Chapter 5

LABOUR GOVERNMENT'S APPLICATION FOR MEMBERSHIP OF THE EUROPEAN ECONOMIC COMMUNITY AND ITS REJECTION BY FRANCE

1. Wilson and George Brown return from the European tour sufficiently converted to Britain's entry into Common Market.

2. Cabinet meeting on the Common Market membership - several other options open to Britain examined - but membership of EEC emerges as the best possible option.


4. De Gaulle vetos for the second time the Britain's entry into Common Market.

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The probing mission around the capitals the six Common Market countries was completed by the British leaders in March 1967. What was started as an 'exploratory' visit however ended in a decision to apply for the membership of the Common Market. While it was not surprising in the case of George Brown, the Foreign Secretary, who for long had been a strong advocate of membership, the Prime Minister who was never a European enthusiast returned sufficiently converted to the cause of Common Market membership. As Brown records in his memoirs, "gradually our line became firmer and firmer and by the time we finished (the tour) we had virtually decided to make our application."¹ Moreover, as Crosaman relates, the Prime Minister became firmer on this issue after his meeting with De Gaulle. Crosaman's diary notes of 26 January 1967 say: "Something seems to have happened during that De Gaulle interview which has made him (Wilson) work unreservedly for entry."²

A series of Cabinet meetings on the subject between March and May discussed important issues relating to the membership question. During this period the Cabinet met twice a week exclusively on Common Market issues and considered papers "on such matters as mobility of labour, regional policy, immigration, .... This useful practice, I think, was an innovation by Mr. Wilson."\(^3\) Thus, at the Cabinet meeting on 18 April, the problem of agriculture was under discussion. The Prime Minister stated that Britain in Common Market would be obliged to "pay an outrageously big proportion of the levies" if she just accepted the CAP and sought transitional arrangements. But, what was needed, as the Cabinet minutes put it: "we should reserve our freedom to seek adjustments in agriculture going beyond transitional arrangements."\(^4\)

Two days later, the Cabinet met again and this time, since no formal decision on entry had been taken yet, it reconsidered the earlier North Atlantic Free Trade Area (NAFTA) and Go It Alone (GITA) proposals. But, as Wilson recorded, "there was general agreement that NAFTA was unreal" and that GITA "was not so much a constructive

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alternative as a fallback if entry were denied to us."

The general mood of the Cabinet was that, since the above two alternatives were unrealizable the Government must press on seriously to enter the Common Market. But the Cabinet discussion centered on another important aspect of the problem. What if Britain's application for Common Market membership fails once again? Such a prospect, raised by Richard Crossman whose fears were shared by others as well loomed large in view of the French attitude. The Cabinet discussion showed that it wanted to insure against a future French veto by having an alternative policy for Britain. Crossman's entry on 20 October 1967 puts lucidly the tenor of Cabinet discussion as follows:

I added that the essential thing was to realize that we must try all out to get in but if that failed we must not be caught like Harold Macmillan saying there is no future for this country. We must have our alternative policy ready. We must have a dynamism of rejection as well dynamism of entry.... Most people afterwards agreed this was the first realistic discussion we had had because at last we were recognizing the fact that this Government was bound to try to enter the Common Market but also needed to have a clear alternative policy, if we were rejected, as we probably shall be (Emphasis added).

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The Cabinet met again successively for two days on 29 and 30 April, in three sessions. By this time it was obvious that the Cabinet had reached the final stage of taking a formal decision on British membership of Common Market. What emerged at these latest meetings was that among the many related issues discussed, devaluation of the Pound sterling would be a precondition for entry. It was also recognized that membership would be followed by short-term economic difficulties: "Not even the most ardent marketeer now denies" says Crossman

that entry in our present economic plight will expose the Pound to the greatest dangers and there will have to be one devaluation if not two .... So, we all see that the Common Market in the short-run is far less economically attractive.... /\ 

The Prime Minister's most obvious intention in calling so many Cabinet meetings on the Common Market was to take the full Cabinet into confidence and avoid the anti-marketeer Ministers' charge of ignoring or bypassing them. He wanted no Cabinet crisis on the issue. As Wilson puts it, "to succeed and to produce a firm decision without any resignations seemed a near miracle," and "I was anxious that no colleague should feel that the decision was in any way rushed ... or the Cabinet as a whole, was being 'bounced'

7. Ibid., p. 335.
into a decision." In the ultimate analysis even the single resignation which Wilson expected, by Douglas Jay, President of the Board of Trade, an ardent anti-marketeer, did not take place when the formal decision to apply was taken.

At the Cabinet meeting on 2 May formal decision to apply for the membership of the Common Market was taken, and the same afternoon the Prime Minister made a statement to that effect in the House of Commons. The statement said:

Her Majesty's Government have today decided to make an application under Article 237 of the Treaty of Rome for the membership of the European Economic Community and parallel applications for membership of the European Coal and Steel Community and Euratom.9

Placing the statement before the House, the Prime Minister said that the Government would negotiate only the major issues preceding entry and lesser issues could be negotiated after entry. He was obviously implying the longdrawn negotiations even on the most minute issues such as 'Kangaroo meat' that marked the 1962 negotiations. As

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8. Wilson, n. 5, p. 387.

far as the major issues such as agriculture, capital investments, regional policy and Commonwealth problems were concerned, Wilson was confident that "there is nothing either in the Treaty of Rome, or in the practical working of the Community which need make them (major issues) insoluble." And the Labour Prime Minister had come a long way when he said: "we do not see European unity as something narrow in-ward-looking." 10

The Prime Minister's statement was issued as White Paper, and the House debated the Government's decision to apply for three days, from 8 May to 10 May. Opening the debate on 8 May in the Commons, the Prime Minister made a very lengthy speech, devoting more time to the examination of economic problems of membership. The speech itself was neither too optimistic nor passionate but it lay bare the short-term and long-term prospects of membership.

At the outset, Wilson tried to allay the fears of the pessimists that membership for Britain might mean commitment to federal idea and federal institutions. On the other hand, the "Community today is already very different, different in its organization, different in its

10. Ibid.
practice, from the Community” of four years ago.

Moreover,

once Britain is a member, we shall be able, as an equal partner, in our own interest and of the Community to help determine the direction, the pace and the developing institutional arrangements of the community.11

In other words, Wilson was assuring the House that by joining the Community Britain with her weight would so fashion out the Community that it would be much different from what had been conceived by the founding fathers - no further political or economic integration.

Speaking about agriculture, he admitted that entry would raise cost of living by two and a half to three and a half per cent. Britain should come to terms with the CAs, but even here “we can play our part in affecting its future development if, but only if, we are members of the Community.” He thought it would not be difficult to find satisfactory solution for the Commonwealth problems, and “we shall remain in closest consultation with our Commonwealth partners.” There was however no commitment that a Commonwealth Prime Ministers’ Conference would be convened to seek the terms of the British entry into the EEC.

