UNITED KINGDOM OFFICIAL POLICY TOWARDS EUROPEAN ECONOMIC INTEGRATION, 1950-60

BY

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This thesis represents original work by the author done at The Treasury, Wellington; the Australian National University, and the Office of the New Zealand High Commissioner, Canberra; and at the Royal Institute of International Affairs and the Office of the New Zealand High Commissioner, London.

Signed: [Signature]
TO MY WIFE

ELIZABETH
CONTENTS

PREFACE i

SUMMARY v

CHAPTER I
Background of British Policy, 1939-50 1

CHAPTER II
The Schuman Plan 29

CHAPTER III
Coexistence with the ECSC 68

CHAPTER IV
The Crisis of the Communities 88

CHAPTER V
Relance European 142

CHAPTER VI
With or Without England 249

CONCLUSION 339

BIBLIOGRAPHY (i)
This thesis attempts to analyse the changes of British official policy towards European economic integration between 1945 and 1960. The period thus extends from the point at which the British Government rejected their first invitation to participate in the European movement to the time when they first applied for membership of the European Communities. It has of course been necessary to pay regard to events and statements before 1950 in order to explain the background against which the British manoeuvres took place.

The concern of the thesis is essentially with official policy. Its object is therefore to describe and elucidate the positions adopted by successive British Governments towards the European movement. It does not attempt to determine the influence upon these positions played by pressure groups in the United Kingdom and other Commonwealth countries. Such a study would undoubtedly require a thesis to itself. In any case it is one of the basic arguments of this thesis that the policies adopted were in general strictly official policies: the pressure groups were normally consulted ex post facto to determine their reactions to or enlist their support for decisions already undertaken by their Governments. The quest for the principles on which the decisions were based provides the subject-matter of this thesis.

It could be objected that the events described are of too
contemporary a nature for such a quest for principles to be undertaken with any certitude. The objection is particularly relevant in a case such as this where the public statements of Ministers were frequently intended to obscure rather than illuminate policy decisions and where secret diplomacy was frequently resorted to. It can only be argued in defence that the author was engaged in the New Zealand Treasury on the question of European integration between 1958 and 1960 and subsequently had full access to the official reports of the New Zealand Government in London and Canberra. He is in a position to say with complete confidence that the full story of the negotiations is available for all practical purposes in the published records of the period: few transactions between Governments can have demonstrated more forcibly how little secret diplomacy can in fact be kept secret; negotiations on which Commonwealth Governments were pledged to secrecy were eventually blurred out in almost their entirety by British Ministers in London or Wellington or strategically leaked by the Scandinavians.

This thesis is in fact based entirely upon published sources. These in turn are almost wholly primary sources. Apart from the Reports of the Consultative Assembly of the Council of Europe, the Proceedings of the Assembly of the Western European Union and the Debates of the House of Commons and the Assemblee Nationale, the full story is available in the files of major British, French and American
newspapers. Of these, the *Financial Times* provides an invaluable day-by-day record of developments which stresses the fact that, whatever their political implications, the European Communities were economic associations whose formation involved negotiations on primarily economic issues. The ends may have been political or not but the means by which they were sought were undoubtedly economic.

For this reason, The *Times* is of less immediate value, despite its peculiar position as the unofficial newsletter of the British Foreign Office. This feature in fact emphasises the need to supplement the comments of The *Times* from the more informed French periodicals such as *Le Monde* and *Le Figaro*. The latter have the further attraction of the highly idiosyncratic but intensely stimulating commentaries of an army of French columnists such as M. Maurice Schuman and M. Bernard Chauchat. This applies also to American newspapers such as the *New York Times*, the *New York Herald Tribune*, and the *Christian Science Monitor*. Commentators like Volney D. Hurd and William J. Humphries combined insight with an informed reporting of events.

The relatively small space played in this thesis by secondary authorities is not difficult to explain. In the first place they are not very numerous: as mentioned above the subject is still one on which to a great extent only the insiders are in a position to write with authority and few of them are in a position to do so without restraint. The various elucidating works published by employees of the European Commission reflect the extent of these restraints. Some
excellent work has been done on the Schuman Plan and its antecedents: the books of Maurice Bonn and William Diebold are quite indispensable to an understanding of the period. However, writing in English in particular on the subjects associated with the development of the European Economic Community itself has suffered from a certain lack of relevance for which the mere lack of documentation is not wholly to blame. There appears to have been a general tendency to misuse what documentation is available: writers have attempted to deduce theories from a literal interpretation of the Treaty of Rome or from abstract models of customs or federal unions without concerning themselves with what the Europeans have actually done and with what they have said they intend to do. It would be justification enough for this thesis if it could claim that it concerned itself with what was actually said and done during these ten years of the remaking of Europe.
The argument of this thesis is summarised at length in the Conclusion. In briefest terms it is that from 1939 to 1950 British political leaders found it expedient to give general verbal support to broad schemes for European integration while at the same time resisting any developments in this field which might have encroached upon the sovereign legal authority of Parliament or have impaired the "special relationship" of the United Kingdom with the United States as co-partner in the leadership of the West. From 1950 to 1960 this resistance took the form of repeated efforts to contain the progress of the Community Movement in Europe. In 1960 the apparent triumph of the Community Movement, its endorsement by the United States and the displacement of the United Kingdom by Germany as the second economic power in the West led the British Government to join forces with what had become a successful rival for the "special relationship."
I. BACKGROUND OF BRITISH POLICY, 1939-60

British policy towards European economic integration during and after World War II displayed in a singular manner the traditional bipartisanship of British policy in foreign affairs. This bipartisanship persisted through four radical changes of official attitude and two changes of Government. From 1939 to 1947 leaders of both Parties enthusiastically supported projects for uniting Europe by either federal or customs union. Many advocated United Kingdom participation in such associations. In 1948 and 1949 this policy changed to one of rigorously avoiding Continental entanglements. From 1950 to April 1960 both Parties consistently opposed the formation of a European Union in either form. However, in mid-1960 the Conservative Government began to seek association with a Continental system which had essential characteristics of both federal and customs union. On 10 August 1961 they formally applied for membership of the European Common Market under Article 237 of the Treaty of Rome.

Schemes for federal or customs union discussed in the earlier part of this period were admittedly vague and conjectural. Theories of federal union relied mainly upon the example of the United States of America. However, this example was in many ways inapplicable to the European situation. The States of the original American Union had shared a common language, tradition and system of administration. The European states whose federation was proposed had none of these characteristics. They had in most cases a long history of mutual hostility. Relevant examples of customs union were similarly lacking. The only customs unions still existing after the war were between tiny independent states and their
substantially larger neighbours such as Franco-Monaco Italy-San Marino, Switzerland-Lichtenstein and Belgium-Luxembourg. Only the last of these could have had any significance for the major partner of the union. The historical example of the German Zollverein was equally irrelevant: this had been brought about to serve Prussian political ambitions rather than economic ends. Moreover, the Governments of the German states involved did not have the responsibilities of the contemporary successors to maintain living standards and employment in their own countries.

British Party leaders had undertaken no formal commitments on European Union during the war. Their remarks had in general expressed only a fashionable support for internationalism. In November 1939 Mr. Attlee,¹ leader of the British Labour Party but not at that time a member of the War Cabinet, told a Labour Party rally at Caxton House that there had to be recognition of an international authority superior to the individual states in both the economic and political spheres: Europe must federate or perish.² In the same month the British Ambassador in Washington, Lord Lothian, said that some form of federation for at least part of Europe was necessary as a condition of any stable world order.³ On 16 June 1940 the British War Cabinet actually proposed to the French

1. Labour, West Walthamstow.  
3. Ibid., 11 November 1939.
Government of M. Paul Reynaud that the two countries should cease to exist as separate states and should form a Franco-British Union with a common Parliament and common policies in defence, finance and foreign affairs.1 This project was never taken up again and was doubtless merely intended as crisis measure to forestall the conclusion of a separate peace by France. Again in February 1941 the Parliamentary Private Secretary for the Minister of Information, Mr Harold Nicholson, spoke of the need for a union of peoples, each of whom would sacrifice some political and economic independence for the good of the Community.2

This reserved attitude could hardly be maintained after the end of the war. By 1944 the political climate on the Continent had become overwhelmingly disposed towards union. National self-confidence had been eroded by the experiences of the war: of all the European belligerents only the United Kingdom and the Soviet Union had escaped defeat and only the United Kingdom had escaped invasion. This had led to a violent revulsion against any concept of unlimited state sovereignty: it was felt that national states could never again be allowed to act in total disregard of the interests of their neighbours. In May 1944 the united Resistance Movements of Occupied Europe, including Germany, had signed the International Declaration to the effect that the only solution for the problems of

1. The Times, 18 June 1940.
Europe would be for the nations to agree to transcend the dogma of the absolute sovereignty of states and to integrate themselves into a single federal organisation.¹

However, the British Government could not rely upon the enthusiasts of the Resistance to establish a European Union convenable to British interests. Both the Labour Government of Mr Attlee and the Conservative Opposition led by Mr Winston Churchill recognised the need for the United Kingdom to guide and control the development of integration on the Continent. On 23 November 1945 Ernest Bevin,² Secretary of State for Foreign Affairs, and Mr Anthony Eden,³ spokesmen of the Conservative Opposition, agreed that modern developments had rendered obsolete traditional concepts of sovereignty.⁴ The New Statesman and Nation commended Mr Eden for this view and said that Mr Attlee’s exhortation to federate or perish had long been the slogan of progressive minds.⁵ On 9 January 1946

². Labour, East Woolwich.
³. Conservative, Warwick and Leamington.
⁵. New Statesman and Nation.
Mr R.A. Butler went so far as to advocate the progressive total integration of the United Kingdom with Continental Europe. In June 1946 Mr Philip Noel-Baker, the Secretary of State for Commonwealth Relations, told a Labour Party Conference at Bournemouth that what was needed in Europe was an international state with less sovereignty and more unity. And in September 1946 Mr Winston Churchill said at Zurich that the remedy which would make the greater part of Europe as free and happy as Switzerland would be to build a kind of United States of Europe.

Mr Morgan Phillips, the Secretary of the Labour Party, demonstrated the unanimity of the two Parties on this issue by urging the Government to take more positive action to foster European union. His only criticism was that international cooperation was not likely to be stimulated by an organisation led by Mr Churchill. However, the only response of the Labour Government was to conclude an orthodox military alliance with France against what seemed an unlikely renewal of German aggression. The Treaty of Dunkirk signed on 4 March 1947 in fact formed the basis for future British

3. Labour, South Derby.
5. Conservative, Woodford.
association with Continental Europe for the next decade: in 1948 it was extended to form the Treaty of Brussels and in 1955 to form the Western European Union. However, association of a more binding nature with Continental Europe became an urgent issue for the British Government in the spring and summer of 1947.

In the opening months of 1947 the United Kingdom and most other West European countries found their reserves of foreign exchange inadequate to pay for the imports of raw materials on which industrial production depended. Conditions were worsened by an extraordinarily bad winter which disrupted transport and held up fuel supplies. In parts of France and the United Kingdom lack of coal brought production to a standstill. In this crisis the United States Government offered economic and financial assistance. However, it was made clear that the Americans required assurance of close cooperation among the European countries applying for aid: on 5 June 1947 the United States Secretary of State, General Marshall, said that the policy of the United States Government was to help to revive an organic economy in Europe but the initiative should come from the Europeans themselves: the programme was to be a joint one, agreed to by a number of European nations.

The American offer placed the British Government in an acute dilemma. It was evident that the Americans expected the United Kingdom to seek closer economic relations with Continental Europe. It was also

evident that the American attitude was influenced by the hope that a closer British association with Western Europe might undermine the Commonwealth preferential system. It was with the intention of minimising the effect of this system that the Americans had in February 1942 required British agreement to Article VII of the Mutual Aid Agreement. This had committed the signatories to seek to eliminate trade discrimination after the war so as to promote "mutually advantageous economic relations".1 British accession to Article VII had not been required as a condition of receiving aid. However, it had been required as a condition of participating with the United States in postwar reconstruction. The United States Government had not altered its attitude. On 3 September 1947 Bevin suggested to the Trades Union Congress at Southport that Commonwealth Governments might consider forming a Commonwealth Customs Union.2 Mr Robert Lovett, the United States Under-Secretary of State charged with the administration of Marshall Aid, took the unprecedented step of warning the British Government that they could not have both a Commonwealth Customs Union and a European Customs Union. He advised them to choose the latter.3 It naturally could not be expected that the United States could favour an arrangement by which British exports would secure privileged access over

2. The Times, 4 September 1947.
American exports in the markets of both the Commonwealth and Western Europe. The Americans were prepared to support a European Customs Union as a means of strengthening Western solidarity against the Soviets. They did not feel the same incentive to condone continued economic discrimination by the Commonwealth. However, the Commonwealth relationship had assumed increased importance for British Governments during the war. The United Kingdom had then been virtually isolated from the Continent and dependent upon Commonwealth supplies. Australian and New Zealand farmers had committed their entire export production of dairy products to the British market. Continuing imports of cheap Commonwealth foodstuffs after the war had helped to minimise wage-costs in the United Kingdom and thus to strengthen the competitive power of British industry. Moreover, the claim of the United Kingdom to recognition as a world power and not merely another European state rested primarily on the global nature of the Commonwealth system. It also rested on the fact that during the war British politicians and officials had enjoyed a unique opportunity to develop a tradition of consultation and cooperation with the Americans. The increasing antipathy of the Americans towards Commonwealth discrimination demonstrated that the two foundations of this claim were becoming irreconcilable. However, it did not make either of them any the less indispensable.

The Labour Government attempted to solve this dilemma by expressing support for American integration proposals while at the same time attempting to prevent them from encroaching upon British economic sovereignty. In this they received the full support of the Conservative Opposition. On 13 June 1947 Mr Eden said that he had urged the Government
to secure close cooperation in economic matters with Continental Europe.

He described the Benelux Protocol as an example of the kind of relationship which could be sought without in any degree impairing the progressive development of Commonwealth trade. Mr Thorneycroft also supported the Benelux Protocol as a model for British relations with Continental Europe.

It was clear that the Conservatives enjoyed considerable political advantages over the Labour Government. In the first place they could support specific programmes for union without being immediately committed to put them into operation. They could also rely upon their legendary adroitness in foreign affairs to enable them to escape when in Office the consequences of any indiscretions committed while in Opposition. By comparison Labour proposals had to be imprecise and millenial: in reply to Mr Eden Bevin said merely that the Government were already pushing ahead with all possible energy in the field of cooperation with Europe. However, the dangers of even so moderate a policy were displayed by the enthusiastic support of European Governments for the Customs Union idea. On 12 July 1947 a Study Group was set up in Paris to examine the prospects of forming a customs union among any or all of the European countries accepting American economic aid. On 15 August Sir Oliver Franks, the leader of the British delegation to the Study Group, pledged that the Commonwealth relationship

2. Conservative, Monmouth; President of the Board of Trade under Churchill, Eden and Macmillan, 1951-57.
3. Subsequently British Ambassador in Washington at the time of the Schuman proposals. See Chapter II.
would render participation in such a union difficult for the United Kingdom. 1

The dilemma became more acute with the need for increased American aid in the autumn of 1947. On 15 July 1947 the British Government agreed as quid pro quo for American credit to make sterling receipts "freely available for current transactions in any currency area without discrimination". 2 An immediate flight from Sterling took place: in two months the American credit had been drawn on to the extent of $1,300 million. With only $400 million of the credit remaining the British Government suspended convertibility in September. 3 In the same month the French and Italian Governments made a deliberate bid for American aid by setting up a Joint Commission to study possibilities of forming a Franco-Italian Customs Union. 4

In the face of mounting pressure for closer association with Continental Europe the Labour Government and the Conservative Opposition continued to maintain their united front against federalism. On 4 October Mr Churchill told the Annual Conference of the Conservative Party at Brighton that Britain could continue to play an important part in the

1. The Times, 16 August 1947.
3. Fitzsimons, op.cit., p.92.
development of United Europe as long as it was not tied down to a choice
between two rigid customs unions. The Conservative Party was not going to
bargain away the Commonwealth preferential system which Mr Churchill
considered had never prevented "the growth of an ever-warmer and more
intimate friendship" between the United Kingdom and the United States. 1
Here too Mr Churchill first introduced the concept of the "three systems"
of the Commonwealth, the European Union and the "fraternal association"
with the United States. He claimed that it was the function of the United
Kingdom to be the vital link among these three associations. In December
six major movements for European Unity were brought under the co-ordinating
authority of an International Committee chaired by Mr Duncan Sandys. 2
Mr Churchill was prompt to reassure Bevin that the Committee did not aspire
to compete with Governments in the executive sphere: it sought to build
up "moral, cultural, sentimental and social unities and affinities through-
out all Europe". 3

Mr Churchill also assured support for Bevin's Western Union
speech of 22 January. This démarche was made following the statement of
John Foster Dulles, then United States Under-Secretary of State, that there
was a vital need for a customs and monetary union in Europe. 4 Bevin stated

2. Conservative, Streatham; at that time son-in-law of Mr Churchill and
4. United States Senate Foreign Affairs Committee, Hearings, 20 January 1948,
p.588.
that the time was ripe for a consolidation of Western Europe: the British Government would seek to reunite Western Europe by trade, social, cultural and all other contacts. He added that what he envisaged was essentially a spiritual union such as existed among member of the Commonwealth. Mr Eden took this opportunity to recommend the Benelux Protocol again and Mr Churchill stated that Bevin deserved the effective support of the House of Commons without consideration of party. However, the contrast between the vague concept of Western Union and the Conservative activity in European Federal movements led Mr R.H.S. Crossman to urge the Labour Government to take the lead in constructing a Socialist Europe before the confusion arising from Conservative counter-proposals spread too far. The Government did not respond to this invitation until M. Paul-Henri Spaak, the Socialist Belgian Foreign Minister, proposed on 19 February 1948 that the Treaty of Dunkirk be extended in scope. The resulting Treaty of Brussels signed on 17 March 1948 pledged the Benelux Union as well as the United Kingdom and France to mutual assistance in the event of renewed German aggression. They also undertook to organise and coordinate their

2. Ibid., col.413.
3. Labour, East Coventry; assistant editor of the New Statesman and Nation.
5. The Brussels Treaty, Preamble.
respective economic activities so as to eliminate conflict, coordinate production and develop commercial exchanges. On 16 April the British Government also acceded under strong American pressure to the Convention establishing the Organisation for European Economic Cooperation (OEEC) to supervise the allocation of United States aid. However, the British Government succeeded in having the Convention drafted so as to ensure that decisions in the Council of the OEEC would have to be taken on a basis of unanimity and could not be imposed against the wills of the Member Governments. They then introduced against European opposition a programme calling for the drastic reduction of British imports from Continental Europe.

In April Bevin proposed that the United States should join with Western Europe in a military alliance against the Soviet Union. The United States Government was not prepared to undertake this step at the time. However, the proposal indicated the persisting tendency of the Labour Government to think of European union essentially in terms of orthodox military alliances. On 4 May Mr Attlee repeated that he believed that ultimately it would be necessary to come to a federation of Europe:

he thought that regional pacts were only a second best but that they were essential and the British Government would have to work towards them. To this end the British Government were prepared to pool authority with other Governments.¹ However, the Labour Government and the Labour Party both declined to send representatives to a Congress of European Movements called at the Hague on 7 May 1948. Mr Churchill attended as President of Honour and Mr Duncan Sandys as chairman of the International Committee.² At The Hague Mr Churchill repeated Bevin's phrase that the Movement for European Unity had to derive its strength from spiritual values. He also spoke of the need for some sacrifice of national sovereignty and for the gradual assumption by the nations concerned of a larger sovereignty.³ In this Mr Churchill was no more explicit than Bevin had been. However, the Congress voted for a European Parliamentary Assembly and for a "united Europe, throughout whose area the free movement of persons, ideas and goods is restored."⁴

This resolution virtually called for the establishment of both a federal and a customs union in Western Europe. It is thus remarkable that on 20 May the Annual Conference of the British Labour Party, which

¹ House of Commons, Debates, vol.456, cols.1315-17.
³ Churchill, Europe Unite, p.312.
⁴ The European Movement and the Council of Europe, p.38.
had declined to be represented at the Congress, passed a resolution introduced by Mr Fenner Brockway urging the British Government to "cooperate with the European Socialist Parties in taking practical steps to achieve the United Socialist States of Europe." Mr Brockway said that he was not suggesting that Britain should not enter into a Western Europe until all Europe was Socialist; conditions could be laid down with the approval of the British Labour Government and of the Socialist movements in Europe which could determine the character of the Western Union. Bevin also spoke at the Conference in support of Mr Brockway's resolution and asserted that there would be nothing wrong in coalescing with certain European states which "think like we do ... harmonising our economic policy and harmonising our defence policy."

