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# **The Decision to Seek Entry into the European Community Transcript**

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## **The Decision to Seek Entry to the European Community**

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Ladies and gentlemen, this is the first Gresham lecture of the New Year. It is the third in my series of lectures on Britain and Europe since 1945, and I shall be talking about the first two British applications to join the European Community, or the Common Market, as the European Union was then known. The first was in 1961, under a Conservative Prime Minister, Harold Macmillan, and the second under a Labour Prime Minister, Harold Wilson, and both applications failed, and we did not enter the European Community until 1973, under another Conservative Prime Minister, Edward Heath. But, as I shall try to show, these two applications, and in particular the first, in 1961, were major turning points, with lasting effects in British history, and perhaps European history as well, very momentous. One newspaper, in 1961, suggested it was the most important decision facing Britain for 400 years.

Those who came to the last lecture may remember that the European Community, or the Common Market, was formed in 1958, following the Treaty of Rome, signed in 1957, and there were originally just six members: France, Germany, Italy, and the Benelux countries, the same countries that had joined the European Coal & Steel Community. Now, Britain participated in the early discussions about the European Community, but was asked to withdraw when it became clear that she was not in sympathy with the aims.

The six founder members sent senior ministers to the discussions; Britain sent a comparatively junior civil servant, Mr Russell Bretherton of the Board of Trade, and he had instructions to make no prior commitments. When it became apparent the six were intent on creating a customs union and that Britain was not sympathetic, he was asked to withdraw. It used to be thought that, on withdrawing, Bretherton had said the following words, that he had said, "Gentlemen, you are trying to negotiate something you will never be able to negotiate. If negotiated, it will not be ratified, and if ratified, it will not work." But those who read "The Economist" may have seen a letter last November written by Russell Bretherton's son, denying that Bretherton had ever used those words because Bretherton was apparently sympathetic to the six and had written to his political masters, in August 1955: "We have in fact the power to guide the conclusions of this conference to almost any direction we like, but beyond a certain point, we cannot exercise that power without ourselves becoming, in some measure, responsible for the results." Bretherton later said, "If we had been able to say that we agreed in principle, we could have got whatever kind of Common Market we wanted," but his brief was not to commit Britain, so he was asked to leave, and he did so with regret.

Whatever Bretherton's views, other senior officials were sceptical of the Common Market. One senior Treasury official minuted in May 1956: "It is quite likely the six will not progress much further, in fact, and it may be thought the risk is negligible of our receiving an embarrassing invitation to join. It is not very likely there would be any other clear-cut decisions to which we could possibly be asked to subscribe or show our sympathy."

Now, critics would say that Britain underestimated the determination of the six, but that is understandable, perhaps, because, after the success of the European Coal & Steel Community, the second attempt to create European unity, the European Defence Community, the European Army, failed, and the Continent had it seemed to be rescued by Anthony Eden. It must have seemed to many in Britain that further measures would also fail.

When the European Community did come into existence, in 1958, all parties agreed that Britain could not, and should not, join. Unlike the Coal & Steel Community, it was not an issue in British politics. It was not discussed in Cabinet, and no public debate about it. In the 1959 General Election, Europe played no part. It was not mentioned in the manifesto of any political party, including the Liberals, who later claimed always to have favoured it. Not one party manifesto mentioned it at all.

You may remember that the official attitude to the Coal & Steel Community was that, if the six wished to go ahead, good luck to them, Britain would not join, but would give them benign support from outside. But some believed that such an organisation could prove a threat to Britain, and that view was held even more strongly about the Common Market. There were two main worries in Britain about it. The first was economic. If the Common Market succeeded, there would be free trade within the six, but a common external tariff to all goods coming in from outside, and that could pose a grave threat to British industrial exports. But the main worry was not about economics but diplomatic, and it was the same worry that some politicians had felt about the Coal & Steel Community. When Schuman had first announced his plan for such a community, he had consulted beforehand with Germany but not with Britain, and that was what worried some British leaders, because it meant that the entente cordiale was now less important than a new alliance that was being forged between France and Germany. There was a fundamental reversal of alliances of the balance of power in Europe, and that was what people in Britain felt might be dangerous.

Britain's first response to the establishment of the Common Market was to try to dilute it in a free trade area of seventeen European countries, and that was Plan G, so-called Plan G. That meant free trade in industrial goods between all the seventeen powers of Western Europe, but with no common external tariff, and agriculture would not be included in the free trade agreement, so it would not affect imports of cheap food to Britain from the Commonwealth, and, in addition, there would be no political implications. As I am sure you know, the preamble to the Treaty of Rome had spoken of the six member states of the Common Market proceeding to, and I quote, "ever closer union". There would be nothing like that in the free trade area.

But, for these very reasons, the free trade area did not appeal to the six, because, with free trade in manufactures but not in agriculture, it would mean that British goods could enter the industrial markets of the Continent, but the produce of Continental farmers could not enter the British market - they could not compete with cheap Commonwealth food. The opposition to the free trade area was led by France, even before de Gaulle came to power in 1958, but of course, it became stronger once de Gaulle was in power, and, in December 1958, de Gaulle put an end to the negotiations. This was already a clear sign that Britain was losing her position of leadership in Europe.

With the discussions on the Coal & Steel Community, Britain had been asked to take the leadership in Europe. The leadership position seemed now to be with France, and Britain was becoming a supplicant, a power asking for favours that were not being granted. She was a power on the outside looking in.