Wilson also tried to remove the suspicion that the Common Market was a protectionist 'rich club' working to the detriment of backward countries in particular, a change which he himself made while in Opposition. As he explained:

There has been a tendency in some quarters to regard the Community as an association of advanced industrial countries turning their backs on the needs of newly emerging countries. This is a total misconception and entirely disregards the great efforts the countries of the Six are making for developing countries in the generosity of their trade arrangements and in the scale of their aid programmes.12

Coming to the question of sterling, Wilson struck a very confident note, particularly in view of the improved position of the sterling in the last few days. He said:

I said in November that we should not seek to enter upon negotiations except on the basis of a strong balance of payments and of sterling pound. These conditions are being fulfilled and this is fully recognized in Europe. Let no one be in any doubt about it.13

The Prime Minister also frankly reminded the House that in future the British Parliament would be bound to refrain from legislation inconsistent with Community law and

12. Ibid., cols. 1072-73.
13. Ibid., col. 1077.
"adherence to the Treaties would restrict our independence of action in future international dealings in matters falling within their objectives." Not surprisingly the Prime Minister invoked the familiar pro-marketeer argument to defend the surrender of the Parliament's legislative power. He said that Britain accepted long back the restrictions on her legislative freedom by her membership in NATO, UNO, GATT, etc.14

In the debate that followed the Prime Minister's speech, the Government came under severe criticism from its own party members. Michael Foot, a known left-winger and ardent anti-marketeer questioned the veracity of Prime Minister's balance of payments statistics. There would be a 'heavy extra strain' on balance of payments after entry, he said, and felt that "this part of the Prime Minister's argument was the weakest part of his speech."15 Emanuel Shinwell the Labour Party's senior most leader, who declared earlier that he would wage a 'relentless and ruthless' attack on Prime Minister's decision, made a forceful speech.

When the Government's motion seeking the approval of the House was put to vote, it faced a counter motion by

15. Ibid., col. 1119.
its own members. Drafted by left-wingers and supported by other members of the party it asked the House to reject the Government motion since the Government failed to fulfil the 'Five Conditions' as laid down in 1961. It received the support of fifty Labour M.P's. A demand at the PLP meeting that the Government should allow free-voting on the official motion was rejected overwhelmingly by 156 to 38. In the House of Commons the official motion was carried by an impressive majority of 488 to 62, with 36 Labour M.P's voting against, while 51 of the same party abstained. The following day the Prime Minister summarily dismissed 7 Parliamentary Private Secretaries for voting against Government. By and large the Labour voting on the Government motion left many surprised since the voting against the motion was expected in large number.

The Labour Government's approach to the Common Market in seeking its membership was in several respects at variance with the earlier attempt by the Conservative Government.

When Harold Macmillan made the application it was conditional. The Tory Prime Minister's announcement in the House of Commons on 31 July 1961 said that application

17. Ibid., 11 May 1967.
for negotiations with the Common Market would be made,

...with a view to joining the Community if satisfactory arrangements could be made to meet the special needs of the United Kingdom, of the Commonwealth and of the European Free Trade Association. 18

Thus final entry into the European Community was only conditional upon satisfactory negotiations. On the other hand, the Labour Prime Minister’s application was definitive. Having completed his exploratory talks, Wilson had to decide whether to apply or not. What Macmillan intended to do after his 31 July announcement Harold Wilson had already done before his 2 May decision to apply.

Secondly, the Tory Prime Minister had committed himself to obtain the Commonwealth and EFTA approval for the terms negotiated and then join. On the other hand, the Labour Prime Minister was under no such obligation. He had not undertaken to hold a Commonwealth Prime Ministers’ Conference except the assurance that the Government would remain in close touch with their Governments during negotiations. And he had nothing to worry about the EFTA since that body had already given enthusiastically the green signal to the British Government to apply for the Common Market.

The Labour Government also had an added advantage over the Tory Government in its European venture. Unlike in 1962, in 1967 Wilson's Government enjoyed bipartisan support to its European policy, since the opposition too voted with the Treasury benches even denying free vote to its members. With the public opinion polls too swinging strongly in favour of Government's policy, Wilson enjoyed a national consensus on his European policy. Public opinion in favour of entry was somewhere between 20-30 points above when Macmillan formulated his policy.19

The Conservative Government sought entry into Europe under a different set of external circumstances. The 'special relationship' with United States was, in fact, meaningful, or even at its highest in the post-war world. Of all the world leaders President Kennedy liked Macmillan most and "the Kennedy-Macmillan rapport was indeed the last of the great personal relationships in the Anglo-American field ...."20

To the Afro-Asian Commonwealth countries politically Britain still meant much in 1962. As the 'nerve-centre'...


of the Commonwealth, Britain could still influence some of their affairs, such as the 1962 Sino-Indian conflict. It was Britain's symbol of international power compensating for smallness and weakness and justifying our place among the Big Three.  

Lastly, Britain in early 1960s could still maintain her status as a great power. She could sit on par with the super powers and even play the role of an honest broker. In the Cuban, Berlin, Laos crises and the U.S. resumption of atmospheric tests, Britain could advise President Kennedy against the wilder ideas of his advisers. Moreover Britain still was a formidable maritime power with her naval presence in Persian Gulf and Indian ocean.

The Conservative Prime Minister in moving towards Europe, therefore, could move with certain political stature and confidence. His strategic move towards Europe was to avoid isolating Britain by a France-German axis and to strengthen the Atlantic alliance, as the Americans hoped, by playing her role in Europe.

On the other hand, the background in which Harold Wilson chose the European option was at variance with that of his predecessor. During the Wilson-Johnson period the


Anglo-American relationship shifted its course from person-to-person to Government-to-Government, the 'special relationship' lost its charm and its meaning too. Moreover, President Johnson was not as enthusiastic as President Kennedy about Britain joining the European Community. His preoccupation was not with Europe, but with Asia.23

By mid-sixties Britain, neither diplomatically nor economically was in a dominant position within the Commonwealth. Nor was the Commonwealth so to her.

Moreover, by this time the Common Market had become too formidable a force to ignore it and let Britain go on her own or 'go it alone' (CAMA).

The irony of the situation was that Harold Wilson had exhausted all the options open to Britain, except Europe. He had nothing to fall back on except a Britain of volatile pound sterling and recurring economic crises. By 1966 "there was agreement in the Foreign Office at all levels that a new approach ought to be attempted."24 The rigidity of choice could be explained in no better language than by Wilson himself. Summing up the Cabinet

23. Ibid., p. 23.
discussion in April 1967, when all the options open to Britain such as NAFTA, GITA were thoroughly examined. Wilson said:

GITA, it was widely agreed, was not so much a constructive alternative as a fall-back if entry were denied to us .... In or out of the Community, we must be strong. If entry were denied to us or if, after negotiations, the terms were unacceptable, then we must be in a position to stand, and prosper, outside. The one conclusion which emerged from all our discussions was that we must press on relentlessly with the policies necessary to make Britain strong.25

And the one policy that unanimously emerged after further discussions was to apply for the membership of the Common Market.

As far as the sectional interests were concerned, there was, on balance, a positive response to the Prime Minister's 2 May announcement.

The Confederation of British Industry (CBI) which all along had been enthusiastic about Britain's European membership, greeted the latest announcement of the Government warmly. "This is the move that industry has been waiting for", said a CBI statement issued on 2 May, "and for that the CBI has been urging the Government to make."26 In fact, in a report prepared by the CBI in January 1967.