It was apparent that the dual policy of the British Labour Government had now created confusion within the Party itself. Labour rank-and-file were apparently under the impression that their leaders genuinely wanted to establish a federal union in Europe. Their confusion was at least in part due to Bevin's habitually imprecise use of language. But

1. 'Labour, Eton and Slough.'
3. Ibid., p.173.
the fact that Bevin's policy had confused his own supporters did not prevent
it from being approved by the Conservative leaders: on 10 July Mr Churchill
told a constituency meeting at Woodford that the Conservative Party
supported Bevin in his foreign policy. "Although it is not perhaps very
skillful, or in various ways very successful, it is at any rate based on
sound lines." 1

The Labour Party support for the Brockway Resolution was the first
serious suggestion that British Socialism might seek a common policy with
the European Socialist movements. Little attempt had been made hitherto to
bridge the gap which had developed during the period of British isolation
in World War II. The suggestion was promptly accepted by the Europeans: on
19 July M. Georges Bidault 2 called on the signatory Governments of the
Treaty of Brussels to proceed to formulate a political and economic union
first for themselves and next for any other European countries which desired
to participate. 3 On 2 September M. Robert Schuman 4 who had succeeded
M. Bidault as French Foreign Secretary formally transmitted to the Council
of Ministers of the Brussels Treaty Powers a project for a European
Parliamentary Assembly. 5 This was immediately supported in the House of

1.
Churchill, Europe Unite, p.372.

2.
Mouvement Republicain Populaire; French Foreign Secretary.

3.
Bonnefous, op.cit., p.110.

4.
M.R.P.

5.
Bonnefous, supra., p.111.

16
 Commons by Mr R.A. Butler who proposed that the British Government should enter into currency and trade agreements with the Europeans to bring the European economy into a more integrated whole. However, the British Government recommended instead that a Committee of European Ministers should be set up to meet at regular intervals over the next five years to discuss matters of common interest. A Note from the French Government on 29 November claimed that such a committee would be essentially different from the Assembly M. Schuman had proposed: it would have purely consultative functions, while M. Schuman had proposed an organisation which could function as the embryo of a genuinely federal institution. A further appeal on 29 January from President Henriot of France for framers of new institutions to be prepared to take risks and to have faith in the future was enthusiastically welcomed by the Europeans but met with no response from British representatives.

For the first time the British Government had rejected a specific programme for political unification in Europe. Their preference for orthodox methods of military alliance was displayed again by the signing on 4 April 1949 of the NATO Treaty. Bevin described this as "one of the great events of all my life." On 5 May 1949, the British Government

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secured the agreement of the Europeans to the establishment of a Council of Europe which in many respects was the antithesis of the institution proposed by the French Government. The new organisation was composed of a Consultative Assembly of Parliamentary representatives and a Council of Ministers who would sit in private session. Decisions on all save purely procedural matters had to be taken on a basis of unanimity.\(^1\) It thus amounted to no more than an extension of the Council of Ministers set up under the terms of the Treaty of Brussels. Not surprisingly the Council of Europe subsequently became widely recognised as the most futile and unrewarding of European institutions.\(^2\)

The inadequacies of the Council of Europe led the French Government to pursue their hitherto unfruitful negotiations for a Benelux-Francita customs union. The British Government on the other hand made it clear that they were not prepared to consider any further Continental entanglements. All gestures towards European Union were abandoned as the British balance-of-payment crisis worsened. In the second quarter of 1949 the gold and dollar deficit of the Sterling Area doubled to reach £628 million.\(^3\) British demands for emergency supplementary aid again led to

\(^1\) Statute of the Council of Europe, Article 20.


\(^3\) Fitzsimons, *op.cit.*, p.115.
bitter clashes in the OEEC. In the Council of the OEEC the Chancellor of the Exchequer, Sir Stafford Cripps, rigidly opposed American proposals to encourage multilateral trade by making drawing rights transferable and freely convertible into dollars. On 19 September 1949 the British Government temporarily arrested all discussion on economic cooperation by unilaterally devaluing the £ sterling without prior consultation with other Brussels Treaty powers. The devaluation was an orthodox financial manoeuvre in the light of British external trading difficulties at the time. However, in the postwar climate of cooperation and harmonisation it appeared to the Europeans as a return to the anarchic competitive currency depreciation of the Thirties. In the House of Commons Sir Stafford defended his action by claiming that:

"We have made it clear from the beginning that our task is to try to combine our responsibilities as a leading member of the Commonwealth and of the Sterling Area with support for the development of Europe... Our position is such that we could not integrate our economy into that of Europe in any manner that would prejudice the full discharge of these responsibilities."

Once again Mr Churchill's words emphasised the essential bipartisanship of British policy at this period: to a Conservative mass meeting at Llandudno

2. Labour, South-east Bristol.
on 9 October he said:

"I cannot think ... that the policy of a United Europe as we Conservatives conceive it can be the slightest injury to our British Empire and Commonwealth or to the principle of Imperial Preference which I so carefully safeguarded in all my discussions with President Roosevelt during the war ... there is absolutely no need to choose between a United Empire and a United Europe. Both are vitally and urgently necessary to our Commonwealth, to Europe and to the free world as a whole."

Mr Churchill then elaborated the concept of the "three systems" which he had first alluded to in October 1947. ¹

"... I feel the existence of three great circles among the free nations and democracies ... The first circle for us is naturally the British Commonwealth and Empire, with all that that comprises. Then there is also the English-speaking world in which we, Canada and the other British Dominions and the United States play so important a part. And finally there is United Europe. These three majestic circles are co-existent ... Now if you think of the three inter-linked circles you will see that we are the only country which has a great part in every one of them. We stand, in fact, at the very point of junction, and here in this Island ... we have the opportunity of joining them all together."²

However, the concept of the three circles did not meet with support outside the United Kingdom. United States spokesmen refused to endorse any concept which involved the maintenance of the Commonwealth preferential system. In October 1949 Mr Paul G Hoffman, Administrator of the European Recovery Program, ³ told the Council of the OEEC that what the United States Government understood by European economic integration was nothing less than the creation of a single large market among the European

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¹. See page 11.
states similar to that existing in the United States.\(^1\) This time only a negative response came from London: on 17 November Bevin asserted in the House of Commons that the British Government were not prepared to yield any degree of economic sovereignty: "We are willing to consult, get advice, hear views and get opinions but beyond that we cannot go."\(^2\) The extent to which this viewpoint diverged from that formerly supported by the Labour Government and still maintained by European Socialists was alluded to by Mr Ivor Thomas\(^3\):

"I was in Italy not so long ago, when a leading Socialist said to me, 'What has come over your Prime Minister? He used to say that Europe must federate or perish. Now he says that Britain must export or die.' The old international note which used to animate the Party opposite has, I am afraid, very largely disappeared ... I was bound to contrast Bevin's references to European Union today with the noble speech ... he made on 22 January 1948. He seems to me rather like a young buck who has made advances to a young lady and is now embarrassed by the warmth with which she reciprocates them."\(^4\)

The concern of the Labour Government to retain full economic sovereignty in their own hands was made more acute by the imminence of the General Elections and by the political dissension over the Iron and Steel Nationalisation Bill enacted on 24 November. Increased United

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1. R.G.W. Hawtrey.


3. Resigned from the Labour Party in 1948 because of his opposition to the Iron and Steel Nationalisation Bill.

States pressure to free restraints upon European trade and payments met
with renewed opposition from British representatives in the Council of
the OEEC. 1 The creation of the European Payments Union for the multilat-
eral settlement of accounts provoked the most serious crisis in the history
of the OEEC. Sir Stafford Cripps insisted that the proposed agency should
have no power to intervene in the economic policy of member Governments.
Existing bilateral arrangements should remain in force. The agency should
have no decision-making powers beyond the day-to-day settlement of inter-
national payments. 2 A further demand that the United Kingdom should enjoy
an associate membership affording privileged status as a persistent debtor
drew threats of withdrawal from the Belgian representatives. 3 On 17th
December The Economist commented:

"The present attitude of the British financial authorities at the
prospect of monetary relations with countries such as France,
Belgium and Italy is that of the cordon sanitaire. It may be
compared with the precautions taken by other British authorities,
against foot-and-mouth disease, the Colorado beetle and rabies. 4"

However, this policy of detachment continued to receive embarrassing
support from the Conservative Opposition; on 10 December Mr Churchill
referred to the fact that Bevin had never thanked the Conservatives for
three and a half years of unfailing assistance and claimed that Bevin had

2. Bonnefous, op.cit., p.94.
pursued, as far as he could, "the major themes for which we all laboured and fought together during the war." ¹

Little change in Government policy was likely in any case after the elections of 23 February 1950. The Labour Party was returned to office with a bare majority of five in the House of Commons. It was evident that another election could not be long deferred. At the same time increasing pressure came from across the Channel for another step towards European unification. The French Government of M. Queuille was faced with a problem of the utmost urgency. Between 1948 and 1949 German industrial production had increased by 50%. In the same period French production had increased by only 9%. ² From July 1949 German steel production had been greater than French. ³ Moreover, German steel prices were lower than French. Low export prices were making French coal production unprofitable.⁴ No system of international control acceptable to the Americans seemed likely to guarantee that German basic industry would not eventually surpass that of France.⁵ The situation was made the more acute by the fact that on 31 January the Benelux-Francita talks broke down over the refusal of the Benelux Governments to enter a union which would exclude Germany, at

⁴. Ibid.
once their most important export market and their chief source of imports. Meanwhile Chancellor Adenauer began to make overtures for association with France. On 19 January he suggested to Mr John J. McCloy, the American High Commissioner in Germany, that the principle of international control agreed upon to supervise production in the Ruhr to be extended to include that of the Saar. On 9 March he told a representative of the United States Press that what he hoped for was the complete union of France and Germany. On 22 March the French Government commented curtly that it could not take seriously a proposal not conveyed through official channels. The following day Chancellor Adenauer said that the economies of France and Germany should be unified as a preliminary to the complete fusion of the two countries. M. Schuman replied that such meretricious suggestions had to be despised as jokes in bad taste. But on 2 April Chancellor Adenauer renewed his efforts with a proposal for a union of France, Germany and the United Kingdom with a common Parliament. ¹

It is now of course clear that M. Schuman had already devised with MM. Monnet and Clappier the project soon to be known as the Schuman Plan. Conditions in the European steel industries had for some time been demanding the attention of a Government largely supported by Socialist votes. At the current rate of expansion it appeared that there might be a surplus of 8 million tons of steel in Europe by 1953. ² The situation

was beginning ominously to resemble that which fostered the origin of the International Steel Cartel in 1926. M. Andre Philip warned the Assemblee Nationale:

"A great number of siderurgists of different nationalities have taken the habit of meeting and drinking tea together. When I see managers of the same industry drinking tea together too often, I confess that I start to get worried ..."^2

M. Schuman's curt dismissal of Chancellor Adenauer's proposals may be attributed to the fear that they might disrupt the presentation of his own project.

The Government of M. Queuille could expect general support for any project that would bind Western Germany inextricably to the West. The Plan conceived by M. Schuman's advisers would undoubtedly have that effect. It would also forestall a revival of the International Steel Cartel, permit the Francita-Benelux talks to be resumed, and provide French industry with a respite in which to rationalise its production under the stimulus of increased but controlled German competition. It was unlikely that Chancellor Adenauer would reject a programme which he might in some measure claim to have originated. The attitude of the United States Government could not be in doubt. What was seriously in doubt was the attitude of the British Labour Government.

1.
Section Francaise de l'Internationale Ouvriere.

2.
Assemblee Nationale, Debates, p.5940, 26 July 1950.
Hitherto the British had clearly shown themselves opposed to any form of Continental association which could encroach upon their own economic sovereignty. Their reasons for acting in this way have not always seemed satisfactory to the Europeans. Claims that absolute discretion in economic affairs was required to defend the Commonwealth relationship or to protect the social welfare system from outside economic pressure could have been made with some justice by other Continental Governments. France had external commitments in some ways more demanding than those involved in the Commonwealth relationship: half the French military budget was already being spent on colonial wars and the system of preferential trade within the French Community had become considerably more complex than that evolved under the terms of the Ottawa Agreement. France had also developed a welfare state system in some measure more extensive than that of the United Kingdom. Nationalisation in both France and Italy had antedated and proliferated more widely than in the United Kingdom. Postwar Italian Governments had inherited an economy already substantially state-controlled and the nationalisation measures introduced by the British Labour Government between March 1946 and February 1951 were limited in scope and tardy in application compared with those undertaken by the Governments of General de Gaulle and M. Gouin between December 1945 and May 1946.

1. From the nationalisation of the Bank of England to the nationalisation of iron and steel.
2. Rassemblement du Peuple Francais.
3. Socialiste.
British financial commitments in the Sterling Area were undoubtedly far graver than any external obligations of any European Government. However, this was a commitment which the United States has frequently advised the British Government to abandon. In any case Continental Governments had not regarded their foreign or domestic commitments as obstacles to their close partnership with one another. British hostility argued an opposition in principle to union with other states. Their opposition to M. Schuman's proposal for a European Parliamentary Assembly was particularly difficult to understand except in these terms.

It was of course clear that the British claim to a special relationship with the United States as a fellow-world power demanded that the United Kingdom could not become merely another European power. There was thus a strong political motive for the British to remain aloof from Continental affairs. A further reason for this policy was the enormous economic strength of the United Kingdom relative to that of other European states. In 1949 the United Kingdom produced 33% of the steel, 51% of the coal and 56% of the ships produced in the whole OEEC.\(^1\) Consumption of energy in the United Kingdom was 35% of the OEEC total.\(^2\) British external reserves at the close of 1949 amounted to $1,688 million against a total

of $2,439 million for the Benelux-Francita powers combined and a mere $149 million for Germany. The United Kingdom could thus afford to stand alone and to accept global responsibilities in a manner totally impracticable for any other European state. The question facing the Government of M. Queuille was whether the United Kingdom would make use of this tremendous economic strength to enter boldly into projects for closer union, to remain aloof as it had during the last eighteen months, or to act to frustrate the development of an organisation of powers which might emerge as a rival claimant to special status with the United States. On 9 May 1950 M. Robert Schuman presented the test case.

1. Ibid.
II. THE SCHUMAN PLAN

1. The British Reaction: the first shock

There can have been few political acts more deserving the name of initiative than the demarche which M. Robert Schuman announced to his cabinet at 10 a.m. on 9 May 1950. Details were released at 6 p.m. that afternoon to 150 foreign journalists in the Salon de l'Horloge in the Quai d'Orsay. The scene was described eight years later in Le Figaro:

"He entered, his head bent forward, walking with catlike steps ... Having adjusted his glasses he began to read in that harsh voice which, with him, compelled attention: 'It is no longer a question of vain words, but of determined action, of constructive action. France has acted and the consequences of its action could be immense. We hope that they will be.""

Ten years later Le Monde could say with conviction:

"The 9 May 1950 saw a phenomenon very rare in history, an absolutely new initiative ... The proposals conceived by M. Jean Monnet and made public by M. Robert Schuman were much more than the act of origin of the European Coal and Steel Community. They were the point of departure of a new conception of cooperation among peoples which will henceforth, whether one accepts it or not, leave its mark on all the developments of international politics.""

3. It seems now that the Plan was first conceived by M. Clappier, M. Schuman's chief adviser at the Quai d'Orsay.
M. Schuman's proposal involved essentially placing the combined Franco-German coal and steel production under a common High Authority independent of the participating Governments. This organisation should be open to the participation of any other countries in Europe prepared to accept its fundamental principles. The movement of coal and steel among the participating countries should be freed immediately from all customs restrictions and from the effects of differing transport charges. The Plan thus contemplated virtually a European Customs Union in coal and steel. Its essential difference from earlier concepts of customs union lay in the creation of an independent High Authority possessed of a limited economic sovereignty distinct from that of the participating Governments. This factor was probably demanded by the nature of the ends which the Plan was directed to achieve: Herbert Luthy considered that it was concerned with "the political solution of a problem insoluble in a national framework - the 'denationalisation' of the Ruhr industry - under the cloak of an autonomous economic authority which took the entire heavy industry complex out of the control of the national economies ...". It seemed probable in any case that the inevitably complex problems of establishing even a limited customs union between modern states could be dealt with only by an agency possessing some degree of autonomy. This could be supported in a negative sense by the example of the Benelux Union:

1. Herbert Luthy, When Zeus Took a Fancy To Europe, Der Monat, October 1960.
2. See p.2.
the considerable difficulties which this association was enduring could be ascribed in part to the fact that all decisions required the agreement of the Governments of the two major partners.

The absolute priority which the Government of M. Queuille gave to securing British support is indicated by the fact that it was to London and not to Bonn that M. Schuman flew on 10 May 1950. He had already sent a Note on the afternoon of 9 May to the British Government stating that:

"... in the conception of my Government this is a Plan of European scope. If in the presentation of it to the press particular stress is laid on the Franco-German aspect of the scheme this is in order to give to the grand idea which is the inspiration of the scheme as striking a form as possible, particularly with regard to German opinion".1

In this way he hoped to allay any British fears that the French Government might already have made up their minds to press on with Germany alone. However, the position of M. Queuille's Government in the Assemblee Nationale was sufficiently precarious to have rendered such a possibility extremely unlikely in any event.

At the airport M. Schuman told reporters: "Don't expect results too quickly: you know our British friends always give a lot of thought to what they will say."2 He had unfortunately made his demarche at a peculiarly inconvenient time for the British Government. Mr Attlee and Sir Stafford Cripps were on vacation, Bevin was preparing for an operation

1. Cmd, 7970, p.3
and was spending each weekend in hospital, and foreign policy was in the totally inexperienced hands of Mr Herbert Morrison. These factors, added to the precarious position of the Labour Government in the House of Commons, and the physical exhaustion of their official advisers after years of negotiations with the Americans and the Europeans, made it unlikely that the British would be in a receptive mood to consider new departures in foreign policy. Discussions between the British, French and United States Foreign Secretaries continued in London between 11 and 14 May. On 11 May Mr Attlee said in the House of Commons that the French proposals had far-reaching implications for the future economic structure of participating countries. They would require very careful study by the British Government and the other Governments concerned. The British Government would approach the problem in a sympathetic spirit and welcomed the French initiative to end the age-long feud with Germany.

The Times remarked appropriately that the temperature of French reactions to Mr Attlee's statement was about as high as that of the statement itself. French officials expressed the view that the Plan might be doomed to failure unless British adhesion could be secured. However, it was evident that it would be some days before British opinion could crystallise. The proposals were inevitably denounced immediately


2. The Times, 13 May 1950.
by the Daily Worker as an American-inspired project for hotting-up the
cold war and by the Daily Express as a deliberate attempt to force the
United Kingdom into a European Union.1 The Manchester Guardian urged that
the economic case for British participation should be examined fully and
frankly.2 The Daily Mail and the News Chronicle warned of the dangers if
the United Kingdom were to stand aloof3 and stated that it was vital to
British interests as well as to the peace of the world that the United
Kingdom should be represented on the directing body of the coal-steel pool
proposed by M. Schuman.4 On the other hand The Times followed the example
of Mr Attlee by referring primarily to the salutary effects the Schuman
Plan might be expected to have for Franco-German relations.5 In view of
M. Schuman's obvious pre-occupation with the problem of British participa-
tion this reticence on the part of The Times suggested rather less than
the normal Conservative enthusiasm for projects for Customs Union.
Conservative backbenchers were in fact warned against supporting too
strongly a statement by the Liberals on 11 May warmly welcoming the


33
proposals. On the other hand, unexpected support came from the New Statesman and Nation which on 13 May warned that:

"... a Franco-German entente based on a revival of the old iron and steel cartel would lead straight to a German-dominated and reactionary Western Union. It would isolate Britain economically and soon ruin our export market. On the other hand a European administration of steel and coal, in which Britain participated, might become the nucleus of an independent Western Union - provided that we were successful in obtaining the proper Socialist safeguards."

However, hints of a possible split in Labour Party thinking were conveyed by a statement the following day in Reynolds' News that the cause of Western Union would not be advanced by a capitalistic union of French and German steelmakers.