When these negotiations failed, Britain took the lead in negotiating an alternative free trade area with six other countries not in the Common Market: three Scandinavian countries, Denmark, Norway and Sweden, together with Austria, Portugal and Switzerland, and they became the European Free Trade Association, or EFTA in short. That too had free trade in industrial but not agricultural goods, with no common external tariff and no pretensions to political unity. Perhaps it was a second best, and in July 1958, the President of the Board of Trade, Sir David Eccles, said it would be a climb-down, "the engineer's daughter when the general manager's had said no".

So, Europe was now divided between two organisations, the Common Market of the six, and the European free trade area of the seven. You will not be surprised to hear that people said Europe was now divided, that it was now at sixes and sevens...! But the seven were in a weak peripheral position, while the six comprised a strong centre, the major West European powers with the exception of Britain, and Britain seemed on the periphery.

This worried the Conservative Government of the time, led by Harold Macmillan, and in December 1959, he wrote to his Foreign Secretary: "For the first time since the Napoleonic era, the major Continental powers are united in a positive economic grouping, with considerable political aspects, which, though not specifically directed against the United Kingdom, may have the effect of excluding us, both from European markets and from consultation in European policy." There were two worries: economic exclusion and diplomatic exclusion.

Six months later, he confided to the privacy of his diary that Britain might have to try and join the six. He wrote: "Shall we be caught between a hostile, or at least less and less friendly, America and a boastful powerful empire of Charlemagne, now under French, and later bound to come under German control? Is this the real reason for joining the Common Market if we are acceptable, and for abandoning the seven, abandoning British agriculture, abandoning the Commonwealth? It is a grim choice." But in 1961, just two years after the '59 General Election, at which Europe was not an issue, Macmillan made that grim choice and applied to join the Common Market.

The Labour Party, which was in opposition, gradually came out, as I will show, in opposition to Macmillan's application, but, in office, six years later, in 1967, Labour too applied to join, and since then, every single British Prime Minister has believed that our future lay with the European Community or European Union. No Prime Minister has said we should leave the European Union, though one ex-Prime Minister has, Margaret Thatcher. She wrote a book in the 1990s called "Statecraft" in which she said Britain should leave. And one leader of the opposition has called for Britain to leave, Michael Foot, in the 1980s, but he lost an election very heavily of course. It is fair to say a large minority of the British people, perhaps a majority would now want to leave, but apart from Foot and Margaret Thatcher, an incongruous pair, no other British leader since the 1960s has said we ought not to be in the six.

The period from 1961 to 1973 was dominated, both in Britain and the Common Market, by the question of British entry. So, the key question must be: why did both parties change their minds?

Now, between the time of the Schuman Plan and the time of the application in 1961, there was one huge change in Britain, and that is the great loss of British self-confidence which began with the failure at Suez, showing that Britain was not as powerful as many thought, and this was a particular worry for Conservatives, traditionally the party of British patriotism, because Suez had made it clear Britain was no longer a superpower and had lost her leadership position in the world.

Harold Macmillan had hoped to repair relations with the United States, but it was clear that the Special Relationship, if it existed, was one between superior and subordinate and not between equals. Moreover, the Americans preferred to deal directly with the six on the lowering of tariffs rather than with Britain, and since they

were so eager to integrate Germany into Western Europe, they said that Britain should join to strengthen Western Europe and to strengthen German integration in Western Europe, so America was hardly an alternative to the six.

In December 1959, Macmillan's Foreign Secretary, Selwyn Lloyd, reminded him: "We ceased to be an equal power with the United States and the USSR when we gave up the Indian Empire. We have been in retreat since. I do not believe size or physical military power will decide the future, but even if we must, even if so, we must prevent the six supplanting us as the principal influence on US policy."

Britain's dilemmas and problems were well-summarised in a speech which caused much annoyance in Britain, perhaps because it told the truth, by the former American Secretary of State, Dean Acheson, at WestPoint in 1962, when he said that "Britain has lost an empire and not yet found a role." He said: "The attempt to play a separate role, that is a role apart from Europe, a role based on a Special Relationship with the United States, a role based on being the head of the Commonwealth, which has no political structure or unity or strength, and enjoys a fragile and precarious economic relationship by means of the Sterling area and preferences in the British market, this role is about to be played out. Great Britain attempting to work alone and to be a broker between the United States and Russia has seemed to conduct a policy as weak as its military power." That was pretty devastating...

So, Europe seemed the only solution, to Macmillan at least, to Britain's strategic dilemmas, but it was a solution of "faute de mieux", not because it could yield benefits but to avoid slipping down further. You may remember my quoting in the last lecture the comment of the German Chancellor, Konrad Adenauer, who said that Britain was like "an old man who had lost all his property and did not realise it".

In 1961, when Macmillan applied, he found, as later applicants were to do, the difficulties were very basic and fundamental for Britain to join, and they perhaps have still not been resolved. Almost all the problems were there in the 1960s, 50 years ago. The essence of the problem was one of fitting Britain into a Continental system whose assumptions about constitutions, politics and economics were quite different from our own, and the most fundamental problem, still unresolved, is that of sovereignty, a constitutional problem. Sometimes it is in the foreground, and sometimes in the background, but always there. You will have noticed in the papers today that 95 Conservative MPs have argued that Britain should have a veto on all European Union laws - that is the problem of sovereignty all over again, over 50 years after Macmillan's first application.

