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Entry into the European Community, 1971-73 Transcript

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ENTRY INTO THE EUROPEAN COMMUNITY, 1971-73

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Ladies and gentlemen, this is the fourth of a series of lectures on Britain and Europe since 1945, and this lecture will describe how Britain finally entered the European Community, as the European Union was then known, in 1973, after two failed attempts.

One of the remarkable features of the 1970s is that the political alignments and attitudes of the parties towards Europe were almost exactly opposite to what they are today. Today, the most sympathetic of the two major parties towards Europe is the Labour Party – they are broadly pro-European. But the main party of the right, the Conservatives, are divided and predominantly Euro-sceptic. In the 1970s, by contrast, it was the opposite. The Conservatives, under the leadership of Edward Heath, the most pro-European Prime Minister we have ever had, were the Euro-enthusiasts. Now, just 40 years ago, in March 1974, Heath resigned as Prime Minister, having narrowly lost a General Election in which Europe was a major issue, and he was replaced by Labour's Harold Wilson as Prime Minister of a Minority Government. One year after that, in 1975, Heath lost the Conservative leadership to Margaret Thatcher, but she too began as a Euro-enthusiast, continuing to support the European Union. She became a Euro-sceptic much later than is usually imagined.

Conservative pro-Europeanism extended then even to Conservative-supporting newspapers. In 1975, at the time of the referendum on the Common Market, the Daily Mail said that food supplies would be endangered if we did not stay in Europe, and it said, in the case of a no-vote to Europe, it insisted there would be, and I quote, "no coffee, wine, beans, or bananas till further notice".

Now, in the 1970s, it was the Labour Party and not the Conservatives who were bitterly divided over Europe. Indeed, Europe threatened to break up the Labour Party, and it was for this reason that Labour came to support a referendum on Europe, as a device to hold the party together. Indeed, Labour was split, partly on Europe, in 1981, when a pro-European faction, led by Roy Jenkins, who had formerly been Deputy Leader, and David Owen, a former Foreign Secretary, formed a new party, the Social Democrat Party, which formed an alliance with the Liberals and eventually merged with the Liberals to form the current Liberal Democrats. The Liberals and the Liberal Democrats are the only really consistent party. They were enthusiastic supporters of Europe then and are so now. But the other parties all changed their viewpoints.

Also, the Nationalist parties in Scotland and Wales, at that time, they favoured a no-vote in the referendum in 1975, and, whereas, today, it is said that Scotland is worried in case the rest of the United Kingdom leaves Europe when they want to stay in, in the 1970s, the worry was the opposite, that Scotland might vote no while the rest of the country voted yes. So, the alignments, it is very strange, they were almost opposite to what they are today 40 years ago, and one has to remember that I think to make sense of the debates of the 1970s.

I ended my last lecture in 1967, after the second failed application to join the European Community or the Common Market, and this was vetoed again by de Gaulle, and it was the second humiliation for Britain.

But the Labour Government under Wilson refused to accept defeat and said it would leave the application on the table, and in 1969, de Gaulle resigned as President of France, after being defeated in a domestic referendum, and was succeeded by Georges Pompidou, who, although a Gaullist, was more sympathetic to Britain and more pragmatic, and he did not share the semi-mystical view that de Gaulle held of France's national destiny. So, it appeared that prospects might improve for British entry, but Pompidou insisted that, before enlargement of Europe could be considered, agreement had to be reached on the financing of the Common Agricultural Policy. He said that was a pre-condition for the end of the French veto, and he told the French public, after the event, on television, he said: "I achieved, on the one hand, a definitive agricultural settlement, in return for, on the other, the opening of negotiations with Britain."

Now, the effect of the Common Agricultural Policy was that Britain would be the second largest net contributor to the European Community budget, after Germany, and France, with her large agricultural sector, would be a leading beneficiary. But at that time, Britain's gross national product was well below that of France or Germany. Was this fair or reasonable that Britain should be contributing so much? It was a heavy cost to Britain, and this was to become a running sore in the negotiations between Britain and the original six members of the European Community. It was to remain a serious problem for Britain after she joined, until it was finally settled, after much negotiation, by Margaret Thatcher in 1984.

But the six, in addition to settling the Common Agricultural Policy, adopted a new policy just before Britain entered the European Community, and that was the Common Fisheries Policy, and that was adopted on the day that negotiations opened with Britain. Now, this, again, was damaging to British interests because she had huge reserves of fish, which would not otherwise be open to the fishing fleets of the other six, and indeed, Britain was

proposing to join with three other candidate members, Denmark, Ireland and Norway, and if you take those four together, their fishing catch was more than double that of the original six that were imposing the Common Fisheries Policy. They adopted the policy on the day that negotiations opened with Britain.

The Common Fisheries Policy was the main reason why Norway did not join the European Union – she rejected it in a referendum, and she did not want her fishing fields to be open to those of the other Member States.

But Britain could reasonably regard it, I think not unfairly, as a hostile act on the part of the six, to open a Common Fisheries Policy and begin negotiating it and completing it before Britain actually joined, so that her, or our, interests suffered from it.