25. Wilson, n. 5, p. 388.
set out the detailed case for Britain's entry. The report argued that from an industrial point of view:

(1) there would be a 'clear and progressive' balance of advantage from membership of the EEC;

(2) the Treaty of Rome and EEC methods of operation are 'acceptable' given reasonable transitional arrangements; and

(3) entry should be negotiated as soon as possible.27

The CBI also conducted a sample enquiry of 1700 companies on the implications for them of the British membership of Common Market. The main results of the survey, to which 865 companies replied were:

(1) 35% of respondents expected a marked gain from unrestricted entry into EEC markets; 15% saw a marked loss resulting from abolition of protection against imports from the EEC. Still effect on trade elsewhere (e.g., Commonwealth and EFTA) was expected;

(2) 70% expected an overall balance of advantage in terms of sales at home and abroad; 68% saw entry as an opportunity for growth;

(3) Common policies on standards (especially), patents, taxation and low cost competition was looked on by many as among the expected benefits of membership;

27. Ibid., p. 62.
(4) Entry into the EEC would imply a net increase in capital investment. Forty-one per cent expected to invest more at home and 24 per cent into the EEC. Little change was foreseen in investment in the Commonwealth or in other areas. Half the respondents expected Britain to spend more on Research and Development.

(5) A large majority of companies supported the three main conclusions of the CBI (Europe) Report of January 1967.28

The Trades Union Congress (TUC) gave a guarded welcome to the Government's move. In its report published in August, the General Council of the TUC said that "some important questions could not be answered in advance of the outcome of the negotiations." Nevertheless it can be said with confidence that there is enough evidence about the possible beneficial results of entry to justify the General Council's decision to approve the Government's intention to open negotiations for membership of the Community.29

Most members of the TUC Economic Committee regarded European inhibitions outdated. Moreover, the fact that


Wilson received bipartisan support to his European venture and the absence of any pledges by him to the interest groups unlike Macmillan threw them, including TUC, "into a position of unprecedented weakness." 30

The National Farmers' Union (NFU) also 'noted' with satisfaction that the Prime Minister recognized the need for suitable arrangements including an adequate transitional period. While acceptance of the agricultural objectives of the Rome Treaty would present no problem for British agriculture, the NFU felt, it would be necessary to obtain changes in the agricultural regulations to meet the basic needs of industry. 31 Moreover, G.T. Williams, a moderate who succeeded the staunch anti-marketeer Sir Harvey as President of the NFU, could dismiss the earlier fears of his colleagues on the Market issue.

Apart from the general sense of approval by interest groups to the Government's European policy, public opinion too favoured it. Since November 1966, the month of Wilson's declaration of intent to the month of May 1967 when final decision on membership was taken, public opinion approved Government's policy. While there was a heavy swing in Government's favour between November


and February, the percentage of approval, however, declined between March and May. This was commensurate with growing signs of French opposition to Britain's entry from the continent.

**Public Opinion and the EEC**

Results published by Gallup Poll. 32

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<th>Disapprove %</th>
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<td>April</td>
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<td>May - early*</td>
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* The Government has decided that Britain's interest would best be served by applying to join European Common Market; do you approve or disapprove?

Thus, a bipartisan support, positive reaction by sectional groups, and a favourable public opinion — all shades of national consensus — presented Britain's second and Labour's first attempt to enter the Common Market as a national decision.

Armed with national support the Labour Government moved its application at the diplomatic plane when the British Ambassador to the EC delivered it to Willy Brandt the Chairman of the EC Council of Ministers on 11 May 1967. The same day a separate application for the membership of the ECSC was delivered to its Chairman. Ireland and Denmark too followed suit.

Hardly a week after the British application was made to the EEC, it received its first diplomatic rebuff from France. Addressing a press conference on 16 May, President De Gaulle delivered what The Daily Telegraph termed, his 'velvet veto' on British membership. In a speech marked by doubts and reservations, the French President said that while he would not prejudge what the negotiations would be, "we doubted if they take place — I repeat, if they take place ...." "For our part, there is no question of there being a veto, nor has there ever been", the President equivocated, but he wondered whether Britain's entry "is possible within the framework of the Common Market without bringing about destructive upheavals."
He charged that the British Government, while expressing readiness to abide by Treaty of Rome, was yet demanding "exceptional and prolonged respite" and that "essential changes be made in the treaty's application."  

The President, in essence expressed the grave fears in the event of Britain's entry. He argued that Britain would not be able to enter the Community without disturbing its CAP. Britain "would break it and as a consequence disrupt the equilibrium of the whole Common Market, and take away from France one of the principal reasons for which she became a party." His next fear was about the pound sterling. Though of late there had been some improvement in its position, yet its status as a reserved currency was incompatible with the free movement of capital and exchange stability within the Common Market. In fact, parity and monetary solidarity are essential rules, essential conditions of the Common Market, they cannot be extended to our neighbours across the channel unless some day the pound sterling appears in a completely new position so that its future value appears assured, it is freed from its character as reserve currency, and the mortgage of Britain's sterling balance within the sterling area disappears.

Finally, he thought Britain could have either 'association' agreement with the Six or wait for the 'profound economic and political transformation' which would allow

her to join the Common Market as a full member.36

Though the General refrained from saying 'no' to Britain, his speech in effect, amounted to the same. At least one Cabinet Minister, Richard Crossman could feel that De Gaulle's act was 'as near a veto as anybody could possibly get'.35 The Financial Times comment appeared near the truth when it said that the General's remarks were "primarily intended to stop the opening of a formal membership negotiation which he would find harder to break up this time than last."36

The British Government, however, maintained at least overtly a non-chalant attitude. Addressing a CBI meeting, the Prime Minister Wilson refused to take 'no' for an answer to Britain's application. He also said that Britain was determined "not only to make these negotiations a success, but to carry them forward as quickly as lies in our power."37

Against the background of De Gaulle's press conference, rumours were abroad that France might stall the opening of negotiations on the British candidature. It did not take

34. Ibid.,
much longer for the other Europeans and Britain in particular to learn that that in fact was the French strategy. In the following weeks, the French Government tried to stop discussion on British entry at the European Council on some other procedural grounds. Thus, on 5 June while the President of the European Council of Ministers wanted to send a formal reply to the British Government to the effect that her application would be pursued "with all speed", the French representative forced him to delete that particular phrase. The French representative drew the distinction between promising Britain to 'apply' under Article 237 of Rome Treaty and promising to 'act' under such Article. The other representatives said that the French attitude was an indication of not only to delay but prevent negotiations from taking place. 38

On 15 June, the French Foreign Minister, Couve de Murville said in the French National Assembly that decision among the six on a reply to the British application was bound to be 'complicated and prolonged'. Reinforcing the General's arguments Couve de Murville said that Britain's entry, along with other aspirants would transform the Community into a loose organization of different political

texture; secondly, that the Sterling Area was hardly compatible with the Common Market; and lastly that the CAP could not be modified. Even on the eve of Wilson's visit, De Gaulle, through his Permanent Representative at Brussels had warned that Britain "would be unwise to try to force an early showdown on entry into the Common Market." The French Government by so stating was clearly warning the British Prime Minister not to attempt mobilizing the Five against France, in case the latter worked against British interest.

In his talks with De Gaulle in June Wilson gained nothing new. The General reiterated his earlier fears of Atlanticizing Europe if Britain entered. He narrated to his host that the Dutch, Belgians, the Germans and the Italians were in different degrees pro-Americans and 'they were restrained from the mortal sin of Atlanticism by (his) firmness'. Then Wilson records the General as continuing:

British entry, therefore, would not enable Europe to avoid such an Atlantic prospect; the purpose of French membership on the other hand was to prevent it.... Thus Britain joined in her present condition and even if the British Government did not state or think that this was their purpose, Britain would introduce an element that inclined towards an Atlantic type of Community .... (And) this was why he was cautious.