But there were two further serious, interrelated problems in the 1960s: the Commonwealth and agriculture. Now, the basic problem was that British agriculture had evolved in a quite different way from that of the Continent. Britain had a small agriculture sector, comprising just under 4% of her labour force, but in France, by contrast, agriculture comprised about a fifth of the labour force, in Italy, a quarter, and Germany an eighth. Now, because of her small agricultural sector, Britain could not meet around half of her food requirements domestically, so she was much more reliant than Continental countries on the import of cheap food from the Commonwealth, the United States, and other countries.

In addition, Britain had benefited since 1932, from imperial preference, which meant tariff-free food imports from the Continent. This policy of cheap food had been a fundamental basis of British policy since the abolition of the Corn Laws in 1846. Support to agriculture came not in the form of tariffs but in the form of subsidies to domestic agriculture, paid for by the taxpayer. In other words, prices were kept low, and farmers compensated through deficiency payments coming from the Exchequer to support the agriculture industry.

So, you may say, at that time, with British industry being in a fairly weak state, a sensible policy for Britain would be free trade in agriculture, but perhaps industrial protection to protect a weak industrial structure, but the Common Market required the opposite policy: free trade in industrial products and protection in agriculture, the opposite policy to that which some would argue was in Britain's interests.

Now, the Continental structure was quite different. Their food was subsidised not by the taxpayer but by the consumer in the form of higher prices. The Conservative and Catholic parties of the right in France, Germany and Italy, the Gaullists and the Christian Democrats, they were, for much of the post-War period, in power in those countries, and they were dependent on the votes of peasant farmers, and the peasant farmers demanded subsidies but did not want high direct taxation, which we had in Britain. The percentage of public revenue raised from direct taxation was over twice as much in Britain as in France or Italy.

It is true that some Conservatives had sympathy with the Continental view because they said the level of agricultural support was becoming too great a burden on the taxpayer, and they said that was alright in a period of austerity, when people did not have much money, but in a period of affluence, there was a case for shifting the burden to the consumer. As you can imagine, people on the left were opposed to that. They said high taxes are redistributive and that is the best way of doing it, not by raising the cost of living to the consumer.

Clearly, the Common Market structure would support the Continental conception because the six would not be likely to agree to Britain maintaining higher subsidies for her farmers and lower prices in the open market for Commonwealth producers, at the expense of agricultural exports from Europe, and the Community's Common

Agricultural Policy is, and was, based on guaranteed high prices for agricultural products produced in Europe, together with a common external tariff against agricultural products produced elsewhere to avoid undercutting, and that "elsewhere" of course included the Commonwealth.

This raised very fundamental problems for Britain. The first would be that cheap imports from the Commonwealth would have to end. The Commonwealth, like other countries outside the Common Market, would be subject to levies imposed by the Common Market to prevent undercutting, and the price of food would be kept artificially high for the consumer. This would be a particular blow to New Zealand, much of whose economy depended on the export of dairy products to Britain, because there would then be a reverse preference against the Commonwealth in favour of European suppliers. European suppliers would have free entry into the British market, but there would be a tariff against all outside producers, including Commonwealth producers. So, it would involve, if we signed the Treaty of Rome, it would involve turning the policy of Commonwealth preference on its head and giving preferences to Europeans instead. This would threaten the whole concept of the Commonwealth.

But you can understand, from the point of view of the six, that they could not allow one particular Member State, Britain, to allow commercial advantages in other parts of the world which were not equally open to the other members of the Community, so Britain would have to accept the policies of the six – it could not seek special privileges, in the view of the six. Besides, the Continentals said, why should they make special provision for New Zealand farmers, who were wealthier than French or Italian peasants? The answer would be that New Zealand farmers were more efficient than French or Italian peasants, but that was not an answer that went down well with them.

Now, a second problem – the first problem then, the Commonwealth – the second problem would be it is the end of Britain's cheap food policy. There would be a greater control on imports from low-cost countries than at any time since 1846. In place of cheap food from the Commonwealth, we would be importing dearer food from the Continent, and instead of the taxpayer subsidising just food produced in Britain, the British consumer would be subsidising all food, whether produced in Britain, the other Member States of the Community, or the outside world. All food would be subsidised by the British consumer, rather than just British food being subsidised by the British taxpayer. It would be an end of the cheap food policy. The first consequence of that would be a rise in the cost of living.

Supporters of British entry said this will be compensated for because there will be access for British industrial goods to the markets of the six, particularly the large German industrial market. The difficulty was, that this would also mean that German goods would come into the British market, and some thought it was not clear that Britain could easily cope with such competition. But, at any rate, the benefits to British industry were speculative and difficult to quantify, benefits of a large market. Some people said the Swedes and Danes had done perfectly well without being part of the Market, so it was speculative. But the rise in the cost of living would be certain and immediate. That would cause wage demands, so increasing the prices of British products and making them more uncompetitive in Continental markets, so that would be a very serious problem in Britain: immediate and really fairly easily quantifiable rise in price of food and in the cost of living.

But there would be a third problem because, while Britain was negotiating, the six came to an agreement on budgetary policy, and this answered the question: what was to happen to the levies collected on agricultural products? Britain hoped that these would remain with the Member State that collected them, but that was not the solution reached by the six, and they said, perhaps not wholly unreasonably, that if national economies benefited from the levies, there would be an incentive to import food from outside the European Community rather than buy it from within the European Community. So, the six came to an agreement that the whole of the product of the levies would go to the Agricultural Guidance & Guarantee Fund in Brussels, which would then pay it out to producers to subsidise agricultural exports. It would be redistributed to the Member States in proportion to the size of their agricultural sectors.