There was another policy being developed at the time, which is very controversial now, but, oddly enough, British leaders did not find it so controversial then, and that was European monetary union and the idea of a common currency. Many people think the Eurozone and the Euro and all that is a fairly recent development in Europe, but it was first planned long ago, almost 45 years ago. It was proposed in a report for the European Community by Pierre Werner, who was the Prime Minister of Luxembourg, and had been asked to produce a plan by the six. He produced his plan in 1970, and what the Werner report proposed was a total and irreversible convertibility of currencies, with permanent fixing of rates, and the report concluded: “Considerations of a psychological and political order militate in favour of the adoption of a single currency, which would guarantee the irreversibility of the undertaking.” So, the origins of the Eurozone lie in 1970.

Now, British leaders did not object to this; indeed, they supported it, and in October 1972, Edward Heath said to the House of Commons that he had told President Pompidou, and I quote, that Britain “looked forward wholeheartedly to joining in the economic and monetary development of the Community”.

This, of course, raised the problem of the transfer of resources, as has happened with the Eurozone, from poorer countries, of which Britain was then one, to the richer countries – for example, Germany – and there was perhaps a real danger that, given Britain’s economic position in the ‘70s, she might find herself in the position that Greece or Spain now find themselves in the Eurozone. But whether that is so or not, neither the Labour Government of Wilson in the late-1960s nor the Government of Heath after 1970 made any objection to the common currency or to monetary union. They were both then prepared to support a policy which now both parties reject, a common currency. All this is clear evidence, and there was public knowledge for it, that the European Union was more than a mere trading arrangement, and anyone who wanted to establish the facts could easily do so, and that it had at its aim ever-closer union, political union.

In October 1972, the heads of government of the European Community states, which then included Britain, who had successfully negotiated entry by then and was about to join, they said their aim was to create a European Union by 1980. They did not define “European Union”.

But in 1973, the heads of government met, and that included Britain, who was now in the European Union, and they issued the following declaration. They said: “The Member States, the driving force of European construction, affirm their intention to transform, before the end of the present decade, the whole complex of their relations into a European Union.” And they added: “The Heads of State or of Government reaffirm the determination of the Member States to achieve economic and monetary union.” That was all on the record.

It was not clear what European Union meant, and someone said to President Pompidou that this was an unclear phrase, and President Pompidou replied, “That is the beauty of it!”

But the Danish Prime Minister, Mr Jorgensen, did query what this meant, and the record of the discussions say he asked whether it was a federation, a confederation or something else which they were trying to set up. But the British record of the discussion continues: “Happily, he did not ask for a reply and President Pompidou lost no time in winding up the proceedings.”

Now, people say, and have said, that they were deceived about Europe, that they thought they were joining a free-trade area, but it was absolutely clear on the record of what the aim was: some form of European Union, however defined, every-closer union, and clear that plans for monetary union were already there, that it was not simply a free-trade area.

Of course, it is much easier to say that you are prepared to do this in advance than when it comes to the time, and some people say they were deceived by the White Paper issued by the Heath Government in 1971, which said there would be “no erosion of essential national sovereignty”. Now, the reason they could say that, and it was not wholly misleading at the time, was that the great powers, each great power, had a veto on developments in the European Union. It was agreed that no important measure would be instituted if any one Member State thought it affected their most serious national interests. So, British leaders could reasonably say any further developments depended on the consent of each country.

But there was a further key factor which I think was not mentioned, and that was not out of malice but I think people did not really fully understand it. I think even public lawyers did not fully understand it. Those who

attended my last lecture may remember I discussed these two key cases of the European Court of Justice which determined that the laws of the European Community, as it then was, were superior to the laws of the Member States and would have direct effect on the Member States, whatever their Parliaments did, so that the European system of law was a superior system of law to that of Britain, France, Germany, and so on. So, the European Union was a very different sort of organisation from any other that we joined, like NATO, for example, or the United Nations. It was a superior legal order, and that meant that Westminster was no longer sovereign.

Now, we can see that as it works, I think, very remarkably, in policy on immigration. There are a large number of people who would like to see immigration from the European Union countries restricted, and we have, in Britain, already restricted immigration from non-EU countries, including Commonwealth countries, but we cannot restrict immigration from the EU countries because of the principle in the Treaty of Rome of the free movement of labour. That is a clear example – you may think it is good, you may think it is bad, obviously opinions will differ, but it is a clear example of a restriction of sovereignty, of something that Parliament might want to do but cannot do. It would be illegal to do it under European law. That was not stressed at the time, I think because people genuinely did not notice this effect. Even public lawyers, academics, who should have noticed it, most of them did not either.

So, I think it was probably unfair to say that the aims of the European Community were hidden. The aims were mostly publicly stated, and it was clear to anyone who took the trouble to look that it was a more than a free trade area. But where was it going - what was its final aim? That perhaps was not so clear.

In 1973, an economist called Andrew Shonfield delivered a series of Reith Lectures called “Journey to an Unknown Destination”, and that perhaps is the fairest description of the journey on which Britain was embarking in the 1970s.

Perhaps remarkably you may think, in the General Election of 1970, all three of the major parties favoured entry, and that was a great change from the Election of 1959, which I discussed a while ago, when none of the parties, not even the pro-European Liberals, mentioned Europe, so much as mentioned it in their manifestos. All the parties said that Britain ought to join. The Labour Party Manifesto was particularly positive, but the Labour Party was defeated in the Election by the Conservatives, led by Edward Heath, who I think was the most pro-European Prime Minister that we have ever had, arguably the only pro-European Prime Minister we have ever had.