39. Ibid., p. 67.
40. Ibid., p. 88.
No amount of persuasion by the British Prime Minister that Britain in fact had taken her own decision independent of America — in rejecting the ELP, in areas such as Asia, Middle East, Africa and Europe — could allay the French President's fears of Atlanticism. Then Wilson, in an offensive move, delivered the President the consequences of any rebuff by France to Britain. As Wilson put it as saying to De Gaulle:

(But) if the President were afraid of a trend to Atlanticism, he should realise that his policies might in fact strengthen pressure for an Atlantic grouping there were some in Britain who felt that we should turn away from a European alignment towards an Atlantic one. Our application showed that we had decided. If we were rebuffed we should face a difficult choice. But not only Britain. The pressures on his European partners would be very great (Emphasis added) 41.

The British Prime Minister's attitude certainly hardened after he returned from France. Soon after his return, Wilson said in the Commons that "the Government would continue to press vigorously for early admission to the Common Market, though his talks with De Gaulle had not noticeably advanced. 42

The French too continued to stall early opening of negotiations. On 26 June when the European Council of

41. Wilson, n. 5, p. 408.
Ministers met, while the Five wanted that negotiations with Britain be opened immediately, the French Foreign Minister wanted it to be postponed at least until the European Commission submitted a report on the effects of British membership on Common Market. The Five, giving way to the French advised the Commission to prepare the report and no one knew when it could submit. And on 28 June, Couve de Murville informed his Cabinet that discussions on Britain’s candidature would not start until autumn since the SEC Council failed to reach agreement on hearing British representative before summer. The truth was that when at the last European Council meeting Couve de Murville suggested hearing British Prime Minister submitting his case personally, the Five did not think it was necessary.

It was in this background that the British Foreign Secretary, George Brown succeeded in placing the British application formally before the Council of Ministers of West European Union (WEU). Conventionally one of the WEU sessions is devoted for the exclusive discussion of European economy. The WEU met on 4 July 1967 at the Hague, attended by the Foreign Ministers of the Six and

44. Ibid., p. 127.
the members of the European Commission including its
President, Jean Rey. When Brown was invited to open the
debate on European economy, he read out the first 49 para-
graphs of his speech dealing with Britain's reasons for
entry and, at the end of the debate, since the opener
would have the last word, he delivered the 50th paragraph
of his speech, which read:

I hope that the statement which I have made
to you this afternoon will help the Community
in its consideration of our application and
enable negotiations to open as soon as the
Commission has been given ... I am, therefore,
formally conveying the text of my statement
to you, Herr Brandt, as the Chairman of the
single Council of Ministers of the European
Communities. I shall also convey copies to
the President of the Commission. I am also
arranging for the text to be made public in
the United Kingdom.45

This was certainly a diplomatic feat on the part
of the British Foreign Secretary, for he had just achieved
what the French doggedly had been doing — prevent the
British case from being taken up by the European Council
of Ministers. As the British Foreign Secretary proudly
recorded, "our formal application was in before the French
realized what was happening."46

45. Brown, n. 1, p. 221.
46. Ibid., p. 222.
By now Britain's diplomatic activities on the continent were becoming hectic, missing no opportunity, inspite of France's continued misgivings, to emphasize her determination to pursue the application. Lord Chalfont, the British negotiator on Common Market membership, visited the Six capitals in September to get the negotiations start early. However, as The Times concluded "the main outcome of (his) talks is public recognition on British side that if Common Market negotiations do open they are likely to be long and difficult." The British Government, however, had almost completed preparations for negotiations on the assumption that negotiations would start before the end of the year. In fact, Chalfont expressed the belief that negotiations might begin in November and he took up residence in Brussels.

Meanwhile, the Labour Party Annual Conference approved Government's European policy by a 2-1 majority. But even as the Conference was in its session rumours were afloat that the European Commission's forthcoming report on Britain's entry contained 'dangerous falsehoods' inserted on De Gaulle's instructions.

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47. Maurice Torrelli, n. 38, p. 86.
The Commission's report, published on 5 October, did not disprove the rumours. The report presented an impressive political case, for British membership. But, it was the economic part of it which gave a very gloomy picture of the effects on the community, if Britain entered. As The Times put it "good Europeans" pleasure at the prospect of so important a further step towards building an united Europe is balanced by the cold fact that one does not admit a bankrupt into a flourishing partnership. 50

The Commission admitted that the membership of Britain along with other applicants, viz., Ireland, Denmark and Norway would be politically of great value to European Community. It said:

From the political angle, the accession of States whose political traditions of stability and democracy are so outstanding and so deeply rooted would be of great value for the Communities both as regards their internal development and in connection with the wider responsibilities they will have to bear in international life. 51

The report also appreciated the positive change that had taken in Britain in accepting the 'political

51. Official Journal of the European Communities, Opinion on the Applications for the Membership Received from the United Kingdom, Ireland, Denmark and Norway for submission to the Council under Articles 237 of the EEC Treaty, 205 of the ECE Treaty, and 98 of the ECSC Treaty, Document 1486, vol. 9, no. L 186, October 1967, p. 3.
objectives' of Rome Treaty.

The economic side of the report, as already noted was the most depressing one for Britain. The report said that for the past twenty years there was a 'recurrent conflict' in British economy between 'achievements of a growth rate' and the 'need to balance external payments'. and the resultant economic disequilibrium was not due to 'cyclical swings in economic activity' but mainly 'structural in origin'. Even the recent improvement in the sterling's position was, due partly, at least to 'seasonal and fortuitous factors'. With such a weak sterling and economic disequilibrium, Britain inside the Community might pose more problems. In the words of the Commission's report:

...it is not impossible that the sterling balances might ... constitute a factor of disequilibrium in the position of the United Kingdom and a source of difficulty for the Community if Britain were to join.52

Such a poor picture of Britain's economy and its attendant effects on the Common Market if Britain was allowed, no doubt, was certainly to the delight of the French. As a matter of fact it was widely rumoured that the French President instructed the French representative on the European Commission to inject critical references

52. Ibid., pp. 8-10.
to Britain's economy and its sterling. The Germans tried
to persuade the French to withdraw such criticisms but
failed.53

Things on the diplomatic plane, however, were taking
a bad shape in Europe. The British Government, having
been long exposed to France's delaying tactics and heard
the latest report by the European Commission, resorted to
what the *Sunday Times* described, 'rough tactics. Warning
notes were being issued to the French Government that
should it further delay the opening of negotiations,
Anglo-French relations would seriously be affected. On
17 October, the British Foreign Secretary, George Brown
informed the French Charge d'Affaires, just a day before
the French Cabinet was to meet to decide its tactics on
British membership, that he was not pleased with De Gaulle's
suggestion to the British Ambassador that Britain should
not press on with her efforts to join the Common Market.
The Foreign Secretary reaffirmed Britain's determination
to seek full and immediate membership.54

In less than two weeks blew out what came to be
called the 'Chalfont affair'. On 27 October, Lord
Chalfont, the British negotiator on Common Market, was