The only official indication of British views obtained by M. Schuman during the Foreign Ministers' Conference was a remark by Bevin that he was interested in the project and had always been a partisan of international economic collaboration. However, he then spoke of unemployment in Glasgow as a factor that would require consideration by the British Government before any decision could be taken. This was scarcely sufficient for the Government of M. Queuille which was already under heavy pressure from French Socialists to secure some assurance of British support for the Plan. On 14 May M. Monnet joined M. Schuman in London.

In consultations with Sir Edwin Plowden and Sir Stafford Cripps he explained that the French Government believed that Governments participating in negotiations on the Plan should accept as principles the pooling of resources and the establishment of an independent High Authority before considering the means for their practical application.

M. Schuman had to return to Paris without any definite commitment from the British Government: Bevin told him that he needed more time to study the proposals in detail. However, on 16 May the British Labour Party Executive announced its intention of calling a conference of Western European Socialist Parties in London to discuss Socialist policy on the pooling of Western European coal and steel industries. Meanwhile a clear-cut Conservative policy seemed to have emerged. This did not involve any support for the basic principles of the Schuman proposals but rather advocated British participation as a means to ensure the development of the Plan along lines convenient to British interests. On 17 May Mr David Eccles told the Eton College Political Society that the question was whether the United Kingdom should stay outside the coal-steel pool or

1. Chief Planning Officer at The Treasury.
2. Cmd. 7970, p. 6
3. Ibid.
5. Conservative, Chippenham.
go in and direct it in the interests of the Commonwealth and the Atlantic Community.⁠¹ On the same night Mr Harold Macmillan⁠² told the Essex and Middlesex Area Conservative Women's Advisory Committee that he hoped that the rather tepid reception so far given to M. Schuman's proposals did not mean that the British Government intended to stay out of the Plan.⁠³ On 20 May The Economist and the New Statesman and Nation joined in making similar appeals. The Economist argued that: "For economic reasons as well as political Britain should participate in the scheme ... On this occasion, at least, no ground should be given for any accusation of 'dragging the feet'."⁠⁴ The New Statesman printed an article by Mr Maurice Edelman⁵ which favoured British participation in a coal-steel pool in which the international High Authority would be replaced by a European Coal and Steel Council staffed by representatives of industry, trade unions, Governments and consumers and would be responsible to the Council of Europe.⁶ This unusual unanimity by The Economist and the New Statesman was favourably noted in France.⁷

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2. Conservative, Bromley.
3. Daily Telegraph, supra.
5. Labour, North Coventry.
On 25 May the first official exchange of views began between the British and French Governments. Bevin wrote to M. Schuman proposing the early institution of direct talks between France and Germany. He said that the British Government would wish to participate in these talks from the outset in the hope of being able eventually to join in the scheme.¹

The peremptory tone of M. Schuman's response and the rapidity with which it was delivered indicated the surprise and disappointment of the French Government over Bevin's failure to give definite support to the basic principles of the Plan after his long conversations with M. Monnet. On the same afternoon M. Schuman replied:

"On 9th May the French Government sent to the British Government the text of a declaration which subsequently was published by the Ministry for Foreign Affairs ... The French document ... indicates the details of the basis on which the French Government are ready to open negotiations for a treaty to be signed by participating countries and submitted for the ratification of their Parliaments. From the outset the French Government have been anxious that the British Government should associate itself with the French initiative. To this end, in the course of conversations which took place in London on 11th May and on the following days, the Minister for Foreign Affairs and M. Jean Monnet sought to give additional explanations to certain members of the British Government and to certain high officials. They pointed out that if it were desired to reach concrete results it was necessary that the Governments should be in agreement from the beginning on the principles and the essential undertakings defined in the French Government's document, but that the numerous problems which would arise from putting the project into effect would require discussions

¹ Cmd. 7970, pp. 6-7.
"and studies which would have to be pursued in common with the objects of achieving the signature of the proposed treaty.

"Since then, the Chancellor of the German Federal Government has informed the French Government that he agrees to engage in negotiations on the basis indicated, and that in consequence he accepts the terms of the attached communique. The text has been transmitted to the Belgian, Netherlands, Luxembourg and Italian Governments ..."

"The French Government express the hope that the British Government will be able to participate on the same conditions in these negotiations from the outset."

The draft communique read:

"The Governments of... are resolved to carry out a common action aiming for peace, European solidarity and economic and social progress by pooling their coal and steel production and by the institution of a new higher authority whose decisions will bind... and the countries which may adhere to it in the future.

"Negotiations on the basis of the principles and essential undertakings contained in the French proposals of 9 May last will open on a date which will be proposed almost at once by the French Government, with a view to working out the terms of a treaty which will be submitted for ratification to the respective Parliaments."

M. Schuman's reply made it evident that neither the French nor the German Governments recognised the need for the conversations proposed by Bevin. It also revealed the urgency acutely felt by a weak French Government which had undertaken one of the most remarkable initiatives of recent history. However, the British reply of 27 May said tersely that:

"The French Government... will understand... that it would not be possible for His Majesty's Government to subscribe to the communique, which it is intended to issue, or to accept in advance the essential principles and commitments contained in the French..."

1. Cmd. 7970 p. 8
"But His Majesty's Government wish to reiterate their desire to participate in any discussions which take place in the manner suggested in my message, and generally to adopt a positive attitude towards the French proposals. It should, however, be realised that if the French Government intended to insist upon a commitment to pool resources and set up an authority with certain sovereign powers as a prior condition to joining in the talks, His Majesty's Government would reluctantly be unable to accept such a condition. His Majesty's Government would greatly regret such an outcome."

M. Schuman and his associates appear to have been genuinely bewildered by the British reply. On 28 May the French Ambassador in London asked the British Minister of State if he was correct in thinking that while the British were not prepared to commit themselves right away to the principle of pooling resources under a supranational authority, they were not adopting an attitude of hostility on principle but were prepared to enter into discussions with the object of finding a practical method of applying the principle. The British Minister said that this roughly expressed the distinction. The French Ambassador said that he felt sure that this must be the case and added that he did not see how these reservations could in any way limit effective British participation in the negotiations.

The Note of the French Government on 30 May was couched in language notably more conciliatory than that of the sharp reminder of 25 May. Its authors were at particular pains to remove any ambiguities which might have led to the apparent misinterpretation of the French proposal shown in the British Note of 27 May. The Note said:
"The French Government have studied with the greatest care the British memorandum of 27 May ... The special position in these negotiations which the British Government wishes to preserve is justified in their memorandum by the intention, said to be held by the French Government, of asking, as a prior condition, for full participation in the discussions, for an undertaking to pool coal and steel resources and to set up an authority with certain sovereign powers.

"As their representatives have informed the British representatives orally, the French Government wish particularly to confirm once more that these are not their intentions. As has already been made clear in the French memorandum of 9 May, there will be no commitment except by the signature of a treaty between the States concerned and its parliamentary ratification.

"In fact the aim which the French Government propose is quite different. Knowing the practical difficulties which the discussions will have to surmount, it seems essential that they should constantly be guided by common principles. Only if the negotiations are clearly directed by agreement between participating Governments on the fundamental objectives to be reached, will it be possible to work out quickly the ways and means and the supplementary arrangements necessary for giving effect to M. Schuman's plan of 9 May. That is the meaning which should be given to the French word engagement (undertaking) in the second paragraph of the draft communiqué.

"The French Government particularly wish to recall once more the central inspiration of their proposals: it aims at substituting, on a limited but decisive point, a community of interest for the present division. It provides for the establishment of a high authority of a new character. It gives that authority the task of providing for a general rise in the standard of living.

"The British Government are of course legitimately preoccupied with following a policy of economic expansion, of full employment, and a rising standard of living for the workers. The proposed scheme, far from obstructing such a policy, is calculated in the view of the French Government to avoid the dangers which may suddenly obstruct its course. For competition based on exploiting labour will be substituted a concerted rise in workers' conditions;
"for the restrictive practices of cartels the development of outlets; for dumping and discrimination the rational distribution of products. The policy of full employment only reaches its true objectives if it provides labour with the most productive occupations - and it cannot finally be carried out under the pressure of the development of unemployment in other countries. The task entrusted to the high authority thus excludes the possibility of its work compromising the results achieved by this policy where it is already being carried out, and means that it will favour a general expansion, allowing rationalised production to be reconciled with the maintenance of full employment.

"To carry out its task the authority will act - within the limits of its mandate and subject to a possible appeal by Governments - by virtue of a statute which will have been considered by sovereign states and ratified by Parliaments. One of the objects of the negotiations will be to lay down precisely by treaty the conditions under which the authority will act, the nature of its powers, and the machinery for appeal. But in order that its work may serve to develop a European Community, it is essential that such an authority should be independent both of Governments and of individual interests. This partial fusion of sovereignty is the contribution which the French proposal makes to the solution of European problems. Public opinion has recognised its importance and its novelty.

"The French Government consider that the above explanations will clear up any misunderstanding about the scope of the proposed basis for negotiation. They do not think that there can be any difference of view between them and the British Government on the objectives put forward. They hope now that the British Government will consider it possible to take part in the projected negotiations on the same basis as the other Governments."

To the continued bewilderment of the French Government the British Government insisted again that the French proposals contained a commitment not conveyed by their words. On 31 May the Foreign Office replied:

"... it remains the view of His Majesty's Government that to subscribe to the terms of the draft communique enclosed in the French
"Government's memorandum ... would involve entering into an advance commitment to pool coal and steel resources and to set up an authority, with certain supreme powers, before there had been full opportunity of considering how these important and far-reaching proposals would work in practice. His Majesty's Government are most anxious that these proposals should be discussed and pursued but they feel unable to associate themselves with a communique which appears to take decisions prior to, rather than as a result of, intergovernmental discussions. In these circumstances, they would like to take advantage of a suggestion made by M. Schuman to Sir Oliver Harvey when handing over the French Memorandum of 30 May ... to the effect that a further sentence should be added to the draft communique defining the attitude of His Majesty's Government to participation in these discussions. With this purpose in view, a draft paragraph is enclosed, which defines the position of His Majesty's Government and which it is hoped may prove acceptable to the French and other Governments concerned ..."

The proposed paragraph read:

"The Government of the United Kingdom will participate in the proposed conversation in a constructive spirit and in the hope that as a result of the discussions, there will emerge a scheme which they will be able to join. But they cannot at this stage enter into any more precise commitment. They recognise the important and far-reaching character of the French proposals, and are in complete accord with the objective of pursuing a common policy aiming at peace, European solidarity and economic and social progress."

The essential difference between the two Governments appeared to be that the French claimed that their draft communique committed the participating Governments to attempting to negotiate an acceptable means of pooling their coal and steel resources under a high authority. The British Government on the other hand claimed that entering such negotiations itself involved a commitment to pool resources. On 1 June the French Government attempted to meet this objection by amending the draft communique. Their Note read:
"...the text, which several Governments have already accepted, has through certain expressions used given rise to misunderstandings which have led to an exchange of Notes between the French and British Governments ... In order to clear away this obstacle, and because it seems extremely desirable that all Governments should announce in the same terms their participation in the negotiations, the French Government proposes the following new text:

"The Governments of ... in their determination to pursue a common action for peace, European solidarity and economic and social progress have assigned to themselves as their immediate objective the pooling of coal and steel production and the institution of a new high authority whose decisions will bind ...

"... This communiqué in the opinion of the French Government expresses the unity of view which is indispensable for the successful prosecution of the negotiations. If, contrary to the hope of the French Government, the British Government were unable to subscribe to it, the French Government would open negotiations on the stated conditions with the other countries which had accepted them as basis. In that event, they would keep the British Government informed of the progress of the negotiations in their desire to enable the latter to join in whenever they felt able to do so."

The essential difference between the two drafts lay in the substitution of "assigned to themselves as their immediate objective" for "resolved to carry out a common action". The substitution was significant in so far as it admitted the possibility that the objective might be unattainable. However, the British Government continued to find in the French proposal a commitment denied by its authors. The British Note in reply of 2 June said:

"If His Majesty's Government accepted the revised wording they would feel committed in principle to pool their coal and steel resources and to set up a new high authority ... possibilities which they do not exclude but could not accept without full knowledge of their political and economic implications. They would also feel committed to the aim of preparing a treaty establishing a high authority and embodying the principles of the French proposal, without opportunity being given for their
practical application to be worked out."

The Note expressed a hope that the French Government would understand that the British Government were acting in good faith in this matter.

"They are anxious to do their best to see whether a workable scheme could be produced that is fair and just to all concerned and which would promote peace, European solidarity and economic and social progress. His Majesty's Government feel that this could have been achieved by a meeting of the Ministers of the countries interested at which the question of the most effective and expeditious method of discussing the problems at issue could be examined and settled."

The Government of M. Queuille of course considered that meetings of Ministers had hitherto been unsuccessful in achieving positive action and that the problems with which they were faced were too urgent to be solved by mere discussions. In reply their Note said:

"... the attitude of the two Governments has been defined without ambiguity in the course of the present exchange of Notes and they do not see how the proposed meeting could bring any further clarification. Such a meeting would moreover have the effect of delaying the opening of the negotiations without offering any real possibility of reconciling divergent points.

"The French Government are happy to note that the British Government accept the French proposal to keep them informed of the progress of negotiations. The French Government will lose no opportunity of engaging in exchanges of view with the British Government which will permit them during the course of the discussions to take carefully into account the point of view of the British Government in order to enable the latter to participate in, or associate themselves with, the common task as soon as they feel able to do so. The French Government earnestly hope that the procedure for these consultations can be worked out by common agreement."1

The British Government replied:

"His Majesty's Government have been most anxious to be associated with these discussions and have made their position in this respect clear to the French Government from the outset. It is their view that these discussions should serve to clarify the practical application of the French proposal, which must necessarily be worked out on an international basis ... The French Government, for their part, have taken the view that the first step in the execution of their plan must be an international conference of countries prepared to accept a commitment in principle to pool their coal and steel resources and to set up a new high authority whose decisions would bind the Governments concerned ... His Majesty's Government do not feel able to accept in advance, nor do they wish to reject in advance, the principles underlying the French proposal. They consider that a detailed discussion, which would throw light on the nature of the scheme, and its full political and economic consequences, is a normal and, indeed, essential preliminary to the conclusion of a treaty."

The British Note concluded that:

"They feel that there is a substantial difference of approach between the two Governments as to the basis on which the negotiations should be opened. An unhappy situation would arise if, having bound themselves to certain principles, without knowing how they would work out in practice, they were to find themselves, as a result of the discussion, compelled to withdraw from their undertakings. They have accordingly, to their regret, found it impossible, in view of their responsibility to Parliament and people, to associate themselves with the negotiations on the terms proposed by the French Government ... They themselves are actively engaged in working on proposals inspired by the French initiative of 9 May, in order that they may be ready to make such a contribution."

The conclusion of this extraordinary exchange of Notes naturally provoked comment from observers regarding the singularly uncompromising attitude of the British Government. L'Aube claimed:
"The distrust of what is not English ... This is what explains their attitude ... All the papers of the Left recognised that its implications were excellent ... and that it could well have the happiest consequences for the peace and unification of Europe. But it is not an English plan. It is a French initiative, a brilliant French idea!"1

The New Statesman and Nation illustrated the confusion into which the outcome of the exchange of Notes had thrown the British Left by asking:

"Is Mr Attlee prepared to see the idea of European Union monopolised by an unholy alliance of the Vatican and the heavy industrialists of the Comite des Forges? ... These are questions which French and German Socialists can reasonably ask ..."2

The obscurity of the British position was made more ominous by their failure to respond in any manner to the proposal made by the Dutch Government on 8 June and accepted by the French Government that the Netherlands would participate in the negotiations on the understanding that "they wish to reserve the right to withdraw their acceptance of the aforementioned basic principles should the future prove that the practical application of the principles meets with serious objections."3 The News Chronicle suggested that it would not have been beyond the wit of man to devise a British formula similar to the Netherlands one.4 However, on

1. Bernard Chauchat, L'Aube, 7 June 1950. The underlined phrase is in English in the original.
12 June a development occurred which by accident far more than intent deepened immeasurably the hostility developing between the British Labour Government and the Europeans.

2. **European Unity**

At a press conference on 12 June Dr Dalton, the Chancellor of the Duchy of Lancaster, released to the public the Foreign Policy Statement of the National Executive of the British Labour Party. This Manifesto was entitled *European Unity*. In its opening pages it attempted to justify the policy of detachment and independence pursued by the British Labour Government over the preceding two years:

"No Government, whatever its political opinions, could save Britain from bankruptcy without retaining the general framework of control which has been used during the last five years by the Labour Government ... the Labour Party cannot see European unity as an end in itself. Britain is not just a small crowded island off the Western coast of Continental Europe. She is the nerve-centre of a world-wide Commonwealth which extends into every continent ... Britain's economic predicament demands that her cooperation with Europe should not prevent the Government from continuing to exercise extensive control over the economy ... Some people believe that the required unity of action cannot be obtained by cooperation between sovereign states; it must be imposed by a supra-national body with executive powers. They consider that the European countries should form a union in both the political and economic spheres by surrendering whole fields of Government to a supra-national authority. The Labour Party considers that it is neither possible nor desirable under existing circumstances to form a complete union, political or economic, in this way. Instead, national policies must be progressively harmonised or co-ordinated by consent through co-operation between Governments ... The European peoples do not
want a supra-national authority to impose agreements. They need an international machinery to carry out agreements which are reached without compulsion."

The Manifesto also reject the concept of trade liberalisation as a means of raising living standards in Europe.

"There has been much enthusiasm for an economic Union based on dismantling all internal barriers to trade. Most supporters of this policy believe that the free play of economic forces within the Continental market so created would produce a better distribution of manpower and resources. The Labour Party fundamentally rejects this theory ... the complete economic union of Western Europe must therefore be excluded, since it would demand an unattainable degree of uniformity in the internal policies of the member states ... If a complete economic Union is impossible, a complete political Union is thereby also excluded ... If a complete Union is excluded, is it possible or desirable to create some representative body in Western Europe, with limited functions but real powers over the national legislatures? Certainly no parliamentary assembly could assume supra-national powers unless it was in some way representative of the European peoples. Any such representative body in Western Europe would be anti-socialist or non-socialist in character ... At present those European countries are most immune from Communist penetration which follow the policies of democratic Socialism. It would be criminal folly to wreck their achievements in the search for a unity whose main purpose was to restore Western Europe to economic and political health. No Socialist Government in Europe would submit to the authority of a body whose policies were decided by an anti-Socialist majority ... No Socialist Party with the prospect of forming a Government could accept a system by which important fields of national policy were surrendered to a supra-national European representative authority ..."

These views were of course contrary to those which the Labour Party Conference had endorsed at Bournemouth in 1948. They were also in large measure falsified by the response of European Socialists to
M. Schuman's proposals on 9 May. Some hastily appended pages gave recognition of the extent to which the Schuman proposals had altered the European situation:

"The basic industries of iron and steel hold the key to full employment and stability in every country ... Until M. Schuman's historic proposal to pool the steel and coal resources of France, Germany and the Saar under a single authority appointed by Governments, the unwillingness of many Governments to control their own basic industries obviously made European planning of coal and steel impossible. The opportunity now exists to fill the greatest gap in European co-operation."

These last sentences were difficult to reconcile with much of the other material in European Unity. In any case they could not offset the effect of the unfortunate timing of the publication of the Manifesto so soon after the conclusion of the exchange of Notes between the British and French Governments. French nerves had already been severely tried by the exchange. For a full week after its publication the Manifesto was execrated in the French press from both the Left and the Right. Even in French official circles it was received with incredulity and consternation. M. Schuman himself said that he could not believe that so intransigent an attitude had been correctly reported: he assured French reporters that neither the Labour Government nor the Labour Members of Parliament would take so negative an attitude. In L'Aube the Manifesto

1. United Kingdom Labour Party Executive, European Unity, passim.
2. The Times, 14 June 1950.
3. The Scotsman, 13 June 1950.
was attacked on the grounds that it was "crammed with arguments that offend against reason. 'No Socialist Government in Europe,' it says... 'could submit itself to the decisions of an international body whose policy might be decided by an anti-socialist majority.' This sentence marks the high-water mark of illogicality, for if it contained a grain of reason, Britain would immediately withdraw from the United Nations...