His maiden speech in Parliament in the House of Commons in 1950 had been a criticism of Attlee and Bevin for not joining the Schuman Plan, the Coal & Steel Community, a precursor of the Common Market, and he had been in charge of the negotiations in the first failed application from 1961-3, and he had won golden opinions on the Continent even though these negotiations had failed.

Now, his strong Europeanism derived, in my view, from his experiences of the 1930s, when he had visited Nazi Germany and attended a Nuremberg rally, at which he said Hitler had brushed past him and he had shaken hands with Himmler. Unlike most Conservatives at the time, he was a strong supporter of Churchill against the appeasement policy of Neville Chamberlain and, again, unlike most Conservatives, he supported the Republicans in Spain against General Franco, against the right-wing movement. He had also fought in the War, when he had risen to a high rank of lieutenant-colonel, and for him, a united Europe was the best guarantee against future wars.

After successfully negotiating British entry, he made a television broadcast, in which he said this: “Many of you have fought in Europe, as I did, or have lost a father or brothers or husbands who fell fighting in Europe. I say to you now, with that experience in my memory, that joining the Community, working together with them for our joint security and prosperity, is the best guarantee we can give ourselves of a lasting peace in Europe.” So, that was a kind of negative aim – avoid wars in Europe.

But there was also a positive and strategic view of the future, the future of Britain in Europe, complemented by a mastery of detail on the subjects that he was negotiating in. He had a view of Europe as a power in its own right. He had first shown that mastery of detail in the negotiations in 1961 on such matters as butter and cheese, very detailed matters, and this had caused him to be caricatured by Private Eye in a description which he never entirely shook off, of “Grocer Heath” or “The Grocer”, and originally, in Private Eye, he was accompanied by a senior civil servant called Sir Brussels Sprout.

For some people, for pro-Europeans, Heath was, and is, a visionary. For the opponents of Europe, he is someone who sacrificed British nationhood and sold the country’s interests out. Extreme anti-Europeans used to call him “Traitor Heath”.

But, at the time, this was important, if you believed that Britain should enter, and the effect on the French and on Pompidou, President Pompidou, was undoubted, because Heath’s sincerity was unimpeachable. He was a man with whom the French could do business. You could not doubt that Heath was European. President Pompidou said, in 1973, after Britain had joined Europe, he said that, “Until now,” he said, “virtually the sole link between the Continent and Britain had been called Heath.” So, with Heath there, prospects seemed quite good for British entry, but Heath’s problem was that public support for entry had plummeted since the 1960s, that the popular

enthusiasm and momentum which was there in the early-1960s had gone down, and by the time his Government came to power, in 1970, support for entry was about 20%. Opinion had moved against Europe. So, although all three parties were in favour, the public were sceptical and there was a danger of another veto, not this time by the French but by the British public, and this was something Heath had to bear in mind.

But the main reason for public opposition was not, as it had been earlier, worries about the Commonwealth, which was receding in importance, and it was not the worry that came later, the loss of sovereignty. It was the likely rise in the cost of living, and in particular food prices, from joining the European Community.

The opposition was led by Enoch Powell, at that time still a Conservative MP, and he was, for a time, after his speeches on immigration, the most popular politician in the country, and many thought that Heath's victory in 1970 had been really a victory for Powell, who had spoken in favour of the Conservatives, rather than a victory for Heath, who never established that degree of popularity.

The Labour Left were also then opposed to Europe, which they said would interfere with socialist planning, and that was a problem for Harold Wilson, who was now the leader of the opposition, because the Left had made Wilson leader, and they formed as it were his Praetorian Guard, the main basis of his support against those trying to overthrow him.

The Conservative Manifesto in 1970, perhaps oddly, was a bit more cautious about Europe than Labour's, but it used words that would later come back to haunt the Heath Government. The Manifesto said: "Obviously, there is a price we should not be prepared to pay. Our sole commitment is to negotiate, no more, no less."

Just before the Election, in May 1970, Heath used, in Paris, words which again were to come back to haunt him later on. He said that Europe could not be enlarged without, I quote, "the full-hearted consent of the peoples and parliaments of the applicant countries". Now, Heath said that what he meant, as anyone who knew the British Constitution should know, that the consent of the people in Britain, as opposed to perhaps the other applicant countries, was given not separately in a referendum, for which there was no constitutional basis at that time, but through Parliament, so approval of the peoples and parliaments meant, in Britain, approval of the peoples through Parliament. But he had in fact spoken of "peoples and parliaments", not "the people through Parliament", so he was open to criticism when he took Britain into Europe without seeking popular approval, especially because, in the General Election of 1970, as I have said, all three parties were in favour of Europe, so if you were a voter who did not think we should enter the European Community, how were you to show that by your vote? There was no way in which the Government could say, I think, it had a mandate, popular mandate, if that is what is needed, to enter Europe. He could not claim a genuine popular mandate. So, that was also a problem throughout the negotiations and afterwards.

