiasts.

Apart from the diplomatic factor, it might be possible to explain, though partly, Britain's unenthusiastic response to European movement in terms of temperamental difference between Britain and her European neighbours. They differ in their national instincts, in their mental attitudes and in their general approaches to tackle the problems that are mundane. Harold Macmillan, the former Conservative Prime Minister, drew lucidly the distinction between the British and continental temperaments.

The difference is temperamental and intellectual. It is based on a long divergence between two states of mind and methods of argumentation. The continental tradition likes to reason a priori from the top downwards, from the general principles to the practical application. The Anglo-Saxons like to argue a posteriori from the bottom upwards, from practical experience. It is the tradition of Bacon and Newton.35

It may be noted that Macmillan made the above observation during the Schuman debate. The Englishman thus distrusts logic at all times and most of all in the government of men, for … Wisdom more often lies in refraining from pressing sound arguments to their logical conclusion and accepting a workable though illogical compromise.36


It was the distrust of logic and normative prescriptions that underpinned the British rejection of the Schuman Plan, the EDC and the like proposals.

The temperamental differences apart, the post-war experience of Britain had also been at considerable variance with that of her continental neighbours. Though, technically, the Allied powers' European partners emerged victorious, it, no doubt, was a pyrrhic victory for them. War entailed both economic destruction and political instability. There was an immediate need for economic reconstruction and restoration of political stability. In short the continental states were gripped in a grave mood of disillusionment and despair, which made them think in terms of European unity. But, Britain, even though reduced to a medium rank, was not affected so much as to lose its sovereignty in favour of a supra-national edifice, then envisaged by the continentals.

Politically, Britain survived her pre-war stability. Her political institutions and life were not only spared of the rude shocks of war but their very survival against the onslaughts of the war sustained further the British faith in their political system. Such political stability coupled with their deep conviction in their institutions did not force the British to seek new institutions based
on a new system, i.e., European federation or integration. While France, Italy and the Benelux countries were thinking and acting in European terms, Britain viewed such efforts as utopian or at least unpragmatic.

Economically too Britain was far less affected by the war as compared to her neighbours. Despite many pressing economic problems such as the shortage of labour, raw materials, fuel, the war-damaged industries, the abrupt end to the "Lend Lease" grants by the United States and the shortage of foreign exchange reserves, British industry by the end of 1947, "reached the highest level of aggregate output and the greatest volume of export of trade in its history." According to the survey of both Economic Committee for Europe, and the London and Cambridge Economic Service, British industrial production was running in 1948 at 10% above the 1939 level. Such rate of recovery was greater than that of any other European country, excepting Norway and Sweden. The following table would indicate the high degree of Britain's industrial production over all the countries of Europe, both West including the UK and East including the USSR.

38. Ibid., p. 149.
### Industrial Production (1938-1950)

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<th>1947</th>
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<td>U.S.A.</td>
<td>210</td>
<td>216</td>
<td>199</td>
<td>225</td>
</tr>
<tr>
<td>Europe</td>
<td>82</td>
<td>96</td>
<td>109</td>
<td>124</td>
</tr>
<tr>
<td>U.K.</td>
<td>115</td>
<td>128</td>
<td>137</td>
<td>150</td>
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The reasons for the increased output, much above that of whole of Europe, were mainly the better use of labour, better distribution of raw materials and avoidance of unemployment.

Thus an uninterrupted political stability and an impressive economic record compared to the political and economic troubles of the continentals, certainly placed Britain in a very relatively better position.

Another contributory factor to Britain's lack of enthusiasm in the integrationist efforts was that there prevailed in Britain a certain amount of psychological distrust towards the efforts of the continental leaders. Many of the plans for European integration were advocated by leaders who were in Opposition. In fact, Churchill himself was in Opposition. The Labour Government, with

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its socialist commitment, viewed the unity efforts led by Catholic leaders like De Gasperi, Adenauer, Schuman with suspicion.

From what has been discussed so far it could be concluded that the British and continental Europeans were at odds in building an integrated Europe. The divergence was both political and psychological. The British believed that their future lay more outside the European continent, while the continental Europeans saw that Europe's future was bleak unless they united or at least compromised their national sovereignties and sunk economic barriers. Psychologically, the British were reluctant to trust the practicability of the European schemes aimed at unity and could hardly believe they would succeed. The continental leaders were equally firm in believing that with the sincere and consensual efforts, it would not be difficult to forge their nations together, politically and economically. Both were at cross-purposes.