The Manifesto takes its hat off to the OEEC... They do not count the number of spanners the United Kingdom has thrown into its works!...

when the suspicions about the aims of the Schuman Plan have disappeared, we will come back, nothing is surer, to the question of sovereignty, et la ronde continuera.¹ The Daily Worker discerned in the Manifesto a call to "Workers, colonial slaves, capitalists, landlords, kings, presidents, maharajahs and sultans to unite against Communism."²

L'Humanité commented:

"An American senator remarked ironically that Washington could 'let English Socialism develop on its own - without dollars!' Let our senator be reassured! Our 'British' Socialists are quite decided not to run that risk. The defence of 'national socialism' is strictly limited to the defence of the positions of Great Britain in Europe. In the setup of the Atlantic coalition, they accept second place, but they want first place among the satellites."³

². Daily Worker, 14 June 1950.
M. Maurice Schuman also claimed that:

"... the central idea of British policy since the end of the war is to figure, in the Atlantic Community, as a permanent intercessor, as an essential intermediary between America and Europe, at the same time to be the advocate of Europe with America and the courtier of America with Europe. But what will happen to this dream, when both America and Europe reject it?"1

M. Guy Mollet, president of the Section Francaise de l'International Ouvriere, formally expressed his disagreement with his British colleagues and affirmed his determination to continue with the building of Europe.2

On 14 June the S.F.I.O. officially deplored that the statement of the British Labour Party denoted "profound modifications of attitude relating to the conception of Europe, modifications with which it could not associate itself."3 Angry European Socialists began to arrive at Transport House to take up the matter directly with Dr Dalton. On 15 June M. Leon Jouhaux, leader of the French Trade Union Federation Force Ouvriere, described the statements of the British Labour leaders as the most unfortunate thing that could have happened at the time. Le Figaro asked if the British thought that God was a member of the Labour Party, suggested that European Unity should be re-named Feet On The Table, and asked if the British were pursuing National Socialism as an official policy.4 At the International Labour Conference in Geneva M. Jouhaux

2. Le Populaire, 13 June 1950.
said that *Force Ouvriere* would support the Schuman proposals unreservedly. 1 *L'Aurore*, another Left-Wing newspaper, recalled the comment of Aristide Briand on 9 September 1929 when his proposals for a United States of Europe were under discussion at the League of Nations: "*Bon Dieu! que ce sera dur; les anglais torpillent tout.*" 2 At Transport House Dr Dalton and Mr Morgan Phillips were interviewed by delegates of the European Socialist Parties who required them on 18 June to sign a document welcoming the Schuman proposals as "a bold example of European initiative" and declaring them to be, if properly developed, "a tremendous step towards European unity and thus worthy of the enthusiastic support of European socialists." 3

This statement by Dr Dalton and Mr Phillips was of course fully consistent with the terms in which the Schuman proposals had originally been welcomed in the United Kingdom and in which they had been described in *European Unity*. It was far more difficult to reconcile with Mr Attlee's latest statement in the House of Commons. It had never been unusual for views expressed at Transport House or at Labour Party Conferences to diverge significantly from official statements by Labour leaders in the House of Commons. This was particularly probable in European affairs because of the practice of speakers on

both sides of the House to support verbally projects of European union
they intended to oppose in practice.

European appeals continued. *Combat*, at that time the organ
of the *Union Democratique et Socialiste de la Resistance*, warned the
British Labour Government that by holding aloof from the negotiations
on the Schuman proposals they would expose the French to extreme dangers.

"... let them be careful that they too in the future may not
have to pay for the damages. A Franco-German Union ... would
not delay to turn itself against them ... That is why we ask
Mr Attlee to break his silence and Dr Dalton to change from
his refusal. We await useful counter-proposals from them.
We are of those who prefer not to make Europe at all rather
than to make it in confusion and uncertainty."  

At Hanover the French High Commissioner in Germany, M. Francois Poncelet,
said that it should be possible to come to some agreement between the
coal and steel pool proposed by M. Schuman and the British coal and
steel industries.* M. Schuman himself told the representatives of the
German, Italian and Benelux Governments assembled in Paris on 20 June
for the commencement of the negotiations on his proposals:

"France has been blamed for its haste; there has been talk
of rapid and brutal tactics; but experience has shown that
the most hopeful initiatives die away when before seeing
the light of day they linger too long amidst preliminary
consultations ... We had earnestly hoped that England would

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1. Later the newspaper of the extreme Gaullists.
be present at our deliberations. We cannot conceive of Europe without it. We know - and this reassures us - that the British Government desire the success of our work ... We continue to hope that the doubts and the scruples which remained impervious to doctrinaire reasoning will finally give way before more concrete tests. The French Government will certainly be acting in conformity with the desires which animate all participating Governments in keeping the British Government informed of the progress of our discussions, and thereby affording them the possibility if not of coming to join us, which remains our fervent wish, at least of communicating to us their observations, thus paving the way for future co-operation."

3. The Great Repudiation

The inconsistency of Labour Party reactions gave the Conservatives a further opportunity to display their relative adroitness in foreign affairs. Conservative leaders also appreciated the danger that Labour mishandling might antagonise both the Europeans and the Americans. This would render it more difficult for a Conservative Government to continue the traditional postwar policy of attempting to mediate between the two groups. It was thus necessary that British opposition to European unity should not be allowed to become too obvious. On 16 June Mr Anthony Eden told a Young Conservative rally at Filey that the first task of British foreign policy was to promote peace and understanding throughout the world. To pursue that objective the United Kingdom ought to be ready to work

with any Government, whatever its political complexion, which sought the same objective.

"We have many times made it clear that in any conflict of friendship the British Commonwealth and Empire will always come first ... But while these convictions must always have first place in our minds, we should still have confidence to be able to play a full and constructive part in world affairs in Europe and elsewhere. There should be no clash of interests here, for it is to the advantage of the nations of the Commonwealth that peace should grow in Europe, while it is to Europe's advantage that the British Commonwealth and Empire should be united and strong." 1

On the following day Mr Macmillan said at Bromley:

"This has been a black week for Britain, for the Empire, for Europe and for the peace of the world. The political importance of the Schuman Plan far outweighs its economic or industrial aspects. Its purpose is the unity of France and Germany. With British participation this will secure peace ... Without British participation, Franco-German unity may be a source not of security but of danger. In the not distant future we may have to pay a terrible price for the isolationist policy which British Socialism has long practised and now openly dares to preach in the Manifesto misnamed European Unity. 2

Again at Warwick Mr Eden assured the Europeans that the coming debate on M. Schuman's courageous initiative would find the Conservative Party united and ready to offer constructive advice and leadership. 3

2. The Observer, 18 June 1950.
3. The Times, 26 June 1950.
It was notable that Mr Eden and Dr Dalton had referred to the Schuman proposals in almost the same laudatory terms. However, bipartisanship was clearly being strained by Labour hesitations. Labour opinion was in fact seriously confused and divided. On 23 June the Amalgamated Union of Foundryworkers passed a resolution viewing with alarm the Schuman proposals and calling on the Government to continue its opposition to them. However, on the following day Mr Patrick Gordon-Walker, the Secretary of State for the Colonies, said that the Government was not exactly opposed to the principles of pooling resources, "so long as we know what exactly is involved and so long as we obtain our full rights to play our part in the Commonwealth." He said that this was one reason why the Government were unwilling to commit themselves in advance to the Schuman Plan before they knew all its implications. On 25 June the Attorney-General, Sir Hartley Shawcross, said at Weymouth that the Labour Government would watch the progress of this most important matter with the utmost goodwill. However, on the same day the Minister of Health, Aneurin

1. Ibid., 24 June 1950.
2. Labour, Smethwick.
4. Labour, St Helens.
Bevan,1 said that:

"... if the Tories are prepared to entrust British steelworkers and coalminers to a group of international capitalists on the Continent ... we are not. We are prepared to engage in whatever international action is wise and prudent; but only on the basis of plans that safeguard our own production and are based, not upon constriction but fair expansion."2

The extreme difficulty in which the British Government found themselves was indicated by their performance on 23 June of what the Daily Worker termed with some accuracy an action of an abjectness scarcely paralleled in diplomatic history.3 This was the presentation by the British Ambassador in Washington, Sir Oliver Franks, to Mr Paul G. Hoffman, Administrator of the European Recovery Program, of a letter to be read to the United States Senate Foreign Affairs Committee justifying the attitude of the British Government towards the Schuman proposals. The letter enumerated past British contributions to the cause of Western Union and claimed that the British Government were working closely with other Western European Governments "to develop and accomplish the common purposes which give increased strength and unity to all." However the letter argued that: "... it is only as the focus of the Commonwealth that the strength of Britain can make its full contribution to European recovery and unity."4 The Scotsman

1. Labour, Ebbw Vale.
2. Daily Herald, supra.
commented that the co-operation referred to could scarcely be termed wholehearted with respect to the Schuman proposals. It was also not explained how the Schuman proposals could affect the Commonwealth relationship. This factor had in any case not been alluded to in the exchange of Notes between the French and British Governments.

On 26 June the Schuman proposals were at length debated in the House of Commons. The debate opened with every element of drama. 250 Opposition Members packed their benches while only 150 Government Members attended what could only prove to be an embarrassing occasion for their Party. Mr Eden began by moving the resolution that:

"This House requests His Majesty's Government, in the interests of peace and full employment, to accept the invitation to take part in the discussions on the Schuman Plan subject to the same condition as that made by the Netherlands Government, namely, that if discussions show the Plan not to be practicable, freedom of action is reserved."

He reminded the House that: "... we have undertaken direct or implied commitments without regarding them as incompatible with our position as the heart and centre of the British Empire and Commonwealth." He referred to Mr Mensies of Australia as one of those Commonwealth statesmen of every party who in their turn had supported with admirable foresight the close union of the United Kingdom with Europe and the

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United States. Mr Eden then referred to the political implications of the Schuman proposals. "As regards the federal line, the acceptance of European federation was no part of the political declaration signed by the Six Powers and was at no time a condition of the negotiation." He quoted Mr Attlee on the subject of federating or perishing and commented:

"I do not personally take that view. I think that when these closer relations develop they are more likely to take the form of a confederation than a federation and more likely to be Atlantic in area than European; but there was nothing in entry to these negotiations which compelled the Government to make up their minds on this issue."

Mr Eden's opening speech was as encouraging as anything that the Europeans could have anticipated. What followed was probably worse than anything that could have been foreseen: with an astonishing display of malice and contempt speakers on both sides of the House proceeded to pour scorn on the Schuman proposals and on the prospect of British participation. Sir Stafford Cripps said:

"In our view participation in a political federation, limited to Western Europe, is not compatible either with our Commonwealth ties, our obligations as a member of the wider Atlantic Community, or as a world power."

He added that Mr Eden's speech implied that the Opposition would agree with this view. 2  Mr Arthur Greenwood 3 made one of the less

2. Ibid., col.1948.
3. Labour, Wakefield.
fortunate prophecies of the decade when he said: "I am concerned not only with the prosperity of Europe but with the prosperity of the world, and this Plan as it stands holds out no hope for Europe, in so far as it is a European plan only. Europe by itself can never save itself." Mr Eccles demonstrated the Conservative attitude with considerable clarity when he asked: "Would the hon. Member prefer such an authority, with all the dangers and things which he dislikes, to be set up in Europe without us, rather than that we should go in and try to make the powers of the authority reasonable?" Mr R.H.S. Crossman said with remarkably inaccurate use of language:

"The amount of enthusiasm for federal union in any country is a measure of its defeatism and of its feeling of inability to measure up to its own problems ... Look at the nations with self-confidence in Europe. They are not addicts of federal union ... We cannot be a member of a federation of Europe, even of a confederation - Switzerland is a confederation - and remains the motherland of a Commonwealth of independent nation-states."

In conclusion Mr Churchill spoke in support of the Resolution: he said:

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2. Conservative, Chippenham; Minister of Works under Mr Churchill.
3. House of Commons, supra., cols.2039-41.
4. Labour, East Coventry; assistant editor of the New Statesman and Nation.
"... we should help, sponsor and aid in every possible way the movements towards European unity. We should seek steadfastly for means to become intimately associated with it ... We are asked in a challenging way: 'Are you prepared to part with any degree of national sovereignty in any circumstances for the sake of a larger synthesis?' The Conservative and Liberal Parties say, without hesitation, that we are prepared to consider, and if convinced to accept, the abrogation of national sovereignty, provided that we are satisfied with the conditions and the safeguards." 

However, Mr Churchill added: "... a hard-and-fast federal constitution for Europe is not within the scope of practical affairs ..." In words similar to those of Mr Attlee's he said: "... it would not be possible to agree to a supranational authority which has the power to tell Great Britain not to cut any more coal or make any more steel, but to grow tomatoes instead." In conclusion he rated the French for making pedantic stipulations before sitting in Council with their wartime comrades.1

It was not surprising that the debate produced a most unfavourable effect upon the Continent.2 Two disturbing features were apparent. The first was the Schuman proposals were debated in terms which bore little relevance to their true nature. They were discussed as a form of political federation or as a scheme to place national industries under the control of an omnipotent international bureaucracy. It was obvious by 26 June that the proposals were at

1. Ibid., cols. 2157-59.
most a preliminary step towards a federation and that the High Authority would necessarily be subject to close Ministerial and juridical review. In the same way the exchange of Notes had seemed to be concerned on the British side with almost metaphysical concepts of commitments not conveyed by the words of the French communiqué and denied by its authors. It would be reasonable to argue that the proposals which had been discussed and rejected by the British Government in the exchange of notes and the subsequent debate were in fact not the Schuman proposals at all: they were obviously unacceptable concepts with which the British Government had identified the Schuman proposals in order to avoid having to reject the French initiative on its own terms.

The second disturbing feature was again the fact of British bipartisanship. Neither the Government nor the Opposition were prepared to accept the Schuman proposals as they had been agreed to by the Six participating Governments. The difference of attitude was merely that between staying out of the negotiations altogether or entering them with the intention of remodelling the Plan in the same way that the proposals for a European Parliamentary Assembly had been remodelled to create the Council of Europe. The Manchester Guardian said:
"It will be regrettable if the Government is defeated on the Schuman Plan. This is not an issue on which the country is really deeply divided ... The Conservative-Liberal motion would have us make a 'gesture' by dropping our former objections and joining in the negotiations ... by accepting the principle of a supra-national authority ... but claiming freedom to come out of the negotiations if we cannot agree. The idea has its attractions ... But it contains an element of danger. If we entered the negotiations and they broke down it is quite certain that the odium of failure would fall upon us."¹

However, The Scotsman said that nothing could be worse than the suspicions which the British Government had incurred already by "their obstinate aloofness and by making up their minds in advance that a high authority would be undesirable."²

On 1 July a further development occurred which intensified beyond anything else the suspicions which the British Government had already aroused on the Continent. Mr John Strachey, the Secretary of State for War,³ referred to the Schuman proposals at a press conference at Colchester in the following terms:

"This is a plan to give the control of the coal and steel industries of Europe, including the British coal and steel industries, into the hands of a council of 8 or 9 men ... These dictators, responsible to no-one but themselves, were to have the power, for example, to close down half the coalmines of South Wales if they thought fit and if it would profit the shareholders of those industries to do so, and the British Government were not to have any say in the matter ... Now, what was the purpose of putting forward a plan like that? Is it not perfectly obvious that the real purpose was precisely to put up a barrier against the

3. Labour, West Dundee.
control of the basic industries of Europe by the European peoples ...? Nationalisation ... is an alarm bell to the great capitalist interests of Europe, therefore they put up this sort of plan by which the real power in these industries is put in the hands of an irresponsible international body free from all democratic control ... The last time a plan of this sort was proposed was by the ex-Governor of the Bank of England, the late Montague Norman as he then was ... Well, Labour had only, of course, to expose the plot in order to defeat it ... even some of the Tories could hardly stomach it.1

Mr Strachey had clearly exceeded the limits of prudence in attributing to the Schuman proposals features in many cases contrary to the intention of the proposals. Le Figaro described his comments as shocking.2 The Yorkshire Post described the incident as a vicious attack on a measure put forward by a distinguished friendly statesman.3 The News Chronicle was undoubtedly correct when it said that the Labour Government was having no luck in its handling of the Schuman proposals.4 Mr Strachey was promptly called to 10 Downing St for an interview with Mr Attlee.5 On 11 July he made a retraction in the House of Commons which moved the Manchester Guardian to comment that it was difficult to remember a speech made by a British Minister in any Government which gave the impression of a

1. The Times, 2 July 1950.
2. Le Figaro, 4 July 1950.
5. The Times, 8 July 1950.
mind moving at quite so low a level. Again Conservative criticism was concerned less with defending the Schuman proposals than with disassociating themselves from Mr Strachey's examples of international plots. It also appeared that Mr Strachey had erred essentially in violence of language rather than on any question of principle: in his summing up Mr Attlee was again obliged at once to welcome and condemn the Schuman proposals: he said:

"We have made our position perfectly plain in the matter and it is perfectly well understood by our friends in France. It is understood that we cannot accept in advance an undemocratic supra-national authority, and, from what was said from both sides of the House in the Debate, the House was well aware of the views expressed with regard to the need for a democratic authority... We welcomed the Schuman proposals explicitly and clearly but we were not prepared to enter into discussions with a prior acceptance of this particular feature of the plan. That does not mean that we did not welcome this initiative... My right hon. Friend has explained what he said, and he has said that in certain respects what he said was unfortunate, and I agree."

In the same week the New Statesman and Nation gave recognition to the hardened attitude of the British Government by denouncing the Schuman proposals in phrases plagiarised from European Unity and expressing sentiments equally acceptable to the League of Empire Loyalists and the Loyal Orange Lodge.

3. Ibid., cols.1168-70.
Great Britain is not just an island off the coast of Europe. It is the home of a people that mean to defend their right to live and of a great social experiment which the Government has no right to jeopardise in the interest of an unviable project of economic union in a tormented fraction of Europe."¹

This complete volte-face by the New Statesman and Nation reflected the bitterness and resentment which the British reaction to the Schuman proposals had engendered on both sides of the Channel. This resentment stemmed from the fact that the Schuman proposals had brought into vivid relief the embarrassing ambiguities of the British attitude towards European Union. Hitherto it had been possible for the United Kingdom to supervise and direct in its own interests the movements towards customs and federal union in Europe. The Schuman proposals constituted a scheme for neither a true customs nor a true federal union but for an association of states which could prove as effectively binding as either. They thus presented the British Government with an unprecedented concept of union at a time when the Labour leaders and their advisers were least prepared to deal with problems of this nature. They found themselves unable at first either to accept or reject as stated the proposals endorsed by the French Government. Hence the original attempt to divert the French initiative into harmless international conversations, the rejection of the proposals on grounds of interpretation which could neither be

¹. The New Statesman and Nation, 8 July 1950, pp. 32-33.
proved nor disproved, the general attribution to the proposals of intentions frequently the opposite of those which clearly inspired its inception, and finally the anger and irritation when it became evident that for the first time a European initiative was going to develop independently of British approval. This anger and irritation was again heightened on the part of the Labour Government by the way in which the French initiative revealed them to be a Government at the end of its tether.

This situation gave several obvious advantages to the Conservatives. Their traditional expertise and enterprise in foreign affairs was illustrated more vividly by the exhausted energies of the Labour Government. Conservative speakers were able to adopt conciliatory postures towards the Europeans which contrasted with the frequent displays of ham-fisted chauvinism by the Government and their supporters. At the same time the Conservatives were no more prepared than the Government to accept or even to discuss the Schuman proposals as they were originally presented or as they were modified in the course of the Paris negotiations. Both the Conservative Opposition as well as the Labour Government found it desirable to invest the Schuman proposals with the flagrantly false atmosphere of an international plot in order to justify their intention to modify it into a scheme which could be directed along lines of traditional British interests. Nothing could have indicated better the complete divergence of attitude between British and European socialism on one side and British Conservatism and
European Christian Democracy on the other. Leaders of the European Left and Right both witnessed with incredulity attempts by British party leaders to label as a reactionary cartel proposals introduced to forestall the emergence of just such a cartel and maintained by Governments in the face of bitter opposition by private siderurgical interests in France and Germany.