Now, in the first negotiations in 1961, Harold Macmillan had hoped there would be a genuine negotiation between Britain and the six, but the six said, not unreasonably I think, that the European Community was already a going concern, the rules were already made, and it was for Britain to decide whether or not to accept them. That was even more so by 1970. There was now what the European Community called, and the European Union still calls, an *Acquis Communautaire*, and the *Acquis Communautaire* is a series of treaties, laws, and decisions that had already been agreed by the six on the statute book of the European Community. That included, as we have seen, the Common Agricultural Policy. An applicant country had to accept these policies fully. There was no question of untying the package, of challenging them.

The same is true, for example, now. It is one of the problems David Cameron will face in re-negotiation. When the ex-Communist States joined in 2004, there was an *Acquis Communautaire* which they had to accept, and what some say David Cameron is asking for is for that now to be untied. It is a very difficult thing to do.

But at that time, at any rate, there was no question of special provisions for Britain, and in particular, if you wanted an alleviation of the conditions of the Common Agricultural Policy, what this meant was, in practice, that Britain should pay less into the agricultural fund. Now, if Britain paid less, another country, or countries, would have to pay more, and you can understand they were not particularly sympathetic to that.

The previous Labour Government had accepted that they would have to accept the *Acquis Communautaire*, and in July 1967, the Labour Party's Foreign Secretary, George Brown, said, "We accept all three treaties," that is the treaties setting up the European Community, "subject only to the adjustments which are required to provide for the accession of a new member. Her Majesty's Government accept without reserve all the aims and objectives of the three treaties and will implement them."

So, the negotiations were, in a sense, peripheral. The French, under President Pompidou, had already decided that she would no longer resist British entry, provided the Common Agricultural Policy was in place, which it was by 1970, and Britain had to make a decision in principle as to whether to join a fully functioning organisation, or club if you like, or not, whether you swallow the medicine whole or not at all. You cannot have a partial medicine - you have to take the lot. Both Wilson and Heath, it seemed, at that time, had decided they would.

But, of course, the arrangements of the six founder members were not necessarily those suitable for Britain.

The Common Agricultural Policy, in particular, meant a system of Community preference, and what that meant was protection against foodstuffs coming from outside Europe. In Britain's case, that meant protection, tariff protection, against cheap food coming from the Commonwealth. Hitherto, the Commonwealth countries had given us cheap food, but instead, we would have to buy more expensive food from the Continent.

In future, we would also have to fit in with the Continental method of subsidising agriculture, which would not be the way we had done it hitherto, by the taxpayer - it had previously been subsidised through subsidies from the taxpayer - but by the Continental method, subsidised by the consumer, who would sustain the farmer by paying higher prices, guaranteed prizes, for agricultural products. This of course meant an increase in our cost of living.

Moreover, hitherto, protection for agricultural goods in Britain had just been for British farmers. We did not, of course, protect Commonwealth farmers. But under the European system, we would be protecting all farmers - British farmers, French, German, Luxembourg, Belgium, and so on - and the agricultural sectors of all the European Member States would be subsidised through higher prices.

Now, as if this were not enough, the monies collected from the Common Agricultural Policy would not be given back to the country in which it was raised but they had to be put into a central fund in Brussels to become part of what was called the European Community's own resources, and redistributed to Member States in proportion to the size of their agricultural sectors. Now, the British agricultural sector was 3%, the German 8-9%, the French 12-13%, the Italian 22-23%, so this meant that we would pay more for our food, contribute more to the fund than any other Member State except Germany, and of course France and Italy, with their large agricultural sectors, would benefit considerably. The French and Italians would be able to sell their food at higher prices in the British market to replace cheap Commonwealth food, and they would of course benefit from the redistribution of the fund because of their large agricultural sectors.

They would also benefit from the Common Fisheries Policy because our fisheries fields and the Danes the Irish were much greater than those of the six.

When Heath met President Pompidou, he defended these arrangements on grounds of high principle. He said entry into Europe would require a profound change in British thinking. He said she must become what the French called *Communautaire*, and he said Community preference was the heart of Europe. The six, he said, had abolished customs barriers between themselves and they imposed a penalty on trade with outside members, in the form of a common external tariff. They wanted to encourage Member States to trade with each other rather than with the outside world, therefore, President Pompidou said, the Common Agricultural Policy was an essential part of the European Community. He said many in Britain, he admitted, wanted a free trade area, but he said the European Community could not be that.

Now, this no doubt was a fine statement of general principles, but behind it of course, there was the French national interest, which was not necessarily the same as the British national interest. Indeed, Pompidou said to Edward Heath that it was very important to preserve the French countryside and the way of life. He said the small farmer was a very important figure in France, a member of a politically sensible and moderate class, resisting socialism, Pompidou being a figure of the right-wing Gaullist Party. He said if all these people moved to the towns, then socialists and communists would gain vote, so he said that the Common Agricultural Policy was part of a European philosophy stressing the importance of the small farmer, and that Europe should not become a wholly urban civilisation, that farmers preserve the equilibrium of French society.

I think it is reasonable to say - I mean, Britain was often accused of using arguments based on self-interest in the Community. I think it is reasonable to say the French were not doing something wholly different.

Bismarck, the German Chancellor in the nineteenth century, had said the word "Europe" was usually heard from those politicians who demanded from other powers what they in their own name dare not request. That is not, I think, wholly unfair...