I will not give you a prize for guessing which country would benefit most from that arrangement and which country would suffer the most. The country which would benefit the most would be France, which, with a high proportion of her own food produced domestically, would pay small levies, but would get great benefits from the fund from Brussels. Whereas, Britain, with her small agricultural sector and need to import a great deal of food, would pay a large amount in to Brussels, but would get very little in return because she had such a small agricultural sector. So, money which had previously gone to British farmers, or to Australia, Canada and New Zealand, would now go to less efficient farmers on the Continent.

It is hardly surprising that, four years after Britain entered the Community, in 1977, it was found she was the second largest net contributor, after Germany, although, at that time, only two Member States had a lower level of national product per head. In other words, Britain, in late-'70s, was one of the poorest countries, but paying the most in. This problem was not dealt with until Margaret Thatcher succeeded, after difficult negotiations, in securing a rebate for Britain in 1984. Perhaps it has not been fully resolved even now. Perhaps it cannot be resolved until the Common Agricultural Policy is abandoned, but you will not be surprised to hear the French are not in favour of it being abandoned.

The agricultural policy of the six was based on two principles: the first was that all its members should be treated equally, and this meant that Britain could not be given preferential treatment; and the second was that members of the Community should be treated differently and better than people from outside, and that was the principle of Community preference, so no special privileges to the Commonwealth, and that was what Britain would have to accept.

Britain hoped she could obtain special terms from the six, because they said the six would be eager for Britain to join. That was true in 1950, at the time of the Schuman Plan; it was no longer true in 1961 because, by then, the six had shown they could unite and integrate without Britain. So, behind the problems in the negotiations lay different ideas about Europe. Britain was not saying "We want to join" but "Can we negotiate to amend the rules to alter the Community so it suits our interests better?" But, by contrast with the time of the Schuman Plan, Britain was now too weak - she was a supplicant. The Europeans could manage without her. France was becoming too strong. Officials in Paris warned Britain that no special terms were available, but Ministers took no notice.

The six believed they had achieved, after complex negotiations, an agreement. Britain had not wished to take part in that process, indeed had sought to dilute it through the free trade area. Now, she wanted the rules altered to suit her interests. It was understandable if the six took the view they could not now untie the package. It was for Britain to decide: do you accept the package or not? They hoped that she would, on the whole, but would not despair if she said no.

So, there were two opposing economic systems: that of the European Community, and that of Britain and the Commonwealth. The British hoped the European system could be merged with that of the Commonwealth, but that, for the six, would mean diluting the whole concept of the European Community. It would mean the six were being asked to join the Commonwealth, which they did not want to do. Instead, they said the British should adapt to Europe.

Now, Britain tended to think, as perhaps British Ministers always do, that, in a negotiation, you would meet halfway, that Britain would make concessions and the six would make concessions. The Continent said that this is not the case: the problem is fitting you into a system that is already there - there is nothing to negotiate about! So, Britain would have to pay a high price to enter.

This was predicted by one senior civil servant, Sir Frank Leigh, asked by Macmillan to report on Europe, who wrote this in 1961: "We shall not get the solution which we want on the cheap. There is nothing to show we are desperately needed in Europe - for example to oppose German hegemony in support of the French. That has become the way of illusion. Therefore, we shall have to be prepared to pay for the sort of settlement we want, in political terms or in terms of inconvenience for or damage to some of our cherished interests - the Commonwealth, domestic agriculture, our tariff policy, perhaps, indeed, our political pride and sense of self-reliance." That warning went unheeded.

When Macmillan proposed open negotiations, he said he was making a formal application, and I quote, "...in order to discover whether conditions existed in which membership might be possible". A House of Commons resolution gave him a mandate to "...initiate negotiations to see if satisfactory arrangements can be made to meet the special interests of Britain and the Commonwealth". So, it was, in a sense, an exploratory application, an attempt to find out whether terms could be secured compatible with our position in the Commonwealth and with our agricultural interests.

Survey evidence showed at the time that public opinion was broadly supportive, but this was misleading because, when faced with specific terms, people backed off. Later on, in 1966, there was a poll showing that 66% favoured entry, but when people were asked "Would you still favour entry if it put up the price of food by two shillings in the pound?" only 39% were in favour. And when they were asked if entry meant weakening our ties with the Commonwealth, only 25% were in favour, and if it meant that New Zealand agriculture, and I quote, "would suffer quite a bit", only 23% were in favour. So, membership was acceptable in general terms, but not when faced with specific issues.

At first, it seemed Macmillan might secure all-party support for his application. Liberals, of course, were strongly in favour, and the Labour Opposition proposed a broadly supportive amendment and abstained in the Commons. Twenty-five Conservative MPs abstained, the original Euro-sceptics. But this appearance of all-party unity was deceptive and it was not to last...

In 1961, the Labour leader, Hugh Gaitskell, decided to wait on events and declined to make a definite decision, at the Labour Party Conference, on whether he was going to support entry or not, and he was mocked by Macmillan in the Conservative Conference the week after. Macmillan said Gaitskell could not make up his mind, and Macmillan quoted from an Edwardian music-hall song: "She would not say yes, she would not say no, she would not say stay, she would not stay go, she wanted to climb, but she dreaded to fall, so she bided her time and clung to the wall."