The European Coal and Steel Community proposed by M. Schuman was not likely to be seen in London as constituting an immediate threat to the special status of the United Kingdom with the United States. It was enough that it represented the first clear breakaway of European Union from British control. As such it could only be regarded as dangerous. Suspicions and doubts expressed in the United Kingdom press provoked immediate response in Europe. The Community Movement had begun in an atmosphere of mutual suspicion and distrust which was to deepen into tragic hostility with every further step along the road that led to Messina and Rome.
The British Government was now faced with the problem of establishing some formal relationship with a nascent European Coal and Steel Community. As early as 7 July Sheffield steelmakers, who had already been under pressure from German competition for some time, suggested that some form of production and price agreements might be reached with the six countries negotiating the Schuman proposals. Later in July the Statistical Bulletin of the British Iron and Steel Federation actually commended the Schuman Plan for having brought into the open many underlying problems affecting the European steel industries. However, the Labour Government showed no desire to undertake further external commitments of any kind. Mr Patrick Gordon-Walker, the Parliamentary Under-Secretary for Commonwealth Relations, told the Canadian Club in Ottawa that his Government welcomed M. Schuman's bold and imaginative idea but could not agree to placing their coal and steel industries under an authority not directly answerable to Governments. He insisted that it was nonetheless unfair to charge Britain with isolationism.

The United Kingdom wanted the maximum pooling of economic and

1. The Times, 7 July 1950.
2. Daily Telegraph, 26 July 1950. The six countries were France, Germany, Italy and the Benelux Union.
3. Labour, Smethwick.
military resources in Europe but it could not accept federation: it would never enter any arrangement that would in effect take it out of the Commonwealth. The Economist commented:

"... while the Government proclaim their general intention to use their position at the intersection of the three great democratic systems - Western Europe, the Commonwealth and the Atlantic Community - to draw all these together into a united world force, nothing could be more noticeable than their immobility, their lack of momentum, their lack of precise policies for bringing the great objective into being ... While the Government meets every European initiative with the reply that it can take no action incompatible with its wider responsibilities to the Commonwealth, Mr Menzies complains in Australia that the Commonwealth is often presented with faits accomplis and Canadian Ministers privately hint that they are at a loss to know what these Commonwealth obstacles can be."2

Meanwhile the Conservative Opposition pursued their policy of attempting to modify the Schuman proposals so as to facilitate British participation without any undesired commitments. Early in August Mr Harold Macmillan and Mr David Eccles left London to attend the Second Session of the Consultative Assembly of the Council of Europe. On 8 August they presented their proposed modifications of the Schuman proposals. These included the creation of an intergovernmental ministerial council to which Member States

2. The Economist, 1 July 1950, p.31.
could appeal against the decisions of the High Authority, the right of national veto, the right of withdrawal and the liability to expulsion. The effect of these would have been to eliminate the federal nature of the proposed Community and to leave its activities dependent upon the agreement of the individual Governments. The Community would thus have been modified in the same sense in which M. Schuman's proposal for a European Parliamentary Assembly had been modified to form the Council of Europe.

M. Andre Philip warned that the Macmillan-Eccles proposals would have permitted a state to join the Community in order to gain temporary advantages, with the intention of leaving later. M. Paul Reynaud 1 similarly objected that it would be impossible for a country which had once adhered to the Community to be able to leave it.

"... from the moment when you have set the Schuman Plan in motion, when you have modified the economic situation in Western Europe, when you have closed down certain mines and certain factories, it will be impossible for one of the Members to be able to say to us: I am going home, and now you will have to manage by yourselves! Would you then be able to open your mines once more, seek out those miners who have scattered in all directions ..." 2

1. Radical Independent; former Prime Minister of France.
In reply to Mr Macmillan M. Schuman said that the Conservative proposals reminded him of a new Statute for the Council of Europe which would confirm the fundamental vice of the Council of Ministers and ratify the congenital impotence of the Consultative Assembly.¹

It was apparent that Mr Macmillan was very conscious of the fact that a new General Election was imminent in the United Kingdom and that its effect would very probably be to return the Conservatives to Office. His words were therefore carefully chosen so as neither to alienate votes nor to commit his party to policies which might prove embarrassing to implement. It was therefore not surprising that his speech echoed previous statements of the Labour Ministers; he told the Council in much the same terms as Mr Attlee had used in the House of Commons that:

“...One thing is certain and we may as well face it. Our people will not hand over to any supra-national authority the right to close down our pits or our steelworks. We will not allow any supranational authority to put large numbers of our people out of work in Durham, in the Midlands, in South Wales or in Scotland.”²

M. Schuman later commented that no Government could resign itself to a situation which might produce unemployment and it was precisely for that reason that there was a Schuman Plan.

¹. Council of Europe, Consultative Assembly, Reports, 2nd Session, 8th Sitting, 15 August 1950.
². Ibid.
The Sunday Times had already referred to the extraordinary difficulty which the National Coal Board experienced in attempting to close a single small pit and asked how any authority could attempt to close down whole coalfields.

"Remember Jarrow's fate: is it conceivable that any country adhering to the Schuman Plan would allow the international authority to create Jarrow after Jarrow in its midst? An international body would be far weaker in this respect than a national one, weak though our own Coal Board shows the latter to be." ¹

Mr Macmillan returned to the Council on 24 August after consultation with the Conservative leaders. He now told the Council that he could not see anything controversial in bringing the operation of the Schuman Plan within the framework of the Council of Europe. He admitted that an obvious difficulty was the right of veto possessed by each member of the Council. However, this could be solved if the members who agreed upon functional plans such as proposed by M. Schuman made their own arrangements about the use of veto powers. ² The French ³ and American press ⁴ both saw in this proposal an indication that the Conservatives were seeking some

form of association with the proposed Community which would enable them to observe its activities without being committed to its basic principles. It would obviously be advantageous to the Conservatives if such an arrangement could be agreed upon before they were returned to Office. However, the extent to which both the Labour Government and the Conservative Opposition were anxious to avoid any formal commitment towards the ECSC was shown by the extraordinarily unimpressive debate in the House of Commons on 13 November 1950. The Debate arose from one of the motions of no-confidence with which the Conservatives were plaguing the Labour Government. It was noteworthy both for the fact that party leaders abstained from speaking and for the low level of the speech made by the Under-Secretary of State for Foreign Affairs, Mr Harold Davies. Mr Davies argued:

"The suggestion that, because the United Kingdom cannot accept rapid progress towards union, or towards federation, in Europe, she is therefore ceasing to be interested in Europe or is withdrawing from Europe in any sense of the word, is utterly fallacious ... We are serving the general good of Europe ... in these arrangements we have made, though they are not of an exclusively European nature ... Now this federal concept has never been acceptable to Her Majesty's Government, nor to a large number of hon. Members opposite, though some of the Opposition have expressed their desire to see it
"develop in this direction. I cannot understand what attraction the European federation idea has for them ... unless ... they have accepted the fact that they will be in permanent opposition and that their hope lies in controlling affairs at home through a reactionary federated Europe ... There have been proposals that there should be a series of functional federations in the political, economic, social, legal and cultural fields ... I think that our attitude towards this functional approach ... has been made clear in respect of the Schuman Plan ... The Government refuse to adhere in advance to an indefinite functional organisation which is subject to a supra-national authority whose composition and powers and the control of which are unknown ... We, of course, do surrender a measure of sovereignty every time we enter into an international treaty ... We are not standing out all the time against the creation of any supranational authority. All we are saying is that we must know the extent to which we are being committed before we agree to surrender any of our sovereignty to a supranational authority ... We cannot risk the delegation of sovereignty which might entail interference with our freedom to plan our economy in accordance with the wishes of Parliament. By mutual consent we may well adjust our economy to the interest of Europe ... but it must be by mutual consent and must not be imposed upon us ... we cannot accept that the decisions of the Committee of Ministers should be mandatory upon Governments. In other words, the unanimity rule must stay ... where decisions are unanimous we are willing to carry them out but there must be unanimity."

Mr Davies' imprecise use of the technical terms of international association rendered his speech obscure and self-contradictory. However, it was noteworthy that Mr Duncan Sandys in replying to Mr Davies did not concern himself with any points of substance. He

criticised Mr Davies for his attack upon the Schuman Plan as a reactionary instrument and for attempting to evade the responsibility of the Labour leaders for encouraging the growth of federalism in Europe. He said that Mr Davies speech would be read, literally with consternation, from one end of free Europe to the other. He added:

"No one on this side has seriously recommended that a federal system should be instituted in Europe and that we should join it, except, as my right honourable Friend the Member for Bromley¹ has just reminded me, the Prime Minister."

There were of course several other Labour speakers who had made such suggestions, though perhaps none with the vehemence of Mr R.A. Butler, Mr Saridys¹ companion on the Conservative front benches. However, this fact also was not alluded to in a deliberately dull and restrained debate.

Appeals from the Continent continued despite the manifest determination of both the Government and the Opposition not to be committed on the European question. M. Jean le Bail² and M. Guy Mollet³ again called on their comrades in the British Labour Government to come to the support of the European Left. M. le Bail said:

"No Europe is possible without Britain because we cannot add a disfigured Europe to a Europe which is already

1. Mr Harold Macmillan.
2. S.F.I.O.
3. President of the S.F.I.O.
"mutilated, and also because a Europe without Britain - I must make this quite clear - would also be a Europe without France ... In a French Parliament no Government will ever be able to secure a vote in favour of a Continental regional union."¹

M. le Bail was of course as incorrect as M. Mollet who said: "... there would be a huge majority against such a proposal for a Continental federation, which is already extremely limited."²

However, on 12 March 1951 representatives of the six participating Governments initialled the Schuman Treaty in Paris. This was followed immediately by a series of acts by the British Government which would have had the effect of delaying indefinitely the application of the Schuman Treaty and which, insofar as they did not display active hostility, demonstrated a total disregard for the interests of the proposed Community. The first occurred over the deconcentration of the German coal-steel cartels. Application of the Schuman Treaty would require imposing uniform laws on the concentration of industry throughout the Community.³ This in turn would require the agreement of the controlling Powers of the International Authority established in 1949 to supervise siderurgical production in the Ruhr.

2. Ibid.
The United States Government considered that haste was essential: it was feared that the Soviet Union intended to offer market concessions to Western Germany in return for a share in the control of the Ruhr and it was desired to have Germany linked safely with the West as soon as possible by the Schuman Treaty. However, problems of deconcentration were made the more acute by the fact that both German industrialists and the Employers' Federation of the French Steel Industry were opposed to deconcentration in any form. To avoid further delay the French and United States Governments agreed with Chancellor Adenauer that nine German steel companies should be allowed to control mines supplying up to 75% of their coal requirements. At this point the British High Commissioner in Dusseldorf stated his opposition to the 75% formula and insisted that every case should be decided upon its own merits. This would of course have involved considerable delay and possibly have jeopardised the application of the Community Scheme.

1. The "Patronat" or "Rue de Madrid."
2. The Scotsman, 12 March 1951.
5. The Scotsman, supra.
Following protests from the United States Government, the British Foreign Office claimed on 15 March that the United Kingdom was not seeking directly or indirectly to hold up the signing of the Schuman Treaty. Despite the fact that the British Government had adopted an attitude which could only have had the effect of delaying signature of the Treaty, the Foreign Office spokesman insisted that:

"On the contrary, we want to see Western Germany associated closely with Western Europe for a variety of broad political reasons. In fact, we hope that the Western German Government will sign the Schuman Plan as soon as possible ... The British Government may agree to the '75%' formula on coal but such agreement would not be based on any broad principle ... Moreover, Britain has no hard and fast position on the eventual dissolution of the Central Coal Sales Organisation ..."1

Representatives of the Six Governments initialled the draft treaty establishing the European Coal and Steel Community on 19 March. On 20 March the British Government announced through its spokesman in Bonn that they would give consideration to an invitation for special association with the Community "when it is successfully concluded."2 They would also take into consideration the significance of the Schuman Treaty when talks on German coal and steel production began on 21 March among the High Commissioners of the International Authority of the Ruhr.3 Le Monde prophesied: "The English will not put any spanners

1. The Times, 16 March 1951. The Central Coal Sales Organisation or GEORG was the most important of the German cartels: it controlled the sale of all coal produced in the Ruhr.
2. The Times, 21 March 1951.
in the works of the Schuman Pool ... The United Kingdom reserves are scarcely even face-savers. No-one believes that it is possible to reaffirm the external control of German industry." On 18 April the French Government ratified the Schuman Treaty. Then, The Economist commented, "Whitehall's attitude of sceptical and benevolent indifference evaporated overnight." On the following day, Sir Oliver Hardy, then British Ambassador in Paris, requested the French Government not to give any assurances to the German Government regarding the release of German siderurgical industries from international control. The Foreign Office stated that the British Government were unable to say in advance what their attitude would be towards the continuance of existing international controls over German industry. The matter was in any case primarily one for discussion among the Occupying Powers.

Nonetheless British association with the Community was still confidently expected on the Continent. M. Maurice Schuman suggested that the carefully planned constitution of the High Authority, which rendered it subject in certain fields to the review of a Council of National Ministers, should render British fears of joining unreasonable.

2. The Economist, 28 April 1951, p.972.
3. The Times, 20 April 1951.
and superfluous.\\textsuperscript{1} \textit{Le Populaire} said that it should not now be difficult to find a formula which would permit of British association.\\textsuperscript{2}

In Paris Chancellor Adenauer said that it would be vital to maintain direct connection with British siderurgical industries in order to avoid clashes of interest between them and the industries of the Community.\\textsuperscript{3} He proposed that a Permanent Liaison Bureau should be set up between the High Authority of the ECSC and British industry representatives. Added encouragement was given to this view by the fact that on 10 May 1951 the Committee on Economic Questions of the Council of Europe passed a resolution welcoming the signing of the Schuman Treaty and expressing the hope that: "... as soon as the High Authority is set up, Great Britain and other interested countries will examine the possibility of negotiating a working agreement with the Authority which will lead to the effective co-ordination of their respective activities."\\textsuperscript{4} Mr Harold Macmillan then told the Council that the High Authority was apparently not going to be a tyranny but a constitutional monarchy and should therefore be more acceptable to

\begin{enumerate}
\item \textit{L'Aube}, 20 April 1950.
\item \textit{Le Populaire}, 20 April 1950.
\item \textit{The Scotsman}, 1 May 1951.
\item Council of Europe, Consultative Assembly, \textit{Reports}, 3rd Session, 8th Sitting, 10 May 1951.
\end{enumerate}
the United Kingdom. He added that: "... no European scheme can be wholly satisfactory if it does not include a nation which is the greatest manufacturer of steel in Europe, and which produces as much coal as all the other nations of the scheme put together ..."¹

Mr Macmillan’s statement clearly implied that the Conservative Opposition believed that British association with the Community had been made more possible by the development of the High Authority as a less independent institution. However, neither the Opposition nor the Government were in a position to risk further commitments. At a Foreign Ministers’ Conference in Washington on 14 September Mr Acheson, the American Secretary of State, Mr Herbert Morrison, who had replaced Bevin as British Foreign Secretary and M. Schuman signed a joint declaration welcoming the signing of the Schuman Treaty and adding the declaration that: "The Government of the United Kingdom desire to establish the closest possible association with the European Continental Community at all stages of its development."²

On 25 October the Conservatives returned to Office under Mr Churchill. Mr Eden became Foreign Secretary, Mr Butler Chancellor of the Exchequer, Mr Thorneycroft President of the Board of Trade, Mr Macmillan Minister of Housing, Mr Eccles Minister of Works.

¹ See p.80.
² The Times, 15 September 1951.
Mr Sandys Minister of Supply. Sir David Maxwell Fyffe was Home Secretary and Mr Selwyn Lloyd Minister of State. Mr Anthony Nutting was Under-Secretary of State for Foreign Affairs. The new Government was undoubtedly more impressive than their predecessors but their impressiveness was more evident on the side of domestic rather than foreign affairs.

On 12 November the Conservative Government reaffirmed the declaration made by the Labour Government regarding their desire to seek the closest possible association with the European Community.¹ The Europeans for their part were prompt to seek the reactions of the new Government. On 27 November speakers from the Six countries referred in the Council of Europe to earlier speeches by Conservative leaders emphasising the impossibility of European Union without the United Kingdom. M. Paul-Henri Teitgen² claimed that:

"... the day Continental States are called upon to establish this Confederation without Great Britain, they will gradually, one after the other, decline to establish it ... Let us suppose ... that we were all agreed to recommend our Governments to appoint specialised European Ministers who together would constitute an Executive College ... Confederation would exist through its Ministers on the basis of Conventions signed ... At the same time, however, Great Britain or any other country which in any particular case refrained from joining the federal system ... would remain

¹ The Times, 13 November 1951.
² President of the Mouvement Republican Populaire.
associated with the Confederation by reason of the right reserved to it to give an opinion. 1

M. Teitgen's proposals appeared similar to those which Mr Macmillan had made on 10 May 1951. Both appeared to contemplate a system under which countries not participating fully in the ECSC would still be associated with its activities and entitled in some measure to review them. In reply Sir David Maxwell Fyffe, speaking as representative of the Conservative Government, said:

"I understand that some difficulty has been caused by the words in a recent declaration ... 'The Government of the United Kingdom desire to establish the closest possible association with the European Continental Community at all stages of its development.' ... when we speak of Atlantic Union or the Atlantic Community, we are not thinking in terms of a federation embracing all the countries of the North Atlantic Treaty Organisation ... The United Kingdom, as Mr Churchill once said, 2 stands at the centre of three (for us) concentric circles. The first embraces all the countries of the Commonwealth; the second embraces the United States and Canada; and the third embraces Western Europe ... In all these areas we are determined to play our part ... May I at this point say a word about federation? To us it means a decision to transfer in advance and finally certain governmental functions to a federal body ... We do not believe that it is possible for a country in our position, with the responsibilities which I have mentioned, to take such a step ... On the other hand, we have gathered from many debates and forthright speeches in this Assembly that the desire for such a formal

2. See p. 20.
"federation without our presence is not widespread. We do not believe that this creates a deadlock ... It will always be part of our policy to support the conclusion of such partial agreements under the aegis of the Council of Europe and to enter into close partnership ourselves. Where it is impossible for us to enter, we should not dream of opposing or of doing anything but wish them success ... I can assure you of our determination that no general method should fail through lack of the thorough examination which one gives to the needs of trusted comrades."

Sir David then suggested that a permanent British delegation should be set up at the seat of the High Authority "to enter into relations with and negotiate with" the ECSC.¹

This was substantially what M. Teitgen had also proposed. However, it appeared less than adequate to other Europeans who felt that nothing short of active British participation in the ECSC could safeguard the future of the Community: the fact that the strongest siderurgical power in Europe insisted on remaining outside the Community served necessarily as an encouragement to European opponents of the system of association foreshadowed by the ECSC. Sir David's proposal also seemed less than might have been expected from statements of his leaders while in Opposition: the New Statesman and Nation commented that short of declaring economic war on the Community the Conservative Government could hardly have done less:

¹. Council of Europe, Consultative Assembly, Reports, 3rd Session, 21st Sitting, 28 November 1951.
"Angry Frenchmen are not satisfied by being reminded that Mr Churchill habitually uses extravagant language when he is not Prime Minister and the Conservatives have never formally committed themselves to anything beyond the previous Governments position ... the grand idea of European Union lies cold - knocked out by its progenitors."  

The fact that the bipartisan quality of British policy towards European Union still persisted was indicated by the speech of Mr Geoffrey de Freitas on 29 November to the effect that there might be a great advantage to Europe in the fact that the United Kingdom was "not only here with you in the Council of Europe but at the same time closely linked with the Commonwealth ... I say now that we British might yet save Europe by refusing to be European."  

However, it was unlikely that the Europeans would regard British policy as favourable to their enterprise. French officials suggested in Paris that the decision of the British Government to remain outside the ECSC meant that Mr Churchill could not claim to be the spokesman of Europe when he went to Washington in the New Year. The French also voiced suspicions that Mr Churchill might seek to conclude in Washington some special Anglo-American deal to the

1. New Statesman and Nation, 8 December 1951, p.659.  
disadvantage of Europe. M. Paul-Henri Spaak, the Belgian Foreign
Minister warned on 11 December:

"We thought that the political change which had taken place in Britain would provide us with a new opportunity of closer cooperation. We anxiously awaited what the Conservative Government representatives were going to tell us ... Gentlemen, beware! We Continental Europeans have said a number of times that we did not understand everything the British told us about the Commonwealth and its difficulties, but sometimes - and here let me speak to you quite frankly - we had the feeling that these difficulties which you explained to us badly and invoked increasingly constituted some kind of pretext rather than any valid reason ... But be very careful! Some time hence, public opinion will say that Continental Europeans are using the absence of Britain as an excuse not to create a united Europe."2

Hr Van der Goes van Naters3 added:

"... Joan of Arc's task was lighter than ours. Joan of Arc could do without the English; we cannot. Spirits have been conjured up without our having even the remedy of the stake. We have to convince both the French and the English; and this is not always possible."4

Both M. Spaak and Hr van Naters spoke with admirable foresight: the warnings they pronounced were fulfilled beyond their gravest fears. Continental opposition fostered by continuing British hostility plunged the Community idea into four years of bitter crisis and disaster. The Community idea survived, thanks largely to M. Spaak.