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reported to have made certain off the press remarks. According to these reports, Chalfont said that in case Britain was denied the European membership, a serious review of Britain’s European commitments would take place involving the withdrawal by Britain of its 50,000 strong Army of the Rhine; withdrawal from the Four Power Agreement on Berlin; abandonment of support for the reunification of Germany; and reducing Britain’s political and economic role in West Europe’s defence. What was more the report said that all this had received the support of President Johnson.\footnote{\textit{Daily Mirror}, 28 October 1967.}

Though these reports were immediately denied by the British Foreign Office, yet the ‘Chalfont Affair’ did not fail to give the impression that Britain was trying to bring pressure on Germany and France. This was more so in view of the fact that Chalfont himself had been resorting to strong language for the past few weeks. A week earlier, \textit{Le Monde} quoted a senior British diplomat saying that Britain might look from a different viewpoint at its troops in West Germany if she was denied Common Market membership.\footnote{Quoted in, \textit{Tribune}, 3 November 1967.}
It was quite for some time that the British Government regarded Germany as the key element in its European diplomacy believing that the latter could pressurize France to agree to Britain's entry into the EEC. During Wilson's visit to Bonn in February 1967, Kiesinger regretted his inability to exert any pressure on France. However, he expressed his willingness to persuade the General to pave the way for Britain's admission into the EEC. Evidently the FRG response could hardly be satisfactory to Britain. Nonetheless, the German Chancellor (during his return visit to Britain in October 1967) made it further clear to Wilson that De Gaulle was very obstinate and that it would be extremely difficult to persuade him to let Britain in. After returning home, the German Chancellor even spoke a bit of Gaullist language. Echoing the French argument that entry of Britain along with others could transform the character of the Community, the Chancellor said: "It would certainly be more difficult to reach agreement the more members the Community has with differing interests to defend." The Chancellor before leaving Britain also said that there was no point in pounding the fist on the table.

57. Wilson, n. 5, p. 368.
58. Ibid., p. 472.
Thus, it was in this background that the British diplomacy turned offensive. During Kiesinger's visit to Britain in October 1967, according to Cecil King (a distinguished British journalist), as told to him by the German Ambassador, Wilson had put pressure on the Chancellor that he should work for Britain's entry. King's entry of 1 November 1967 records: "Blankenhorn, the German Ambassador came to lunch ...(He) said Wilson handled Kiesinger badly — in particular at the dinner at the German Embassy, when he called for 'deeds not words' from the Germans to get us into the Common Market." King continues:

It now appears Chalfont had been saying something similar to the German journalists earlier in the week, and Wilson had been giving a much milder version of the same point of view in a briefing. In any case it is inconceivable that Chalfont would have expressed such views if he had not been confident that they were those of Wilson.

The heart of the matter is that in view of the close Franco-German equation the Germans were not prepared to prevail upon the French President. The initial enthusiasm which

60. Ibid., p. 4.


they showed towards Britain's entry "diminished somewhat because of political reasons. West Germany, still worried about offset payments for the maintenance of British troops in Germany, did not feel very enthusiastic about supporting a country which had not been very helpful to her."63

Soon thereafter (on 18 November 1967) the British Pound was devalued by 14.3 per cent. In doing so, the British Government hoped that its action would placate the French who had been arguing that a weak Pound would destabilize the Community's economy, if Britain entered. Nevertheless devaluation proved to be counterproductive. Just as the Nassau meeting served as the immediate cause of the French vetoing the British entry in 1963, Pound devaluation served as an immediate weapon (in French hands) to bar Britain's entry into the Common Market for the second time.

On 27 November, the French President at a press conference expressed his opposition to Britain's entry into the Common Market for the second time in a single decade. The General wondered if Britain could join the Community "without tearing it apart, without breaking up what exists inside it."

If Britain was ready to accept all the arrangements governing the Community, then "why negotiate over clauses which one would have accepted entirely in advance?", the General questioned. If the British were really serious about the Community membership, they should "subject themselves to fundamental changes and undergo a modification, a radical transformation" before she joined.

The French President argued that the present state of British economy was incompatible with the economic structure of the Community. Here, the General called in the recent European Commission's remarks on the effects of British economy on Common Market in support of his case. He listed that the British agricultural policy, and particularly her role as the Sterling Banker were incompatible with the economic policies pursued by the Community. The latest devaluation, the General thought, reflected the weakness of the Pound sterling, not its strength. To try to force Britain's entry, in spite of all these difficulties, "it would obviously mean breaking up a Community that was built and operates according to rules which do not tolerate such a monumental exception." He repeated what he said in 1963 that with her unique world commitments Britain was not yet truly European. Hence,
to bring the Great Britain, and therefore to start negotiating now to that end, would mean for the Six ... giving their consent in advance to all the artifices, delays and make-believe liable to conceal the destruction of the structure built up at the cost of so much toil and amidst so many hopes.

The General on the other hand, offered Britain associate status. Concluding his speech, he once again reminded that before Britain entered the Community "a very vast and very deep transformation is still needed." 64

De Gaulle's conviction that Britain was not fully 'European', an argument which he put forward in 1963 was also repeated with the same vehemence in 1968. De Gaulle's memoirs relating to the period 1958-62 record what the General thought about Britain: "I could not believe, although I wished it were so, that his (Macmillan's) country was ready to become the new Britain who could attach herself to the continent." 65

In support of his latest veto the French President called in the European Commission's economic arguments. The Commission, in its Report on Britain's entry opined that Britain's weak Pound and her role as the Sterling Banker


would entail economic and financial difficulties in case she entered the Common Market. But the Commission also said that negotiations with Britain should be opened and "it saw Britain's economic situation in a much less apocalyptic light than does De Gaulle." In the ultimate analysis the French President's opposition to Britain's entry was political and not economic though his speech tried to argue on economic grounds. There was, no concealing the fact that the General's objection to British entry was entirely political, and connected solely with his determination to form 'Europe' on the basis of a French-led non-supranational 'Confederation' which could not be maintained if it embraced Great Britain.

Britain's entry would alter the balance of power within the enlarged Community and France may not be able to play her role in Europe as freely as she was doing so before Britain's entry.

Britain's presence would alter the balance of power within the enlarged Community. France would no longer have the freedom of action she enjoyed in an institution where she held the political reins and Germany was content to follow her lead.

Apart from the external reasons in vetoing the British entry, De Gaulle's action might also have been influenced by a domestic political consideration. De Gaulle might have feared that a Britain led by the Labour Party into the Common Market could stimulate the internal socialist and other liberal opposition to de Gaulle himself. Therefore, any possibility of finding a common platform between the Labourite Britain and Gaullist France was ruled out.69

It may be recalled that during the early years of the European unity movement the French Socialist Party made its acceptance of European integration dependent upon the attitude of its British counterpart.70 Guy Mollet, the French socialist leader, first regarded Schuman proposal "little more than a scheme to shore up a decadent German and French capitalism and affront the British Labour Party."71

The British Government's reaction to the French offensive was a very restrained one. Two days after the


General's speech, the British Prime Minister made a sixteen-point reply to the French President's remarks. Rebuffing point-by-point De Gaulle's arguments against Britain's Common Market membership, Wilson said that even France entered this Community with a balance of payments disequilibrium. As far as the incompatibility of the British agricultural policy with that of the Community was concerned, Wilson recalled his statement to the House on 2 May 1967 which recognized the Common Agricultural Policy (CAP) as 'an integral part of the Community' and that Britain must come to terms with it. Referring to the General's objection that Britain's sterling role was incompatible with the Community, Wilson challenged De Gaulle if the latter was willing to respond to the British offer "to discuss on European basis all aspects of the international position of sterling, including the possibility of a European Currency?" Lastly, about the General's contention that Britain's entry in the immediate circumstances would destroy the Community, Wilson said such view was "based on a static conception of Europe, when, unless all of us in Europe move quickly, we as Europeans will fall behind."72

In the House of Commons the day following De Gaulle’s speech Wilson, answering the Leader of the Opposition, Edward Heath said that ‘time is on our side’. Dismissing De Gaulle’s remarks in a firm language Wilson said that ‘there have been misstatements of facts or wrong deductions based on a rather out-of-date approach to some of the problems of modern world ....’