But, in 1962, Gaitskell did make up his mind and came out against entry, or at least opposition to entry on any

terms that might be secured. There were a number of reasons for this. The first was that Labour was strongly attached to the new multiracial Commonwealth that was developing, and Hugh Gaitskell was much influenced by the views of the Indian Ambassador, who criticised Britain's agreement to applying a common external tariff to Asian manufacturers. Gaitskell, at his 1962 Party Conference, reminded the Labour Party of Commonwealth support in two World Wars. He said, "We at least will not forget Gallipoli and Vimy Ridge." You might have thought better from a Conservative Prime Minister, but there it is... And he said to go in on bad terms, which really meant the end of the Commonwealth, would be "...a step which I think we would regret all our lives and for which history would not forgive us".

Then there was the question of freedom for national economic planning, which Gaitskell said was threatened by the Treaty of Rome.

Then there was the question of the distribution of income, because Gaitskell said that the system of financing agriculture in the Community was strongly regressive and would be against the interests of working people, who would have to pay more for their food.

But his main objection was on the principle of sovereignty, and he was the first major political leader to raise that in public. He referred, at the Labour Conference, to the possibility of majority decisions on political issues, just as we are to have majority decisions on economic issues - do we want that? He said this issue of supra-nationality was linked to the issue of democracy, and he said, "When it is pointed out the European Commission, a body which has powers but is not responsible to or under anybody's control, what is the answer? The answer they give is: "That is why we should set up a federal assembly with powers over them." That is what they are arguing. That is what federation means. It means that powers are taken from national governments and handed over to federal parliaments. It means - I repeat it - that if we go into this, we are no more than a state, as it were, in the United States of Europe, such as Texas or California." He insisted: "The aim of the Founding Fathers was federation," saying we would be foolish to deny, not to recognise, and indeed sympathise with, the desire of those who created the European Community for political federation, but would this be the right path for Britain?

In a moment, there will be an excerpt from his speech which you will see, in which he has contrasted the views of one Liberal, Mr Mark Bonham Carter, who denied the aim was federation, with the view of the Liberal leader, Jo Grimond, who said it was, and he uses arguments against federation which I think sum up the essence of the issue. So, if the IT people can put on the video, we can hear Gaitskell's speech...

[Video plays]

"Of course, after the Conference, a desperate attempt was made by Mr Bonham Carter to show that of course they were not committed to federation at all, but I prefer to go by what Mr Grimond says. I think he is more important. And when he was asked about this question, there was no doubt about his answer. It was on television. [Laughter and applause]

I see what you mean! I see what you mean! Yes, was the question, "But the mood of your Conference today was that Europe should be a federal state - now, if we had to choose between a federal Europe and the Commonwealth, this would have to be a choice, would it not?, you could not have the two?" Mr Grimond replied, in these brilliantly clear sentences: "You could have a Commonwealth link, not of course a direct political link. You could have a Commonwealth link of other sorts. But of course a federal Europe I think is a very important point. Now, the reality is that, if you are going to have a democratic Europe, if you are going to control the running of Europe democratically, you have got to move towards some form of federalism, and if anyone says different to that, they are really misleading the public." That is one in the eye for Mr Bonham Carter! [Laughter and applause]

Now, we must be clear about this. It does mean, if this is the idea, the end of Britain as an independent nation state. I make no apology for repeating: it is the end of a thousand years of history. You may say, alright, let it end, but my goodness, it is a decision that needs a little care and thought. [Applause]

And it does mean the end of the Commonwealth. How can one really seriously suppose that if the mother country, the centre of the Commonwealth, is a province of Europe, which is what federation means, it could continue to exist as the mother country of a series of independent nations? It is sheer nonsense. I refer to the Liberals... Of course, the Tories have been indulging in their usual double-talk."

You will see that Gaitskell summed up the basic dilemma of European integrationists: that either decisions are made by an unaccountable and unelected Commission, or, if you have parliamentary control, it is by the European Parliament, so that Westminster becomes a subordinate Parliament and is no longer sovereign. That, I think, sums up the essence, for many, of the European issue.

Now, the only way to evade Gaitskell's dilemma is to say that Europe should not develop along integrationist or federal lines, but along intergovernmental lines, and of course, that has been the view of every British Prime Minister, except possibly Edward Heath, but it was the view of Gaitskell, certainly, and Macmillan and de Gaulle and Margaret Thatcher. It is ironic that Macmillan and de Gaulle agreed on a Europe of states, an intergovernmental Europe, but could not agree on British entry.

Macmillan, while making the application, was warned by the Embassy in Paris about the deep-seated hostility of France, under her President de Gaulle, to British entry. De Gaulle had made his attitude clear, well before Britain applied, to the British Ambassador in October 1960. He would have said to the British Ambassador it was obvious that Great Britain, which was an island, with connections through the Commonwealth over the world, could not come into Europe. Macmillan took no notice.

What was the basis of French hostility? Many explained it as due to French jealousy of Britain as a result of the War, when France had surrendered and Britain had not. Certainly, de Gaulle had always been determined to restore France as a great power. On the first page of his War memoirs, de Gaulle said he had always had a certain idea of France, an idea of France as a great power. He said, "France cannot be France without greatness." He said, in the War, Britain's Foreign Secretary, Anthony Eden, said to him, "Do you know that, of all the European allies, you have caused us the most difficulties?" "I do not doubt that," de Gaulle replied, with a smile, "France is a great power." And the liberation of France would mean nothing, he said, unless it would also restore France's role as a great power, and that was where the difficulty came through de Gaulle.

I am talking about the reasons for the French objections, and the first was the French believed that the entry of Britain and her EFTA allies would serve to dilute the Community, to make it more of a free trade area and more subject to American influence. In his memoirs, de Gaulle refers to the British application in the following terms: "The English attack again - having failed to prevent the birth of the Community, they now plan to paralyse it from within."