3. Netherlands, Socialist.
4. Council of Europe, supra.
What was lost in those years of frustration and recrimination was any belief in British benevolence or even tolerance towards European integration. By 1955 the rival camps had been formed.
IV. THE CRISIS OF THE COMMUNITIES

1. The New Communities

In November 1950 the example of the Schuman Plan encouraged the Netherlands Minister for Agriculture Mr Mansholt to take up plans for harmonising European agricultural policies. The idea of creating a single market for agriculture had been discussed as early as April 1949 at the conference of the Movement for Europe in Westminster. The Netherlands Plan was promptly adopted by the French Government. On 10 January 1951 M. Pflimlin,¹ the French Minister of Agriculture, detailed to the Council of Ministers of the Council of Europe proposals for establishing a single market for agricultural products.² This involved essentially the creation of a supranational High Authority on the lines of the High Authority of the Schuman Plan. M. Pflimlin invited all the OEEC countries to participate. The number of divergent policies which would have to be reconciled if the invitation were accepted would have given the plan only slight chances of success in any circumstances.

However, a proposal had been made in the meantime for another Community of a very different kind. On 11 August 1950, just

1. Mouvement Republicain Populaire.
2. L'Année Politique, 1951, p.11.
after the presentation of the Macmillan-Eecles proposals, Mr Churchill moved at the 5th Sitting of the 2nd Session of the Consultative Assembly of the Council of Europe that:

"The Assembly, in order to express its devotion to the maintenance of peace and its resolve to sustain the actions of the Security Council of the United Nations in defence of peaceful peoples against aggression, calls for the immediate creation of a unified European Army subject to proper European democratic control and acting in full cooperation with the United States and Canada."

However, it was evident that the effective restoration of European defence was no more practicable without the participation of Western Germany than the restoration of the European economy. This consideration had appealed to the United States Government with particular seriousness since the outbreak of the Korean War in July 1950. The Americans conveyed their anxiety on this score to the other European Governments. On 12 September 1950 Mr Acheson proposed in Washington to Mr Bevin and M. Schuman that German divisions should be recruited to serve under the NATO Supreme Commander. Bevin obtained the consent of the British Government to Mr Acheson's proposal. M. Schuman was unable at the time to commit his Government. However, the French Prime Minister, M. Rene Pleven, promptly suggested the creation of a

3. Union Democratique et Socialiste de la Resistance.
European Defence Community in which Germany could be incorporated. On 25 October 1950 the French National Assembly rejected the idea of an autonomous German Army but accepted that of a European Army along the lines proposed by M. Pleven. And on 24 November Mr Duncan Sandys warned the Council of Europe that:

"Failure to utilise the strength and resources of Western Germany ... will, to say the least, put a very severe strain upon the patience and goodwill of the American people, and would inevitably influence the attitude of the American Congress towards the whole policy of military and financial aid to Europe." 3

However, in the Debate in the House of Commons on 29 November Bevin rejected the French Proposal. He said that the British Government put its hope in the conception of an Atlantic Community. The French proposal would "only delay the building up of Europe's defences and could not be accepted by His Majesty's Government." 4 Bevin went on to state: "... in our view Europe is not enough; it is not big enough, it is not strong enough and it is not able to stand by itself." 5

Once again Bevin found himself in the position of supporting American policies while opposing the means by which these policies were to be carried out. The Americans had made it clear that they considered that a cohesive Europe was essential to the creation of a cohesive Atlantic Community. Bevin was arguing that a cohesive Europe might make the creation of an Atlantic Community impossible: the wall could be strong only if there were no mortar between the bricks.

In his reply Mr Eden considered that membership of the Atlantic Community need not exclude the possibility of the United Kingdom's making some contribution to a European Army. He felt therefore that the French proposal was not one which should be rejected out of hand. He added that he would himself try very hard to meet the French anxieties in this respect if he could. In fact, the Pleven Proposals were affirmed by Mr Acheson, Mr Herbert Morrison and M. Schuman in their Joint Declaration at Washington on 14 September 1951. The Declaration affirmed "... the inclusion of a democratic Germany, on a basis of equality, in a Continental European Community ..." and welcomed "... the participation of Germany in the common defence ..." It was reaffirmed on 12 November 1951 by the new

1. Ibid., col.1183.
2. Ibid.
3. See p.31.
Conservative Government. But on 28 November Sir David Maxwell Fyffe collided with M. Paul Reynaud over the general issue of the United Kingdom's relations with the Europe of the Communities. Sir David had said: "I cannot promise you that our eventual association with the European Defence Community will amount to full and unconditional participation ..."¹ M. Reynaud phrased the inevitable European objection to this concept:

"I should surprise Sir David very much - for frankness is essential between friends - if I did not tell him he had greatly disappointed me when he said - 'We shall consider how best to associate ourselves with it' - the European Army - 'in a practical way.' That is a direct repudiation of the stirring motion as worded by the present Leader of the British Government ... If the opponents of the European Army can say to our National Assembly: Britain is inviting us to submerge the French Army in a vast European Army, but she is taking good care not to do the same herself; in this way she is retaining a military power which will give her the right to speak in international conferences whilst you will be left only with the right to keep silent. If they can say that there will no longer be a French Army but there will still be a British Army, what will be the reaction of my colleagues? Here I wish to utter a solemn warning to our British friends. Britain's refusal to take part in the European Army would, I am very much afraid ... lead the French Parliament to reject the European Army, and I believe that no-one here would in his heart of hearts dare to blame it."²

¹ Council of Europe, Consultative Assembly, Reports, 3rd Session, 21st Sitting, 28 November 1951.
² Council of Europe, Consultative Assembly, Reports, 3rd Session, 21st Sitting, 28 November 1951.
This was a warning of the same kind as those previously uttered by M. Le Bail and M. Mollet.¹

At this low level of United Kingdom prestige in Europe Mr Churchill and Mr Eden went to Paris for consultations with Premier Pleven and General Eisenhower.² A Communiqué issued on 19 December stated that they had taken the occasion to express their pleasure at the approval of the Schuman Plan by the French National Assembly. They hoped that the Plan would soon come into effect. Then followed a repetition of earlier assurances. His Majesty's Government intended to enter into close relations with the High Authority as soon as it was constituted. They proposed to set up a permanent Delegation at the seat of the High Authority for this purpose. They would resolve to maintain armed forces on the European Continent to fulfil their obligations in the common cause. They would welcome the conclusion of an agreement between those countries participating in the common cause. They would associate themselves as closely as possible with the European Defence Community in all stages of its political and military development. They would stand together in true comradeship.³

¹ See p.76.
³ The Times, 19 December 1951.
The Times claimed that this was as far as any British Government could go in this matter: no suggestion could honestly be made that British troops would be placed within the organisation itself; British help would have to come from the outside and not from within the EDC. The Times considered that criticism of Britain because of this was unreasonable and unfair: there was no foundation to the suspicion that the United Kingdom was in any way tempted to evade its responsibilities in Europe. However, suspicions on the Continent were rather that the United Kingdom wished to retain an advantage for itself by withholding its military forces from participation in the European Army just as it had withheld its siderurgical industries from participation in the ECSC, despite the danger that this policy could cause the breakdown of both European Communities. The extraordinary lack of sympathy which this policy could expect to receive from Europeans struggling for unity was stressed by the New Statesman and Nation in new-found sympathy for European movements ineffectively supported by a Conservative Government:

"The trouble about the plan is that it is a too palpable example of sacred egotism. It demands everything from our allies and nothing of ourselves ... So long as the European Army and the Schuman Plan exclude Britain, they give no security whatever against the re-emergence of an

1. The Times, 19 December 1951.
"aggressive German nationalism. On the contrary, they provide a highly convenient framework under which the German nationalists and the Ruhr magnates can take control of Western Europe and mould it to their aggressive ambitions."

But the views of the New Statesman and Nation were shared remarkably by General de Gaulle. On 21 December 1951 he declared that the European Communities would have to take the form of a Confederation of States, to which each State would delegate a part of its sovereignty. This was scarcely a formal description of a confederation but it was in some measure a description of the Community system. Above all the General considered that guarantees would have to be given against a restoration of German hegemony. The General expressed a desire to base the new Europe on a Franco-German entente rather than on any attempt to lose the Franco-German problem in an overall European problem. He was also opposed to any abandonment by France of its national Army.2 A week later the Gaullist Rassemblement du Peuple Francais tabled in the National Assembly the Palewski-Triboulet Resolution calling for a European Referendum on the question of the establishment of a European Constituent Assembly with authority over defence, economic and cultural matters. The Resolution dismissed as valueless the Schuman concept of unifying Europe through the

1. The New Statesman and Nation, 22 December 1951, p.723.
2. L'Année Politique, 1951, p.347.
establishment of functional Communities.¹

In February 1952 Mr Eden assured the Government of the Six Powers that:

"Subject to the overriding requirements of the Supreme Allied Commander in Europe, British forces in the Continent will operate as closely as possible with the European Defence Forces and be linked with them in matters of training, administration and supplies ... We think that a considerable measure of blending as between the Air Forces of the United Kingdom and of Europe may well prove to be a particularly profitable field of cooperation ..."²

It was certainly most improbable that there would be any future in the United Kingdom's trying to fight its own private war against the Soviet Union in disregard of the European Army. Obviously there would have to be the closest possible liaison. However, once again the terms in which British policy was defined by Ministers was seriously open to misinterpretation. Mr Eden's "blending" was as unfortunate in this respect to Bevin's "coalescing": both imply the total absorption of two elements into each other. In both cases it is evident that no such union was actually contemplated by the Minister concerned. Mr Eden's guilt is the greater in that, unlike Bevin, he was accustomed to use words in the sense in which they were normally understood.

¹. L'Année Politique, 1951, p.347.
². Cmd. 8492, p.5.
The EDC showed signs very soon of developing in the same way as the ECSC. On 19 February 1952 the Assemblee Nationale approved an Order of the Day rejecting the idea of an autonomous German Army, calling for the creation of an EDC and recommending the Government:

"(a) to ensure that the provisions of the Treaty lay down that the exclusive aim of the EDC is to ensure a more efficient defence of the territory of Member States ... and a fair sharing of the cost ... (b) to realise the various economic conditions which are involved in the construction of a European military force; and (c) to ask the British and American Governments to guarantee in case of a breakdown or open violation of the Treaty by a Member Nation ... the maintenance of sufficient American and British forces on the European Continent for as long as appears necessary ... It demands that everything shall be done to ensure: (i) the subordination of the European Army to a supranational political body with limited but real powers, responsible to the representatives of the Assemblies of the European peoples ... (ii) the strict limitation and exact enumeration of the cases in which the unanimity rule may apply, as well as the establishment of a common budget voted by the Assembly and not subject to a right of veto."

Obviously the creation of this Political Authority with supranational powers was going to present difficulties with the United Kingdom. However, the response of the British Government took a somewhat unexpected form. On 19 March 1952 Mr Eden proposed to the Committee of Ministers of the Council of Europe that the Committee ...

should be modified so as to become the highest authority of the European Coal and Steel and Defence Communities.¹ This suggestion recalled the Macmillan-Eccles proposals of August 1950.² It involved essentially having the Committee of Ministers appoint the Ministers of the Six to act as a sub-committee to exercise controlling authority over the management of the Communities. This would have been more appropriate had the Europe of the Six been in any real sense a sub-agency of the Europe of the OEEC. However, it would have accorded more with practical realities to regard the reverse as being the case. It would undoubtedly seem incongruous for the great industrial Powers of Western Europe to have their integration plans reviewed by a Committee of the Scandinavian countries, Switzerland, Portugal and Greece. The prospect of having them reviewed by the United Kingdom would be less incongruous but could well have been even more unwelcome.

Mr Nutting now resumed his travels. On 28 March he attended a Conference on the Pflimlin Plan in Paris. He told the delegates that the British Government wished the Conference every success. Britain had a whole-hearted desire to associate itself closely with all practical steps towards closer European unity. But

1. Cmd. 3492, p. 5.
2. See p. 70.
the United Kingdom could not become a full member of a purely European agricultural authority. However, it wished to find effective ways of associating itself closely with any institutions that the other Powers might be able to devise.¹

On 28 May Mr Nutting elaborated this theme at Strasbourg. The day before, the new French Premier, M. Antoine Pinay, had initialled a draft Treaty for a European Defence Community. Mr Nutting again brought forward the analogy of the three concentric circles. He argued that the United Kingdom could not merge its identity with any one of these circles without doing a disservice to them all. He said that "... this has been and must surely always remain the cardinal and traditional principle of British foreign policy." But he added that:

"... the close association which we have already established, or are about to establish, with the Schuman Pool and the EDC consists of a series of diplomatic and technical liaisons. What we now seek is to extend this association to the political work of the Communities - to their parliamentary and ministerial institutions ... It may be felt - I am told that it is felt - that under our plans we shall acquire a measure of privilege without responsibility. Let me assure the Assembly that we seek no such thing. On the contrary, if we are invited to associate ourselves in the work of the Committee of Ministers and the Assembly sitting in restricted session, we shall make a full and positive contribution ... I have also heard it suggested in some quarters that the drawing up of plans for a European Political Authority should

"be entrusted to an independent constituent Assembly which would meet outside the framework of the Council of Europe and would be limited to parliamentarians of the six participating countries ... Now, this suggestion ... would, I am convinced, be a grave disservice to the cause of European unity, and would mean that the final links which the United Kingdom hopes to establish with the European Community would be missing. Thus a blow would be struck at the very basis of our policy of European cooperation and we should no longer be able to play a really effective part in European affairs ... the Eden Plan does not involve the merging of the Schuman Pool and the European Defence Community with the Council of Europe. Our suggestion is rather that the Council of Europe should become a framework within which certain institutions of the European Community can operate ... There is no need for me in this Assembly, surely, to emphasise how necessary it is for Britain to play her part in these great endeavours ... Step by step, as I have always sought to define, Britain has strengthened and developed her association with Europe."

It did not seem likely that the Europeans would agree with this description of the policy of the British Government towards their unification efforts. Their chief complaint was in fact that the United Kingdom had a very clear part to play to assist their progress and it was not playing it. To this extent a complete deadlock appeared to have been reached. The British Government was apparently prepared to consider all measures short of actual participation in a Community Europe. However, it was only by participation that the British Government could have allayed the suspicions of Europeans

like M. Reynaud. The continued refusal of the British Government to participate constituted a positive incentive for member Governments to withdraw from the Community. The suspicion was widely held on the Continent that, as the New York Times suggested, Mr Churchill was attempting to secure for the United Kingdom a role paralleling that of the United States: "... sponsoring, supporting and cooperating with a unified Continental Europe." The New York Times added that the British Government would find it increasingly difficult to pursue this role if a unified Europe rose as a new world Power. There could thus be a real temptation for the United Kingdom to attempt to delay this development for as long as possible. This would undoubtedly be done most effectively by frustrating any attempts to end the balkanisation of the European Continent.

2. The Two Europes

It was thus natural that the Europeans should be anxious to end as quickly as possible the period in which they would be vulnerable to any attempts by the United Kingdom to maintain their balkanisation. They had the added incentive that vigorous action on their part might speed British participation by making it evident

that the union of Europe could not be delayed. As M. de Felice said in the Council of Europe: "To come in line with the British position would lead both the British and us to stagnation. Any step forward without the British arouses in them the desire for a rapprochement."¹ M. Paul Reynaud, after accusing Mr Netting of threatening that Britain might turn its back on Europe, spoke of the "strange spectacle of our English friends, as Europe turns away from them, developing a warm feeling for that same Europe, without quite plucking up their courage to ask for her hand in marriage ... The day will come ... my dear English friends, when you will realise that the vital factor for you is Europe ... Then, you will simply resume your place in the great European family, and we are resolved to do all that we can to make that easy for you."² M. Paul-Henri Spaak was more challenging and less sympathetic: on 30 May he said:

"... each time you could help us, each time you could cast a vote which might speed us and everyone else along the path to this restricted community, either you vote against us or you abstain ... I know that this attitude expresses a certain scrupulousness on the part of the United Kingdom ... But you seem to me to carry these scruples too far."³

M. Guy Mollet, following M. Spaak, said:

"It is impossible, at the very moment when we are trying to meet you and have the feeling of having succeeded, that with tireless persistence you should tell us: 'It is all right: you have amended your text, but it is no

¹ Council of Europe, Consultative Assembly, Reports, 4th Session, 4th Sitting, 28 May 1952.
² Ibid., 7th Sitting, 29 May 1952.
³ Ibid., 9th Sitting, 30 May 1952.
"longer any concern of ours."^1

In the face of increasingly bitter attacks Mr Nutting could only repeat:

"The only condition which we seek to impose upon the development of the EDC is that it should be within the orbit of a body which Britain is a member of and through which Britain may be associated with it. We believe that that body exists already: we believe it to be this Council of Europe ... But I want to emphasise once again that Her Majesty's Government will lend all possible cooperation and support to the Six Governments of the European Community in setting up a Political Authority and that we are anxious to establish a close working relationship with that Authority once it has come into being."^2

However, this assurance of Mr Nutting's merely left the deadlock where it was. It was possible indeed that it had actually worsened the situation: every failure to secure a British commitment was a positive success for the enemies of Europe of the Communities: in a few months' time the epigram was heard in Paris: "Every official says that the EDC will be ratified, but find me a Deputy who sees himself voting for it."^3 Time was not on the side of the EDC.

Nor was time on the side of the ECSC. Bitter internal wrangles continued. In July the French Government tried to delay

2. Ibid.
a plan to add a further $1\frac{1}{2}$ million tons capacity to German steel industry by rehabilitating partly dismantled plants. The other member States of the ECSC refused to support the French veto. However, the British Government helped France to quash the scheme. Disappointed by the progress of the ECSC, M. Schuman began to consider the possibility of having it placed under a Political Authority in the same manner as had been proposed for the EDC.¹

In these unpropitious circumstances the High Authority of the ECSC held its first meeting on 10 August 1952. The United Kingdom was represented by the British Minister in Luxembourg. In a statement on 11 August he formally welcomed the establishment of the High Authority in the name of the British Government. He said that the British Government had made clear on many occasions their support of the ECSC. They intended to maintain the closest possible association with the ECSC as soon as the High Authority was created.² They were ready at any time to begin conversations with M. Monnet.³ The British Foreign Office also stated that a British Mission would soon be set up at the High Authority.⁴ But in unofficial comments Foreign Office

2. The Times, 12 August 1952.
spokesmen emphasised that the British Representative with the High Authority would not be invested with ambassadorial status but would play the role of a mere economic attache. On 20 August M. Monnet flew to London for conversations. On 22 August the British Foreign Office announced that a British Delegation to the High Authority had been appointed. It was to be led by Sir Cecil Weir, a Scottish industrialist who had held administrative posts under the Coalition Government during the war and had been economic adviser to the Control Commission in Germany from 1946 to 1949. More recently he had been Chairman of the Dollar Export Board. His appointment was regarded as indicating that the British Government attached considerable importance to the matter. However, they were not prepared to commit themselves in any way on the nature of their future association with the High Authority: the Minister was to follow an empirical approach in his dealings with the Community and the eventual nature of their association would be determined by the results of experience.

Le Monde said that the appointment indicated the desire of the British Government to encourage the more daring enterprises of their neighbours, even if they themselves were not disposed to lose themselves in a federation. The officials of the High Authority

1. Le Monde, 22 August 1952.
2. The Times, 23 August 1952.
pronounced themselves "extremely satisfied" with Sir Cecil's appointment. On 1 September M. Monnet welcomed Sir Cecil in Luxembourg. The ECSC had established its first formal links with the United Kingdom.

In Strasbourg Mr Eden's own plan to establish links with the Ministerial Committees of the Europe of the Communities received a severe setback. On 10 September the Ministerial Committee of the ECSC insisted upon holding its first meeting in a building separate from that occupied by the Council of Europe. On 15 September, while the Committee of the ECSC was appointing an ad hoc Assembly to consider the problem of setting up a Political Authority, Mr Eden appealed in the Council of Europe for all the restricted Communities to draw upon the excellent secretarial facilities of the Council and to make use of its Ministerial and Parliamentary machinery. He said:

"It is, of course, well known that my country has not felt able to pursue the course of federation. At the same time, we have been anxious that this should not divide us from those of our European friends who feel that they can do so. We have repeatedly expressed our wish to be associated with them in this work ..."