The European Council met on 19 December in the aftermath of De Gaulle’s speech. The French Foreign Minister, Couve de Murville voted against the opening of negotiations for British membership. While the other Five favoured that ‘negotiations can be undertaken parallel with the process of the British economic recovery’ France insisted that economic recovery be completed before negotiations for entry were opened. The British Government, however, refused to withdraw its application. It did not want to leave in void the European policy even though the French for the second time had barred Britain’s entry. Obviously, the Labour Government, unlike its predecessor on this issue, wanted to keep it live. In doing so, the Government wanted


74. The Times (London), 20 December 1967.
to impress upon the Europeans that the question of British membership of the Community was no longer a partisan issue but a national issue supported by all the three major parties. It also equally wanted to convey to the French that whatever the odds against the British entry, given the political will and perseverance the French could not continue to prevent it, more so, while the rest of Five, in some or other degree, favoured her entry. The Prime Minister, therefore, struck an unmistakably confident note when he said 'time is on our side', meaning that "the sole obstacle to British membership is the present President of France, and in the very nature of things and men this obstacle will not last for ever."75

It was in pursuit of such policy that the Foreign Secretary, George Brown told the House of Commons after the French negative vote at the European Council that,

We now propose to enter into consultations with those five members of the European Community which supported the Commission's view that negotiations should be started at an early stage.

The Foreign Secretary, speaking more pointedly than the Prime Minister said that "the view of the continent cannot for ever, or even for long, be overruled by the view

75. The Times (London), 30 November 1967.
of the present President of France." He begged the House not to be gloomy over the French veto, and "if there is any gloom it will be over the Elysee and not over Britain."76

As the British hoped it did not take much longer for time to be on their side. Events, both European and non-European, moving almost in a dramatic fashion changed the political climate of West Europe. The May 1968 events in France exerted certainly shattering effects on the international image of that country. What started just as a local trouble by the ultra-leftist students in a university campus spread like a wildfire engulfing about ten million workers into strikes. Overnight the nation's life came to a standstill. There was a widespread belief that the political upheaval was only a product of a deep-rooted social frustration in the French people whose President always valued foreign policy above social welfare. As George Kennan, the veteran American diplomat said, "De Gaulle makes domestic politics to live, and lives to make foreign policy."77 Thus in the wake of May riots, "at all


77. Quoted in, Simon Serfaty, France, De Gaulle and Europe, the Policy of the Fourth and Fifth Republics towards the Continent (Baltimore, 1968), p. 159.
levels of French society one heard ... bitter complaints against the regime's quest for a prestige that could only be earned abroad and that seemed to exclude a commitment to the great task of improving French life and adopting the French system." 78 An important consequence of the events was that there was a heavy run on the franc, throwing the French balance of payments into deficit which otherwise was enjoying a staggering surplus. The Frenchmen and the business community just behaved the way they had done in the past whenever there was a political crisis — converting the French currency into gold or another stable foreign currency. The French Government to restore the confidence in franc, was forced to borrow heavily from the central bankers and the IMF. Yet the flow of franc into Germany continued, forcing even a world monetary crisis. 79

To restore the world financial crisis, the 'Group of Ten' met in November 1968. Initially there was pressure by the Anglo-Saxons and France on Germany to revalue the mark, which she refused. The pressure then was turned on France which too refused to devalue its currency. Eventually, the


crisis was resolved with the United States and the 'Group of Ten' assuring a loan to France which restored its currency back to the 1958 parity.

What emerged out of the whole financial drama was the change of front forced upon the General by economic circumstances. His irritation with the Germans was scarcely veiled. And dependence on the Anglo-Saxons was also difficult to hide.60 The French President had to open his eyes to the economic strength and hence the growing political confidence of Germany as an important factor in the European system that could stand up to the combined pressure of the major Western Powers including the United States. Germany was the key factor in De Gaulle's dream of European leadership.

An equally important consequence of the monetary crisis was the American overture in helping out France. Of course, such a single gesture on the part of the Americans would not have caused a shift in the French President's attitude towards the Americans. But a combination of this overture with a later development did relax De Gaulle's view of the United States. On 31 March 1968, President Johnson announced an

end to the bombing of North Vietnam. By the end of October all bombing was stopped and the National Liberation Front was accepted to take part in the peace talks. Now the image of a militarist and imperialist America was beginning to look less convincing to De Gaulle. Moreover with the arrival of President Nixon on the political scene the Franco-American relations took a new turn. Both the leaders, Nixon and De Gaulle "had for long had a mutual esteem of each other" and one of the first actions of the new President of America was to accept the French proposal for concerted action on Middle East problems by the four members of the Security Council - the United States, Soviet Union, Britain and France. On 5 December 1969, Pierre Messmer, the French Minister of Armed forces said at the NATO Assembly that "we are in the Atlantic Alliance and there we shall remain." De Gaulle's most striking volte face was in his attitude to the Atlantic Alliance. It was because

of the turn of events on the politico-military plane in Vietnam, the monetary assistance granted to France by the Federal Reserve Bank, and the election of Nixon to the Presidency of the United

81. Ibid., p. 12.
States (which) contributed to this change of policy. 84

Then the Soviet invasion of Czechoslovakia in August 1968 was another dramatic development that frustrated the very concept of De Gaulle's 'Europe from Atlantic to Urals'. Hence "with the USA attempting to make peace in Vietnam and Brezhnev invading Czechoslovakia his policy of indifference between the blocs looked less appropriate." 85 Developments within the European Community were building up pressure on the French President. On 15 January 1969 the Benelux countries proposed what came to be called the 'Benelux Plan'. Some of the important features of the plan were:

(1) To pursue action for the development and enlargement of the European Community in conformity with the Treaty of Rome.

(2) Continuation of the EEC Commission's study on the difficulties and advantages of accession of candidates.

(3) Common action between those European states that desire it in fields that are not covered by the Treaties.