Now, the Common Agricultural Policy was buttressed by the veto, as I said earlier. No major policy could be changed and no major development could occur except by unanimity, and that had been insisted upon by de Gaulle. It was called the Luxembourg Compromise. It was not really a compromise, although it did occur in Luxembourg. And de Gaulle insisted that, on matters of vital national interest, each country should have a veto. Britain favoured this because we were worried about majority voting and the loss of sovereignty. But, again, all this was in French interests. Once you had secured the common policies which benefited France, such as the Common Agricultural Policy and the Common Fisheries Policy, it was sensible to freeze the Community, so you could not alter or amend the policies without unanimity, and you could not introduce any new common policies which might perhaps benefit Britain without unanimity. Edward Heath very much hoped that these policies could be complemented by a regional policy, a European regional policy, which would help the depressed industries and regions in Britain, and there might be other policies, common policies, which might be developed which, unlike the agriculture policy, would help Britain. But that could not come about without unanimity.

The veto remained until 1986, the single European act, which was an amendment to the Treaty of Rome, and it was removed, remarkably you will think, at the insistence of the British Government led by Margaret Thatcher. It

was she who was responsible for the removal of the veto, and for this reason that Britain said she had a great interest in completing the internal market, that is the removal of non-tariff barriers to trade, and Britain argued, I think rightly, this would help particularly the City of London. But you could not do that if the removal of every single barrier were to be subject to a veto – there were over 300 of them, I think, and if every one was subject to veto, you had make no progress, so Britain insisted there should be majority voting, and that ended the veto.

So far, I may have given the negative case about British entry, but the pro-marketeters had a reply. They said this: the cost to Britain for these policies was, and still is, a comparatively small proportion of the British budget, about 1% of gross national product – it is now a bit over that. This is counterbalanced, they said, by the fact that Britain would secure entry into the internal market, and it is one of the problems that people who want us to leave to the European Union have, that to achieve entry into the internal market, you have to accept the rules of the European Union, and so you might be outside the European Union but subject to the rules and having no role in helping to make them.

The British also said that there would be what they called “dynamic effects” from British entry, and these dynamic effects would be that entry into European industrial markets would assist British industry. Now, the trouble was that these dynamic effects were highly uncertain, whereas the costs were absolutely assured. The rise in the cost of living and the high budgetary contribution were there and you could not alter those. The dynamic effects were possible, but who knows?! Of course, if Britain had free entry into Continental markets, Continental countries also had free entry into British markets, and in particular Germany, with her powerful industrial base, might benefit more than Britain.

Now, supporters of entry also argued that Britain could have secured her own national interests better had she involved herself in Europe earlier, at the time of the Schuman Plan in 1950, or when the Treaty of Rome was being drawn up. The aim, in their view, was to restore a position that had been lost by the mistakes of the 1950s. But opponents would reply that our own interests were so different from that of the other six that the European Community would always have been inimical to our interests. So, it was a very balanced argument, and of course, it continues today.

But it was accepted, in the early-’70s, even by supporters of British entry, that the economic benefits would be marginal at best, and the main argument for joining, on the part of Macmillan and Wilson, as well as Heath, was not the economic advantage but the political advantage that entry would bring. They all said, unless Britain joined, she would be politically isolated, that there were no real alternatives. The Special Relationship with America, they said, if it existed at all, could not be a relationship of equals when Britain was a quarter of the size of America – there was no alternative.

One diplomat said, later on, that: “By joining, there was a chance of saving a little of the position we have lost, and if we do not take this opportunity, we shall be of no more account than a small peripheral European country. We would be relegated to the Second Division. That is what I think is so wrong now: everybody complains they are not getting something out. We never went in to get something out. We went in to prevent our being kicked down to a really lower league. Our power of attraction to the European countries was diminishing all the time.”

One peer said, in the House of Lords, in July 1971: “You do not haggle over the subscription when you are invited to climb into a lifeboat. You scramble aboard while there is still a seat for you.”

But Heath had a more positive view. For him, joining Europe was the beginning of a journey which would lead not to a federal Europe, because he, like the French, had little interest in that, but closer political collaboration between the Member States, including defence, so that Europe could be a real power in the world and decisions in Europe would no longer be dominated by the Americans. It was an attempt to end the hegemony of the Superpowers, in his view, and he said Europe could not hope to exert any influence unless united – it had to have “...a powerful economic base given to it by the European Community, and then Europe could develop a political personality of her own which would no longer be that of a vassal state of America.” He wanted a strong Europe to speak with a single voice. He had a historical view of Britain’s place in Europe. Oddly enough, it was not very different from that of de Gaulle or of de Gaulle’s disciple, President Pompidou: a Europe [des patries, a Europe des etats] – a Europe of nation states. His view was very similar, I think, to the French view.

So, it was clear that British leaders, whether Labour or Conservative, in 1970, saw no alternative, and the negotiations were basically on comparatively peripheral matters. They were not fundamental. They concentrated on various transitional arrangements.

The negotiations were, in effect, sealed in May 1971, when Heath paid a state visit to Paris and he met President Pompidou and they had dinner. At the dinner, Pompidou said, “Through two men who are talking to each other, two peoples are trying to find each other again, to find each other to take part in a great joint endeavour, the construction of a European group of nations determined to reconcile the safeguarding of their national identities, with the constraints of acting as a community.” Again, very fine words, but they meant that the Entente Cordiale was being revived.