Second, and most important, in my view, was the French feared, if Britain entered the Community, that they would seek to dilute the Common Agricultural Policy, which indeed they would have tried to do, and that French agriculture would be ruined.

Macmillan tried to win de Gaulle round by saying that they agreed on a basis of inter-governmentalism, but de Gaulle was immovable. Macmillan used to say that de Gaulle had "all the stiffness of a poker, without its occasional warmth". But the trouble was that they had different conceptions of Europe, because, for de Gaulle, the central conception for Europe was independence - he wanted a European Europe, a separate power block, independent of the United States; Macmillan's central concept was interdependence - like almost every other British Prime Minister, again, with the possible exception of Heath, Macmillan saw Britain as the bridge between Europe and America, and this, for de Gaulle, meant diluting the concept of a European Europe. So, it was a fundamental difference, which Macmillan failed to understand.

He offered, rather desperately, to France, "nuclear cooperation" on building a deterrent, but that too failed because, for Macmillan, the British nuclear deterrent had the aim of strengthening her interdependence with America, through the Polaris missile, which came from America. France wanted a nuclear deterrent to help her remain independent of America. The Cuban Missile Crisis of October 1962 reinforced de Gaulle's view that America did not regard defence of Europe as a first priority and that it would prefer a bilateral settlement with Russia over Europe's head. De Gaulle referred four times to the Cuba crisis in the press conference at which he pronounced his veto.

So, Macmillan's offer of nuclear cooperation made de Gaulle even more determined to exclude Britain, and Macmillan was overconfident of his ability to win the general round. Macmillan, perhaps, never appreciated how weak Britain had become, that she was arguing from a position of weakness. He met de Gaulle at Rambouillet, near Paris, in December 1962, in a last desperate attempt to win him round, but afterwards, the French President told his Minister for Information "England's back is broken."

He summed up his objections to his Cabinet shortly afterwards, making it clear that agriculture was fundamental. He said this: "If Great Britain and the Commonwealth enter, it would be as if the Common Market had dissolved within a large free trade area. Always, the same question is posed, but the British do not answer. To please the British, should we call into question the Common Market and the negotiation of the agricultural regulations that benefit us? All this would be difficult to accept. Britain continues to supply itself cheaply in Canada, New Zealand, Australia, and so on. What will we do with European, and particularly French, surpluses? If we have to spend 500 billion Francs a year on agricultural subsidies, what will happen if the Common Market can no longer assist us? These eminently practical questions should not be resolved on the basis of sentiment. Macmillan is melancholy and so am I. We would prefer Macmillan's Britain to that of Labour, and we would like to help him stay in office, but what can I do, except to sing him the Edith Piaf song "Ne pleure pas, milord," "Don't cry, my lord." Apparently, the song goes "Allez venez, milord," "Go away, my lord."

Pompidou, de Gaulle's Prime Minister, said the difficulties were not merely technical, but as he put it, "...d'un problème de conception même du marché commun et son avenir...", the problem of the basic viewpoint of the Common Market and its future.

At a conference in January 1963, de Gaulle gave his public veto. He said the Rome Treaty had been created by six Continental states, with similar economic structures and commercial traditions. There were no conflicts or rivalries between them. "They have a feeling of solidarity because not one of them is linked on the outside by any



special political or military agreement." Britain had not only refused to participate, but had put some pressure on the six in order to prevent the application of the Common Market from really getting started. "England is, in effect, insular, maritime, linked through its trade, markets and food supply to very diverse and often very different countries. Its activities are essentially industrial and commercial, and only slightly agricultural." In short, the nature, structure and economic context of England differed profoundly from those of the other states of the Continent. Was he right, you may ask, 50 years later...?

He questioned whether Great Britain can at present place itself with the Continent and, "...like it, within a tariff that is truly common, give up all preference with regard to the Commonwealth, cease to claim that its agriculture be privileged, and, even more, consider as null and void the commitments it has made with the countries that are part of its free trade area."

Many thought this a unilateral and arrogant pre-judgement of the outcome of the negotiations, and the French newspaper "Le Monde" said de Gaulle was either too soon or too late: if opposed in principle to British entry, he should have said so at the beginning; if opposed because of negotiations, he should have waited until negotiations had ended.

No doubt it was true that Britain had one concept of Europe and de Gaulle another, but the question was not whether Britain accepted de Gaulle's vision of Britain but whether she was prepared to accept in principle the Treaty of Rome, because, after all, there were many others in Europe who did not share de Gaulle's view of Europe. The other countries were broadly more sympathetic to America, more Atlanticist. Was de Gaulle not falsely equating his own view of being European with that of the six?

The tabloid reaction against de Gaulle in Britain was quite extreme, as you can imagine. One newspaper told him to, I quote, "Take your dreams of independent power and stick them up your Eiffel Tower!" That was a kind of prefiguring of a "Sun" headline in the late-1980s, "Up yours, Delors!"

But, remarkably, less than eighteen years after the end of the War, Britain had declined from being a great power, the undisputed leader of Europe and a superpower in the world, to that of a failed supplicant, whereas France and Germany, who had both been ruined by the War, were now the dominant powers on the Continent. It was a stunning reversal of influence.

De Gaulle was unmoved. "Strange times, gentlemen," he told his Conseil des Ministres, "when one cannot say, without provoking I do not know what kind of hullabaloo, that England is an island and that America is not Europe!"