84. Guy de Carmoy, n. 82, pp. 19-20.

85. Uwe Kitzinger, n. 80, p. 13.
(4) Consultations between as wide a number of European states as possible on foreign policy issues.86

The Benelux States extended invitation to the rest of the Six and the candidate states for the Common Market membership to participate in the plan. Though clearly moved as a counter to the French veto, this plan at least for the present aimed at more than this immediate objective. It was the first significant proposal after the abortive Pouchet Plan in 1962, aiming at political unification in Europe. Moreover, for the immediate future the plan provided an extra-EEC framework in which the European states other than the EEC states could work closely together along with the Common Market members, without disturbing the EEC at the same time. The Italians and Germans, did not support the Benelux plan. Speaking on the Benelux plan, Chancellor Kiesinger said on 3 February 1968: "To believe that we can make a Europe of Six by replacing France with Britain, is to dream of a heart-transplantation: the operation is a success but the patient dies. It is undoubtedly possible to achieve cooperation between the Five and Great Britain in extra-Community sectors."87 The Italians

87. Quoted in, Maurice Torrelli, n. 38, p. 57.
had their own reason to discourage the Benelux plan. They did not want to disturb the "new successful policy of economic co-operation between France and Italy."88 With the Benelux countries and Britain reactivising the West European Union (WEU) by making it as the centre of their political activity, France boycotted it in 1969.

It was in this background that what was called the 'Soames Affair' took place. The event was quite a diplomatic sensation for some time in Europe. On 4 February 1969, at a two-hour conversation between De Gaulle and the British Ambassador to France Christopher Soames, the French President proposed a new political future for Europe. According to the British Foreign Office version the General suggested that the European Community would be dissolved into a looser and wider free trade area that would include Britain, the Six and other European States, without any supranational features. The NATO would also be disbanded, then in the kind of new Europe, four countries - France, Britain, Germany and Italy - would play the dominant role. The French President further suggested that if Britain was ready, talks on monetary, economic, defence and political

questions could be opened. The British Government in
its reply expressed readiness to open talks, provided
other EEC members were also informed of this. The reply,
however, noted that Britain did not share the French view
of NATO.90

The British Government immediately informed all the
EEC members about the contents of Scamies-De Gaulle dialogue.
The Prime Minister Wilson, who was leaving for Germany,
was also advised to disclose to the German Chancellor about
the French initiative.91 The British, in disclosing the
French proposals to other European countries, were obviously
acting under the belief that the General, through his latest
move was trying to drive a wedge between Britain and the
Five.

Britain's public disclosure of the French President's
proposals raised a big stir. The French Government protested
that the British distorted what exactly transpired between
their President and Scamies, and called the British act a
'diplomatic terrorism'. Though for some time after the
incident doubts remained about the veracity of the British
version of it, Couve de Murville's memoirs removed such

90. Ibid., 13 February 1969.
91. Wilson, n. 5, p. 610.
doubts. Couve records in his memoirs that the General was in fact, "saddened by the growing Franco-British relations. De Gaulle was the first to regret it, and sought way to reopen the dialogue." General's Foreign Minister continued:

It (the dialogue) could not be on the candidature itself, for the positions had hardened too much for any negotiation on that to be envisaged. One had to raise the debate to its real level - the political future of Europe. For De Gaulle, if Britain with her followers entered the Community, the latter would be radically transformed and become a free trade area with arrangements for trade in farm products .... The two Governments could talk about it, but on condition they also discussed the resulting political association, in which the four principal partners, France, Britain, Germany and Italy would necessarily play a key role ... 

There in fact was some rethinking by De Gaulle as far as the Anglo-French relations were concerned. At his press conference of 9 September 1968, his last one, De Gaulle sounded regretful for keeping Britain outside the EEC.

The French President said: "our desire to avoid at all costs being absorbed into an Atlantic system is one of the reasons why, to our great regret, we have hitherto delayed Great Britain." The fact that this statement was made shortly 

92. Uwe Kitzinger, n. 80, p. 48.
93. Ibid., p. 48.
94. Guy de Carmoy, n. 82, p. 9.
after two major events — the "May 1968 Revolution" and the Soviet invasion of Czechoslovakia — would make one suspect that the French President might be contemplating a review of his foreign policy. More than a month after De Gaulle's conversation with Lord Soames, Michael Debre, then Foreign Minister told the French National Assembly that the British had not understood the "considerable overtures made in their direction."95 The inevitable conclusion that one can draw is that De Gaulle had two objectives in his overtures to the British ambassador:

On the one hand the General was agreeable to Britain's admission into an organization which was free of any trace of supranationality and thus fitted in with his slogan of a Europe of States; while on the other hand, within this organization, Great Britain would be able to counterbalance West Germany whose economic potential could not fail to increase her political influence.96

On 27 April 1969, the French people by 52.5 per cent to 47.5 per cent voted 'No' for a constitutional referendum on whose success De Gaulle staked his Presidency.97 Eleven years of political domination of France and the European Community by the General thus came to an abrupt end.

95. Guy de Carmoy, "Defence and Unity of Western Europe since 1958", in n. 68, p. 367.

96. Ibid., p. 368.

The new French President, Georges Pompidou, though not a declared enthusiast of the British entry was at least known to be not averse to the idea.

The Heads of Government of the 'Six' met on 1 December 1969 at The Hague. This was the first summit meeting of the Common Market Heads after change in the French Presidency. Here, the French and the Five took divergent positions. The new French President emphasized that the Community should first reach an agreement on a fresh agricultural policy which he called 'completion'; 'consolidate' the Community's achievements through new steps to monetary unity and new political institutions. Only after those two stages were completed, then, the French President proposed, negotiations for 'enlargement' should open. However, the French President's view was contested by Willy Brandt. Brandt argued that "nowhere was it written that we should not deal with this (enlargement) until after this transitional period. The German attitude on this point has been known for years, and I feel that we must not put this matter off any longer." 98

The Five, thus wanted that all the processes of 'completion', 'consolidation' and 'enlargement' should go together.

The compromise solution evolved was that final agreement on agricultural financing should be reached by the end of the year 1969. And talks on enlargement should be opened as quickly as possible. The relevant part of the joint communiqué reads:

The Heads of State or Government have indicated their agreement to the opening of negotiations between the Community on the one hand and the applicant States on the other.

They agreed that the essential preparatory work could be undertaken as soon as practically and conveniently possible, by common consent, the preparations would take place in a most positive spirit. 99

The French President also agreed, a point not included in the communiqué that the preparatory talks between the Six on enlargement should not last more than six months. 100 A significant outcome of the Hague communiqué was that France committed herself in principle to the British membership of the Common Market, thereby breaking eighteen years of opposition and deadlock. What was important that the French also agreed to a time-bound programme of six months to complete the preparation before negotiations.

100. Ibid., p. 70.
with applicant states for enlargement started. Preparations for negotiations, Pompidou said: "should be carried out as soon, as rapidly, and as positively as possible." France considered this to be an act of good intention towards the candidates. The French President concluded by emphasizing that his attitude was "very positive". 101

An equally important feature of the Hague summit was the domineering role of the new German Chancellor, Willy Brandt. As Foreign Minister under the Christian-Democratic Chancellor Kurt George Kiesinger, and later as the Chancellor of the Social Democratic Government, Willy Brandt was the one German statesman whose enthusiasm and efforts for the British membership of the Common Market were unflagging. By extending full support to the British membership of the EEC, Brandt wanted to strengthen his own hands in pursuing his own ostpolitik. Indeed, since late 1960s, ostpolitik had become the principal plank in the FRG's European policy. It may perhaps be truism to say that it was around this concept that the whole range of the FRG foreign policy (particularly from 1969 to 1974) revolved. Its significance lay in the normalization of relations between the two parts of Germany as a means of liberalizing the Communist regime.