In similar vein Mr K. J. Boothby said:

5. Conservative, Aberdeenshire East.
"... there are some who think ... that Her Majesty's Government is now pursuing a Machiavellian policy designed to keep Europe divided, and to bring Britain power without responsibility ... I would beg my colleagues in the Assembly to dismiss altogether that idea from their minds. I have studied the British Foreign Office with great care from a front row in the stalls for the past thirty years, and although there have been moments - this is not one of them - when I would have wished that they would pursue a Machiavellian policy, I am certain that they are absolutely incapable of it."

The Ministers of Community Europe relaxed their somewhat excessive precautions in the face of these pleas. On 23 November M. Spaak agreed that the ad hoc Assembly of the ECSC should sit in the headquarters of the Council of Europe.\(^2\) The Assembly would make full use of the secretarial facilities provided by the Council. States not joining the Six should have observer status at their meetings with the right to speak. Even so, the Six were able to reach unanimous agreement on this course of action only after renewed assurances from the British Government that the presence of observers from the Council of Europe implied only cooperation with and not subordination of the Six.\(^3\)

Suspicions of this kind did not auger promisingly for the future relations of the Assemblies. On 20 October a joint Committee was set up in Luxembourg to ensure close collaboration between the High

\(^{1}\) Council of Europe, supra, 13th Session, 17 September 1952.

\(^{2}\) Daily Telegraph, 24 September 1952.

\(^{3}\) The Economist, 4 October 1952, p.10.
Authority of the ECSC and the British Government. M. Monnet followed this move by guaranteeing that the High Authority would communicate its opinions to the British Delegation as well as to the representatives of the Member States of the ECSC. In discussions with the British Delegation M. Monnet proposed that the United Kingdom should be sent copies of the questionnaires which the ECSC representatives were completing, so that the British could answer any questions they wished to reply to. He also proposed the creation of permanent facilities for consultation on any question which the associated Powers chose to bring up, and the appointment of a permanent institution which would allow for concerted action between the High Authority and the United Kingdom wherever possible. He concluded by suggesting that the British Government should joining with the ECSC "in a close and lasting association uniting our action and yours through the exchange of information and through rules fixed in common." M. Monnet explained that he did not envisage a commercial treaty or a division of export markets but "a common action and responsibilities, rights and obligations shared on a basis of equality ..." This was "the closest

possible association" with a vengeance. Sir Cecil replied cautiously: "... the rules and regulations governing our relationship should be based on experience acquired in the handling of practical issues, rather than on general principles. As you know, we favour very much the empirical approach." 1

The Joint Committee of the British Delegation and the High Authority met again on 24 November. It agreed to entrust a working party of the High Authority with the preparation of exchanges of information between the High Authority and the British Government. 2

The Joint Committee also instructed the working party to initiate a common inquiry into the shortage of coking coal. The nature of this inquiry necessarily committed the British Government to exchanging information with the High Authority. 3 M. Monnet's plans to draw the United Kingdom into an ever closer association with Community Europe were taking a very practical form.

Encouraged by the success of the ECSC, the French Government risked another experiment in the Community system. On 12 December M. Schuman welcomed in Paris the representatives of 14 European nations and the observers of 4 others to the preparatory conference of the European Health Community. Its purpose was to coordinate

systems of sanitary and social hygiene under a supranational
authority analogous to that of the ECSC. This scheme appeared to be
as much in the general interest and as free from political implicat-
ions as anything well could be. But with the relentless predictab-
ility of a death-watch beetle the representative of the United Kingdom
announced that the British Government would be unable to participate
in any organisation of a supranational character. 1 On 28 January
Mr Eden reaffirmed that:

"The Six Governments concerned are well aware of the
reasons which preclude this country from becoming a
member of the European Defence Community ... Unless
this House is willing to join in political federation
- which I believe it is not - we should be quite wrong
to lead anybody to have false hopes in this matter." 2

A week later Mr Nutting asserted:

"Of course it is possible for us to operate within NATO
according to the wishes of Her Majesty's Government.
There is nothing supranational about the structure of
NATO. May I also say that if we were to put our troops
into the EDC we would have to accept the other conditions
laid down in the Treaty, namely, that the Treaty should
be a forerunner - a step towards - European Federation." 3

On 23 February he again defined the official British attitude. He said: "... the Coal and Steel Community, as indeed the Defence Community, is intended to be the forerunner of a European Federation, which organisation we could not join." In March Mr. Nutting attended the second session of the European Conference of Agricultural Markets in Paris. Here he argued that the work of organising and harmonising agricultural markets should be carried on within the framework of the OEEC and not within that of any restricted community. However, the most serious warnings of M. Paul Reynaud and M. Spalk were about to be fulfilled: opposition to the Community idea was increasing and its opponents were beginning to use arguments identical with those presented by British spokesmen since May 1950: the clouds were gathering over Community Europe.

Under the leadership of M. Spaak the ad hoc Assembly succeeded in drafting a 116-article Constitution for a Political Community, and devised a programme to associate the United Kingdom with Community Europe. However, dissensions were appearing in the Assembly itself. The Netherlands representative argued that the Six could be united effectively only by the establishment of a customs union on the same lines as that of the Benelux Union. This would involve a common

external tariff against third countries and the progressive elimination of barriers to trade within the union. The Italian Government gave qualified support to this proposal. But M. Bidault suggested that the customs union would be an extremely hazardous enterprise for France at a time when it was already experiencing serious economic difficulties. Only the Benelux countries gave full support to the Netherlands proposal. At the Conference of Foreign Ministers of the Six in Rome in March the Constitution drafted by the ad hoc Assembly was not taken into consideration. On 11 May Sir Winston Churchill stated again that the United Kingdom did not intend to merge itself in a European Federation. He said that the "special relation" of the United Kingdom to Community Europe could be expressed by prepositions, "by the preposition 'with' but not 'of' - we are with them but not of them. We have our own Commonwealth and Empire." Sir Winston continued:

"On the military side we will ensure effective and continuous cooperation between our forces and those of the EDC. In the air we shall be ready when the European Air Force is established to exchange officers for command and training and to cooperate in many other ways ... On the political side we intend to consult earnestly about problems of common defence ... What more is there, then, that we could give, apart from completely merging ourselves with the European military organisation? We

1. Mouvement Republicain Populaire.
2. L'Annee Politique, 1953.
"do our best for them. We fight with them under the orders of the Supreme Commander. On the Continent we share their fate ... No nation has ever run such risks in times which I have read about or lived in and no nation has ever received such little recognition for it." 1

However, it could be suggested that the United Kingdom would be running a far greater risk if it had elected to fight the Red Army on the Channel coast rather than on the Rhine. Unless the British Government were seriously considering making a separate accommodation with the Soviets there was no practical strategical alternative to their maintaining some of their fighting forces on the European Continent. Since the strength of the British Army of the Rhine was only sufficient to encourage the Europeans themselves to make some military efforts, it could be argued that the commitments of the British Government to European defence was the minimum consistent with prudence. Moreover, it was evident that the United Kingdom could still dictate in large measure the fate of Community Europe. It could not be doubted that the Community system would have been accepted unreservedly by the West Europeans if the United Kingdom had agreed to participate. It was also clear that without the participation of the United Kingdom the system was likely to collapse entirely. On 16 May Mr Van Zeeland, the Belgian Foreign Minister, stated that he would oppose under any circumstances the entry of his country into a Continental Federation which did not include the United Kingdom. 2 In

2. L'Annee Politique, 1953.
Paris on 13 May Dr Adenauer and Sr de Gasperi alone accepted the original idea of a supranational Council for the Political Community. M. Bidault reserved his position. Mr Van Zeeland demanded instead a Committee of Ministers analogous to those existing for NATO and the OEEC.¹ The Netherlands Foreign Minister, Dr Beyen, again argued that the only solution to the difficulties of the Six lay in the creation of a customs union.² A further meeting scheduled for 12 June was postponed because of a French Ministerial crisis.³ The date was fixed instead for 22 September in Rome. But before the meeting could take place the clouds over the Communities had darkened with the appearance of a new figure on the European scene with a new pattern of opposition to the Community system. The figure was the sinister though sociable one of M. Michel Debre.⁴ The new pattern of opposition was that forecast by M. Paul-Henri Spaak: for the first time the Council of Europe was to hear from a Frenchman the arguments it had for so long been accustomed to hear from the English.

3. Enter M. Debre

On 18 September M. Debre ridiculed the Committees for possessing no common foreign policy. He claimed that in consequence

¹. The Economist, 16 May 1953, pp. 448-449.
². L'Année Politique, 1953.
⁴. Rassemblement du Peuple Français.

113
theys had no power to sign treaties of common defence. He refused to accept that French national sovereignty could ever be replaced by a European sovereignty. He insisted that the political authority of a United Europe should consist in a system of conferences of Heads of State:

"... there at last is a democratic reality, there is democratic legitimacy in Europe ... an elected Assembly could be set up ... which, without being a legislative body, would have financial powers, would be entrusted with supervising Europe's evolution ... Then there would be an administrative organisation, working under the authority of the Conference of the Heads of Governments ... It would, however, have to be a real administrative organisation, governed as it should be by a democratic political power; it must not be an irresponsible administrative body as it is at present ... "

Theoretical questions of national sovereignty are usually complicated even when the technical terms involved are used in their right senses. The most coherent impression from M. Debre's recommendations is that he did not think highly of conferences of Foreign Ministers. It was much less easy to determine what purpose he intended his elected assembly to fulfil. But the gravamen of his argument was obviously that political power in any united Europe should reside in a Confederation Assembly of Heads of State. This was necessarily quite incompatible with the concept of Community Europe. Community Europe was based on the principle that the sovereign powers of the participating

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1. Council of Europe, Consultative Assembly, Reports, 5th Session, 16th Sitting, 18 September 1953.
States had to be limited by cession to a supranational agency subject to a Federal Council of Ministers. The primary purpose of the confederal system M. Debre was recommending would be to preserve intact the sovereignties of the participating States. To this extent he did not appear to be recommending anything beyond the existing system of the Council of Europe. It is in fact the case that the RPF never seemed able to propose anything more cohesive in Western Europe than the Council of Europe, supported by an elective popular Assembly whose functions were never defined.

The Council of Europe had thus witnessed a repudiation of the Community idea by both the French and the Belgians when Mr Nutting said on 20 September:

"... when the EDC comes into force our partnership with it will be closer than any we have ever known before. I am not at liberty to disclose the exact terms of our last proposals for British association with the EDC ... but I can say that they envisage something even closer than the relationship we hold with the High Authority of the ECSC."  

However, the relationship of the United Kingdom with the ECSC had not yet been formalised. It was therefore impossible to assign any precise meaning to Mr Nutting's words. Nonetheless, M. Spaak welcomed the British assurances: he said, regretting that the

present position of Community Europe was still very far from what he
had sometimes hoped it would be,

"The British Government has, on various occasions,
conveyed to us through Mr Nutting and other delegates,
how much the United Kingdom has done and is doing for
the defence of Europe ... You will no doubt have
realised, Ladies and Gentlemen, that in listening to
Mr Nutting we were witnessing a minor historical event.
It is clear that the British Government is going and
will continue to give its help and additional coopera­
tion to the EDC ... and, if we can believe what the
newspapers say, it will be real help and effective
cooperation."1

How much that help might be needed was indicated by M. Debre's warning
that:

"... we consider that an associated Europe is the only
system of political authority compatible with the
maintenance and development of the French Union. If
Europe is to include a United Germany - and that, surely
goes without saying - she must adopt a political form
which will enable our primary demand to be satisfied,
namely, the maintenance of French unity, the maintenance
of the French Union."2

The Council had had occasion to become familiar with the argument that
any united Europe would have to be compatible with the maintenance in
its existing form of the British Commonwealth. M. Debre was now
applying the same argument to the French Union.

1. Council of Europe, Consultative Assembly, Reports, 5th Session, 20th
Sitting, 20 September 1953.
2. Ibid., 25th Sitting, 26 September 1953.
Meanwhile Europe and the British Government waited for M. Monnet to take a further step to formalise relations between the United Kingdom and the ECSC. As early as 11 September M. Monnet's officials had begun to leak details of a proposed Treaty of Association.\(^1\)

However, M. Monnet delayed making a formal approach to London. It was suggested that he might have been withholding presentation of the Treaty until he could bring off a political coup at a strategic time to help the ratification of the EDC Treaty by the Assemblee Nationale.\(^2\)

It was at least as likely that he was trying to defer the prospect of a failure which might torpedo the Community idea entirely. The ECSC was still rent with dissensions. Steel producers were bitterly attacking the "supranational police force" of the High Authority which prevented them from being able to exploit weakly placed buyers for the benefit of their more strongly situated rivals.\(^3\)

It was also feared that an attempt at formal association with the United Kingdom before the High Authority had decided upon its deconcentration policies might produce a relationship similar to that which British coal and steel industries had enjoyed before the war with the International Steel

\(^2\) *Manchester Guardian*, 30 December 1953.
\(^3\) *The Economist*, 12 December 1953, p.322.
Cartel. This situation was an ironic comment on the critics who had seen the Schuman Plan as an instrument of monopoly capitalism. However, the deepening crisis of the Communities stressed the need for a Political Authority which could enforce a common financial and economic policy. M. Monnet asked the Council of Ministers how the High Authority was supposed to reach agreement on a genuine common market when one country had an over-valued currency, another pursued deflation as a policy and a third failed to make adequate provision for investment. The situation had resolved itself into a classic dilemma: the Coal and Steel Community seemed unlikely to survive unless it could be supervised by a Political Community, but it was unlikely that there could be a Political Community in Europe, or indeed a Defence Community, an Agricultural Community or a Health Community, unless the ECSC could overcome the first crisis of its development.

On 24 December M. Monnet finally wrote to the British Government inviting them to commence negotiations to establish the complete form of their relationship with the ECSC. The Financial Times described this invitation of M. Monnet's as a constructive effort to prevent the move towards European integration from being frustrated.

1. The Times, 31 December 1953.
3. The Times, 29 December 1953.
by the present French hesitations. However, it appeared that it was not only the French Government who were hesitant. For five days there was no reply from London. Then on 29 December a Foreign Office spokesman recalled the assurances of the British Government in August 1952 that it was their policy to maintain an intimate and lasting association with the ECSC. M. Monnet's proposals would be studied in that spirit.

Community Europe awaited the results of these studies. It was hoped that falling British export prices might lead the British Government to see advantages in securing an agreement with the ECSC. By the end of the year export prices of British and ECSC steel were almost the same: British steel was selling at from £33 to £38 a ton; and ECSC steel was selling at £31/10/- per ton in Europe, £30 in dollar markets and £33/10/- in Switzerland. It was thought that British producers might recall how their European markets had been ruined in the thirties by Continental discrimination. However, it was also possible that the difficulties which the ECSC was experiencing at the time might serve to discourage the British from seeking any closer association. British industry spokesmen seemed undecided.

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1. Financial Times, 29 December 1953.
4. The Observer, 6 December 1953.
between the advantages of remaining independent and relying on their competitive strength and trying to come to an agreement which would safeguard them from future European discrimination.¹

Months passed without any response from the British Government. On 2 March 1954 Mr Nutting admitted that no formal reply had yet been sent to M. Monnet. He said that it was necessary first to complete discussions with British industry representatives.² Meanwhile the prospects for the EDC deteriorated from week to week. Government in France was immobilised by a series of political crises. On 1 April Premier Lamiel³ relieved Marshal Juin from his NATO posts for expressing hostility to the EDC. Two days later the Defence Minister, M. Pleven, was jostled by crowds demonstrating at the Arc de Triomphe in support of the Marshal.⁴ Reports were circulated in Paris that the United Kingdom would not extend its commitment to keep troops on the Continent unless the United States made a similar undertaking.⁵ M. Bidault⁶ who succeeded M. Lamiel attempted to secure

¹ Financial Times, 23 February 1954.
² Manchester Guardian, 4 March 1954.
³ Conservative.
⁴ Lerner and Aron, op.cit., p.xvi.
⁵ Manchester Guardian, 11 March 1954.
⁶ Mouvement Republicain Populaire.
his position by using the shock tactics of M. Schuman: on 12 April he called a Cabinet meeting at one hour's notice to authorise the signing of the Anglo-French military convention. The RPF Ministers, led by M. Debre, protested at having been given so little time to study the papers. The President of the MRP, M. Paul-Henri Teitgen, recommended that they follow the proper constitutional course and resign. However, a weak French Government could not be expected to be able to employ tactics of this kind for long.

M. Bidault's position was made the more difficult by a complete lack of encouragement from London. On 14 April Mr Eden said that the British armoured division on the Continent would be under the command of the EDC and would be within an EDC corps. However, it would not pass under the political control of the EDC. Mr Eden explained that it would not become "part of what one might call the EDC amalgamation but ... it is there available to them within one of their corps for as long as the Supreme Commander wants to keep it." It was difficult to give much practical meaning to Mr Eden's distinction. If the armoured division had not passed under the political control of the EDC it had certainly passed under the political control of the Supreme Commander. Mr Eden's speech inferred that he was prepared to cede some measure of sovereignty to an American General.


121
but not to a European Community.

However, the crucial issue was not the fate of one British armoured division but that of the rest of the British armed forces. The policy of the British Government appeared to be fulfilling M. Reynaud's prediction: the United Kingdom, Canada and the United States would remain independent military Powers within the NATO alliance but the European States would not. It was easy for Frenchmen to assume that the British Government must have seen some practical value in thus retaining their military independence. The natural conclusion was that France should do the same. The problem was essentially whether enjoying the diplomatic advantages of military independence was worth risking the revival of the Wehrmacht.

After four months' delay M. Monnet received an answer from Sir Cecil Weir. The British Government said that:

"... if a mutually acceptable system of association can be worked out, Her Majesty's Government believe that such association would be politically desirable and should enable economic advantages to be obtained both by the United Kingdom and the Community... They would therefore be glad to have an opportunity to discuss with your Excellency what precise form the future association between the United Kingdom and the Community could take... If you are in agreement with this suggestion, Her Majesty's Government would be very pleased if you could find it convenient to visit London for the purpose of initiating the proposed discussions."

Since this was substantially what M. Monnet had suggested four months previously it is remarkable that it should have taken the British Government so long to extend this invitation. Their delay is made the more extraordinary by the statement of the Joint Parliamentary Under-Secretary of Foreign Affairs, Mr Douglas Dodds-Parker, 1 on 3 May that:

"M. Monnet obviously recognises that it would be impossible for the United Kingdom to enter into a form of association which would involve any surrender of sovereignty to a supranational institution." 2 If it was understood from the outset that the British Government would not consider any form of association involving a loss of sovereignty, it is difficult to see why the British Government could not have replied earlier to M. Monnet's invitation. There was no doubt that a reasonably prompt or enthusiastic reply could have saved the prestige of the Community idea at its lowest ebb in Western Europe. The lack of urgency which the British Government accorded the matter was a positive encouragement to the enemies of Community Europe. As the Financial Times said:

"It is plain that any gesture of Britain's enduring interest in the political and economic future of Western Europe would make a profound impression on French public opinion at a critical time - the debates on the EDC in the French Assembly cannot now be long delayed. And the future of the ECSC itself depends in no small measure on the British decision." 3

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1. Conservative.
2. House of Commons, Debates, vol.527, col.3
In the Conseil de la Republique M. Debre, the most eloquent of the opponents of Community Europe, used the example of the United Kingdom as a telling argument against French participation in the EDC. He denied that the British were merely seeking to avoid an engagement on the Continent.

"What Great Britain does not want is the submission to a political authority ... at the moment when we sign an act of association saying to ourselves: 'It is only the first step for Great Britain,' you put into place the foundation-stone of a continental federation of which the British Foreign Secretary, supported unanimously on this point by the House of Commons, states: 'It is exactly because they want us to go that way that we are not going any further.'"  

Mr Nutting used different terms in his address to the Council of Europe. On 26 May he said:

"I am proud to say, at this time when we are celebrating the fiftieth anniversary of the Entente Cordiale, that never before in time of peace has our partnership with France in defence of Western Europe been as close as it is today. Our recent agreements with the EDC forces ... represents an act of faith unprecedented in British history."