After the meeting, Pompidou gave a press conference, and he said this: “Many people believed that Great Britain

was not and did not wish to become European, and that Britain wanted to enter the Community only so as to destroy it or divert it from its objectives. Many people also thought that France was ready to use every pretext to place, in the end, a fresh veto on Britain's entry." And then he turned to Edward Heath and said, "Well, ladies and gentlemen, you see before you tonight two men who are convinced of the contrary."

He said he had put four questions to Edward Heath. He said, first, did he accept the very basis of the European Community for agriculture, the principle of Community preference whereby we feed ourselves in the first place from within the Community, and Heath had replied yes. He then said, "Do you accept the veto, the rule of unanimity?" and Britain again said yes. Then, he said, "Do you accept that Sterling should end its role as a reserve currency and Britain should play her part in the development of monetary union?" and Heath again said yes. But the most important question, he said, was the fourth one: would Britain become really European? Would Britain answer the question first posed by de Gaulle? Pompidou put it in this way: whether Britain, which is an island, had decided to moor herself to the Continent, and if she was therefore ready to come in from the wide seas which had always drawn her, and he said Edward Heath had convinced him that his conception of Europe was similar to that of the French. So, that seemed settled...

But Heath now had really a much larger problem, which was to win over Parliamentary opinion. At first sight, that did not seem a problem because he had a majority of 30 in Parliament. The trouble was that there were over fifteen Conservative MPs, including of course Enoch Powell, who would vote against Europe under any circumstances, that there were more anti-Europeans than made up his majority. Now, he could rely on the support - there were only six Liberal MPs then, and he could rely on the support of five of those, but even that would not be enough. He would need the support of the Labour Party.

Now, at first, that did not seem to be a problem because, after all, as I have said, the Labour Party had made the application in the late-'60s, its Manifesto in 1970 had been even more enthusiastic than the Conservatives, it had left the application on the table. But, in opposition, the activists in the Labour Party, the constituency members, were moving against Europe. The left-wing was moving against Europe, and they said you can use the European issue to vote against Heath and remove him from power, and they said, if Harold Wilson does not join with that, we will get rid of him and replace him by someone who will remove Heath on the European issue. Less than a year after the June 1970 Election, the challenge appeared. It did not come from the left - it was more dangerous than that. It came from a leading figure of the right, James Callaghan, who had been Home Secretary and Chancellor in the Labour Government, and a man very popular with the grassroots of the Labour Party. Indeed, he said he did not need opinion polls to tell him what Labour Party people were thinking.

In May 1971, Callaghan was due to make a speech in Manchester, and he had briefed the press beforehand that they ought to come down if they wanted to hear the next leader of the Labour Party. That, of course, got to Wilson's ears, and I think rather frightened him.

Callaghan attacked the Conservative approach to Europe. He said it would mean a complete rupture of our identity and said that monetary union would lead to unemployment, but the part that caused the most comment was his response to President Pompidou, who had referred to French as the language of Europe and had dismissed English as the language of the United States. Callaghan said this, he said: "Millions of people have been surprised to hear that the language of Chaucer, Shakespeare and Milton must in future be regarded as an American import from which we must protect ourselves if we are to build a new Europe. We can agree," he said, "that the French own the supreme prose literature in Europe, but if we are to prove our Europeanism by accepting that French is the dominant language in the Community, then my answer is quite clear, and I will say it in French to prevent any misunderstanding: Non, merci beaucoup!"

Now, what he was saying "Non, merci beaucoup" to was the idea of the French language superseding the English, but as he well knew, it was being interpreted to mean a "non" to Europe, full-stop. This was a clear threat to Harold Wilson and a more immediate threat to Labour's deputy leader, who was Roy Jenkins, who was a passionate pro-European.

Wilson says in his memoirs: "In all my thirteen years as leader of the Party, I had no more difficult task than keeping the Party together on the issue." He said of the pro-Europeans, and he meant I think primarily Jenkins, that their adherence to the European Community was not so much a policy as a way of life.

Barbara Castle, who was on the left and anti-Europe, called Jenkins and his pro-Europeans, "sanctimonious middle-class hypocrites" because they were sacrificing a wonderful opportunity to defeat Edward Heath.

In July, the Labour Party Conference voted against entering Europe, in July 1971 - a special conference was called. This was an embarrassment for Jenkins. Could he remain deputy leader, strongly favouring Britain entering Europe, when the Party Conference had repudiated it? He put Labour in an embarrassing position, and in the following interview, which I hope the IT people will show, you can see how Callaghan dealt with that embarrassment. Callaghan and Jenkins, I should say, were not the best of friends. You can see how it happened with broadcaster Robin Day, who some people who may remember...

[Interview played]

Robin Day: Turning for a final moment or two, if we may, Mr Callaghan to the problem of the Parliamentary Labour Party now, following this overwhelming conference decision...

James Callaghan: I do not know what problem there is in the Parliamentary Labour Party because I am not entitled to speak for them. I am speaking here tonight on behalf of the NEC, for whom I made the speech this afternoon.

RD: But as a very wise and experienced and senior member of the Parliamentary Labour Party...