101. Ibid., p. 71.
of easing the burden of division, to preserve the heritage of a common nation, and of contributing to a detente in Europe through a detente in Germany.102 (emphasis in original)

FRG's new Eastern policy also amounted to the abandonment of reunification of Germany as the pre-requisite for detente. A beginning in this direction was made by the CDU-SPD Grand Coalition, but this too was because of the new driving impulse provided by its then Foreign Minister Willy Brandt. But it gained a vigorous operational momentum when the SPD-FDP Coalition led by Willy Brandt took over in October 1969.

Brandt's approach to Ostpolitik was marked by two important features: direct dealing with East Europe, thereby deemphasising the French intermediary role; and pursuing his Eastern policy not disregarding the West European allies but carrying their support in his new enterprise. Thus under Brandt "West Germany became initiator of its policy, though without offending the susceptibilities of the Western allies."103 In his speech at the Hague summit in December 1969, Brandt, while pleading for Britain's entry into the


Common Market emphasized that "it is in the common interest to enlarge EEC at a time when we are endeavouring to bring East and West more closely together." And the German Chancellor was candid when he said:

whoever may fear that the economic strength of Germany could cause an imbalance within the Community ought to be in favour of enlargement for this very reason.

Testifying to the role played by Willy Brandt in support of Britain's EEC membership, Joseph Luns, the then Dutch Premier said:

the very subtle and effective ways in which he managed to convince President Pompidou that it would be in France's interests — in view of the changed realities of power — to have Britain in, were particularly instrumental in persuading the French Government to take positive action.

It was in keeping with this firm conviction that the German Chancellor addressed both the Houses of the British Parliament in March 1970. Reiterating his full support to the British membership, Willy Brandt said that the European Community would be enriched by the British entry.

104. Willy Brandt, n. 98, p. 88.
105. Ibid., p. 88.
107. The Times (London), 4 March 1970
It may however be naive to believe that the German Chancellor was totally idealistic in strongly pleading for the British entry into the Common Market. It was on the other hand, Brandt's strategy to get his ostpolitik vindicated in the eyes of his Western allies. It was with this intention that he worked so seriously at the Hague Summit to let Britain enter into the EEC. This indeed, apart from its clairvoyance, meant that Britain's entry into the EEC would strengthen the French in establishing a new balance of forces with regard to the FRG the economic giant that it had already become, and was now on its way to gaining a new political weight because of the process of interaction with the USSR and other East European states. In other words, this was a part of Willy Brandt's design to anchor his ostpolitik with the westpolitik. Nonetheless it served as an incentive to the French to make way for Britain's entry.108

Apart from the question of the British entry, the Hague Summit also reached agreement on agricultural financing as well as contributions by the member states to the EEC budget. According to the latest agreements, after a transi-

108. These views have been developed after author's discussion with Dr. H.S. Chopra, Head, West European Studies Division, School of International Studies, Jawaharlal Nehru University.
ation period between 1970 and 1974, all levies on agricultural imports from outside the Community would accrue directly to the Community Fund together with all customs duties and a certain percentage of value added tax. The Fund so collected would be used for financing the agricultural system and also for other purposes. The existing system of diverting financial contributions by the member states to the Community Fund would cease after the transition period.\textsuperscript{109}

The new arrangement would increase the financial burden of Britain if she joined the Community one day. Since Britain is the largest importer of goods from non-European States she would also be the largest contributor to the Community according to the new arrangement. Moreover, since the British total farming area being much smaller and a highly mechanized one, the virtual beneficiary of the new agricultural financing system would be France and then Germany, but not Britain the largest contributor. In short, Britain would pay more to receive less.

The Labour Government, in keeping with its promise at the last Labour Party Conference published a white paper in February 1970 on the effects of Common Market membership on its economy. The white paper, running to 45 pages largely

\textsuperscript{109} Financial Times, 30 December 1969.
estimated the effect of membership on food prices and agriculture. It estimated that the rise in the balance of payments deficit would be ranging between £100 and £1100 millions. The retail food prices would go up anything between 18 and 25 per cent. In so far as the amount of British contribution was concerned the lowest and highest amounts would be £150 and £570 millions.110

Presenting the white paper to the House of Commons, Wilson said that the "calculations do not allow for what we would hope to achieve in the course of the negotiations", but the cost that Britain should bear if all the existing obligations were accepted. Wilson also explained that the white paper did not try to calculate the cost of Britain remaining outside the Community, nor did it deal with political arguments for entry. The Prime Minister assured the House that "the figures have been calculated in a completely objective and neutral way." A significant feature of Wilson's speech on this occasion was that he warned the House not to draw any policy conclusions from the white paper and that Britain reserved the final decision to accept membership until the final outcome of negotiations. He said:

Today is not the time to attempt to draw
conclusions in terms of policy from the
white paper. Britain's application for
membership has been made and that is not
in question... Until the outcome of (those)
negotiations is known neither the Government
nor Parliament will be in a position to take
final decisions.

Striking confident note out of Britain's improved
balance of payments position, Wilson said that if favourable
terms were not negotiated, Britain could stand on her own
strength outside the Community but failure in the negotiations
would, involve "a cost for Britain, a cost for Europe, and
a diminution of Europe's influence in world affairs."111

The motion seeking the House approval of the white
paper was passed by a voice vote without division.

Public interest within the country on the Common
Market issue was dwindling. As the speculation that the
Prime Minister might go for an early election grew opinion
polls were increasingly registering an anti-market trend.
Within the Labour Party too, the anti-marketisers were gaining
more ground. Already at the 1969 Party Conference a resolu-
tion moved by the TUC leader placing severe restrictions on
the Government's European Policy was overwhelmingly passed.112

112. Sixty-Ninth Report of the Annual Conference of
The mood of the conference was general disillusion with the Community. A notable development during this period was that the trade union movement passed into the hands of anti-marketeer and ex-communist leaders, Jack Jones and Hugh Scanlon.

Government itself was showing signs of drift from the issue. Common Market was never a popular issue for electoral purposes in Britain. With rival divisions within the party on the issue remaining what they were and possibly ever widening, no Government would think of staking its life at hustings on a deeply divisive issue. Moreover, the fact that the country's economy was in a good shape seemed to assure the British public that they could live on their own without joining the Community. The growing sense of confidence was underlined in the Prime Minister's own speeches. Speaking in the House on white paper, Wilson said that if the negotiations for membership did not lead to "acceptable terms for entry, Britain is and will be strong enough to stand on her own feet outside."113

By the time Wilson called for a General Election in June 1970, public apathy to the Common Market issue was

already conspicuous. The issue, therefore, mattered little in the electoral campaigns of the both major parties. The Labour Party election manifesto spoke familiar words of safeguarding Britain's vital interests. The manifesto said:

We have applied for membership of the European Economic Community and negotiations are due to start in few weeks' time. These will be pressed with determination with the purpose of joining an enlarged Community provided that the British and essential Commonwealth interests can be safeguarded.

But the manifesto as a concession to the anti-marketeers and warning to the members of the Community, said:

... if satisfactory terms cannot be secured in the negotiations Britain will be able to stand on her own feet outside the Community.114

Much against the forecasts of political pundits, the Labour Party was voted out of power in June 1970 bringing Conservatives headed by Edward Heath into power. With Labour's defeat, the five and half years of Labour's rule -- a rule marked by its conversion from opposition to the cause of Britain's Common Market membership -- came to an end.

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