De Gaulle predicted, according to his Minister for Information, a Labour victory in the next Election, and told his Minister for Information, "Then, Macmillan vanishes," slicing the air with the back of his hand, as pitiless as a Roman Emperor turning down his thumb as though denying a reprieve to a defeated gladiator.

A former French Prime Minister, Paul Reynaud, who had been Prime Minister in 1940 and had opposed the surrender, he wrote to de Gaulle and said, "Does this not show ingratitude in view of Britain's role as an ally of France in two World Wars?" He received, as a reply, an empty envelope, with written on the outside "Re-direct to Agincourt, Somme or Waterloo, Belgium".

But de Gaulle did say that eventually Britain would join, when her interests and attitudes had evolved. It is worth stressing that de Gaulle's veto, whatever you think of it, was a straightforward exercise not in Community solidarity but in national power politics, a decision made almost entirely out of concern for French national interests, and in particular her agricultural interests.

Bismarck once said the word "Europe" was usually heard from those politicians who demanded from other powers what they in their own name dare not request.

But one British delegate to the negotiations said: "People talk about perfidious Albion, but the way the French promote their national interests under a humanitarian garb makes us look like babies!"

Macmillan has been widely blamed by commentators for various misjudgements: for failing to seek entry earlier; for not agreeing immediately to the principles of the Treaty of Rome, but making concessions in dribs and drabs; for not being more generous to de Gaulle on the nuclear weapons issue. But I do not think these would have made much difference. I think there was little chance of getting British entry in the face of French hostility, which the British always underestimated. If Macmillan is to be criticised, it is for ignoring the warnings of his officials and one of his Ministers, Reginald Maudling, who predicted the French would exercise the veto.

But you may say, in his favour, it was worth seeing whether entry was possible, even if the odds were against him. We should ask: were the negotiations concluded on the point of success? Macmillan said de Gaulle had exercised his veto not because the negotiations were failing but because they were succeeding. I do not think this view can be sustained. But I think the negotiations would have succeeded if they had continued because Britain would have conceded on all issues of substance, and the terms would have been unfavourable compared

with what was hoped for – the Common Agricultural Policy, no special provision for the Commonwealth, and only a very short transitional period of adaptation.

Then it is worth asking whether the terms would have been acceptable to the public. We must remember, the next General Election was due by October 1964, and Labour, in opposition to Europe, was widely expected to win. Macmillan had hoped to win an election on the European issue, but the European orientation seemed then unnatural to many Conservatives, as it does now. Opinion in Britain was moving against Europe while negotiations went on, and my suspicion would be that the terms would not have been acceptable to public opinion, but of course one can never tell.

Now, Britain's chief negotiator in Europe, Edward Heath, reacted to the veto with great dignity, winning plaudits as a skilful representative of British interests. He said, at the final session of the negotiations: "There have been times in the history of Europe when it has been only too plain how European we are, and there have been many millions of people who have been grateful for it." He ended by saying: "We in Britain are not going to turn our backs on the mainland of Europe or the countries of the Community. We are a part of Europe by geography, tradition, history, culture and civilisation. We shall continue to work with all our friends in Europe for the true unity and strength of this Continent." It could be said that Macmillan, for all his hesitations, had, for better or worse, and you may disagree with the decision, but he pointed the way towards a European orientation, had set Britain on a new course.

But, for the moment, the European issue was in abeyance and, in the General Election of 1964, the Conservative Prime Minister who succeeded Macmillan, Sir Alec Douglas-Home, admitted that Europe was, as he put it, "a dead duck".

While all this was going on domestically, important developments were happening in Europe, as a result of two decisions by the European Court of Justice, which were hardly noticed in Britain, and perhaps the IT people would put the decisions on the board. These are two cases of fundamental importance, ignored in Britain.

The first was Van Gend en Loos, and that case was the Dutch had levied an import duty on goods from Germany, and that was ruled by the European Court of Justice to be against the provisions of the Treaty of Rome, and the Dutch Government was required to remove those import duties. This established the principle in Europe, which is fundamental, of the direct effect of Community law, that is that European Community law had direct effect on Member States' legislatures and individuals, whether or not the legislatures approved of it or not, just as the federal legislation in the United States has direct effect on everyone living in Florida or Connecticut or wherever, whether the legislatures of Florida or Connecticut like it or not. So, this was the principle of direct effect, that legislation from the European Union, or European Community as it then was, had direct effect on every part of the Community, whatever the Member States' Parliaments or people thought of it. This meant the European Community was a new legal order, the subjects of which were the Member States and individuals. Community law imposed obligations on individuals and on Parliaments, and also conferred rights upon them, which became part of their legal heritage – in other words, the right of the German, German in this case, to import goods free to Holland. This is fundamental and is often not noticed, or certainly was not noticed at the time, that the Treaty of Rome was not just an international agreement, like the United Nations or NATO, but a new legal order, conferring new rights and duties on Member States and individuals, without them having to consent in particular cases. So, the laws enforced by the European Court were just as binding on governments' national courts and individuals as the laws of domestic courts.