JC: Oh come, you do not catch an old bird like that!

RD: Mr Callaghan, do you think that Mr Jenkins should remain as deputy leader, in these circumstances, knowing his views?

JC: Mr Day, you have been an interviewer for a long time, and you knew before you even phrased the question that you would not get me to comment on that particular matter in the light of what I have said to you. Have another try if you like, but you will not get any further with it. Why not turn to a more profitable line?

RD: Because it is a matter of great interest to a lot of people here...

JC: Well, in that case, you had better discuss it with Mr Jenkins, but you are not going to get me to make statements that you will then throw at Mr Jenkins and try to set us at each other's ears. I am not going to take part in that game to satisfy a television panel. Now, let us turn to something else.

RD: Do you think that a deputy leader who is-

JC: No, I am not answering any questions about what a deputy leader should or should not do. Now, please go on to something else.

RD: Do you think it is not a matter of public interest?

JC: Of course it is, and it is a matter for Mr Jenkins, if he wishes to discuss, to discuss with you, but I am not Mr Jenkins.

RD: But do you not have any views on the subject yourself?

JC: Robin, why not turn to something where you will get a little more help..?

RD: Alright! Are you a candidate for the deputy leadership?

JC: No, you know I am not.

RD: I do not.

JC: Do you not?

RD: I am very grateful to have a... Do you think that-?

JC: Now, Robin, leave it.

RD: I have not...

JC: Now, leave it.

RD: I have not started yet.

JC: Well, if you have not started, then I beg of you not to start and turn to something else, will you?

RD: I was about to.

JC: You are, really, you promise?

RD: Yes.

JC: Okay, alright.

RD: If the market minority in Parliament decide to vote-?

JC: Do you know, I believe this is going to be the same question, phrased in a different way...

RD: Well, give me a chance, Mr Callaghan. ...decide to vote, do you really think it is fair to say, because a lot of them do not, do you really think it is fair to say that they are voting to sustain Mr Heath, voting for the Tories?

JC: Well, I thought it was the same question phrased in a different way. Look, when the Parliamentary Labour Party meets, it will take its own decision. At that time, you can ask the leaders of the Parliamentary Labour Party what they have to say about that particular matter.

RD: Thank you, Mr Callaghan.

JC: Well, thank you, modified thanks.

[End of video interview]

Now, the pressure on the leadership of the Labour Party came to be such that it appeared the Labour Party would commit itself not only to voting against Edward Heath but committing the Party to withdraw from Europe if it won power. Wilson, at this point, said he would resign as leader if Labour made that commitment. Eventually, a formula was discovered by which the Labour Party could unite, and the formula was this: that they would vote against entry in Parliament on what they called Tory terms, they would then support a re-negotiation if the Labour Party won the election, and they would put that to the British people in a General Election or referendum. That is a mirror image of David Cameron said last year in his Bloomberg speech on Europe: he said he would re-negotiate the terms of European entry and he would then put it to the British people in a referendum.

The referendum was originally Tony Benn's idea, but he had no support, though Callaghan said, rather presciently, "Tony may be launching a little rubber life-raft which will all be glad of in a year's time." And eventually, the Labour Party did commit itself to a referendum, and Wilson supported it to prevent Labour committing itself to withdrawal.

But there was clearly a real danger with this position, that Heath would be defeated, because the Labour Party was committed, on a three-line whip, to vote against so-called Tory terms. However, 69 Labour MPs, led by Roy Jenkins, broke the whip, as it were, and voted with the Conservatives, and a further twenty abstained, and it was through them, whether you think it a good thing or not, it is through the Labour rebellion, the Labour rebels, that we entered Europe. And that, in a way, is the genesis of what was going to be the split in the Labour Party in the early-1980s that led to the SDP.

Heath had a majority of 112 in the vote, so you can see, without the 69, he would not have won a majority - he would have been defeated. He was so pleased that he celebrated in a way that only Heath could do: he returned to Number 10 Downing Street and played on his clavichord the first prelude from Bach's 48 Preludes & Fugues. He was a keen amateur pianist, and this was his way of celebrating.

However, he faced a problem later on because, although this was a vote of principle, but the rebels were not able to vote with him on the implementing legislation, and so that was often on a knife edge, and the second reading was carried by just eight votes, and the third reading by just seventeen votes. It was a huge battle to get it through, and Heath made it a matter of confidence - he said a defeat would mean an immediate dissolution of Parliament and a General Election.

In January 1972, Heath signed the Treaty of Accession in Brussels. He invited Harold Wilson to attend, but Wilson declined. We joined on the 1st of January 1973. We have been a member for just over 40 years, though, a few years ago, I heard speaking, at Chatham House, a Labour MP from a safe seat in the North of England who said he had been canvassing and a constituent came up to him and said, "I am for you, I shall vote for you," he said, "but the one thing I really do not like is Europe and I do not think we should join." And this Labour MP said, "But we have been a member of the European Union for nearly 40 years now," and the reply was: "Is that not just typical of the politicians?! They never tell you anything!"

Now, Heath was going to mark the year, and did mark the year, 1973, calls the chapter in his memoirs on that year "Fanfare for Europe", and he established a musical festival, as it were, to begin, led by the great conductor, Sir Georg Solti, and he says in his memoirs: "I saw this as a wonderful new beginning and a tremendous opportunity for the British people."

But, fairly rapidly, disaster struck. First, there was a rise in food prices and the cost of living, which was very damaging to the Heath Government, which was trying to carry out an anti-inflationary policy and agree an incomes policy with the unions. That was very difficult when, from outside, you had this external rise in food prices.

Then, the idea of monetary union, which meant fixed exchange rates, collapsed when, owing to British economic weakness, the Heath Government had floated the Pound in June 1972. It said it was not strong enough to join

the fixed currency, which would increase unemployment – I mean, that, you may say, is a lesson of Greece and Spain – so the Pound floated downwards. It is what Gordon Brown did, indeed, after 2007. This incurred the anger of President Pompidou, who said that fixed exchange rates were vital for the proper functioning of the Common Market, and that floating was incompatible with that. He said the motto of the city of Paris was “Fluctuat nec mergitur”, and when asked to translate that he said, “He who floats does not join!”

Now, Pompidou had very cleverly linked British accession to monetary union with the establishment of a European regional fund, which meant money for Britain, depressed industries and regions and so on, and so, Britain not joining the monetary, “fixed monetary snake”, as it was called, meant that she did not get any money for the regional fund, so that collapsed too.

The worst thing that happened was, in Autumn 1973, a war broke out in the Middle East, the so-called Yom Kippur War, when Egypt and Syria attacked Israel, seeking the return of Arab territory which Israel had captured in the Six Day War in 1967. The Arab oil states, the so-called OPEC states, said that they would reduce oil production by 5% each month until Israel withdrew from occupied territory and the rights of the Palestinians were recognised, and that led to a four-fold increase in oil prices, which wreaked havoc in the British economy and the anti-inflation policy. But they said that they would privilege Britain and France, compared with other European countries, because Britain and France had supported, so they said, the Arab states in the War. But the Dutch and Germans had not – they had taken the Israeli side, and the Arabs said they would impose an embargo on 58% of oil exports to the Netherlands.

You might think, if European solidarity meant anything, this would mean that the British and French would share their oil supplies with the countries that were being damaged by the boycott, but perhaps you will not be surprised to hear that that was not what happened. The head of the Foreign Office Energy Department in Britain said: “We must resist short-term collective or collaborative approaches, which would either set at risk our supplies from the Arab world or prejudice our full employment at a later stage of the benefits of North Sea oil.” Pompidou also opposed any intervention with the Arab states on behalf of the Netherlands or Germany since he said the Arabs would then impose an embargo on France as well. Britain agreed with that, and the Foreign Office said: “We believe if the Arab states saw that their embargo was being openly frustrated this would provoke them to reduce further oil supplies to Europe, thereby increasing the Community’s economic difficulties. In these circumstances, we judge it essential to continue to resist public declarations of Community solidarity which would only add to our problems.”

Even worse, in January 1974, France herself floated the Franc, which ended all possibility of monetary union in the foreseeable future, and all ideas of European union by 1980 disappeared completely. National pressures were undermining European solidarity. There was no European solidarity. And, more fundamentally, in relation to Britain, it ended the association of Europe with economic prosperity. Now, in the 1960s, for the six founding members, economic prosperity strengthened their loyalty to Europe – they associated Europe with the long boom, with prosperity. But soon after Britain joined, as it were, luck for the pro-Europeans ran out. The long boom ended, and it was associated with economic difficulty. Possible British loyalty to Europe was undermined.

The loyalty might have been there if we had joined in the 1960s, as Harold Macmillan wanted. If he had succeeded in getting in, in 1963, attitudes might have been quite different because that was high watermark of British enthusiasm for Europe. Since then, there has been a long diminuendo, which continues obviously even today, and by the beginning of 1974, just 39% thought that membership had been helpful to Britain - 44% against...

Now, Edward Heath was to lose the February 1974 Election to Labour. He never again held power, and in 1975, he was deposed from the leadership of the Conservative Party by Margaret Thatcher. He therefore played no further role in the direction of British or European affairs and with his departure went Britain’s leading supporter of the European Community, an instinctive European, sympathetic to monetary union and to political union. Perhaps only Blair has been equally European, though even that may be doubtful.

But even Heath could not present the resurgence and recurrence of nationalism in 1973 and the collapse of European solidarity and, with his lack of communication skills, he could not persuade the British people of the value of the European adventure. He was a bit, I think, like Gordon Brown, that he could not communicate very effectively with the British public.

But whether you think that Edward Heath was a visionary or tragically misguided, I hope you will all agree that the problems we face in Europe are by no means new ones but were all – I think all of them – prefigured in the 1970s. Perhaps, in Europe at least, there is nothing new under the sun.

Heath was replaced by Harold Wilson, and Harold Wilson and Labour said they would re-negotiate Britain’s membership to get a more satisfactory outcome and then put the result to the British people in a referendum. Now, have you heard that more recently..?! I shall describe that outcome in the next lecture on the referendum.

But a recent book on Britain’s relations with Europe ends by quoting the famous aphorism of L.P. Hartley in his book “The Go-Between”, who said: “The past is a foreign country - they do things differently there.” But did they

really do things so differently in the 1970s? I wonder...

Thank you.

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