The second case was Costa v. ENEL. Mr Costa objected to the Italians nationalising the electricity industry, which he said deprived him of his dividend and infringed the Treaty of Rome. The Court, in that case, said that the principle of Community law was supreme over the law of Member States, so that, if there was a conflict between the law, Italian law, shall we say, and the law of the Community, Community law prevailed, and the Court said "... the transfer by the States from their domestic legal system to the Community legal system, of the rights and obligations arising under the Treaty, carries with it a permanent limitation of their sovereign rights" – a permanent limitation of their sovereign rights – "against which a subsequent unilateral act incompatible with the concept of the Community cannot prevail." In other words, it is obvious that law cannot vary from Member State to Member State or there is no Community. So, just as federal law in America is superior to the law of Florida, Connecticut and so on, so that European law is not only directly effective but superior to the law of Member States. Now, you may say, oh, that is implicit in the Treaty of Rome, but it meant that Britain was joining an organisation which could limit not only her national sovereignty – that was done if you joined any organisation – but limit her parliamentary sovereignty, and that could not be shared. That is absolutely fundamental. You are either sovereign or you are not – either Parliament can do what it likes or it cannot. A Parliament could not, according to those two cases. How could Parliament remain supreme when there is a new legal order superior to it? So, Westminster would become, to some extent, as Hugh Gaitskell predicted, a subordinate Parliament.

Labour won the 1964 Election, as expected, and a second Election in 1966, and they too sought to enter the Community, hoping perhaps for a leadership role in the Community, but was in an even weaker economic position than the Conservatives, and made an application just at the time it was devaluing the Pound in 1967, and, again, it seemed Britain was seeking entry not because of enthusiasm for Europe but as a way of escape, almost an act of desperation.

Further, there was no reason to believe that de Gaulle had changed his view on British membership. Why on earth would he agree to British entry? Again, the British Government was warned that de Gaulle had not changed his mind, and I am afraid the second attempted application, whereas the first, you may say, was tragedy, the second rather degenerated into farce, because Wilson and Brown visited – George Brown, his Foreign Secretary – de Gaulle, as Harold Macmillan had done, hoping to win him round, and George Brown, who prided himself on his blunt speaking, told the President that the problem of Europe had to be resolved. De Gaulle replied, “There is the Common Market, and for us, there is no problem. For you, there is one: you want to get in, and that is your problem.” The truth was that, once again, more obviously than in 1961, Britain, in seeking to act like a great power and punching above her weight, was ignoring the realities.

This time, de Gaulle did not even allow negotiations to begin. He once again humiliated Britain in two further press conferences. In the first one, in May 1967, he said: “Europe should wait until a certain internal and external evolution, which Great Britain seems to begin show signs, may possibly have been carried to its conclusion – that is to say, until this great people, so magnificently gifted in ability and courage, has first and for itself carried out the fundamental economic and political transformation needed to enable it to link up with the six Continental countries. I really believe that this is the wish of many people, who want to see the emergence of Europe that would have its natural dimensions, and who have a great admiration and sincere friendship for Great Britain.” He said if, one day, Britain reached this stage, “how wholeheartedly France would welcome such a historic conversion”.

Wilson said he would not take “no” for an answer, but it was not clear what he could do, and, in November 1967, de Gaulle gave Britain the coup de grace. At his press conference, he was asked whether it was true that he had said he wished to see Britain naked. He replied: “Nudity for a handsome creature is rather natural, and, for the onlookers, rather satisfying, but whatever the attraction I feel towards England, I never said this about her. It is part of those alleged sayings of mine which are bandied about, and about which even books have been written. It corresponds neither to my thoughts nor to my words.”

But he then went on to say that Britain’s position was inconsistent: “She said she accepted the Treaty of Rome, but wanted negotiations.” He said, “What was there to negotiate about?” He said this was: “...the fifth act of a play, in which Britain’s highly varying attitudes to the Common Market had followed one another without apparent resemblance. First, she had refused to take part in the negotiations leading to the Treaty of Rome. Second, there had been hostility to the Common Market, an attempt to merge it with the free trade area, and I can still hear the notice served upon me in Paris, as early as June 1958, by my friend Mr Macmillan, then Prime Minister, who compared the Common Market with a Continental blockade and threatened to declare at least a tariff war on it. Thirdly, was the failed attempt to enter; fourthly, the opposition of the Labour Party to Europe; and, fifthly, the attempt by the Labour Party to get into Europe.” So, negotiations did not, in fact, begin at all on that occasion.

However, Harold Wilson did say he would not take “no” for an answer and the British application was left on the table for the time when de Gaulle disappeared, which he did from the French presidency in 1969. But meanwhile, support for the Common Market in Britain was falling to a new low. It reached its height in public opinion in the summer of 1966, but after the second failed application, support was very low and opinion was beginning to gather against it.

One very prominent politician, from the right, was coming out against it, who had previously supported Britain’s applications, namely Enoch Powell, who tried to link the issues of immigration and Europe – how these issues keep coming back – the issues of immigration and Europe to an issue of English nationalism, English populism, against not only the Labour Party but the leader of his own Party, Edward Heath, a strong pro-European, and seemed for a time the most popular politician in Britain; whereas a radical on the left, Tony Benn, was beginning to say that such a fundamental decision could not be made by Parliament alone, that the people would have to be brought in to a referendum, which we had never had before, but this was a unique issue, could not be decided only by MPs.

These two maverick politicians were to complicate the question of Britain’s entry when it finally became possible, with the removal of office from de Gaulle in 1969 and the unexpected victory of Edward Heath in 1970, the most pro-European, arguably the only really pro-European Prime Minister ever to have sat in Downing Street, and the only one who really, I suspect, shared the aims of the original six for an ever-closer union, and both Powell and Benn were to complicate Heath’s attempt to join Europe, and when he did join Europe, they were to bring him down and Heath was to prove yet another victim of the European Union. I suspect he is not the last political victim of the European Union, but I shall describe that in my next lecture.