The act of faith to which Mr Nutting referred involved committing one British armoured division to fight on the European Continent. However, it would have seemed that strategic considerations would have led the British in any event to have chosen to meet the Red Army on the Rhine rather than on the Channel coast. To this extent the act of faith did not seem to involve anything beyond the minimum demands of

strategy. Mr Kraft of Denmark suggested that Europe could justifiably expect more positive action from the British Government. He said:

"... if Great Britain decided to move faster and form a stronger unity, we should follow. Great Britain bears a great responsibility with regard to the future of Europe. So much depends on her experienced leadership. If my British colleagues will permit me to say so, I feel that Great Britain has still to accept, without reservations, the fact that she is a part of Europe ..."

Mr Kraft's charge that the United Kingdom was not only refusing to assist European union itself but was thereby keeping other small nations from assisting was a singularly serious one. However, he recognised that the United Kingdom was not the only State whose policies occasioned problems for the rest of Europe: he concluded:

"I am sure that you will understand that so long as the position of France has not been clarified, comparatively small countries like my own have to reserve their decision."\(^1\)

In July Sir Winston Churchill denied that he had ever led France to expect that the United Kingdom would join the EDC. He claimed that his original idea had been:

"a long-term grand alliance under which national armies would operate under a unified allied command ... My conception involved no supranational institutions and I saw no difficulty in Britain playing her full part in a scheme of that kind. However, the French approached this question from a constitutional rather than a purely political point of view. The result was that when they and the other five Continental nations worked out a

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\(^1\) Council of Europe, Consultative Assembly, Reports, 6th Session, 7th Sitting, 26 May 1954.
"detailed scheme, it took the form of a complete merger of national forces under federal supranational control ... I still regret, looking back on the past, that the late Government did not accept the French invitation to take part in framing of the plan of the EDC."1

However, Sir Winston's proposal in the Council of Europe had been for "a unified European Army subject to proper European democratic control and acting in full cooperation with the United States and Canada."2 The fact that he referred to the United States and Canada and not to the United Kingdom would imply that he intended that the United Kingdom would be part of the united European Army. In any case, the concept of a united army would normally seem to differ fundamentally from that of an allied army, in the same way that a union of States differed fundamentally from an alliance of States.

It can only be felt that one could not have reasonably deduced from Sir Winston Churchill's original resolution that what he had in mind was a long-term alliance of national armies. However, one could have inferred legitimately that he had in mind an organisation akin to that of the EDC operating within the framework of the European Political Community. Sir Winston's words now merely reinforced the impression in Western Europe that the British Government was prepared to let the EDC founder without making a gesture to save it.

2. See p.89.
The EDC in fact went down almost unnoticed. On 30 August the French National Assembly rejected it by a vote on the preliminary motion of General Aumeran. The EDC did not even get the honour of a debate.\(^1\) The Assemblee Nationale had apparently decided that in the words of M. Pierre Andre\(^2\) the EDC was worse than the Wehrmacht.\(^3\)

4. The British Supremacy

The defeat of the EDC restored the United Kingdom to the dominant position in Europe which it might be said to have lost since the French initiative of 9 May 1950. The situation was summed up by The Times: "Desperate and disappointing as the French veto is, it gives Britain a second chance to lead Europe."\(^4\) Europe was balkanised as it had been before 9 May 1950.

The British lead came with a suddenness which contrasted with the dilatoriness of their dealings with the ECSC. On 2 September the British Government suggested a conference of the Six Governments, the United States, Canada and the United Kingdom. The Conference was

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2. Republican Independent.
originally proposed for 14 September in London. It actually started on 28 September. *Combat* quoted "a personality in the City, of liberal leanings," who made a somewhat improbable comment:

"The European Army is dead; long live the Plan! ... if the British Government is sincere in expressing its regrets on the rejection of the EDC - and no-one has any reason to doubt this sincerity - the happiest initiative it could take to give new life to the idea of 'European integration' would consist precisely in a revision of its attitude towards the Schuman Plan ... The principle objection of Great Britain against participation in the European Army and the Schuman Plan was always the supranational character of these institutions ... The truth is ... that the experience of the Schuman Plan has demonstrated the impossibility of establishing an authority truly supranational except on paper."  

For once *Combat* and *The Times* were in agreement. The latter said:

"Some people ... say that without the EDC the Coal and Steel Community will lose its political symbolism for the Six ... and with this its prestige and independent authority will be lessened ... The countries of Western Europe have for many years hoped that this country would participate more creatively and constructively in building up a less divided and so more vigorous European economy. The part that the Coal and Steel Community might play in this under wise leadership is, to say the least, not diminished by the fate of EDC ... After the recent turn of events the federal obstacle at any rate has reduced in importance. The Coal and Steel Community does not have to be thought of as the first of a series of communities. It should be easier now to find a basis for the 'close association' which the British Government have repeatedly declared to be their aim ... It is Britain's duty as it is her interest."  

It is not certain that the wise leadership of which The Times spoke referred to British leadership. But the article would have been more balanced if it had mentioned the obvious facts that without the ECSC there would quite literally not be a "Six" and that the difficulties which were almost paralysing the ECSC derived precisely from the fact that it had been on its own. Its role might not be diminished by the demise of the EDC but it was very conjectural whether the ECSC could survive in a form capable of playing any useful role.

This was a prospect which one felt that M. Debre at least could face with equanimity. On 17 September, the day on which the Council of Europe gave up the cause of supranationality and handed the fate of the Continent over to the will of the United Kingdom, M. Debre fittingly played the starring role in an extraordinary drama. The strangely ambiguous foreign policy of the RPF was expounded with a sardonic eloquence from which the ideas of supranationality and the Atlantic Community had never benefited. M. Debre gave the impression that the devil again had all the good runes.

"I feel that we might have been able to achieve something, if, like any other Parliament, we had been stimulated, guided and listened to; and if the Heads of Government, alive to European problems, had asked the Assembly to examine important proposals. None of these things has been done. The men around us are not Heads of Government but Foreign Ministers ... The second way in which Governments
"have shirked their responsibilities is still more serious. They did so by inventing supranationality ... The consequences of such supranationality are now only too obvious. The first is the creation of two series of independent authorities. Governments surrender part of their powers to authorities no longer responsible to them ... One of the early results of surrendering sovereignty - and we can already see this happening - is to make Governments more nationalistic. Europe is no longer their affair but has become a matter for supranational authorities ... Another result of supranationality is that, far from organising Europe, supranationality has divided it. Some nations do not accept it. Great Britain was against it from the very outset. It was evident, several months ago, that France, which had once accepted it, would not easily accept it a second time ...

"There has been confusion, real or feigned, between advocacy of a United Europe and advocacy of a unified Europe ... A 'United Europe' policy is an attempt to form an association of European nations. It is an attempt by Governments, the lawful authorities of those nations, to find common ground for their inevitably differing policies, and jointly to endeavour, if necessary by means of common institutions, gradually to form, on their own responsibility, an association of European nations. The unification of Europe is a vastly more ambitious objective ... Its aim is to set up a political authority in Europe independently of the national Governments and to leave it to that authority to solve problems which it is thought the Governments cannot settle for themselves ... this is an unreal and doctrinaire approach ... At present there is no such thing as a European policy. There are policies of European nations ... We cannot hope to do more than create a United Europe and even this is a great task ... As soon as we construct an edifice which has no supranational character involving surrender of sovereignty, I cannot imagine the British Government finding itself unable to join us. A United Europe will be built on properly elected
"Governments responsible to their national Parliaments."¹

It is easy to see from this that M. Debre still had little regard for Foreign Ministers. However, his more positive contributions sound again rather like those of a Conservative looking forward to the achievement of the status quo. He appeared to be advocating a confederal congress of Heads of State who would appoint international administrative organisations to assist in harmonising national policies. However, the Heads of State would remain legally free to pursue what policies they liked and to make what accommodation they liked with one another. It would be a unified Europe in which everyone did as they pleased. As M. Paul-Henri Teitgen pointed out at a later and more confident time, this was what they had already, and the results were there already, or would have been there if there had been any results. But this was not the mood of September 1954. The RPF and the United Kingdom had it all their own way.

One after another the Representatives of what had been the Europe of the Communities paid their respects to the country whose abstinence had brought down the EDC. Mr Van Cauvrellaert of Belgium considered that: "... as M. Debre has so eloquently pointed out ... the excessive emphasis placed on so-called supranational authorities in EDC and also in ECSC, is something not to be repeated in the future." M. Edouard Bonnefous of France² said:

¹Council of Europe, Consultative Assembly, Reports, 6th Session, 18th Sitting, 17 September 1954.
²Union Democratique et Socialiste de la Resistance.
"... faced with the alternative of keeping Britain on our side or adopting a supranational formula, the majority of Frenchmen have made their choice. Those who hearken after a Europe of the Six have done the cause of Europe a disservice by preferring a formula to the reality of British support." 1

It was remarkable that M. Bonnefous should have found the choice as clear-cut. Mr Korthals of the Netherlands followed:

"EDC has failed. France is anxious that Britain should be more closely linked with Western European affairs. If, therefore, we create a supranational organisation which is unacceptable to Britain, then we cannot expect much from France. It will therefore be necessary considerably to water down the supranational wine, regrettable as this may be. On the other hand, Britain is far more interested than she was." 2

Mr Vixsbose, also of the Netherlands, added:

"It is of the highest importance that Great Britain should be a full partner in the new Convention ... I shall try to avoid the well-known fault of the Dutch, of giving too little and asking too much, and therefore confine myself - that is, the qualified majority of the Committee of Ministers. I flatter myself by thinking that this should be acceptable to Great Britain." 3

For the French Left M. Marius Moutet 4 gave what might seem to be more realistic summing-up of the situation:

"French common sense has led to the conclusion that if EDC is such a good thing for France, is there any reason why

2. Ibid.
3. Ibid.
4. Section Francaise de l'Internationale Ouvriere.
"it should not be a good thing for Britain? This kind of argument, believe me, has helped to turn the scales in Parliament far more than all emotional considerations and certainly more than all the nationalistic sentiments of certain Frenchmen."¹

This was at least a slight rebuff to M. Debre.

But it was M. Margue of Luxembourg who perhaps expressed most succinctly the sense of the Meeting: "The leadership of Europe has fallen vacant for what reasons we need not discuss. It is Britain's for the taking, she has only to say the word."² And M. Pierre Mendes-France spoke again for Europe:

"In the first place there must be a plan for an organisation including the fullest participation of the United Kingdom. I have no need to insist in this Assembly, where I see representatives of the United Kingdom - a country which has consistently kept at heart the desire to build in Europe an Assembly based as widely as possible - on the decisive importance of British participation in our undertaking."³

It was an extraordinary day when MM Mendes-France and Michel Debre could speak in harmony. But Europe of the Communities had no defenders. The German and Italian delegates sat silent while their colleagues of the Six went on with the surrender. Balkanised Europe waited again for a sign from London. 17 September 1954 saw the triumph of the United Kingdom and of M. Debre.

¹ Council of Europe, supra.
² Ibid.
³ Ibid.

Council of Europe, Consultative Assembly, Reports, 6th Session, 19th Sitting, 17 September 1954.

133
5. The Last Community

The British Government continued to act with remarkable speed to fill the European vacuum. The Nine-Power Conference concluded in London on 3 October. On 23 October the Protocol of the Western European Union was signed in Paris. The effect of this was primarily to extend the Brussels Five-Power Treaty to incorporate Italy and Western Germany. Article 2 of the Protocol modified the sub-paragraph of the Brussels Treaty which read "... to take such steps as may be held necessary in the event of renewal by Germany of a policy of aggression ..." to read "... to promote the unity and to encourage the progressive unification of Europe."

The Protocol also promised that the United Kingdom Government:

"will continue to maintain on the mainland of Europe ... the effective strength of the United Kingdom forces which are now assigned to the Supreme Allied Commander in Europe ... Her Majesty undertakes not to withdraw these forces against the wishes of the majority of the High Contracting Parties ... This undertaking shall not, however, bind Her Majesty in the event of an acute overseas emergency."

From both Right and Left the Assemblee Nationale applauded the proposal for a WEU. On 17 September M. Mendes-France had found himself in agreement with M. Debre. On 7 October he had the perhaps even more remarkable experience of finding himself in agreement with M. Jacques Soustelle. M. Soustelle had developed the now familiar

2. Ibid., p.38.
3. Rassemblement du Peuple Francais.
RPF line: he favoured "... a conception of a confederated Europe - associating nations without destroying them." He added bluntly: "The reason why most deputies have rejected the EDC is because of the absence of Great Britain." M. Mendes-France also praised the WEU and claimed that it represented on the part of the United Kingdom "... the word is not too strong, a veritable abdication of sovereignty, which the United Kingdom Government has agreed upon in the interests of the common defence."2

But as M. Paul Reynaud pointed out to the Assemblee, it was difficult to see how four British divisions against 175 Russian divisions constituted an excessive and hardly equitable contribution by the British Government.3 It could not be claimed that it involved any abandonment of sovereignty: the United Kingdom had in fact no choice between defending Europe and pursuing a policy of neutrality. The latter was impossible if the United Kingdom intended to maintain its position as the most favoured recipient of American capital investment. Under the circumstances four divisions was a very slight gesture. There is a certain sense in which the United Kingdom had abandoned some measure of its sovereignty: the conditions under which

2. Ibid., p.4624, 7 October 1954.
3. Ibid., p.4574.
it could unilaterally withdraw its four divisions were severely limited. It was technically correct to claim that the Assembly of the WEU was the only European organisation in which the British Government had agreed to accept decisions arrived at on the majority principle. To that extent the Assembly was unquestionably federal in nature. However, the WEU was essentially a military alliance amongst States already committed to the same major directions in foreign policy. There can be little relevance in discussing the principles on which decisions are arrived at in a body whose major decisions have been taken already. Again it had been shown that the only form of European Union for which the British Government was prepared to make the slightest abdication of sovereignty was a military alliance against a predetermined foe.

The abdication had clearly been very slight. Aneurin Bevin claimed that: "... EDC would have been obtained years ago had Great Britain given the guarantee that was now offered." However, the additional guarantee was very slight. Under the proposed EDC Treaty the British Government would have left one armoured division on the Continent until required by the Supreme Allied Commander. Under WEU

they undertook to leave four divisions on the Continent until required by military necessity to withdraw them. Europe had thus gained three British divisions at the probable price of the Wehrmacht. Three extra British divisions were not likely to make a significant impression upon the Red Army. From that point of view they might as well have stayed across the Channel. It would have taken more than gestures of that measure to have saved the EDC. On the other hand the EDC could well have been saved by one display of genuine concern and desire to help on the part of the British Government. To that extent Bevan's words may have been correct.

In any event the United Kingdom had preserved its position as the major military power in a balkanised Europe. The creation of the EDC would have given it a temporary advantage in possessing the only important national Army in Europe. But eventually this advantage would have been lost when the United Kingdom was replaced as the second Power in the Atlantic Alliance by an armed and cohesive Western Europe. This danger was safely past. The United Kingdom had in addition the advantage of enjoying a moral prestige unequalled since 1950. It had the moral and material predominance to model Europe according to its own desires. The importance of WEU lies in the fact that it represented the only British initiative towards European Union at a time when any British initiative would have been certain of acceptance.
There remained one problem in the form of the last surviving structure of Community Europe. However, the ECSC was in no position to make terms. If the prestige of the United Kingdom had never been higher, that of the ECSC had never been lower than on 13 October when Mr Duncan Sandys flew to Paris to speak with M. Monnet. Subsequent events were not calculated to raise its mana in any degree. M. Monnet and Mr Sandys refused to reveal any details of their talks. On 27 October the Council of Ministers of the ECSC met to discuss M. Monnet’s proposals for a Treaty of Association with the United Kingdom. The Belgians were particularly critical. No decision was reached. The Financial Times described the refusal of the Ministers to approve M. Monnet’s proposals as “a public let-down deliberately administered to M. Monnet, who was all set to go to London and had the British negotiators waiting for him.” In London, the Ministry of Supply, who was handling the negotiations, referred all enquiries to the Foreign Office, which declined to comment. Le Monde described the state of the ECSC as that of “the first stone of an edifice which no-one is

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1. The Times, 14 October 1954.
3. Ibid., 5 November 1954.
any longer in a hurry to build." On 11 November the Ministers met again. This time the Belgians were satisfied. But meanwhile M. Monnet and M. Mendes-France had disagreed on whether the ECSC should be regarded as part of a general structure of European economic unity. At last on 22 November the Ministers agreed on a Treaty of Association which would set up a Steering Council of Association "to provide a means for the continuous exchange of information and for consultation in regard to matters of common interest concerning coal and steel and, where appropriate, in regard to the co-ordination of action in these matters." The Council would consist of four representatives from the High Authority and four from the United Kingdom.

M. Debre made the obvious objection to this arrangement. He told the Conseil de la République that it was anomalous that France should be represented by only one delegate on the Council of Association while the United Kingdom, which was not a member of the Community, was represented by four. M. Henri Ulver, the Minister for Industries and Commerce, replied that the association of the United Kingdom would give balance and reality to the High Authority. The French Government

1. Le Monde, 28 October 1954.
4. Ibid., p. 1.
was convinced that the building of Europe was impossible without the participation of the United Kingdom. They had accordingly had some of the clauses originally proposed for the Treaty of Association altered to make it easier for the United Kingdom to participate. M. Debre objected with justice that this had not exactly answered his question.

The Treaty of Association aroused notably little interest in the United Kingdom. As the Manchester Guardian pointed out it did not in fact commit the United Kingdom to doing anything except discuss matters of common interest with the High Authority. The British Government did not surrender any real control over its coal and steel industries. Only a few Members waited in the House of Commons after a debate on the price of tea to hear the speeches about the Treaty. None of them appeared to regard the matter as at all significant. A few made references to the Council of Europe. Mr George Brown described it with considerable accuracy as:

"... a meeting place for the Oppositions of Europe ... a meeting place for people without power at home ..."

2. Ibid., p.2112.
"Strasbourg is a Parliament of backbenchers ... The present Prime Minister went there as a distinguished person without a platform. He amused himself in a high old way and in a manner which other Ministers have found it difficult to remedy ... A great deal of mischief was also done by M. Henri Spaak when he had no platform at home and it is being undone with great difficulty ... Above all, I hope that we shall resist the temptation to think of ourselves as a Continental European Power. That we are not ... We are still a world power, at the head of a Commonwealth ... One of the dangers about Strasbourg is that we get pushed into a state where we forget that fact, and begin thinking of ourselves as a Continental European Power ..."

This was a temptation to which British Government had not so far succumbed. The danger of their succumbing was more remote in December 1954 than it had been since 9 May 1950. Its remoteness was indicated by the casual way in which Lord John Hope, the Joint Under-Secretary of State for Foreign Affairs, referred to the possibility of some surrender of sovereignty:

"However much we may have got on our high horses about the idea of supranationality, I think we have all come to realise that, without losing our ultimate sovereignty as a nation, there are occasions when we have to put what seems to be our short-term nationalist advantages into the pool for the long-term communal advantage - which is also our own. Supranationality and the retention of sovereignty are not by any means altogether mutually exclusive when it comes to practical suggestions."

2. Conservative, Pentlands.
3. House of Commons, supra, cols. 1002-03.
The principles were in fact mutually exclusive in a logical sense: it was not possible both to retain sovereignty and to abandon it. Lord John Hope presumably meant that there would be occasions on which a British Government would be prepared to countenance some abandonment of sovereignty. However, the fact that he could refer to this possibility so lightly implied that he saw little danger of its presenting itself as a practical issue. The EDC was dead. The ECSC was scarcely to be taken seriously. He could not know that M. Paul-Henri Spaak was brewing new mischief, so potent that in six years' time it was to bring the United Kingdom to Brussels, suing for entry to Community Europe.
1. The Messina Proposals

The Netherlands Foreign Minister, Mr Beyen, had argued in March 1953 that only the total economic integration involved in setting up a customs union could surmount the difficulties which were handicapping the restricted communities. The debacle of the EDC appeared to support this concept. On 21 April 1955 Mr Beyen discussed the idea at The Hague with M. Spaak. On 23 April the two Ministers asked M. Bech, the Luxembourg Foreign Minister to join them in calling in the name of the Benelux Governments a meeting of the Council of Ministers of the ECSC as soon as possible. Its subject would be a programme for the general economic integration of the Six under a supranational authority.¹

The Ministers met on the historic 9 May. The surviving partisans of supranationality took the opportunity to reaffirm their faith in their discredited ideal. M. Monnet himself affirmed:

"... we know well that it is impossible to maintain and develop the standard of living of the peoples of Europe, if the European States do not take a new step in the realisation of their unification. Whatever be the methods chosen by the Governments and Parliaments, our experience has opened the road to the United States of Europe ..."²

¹ L'Annee Politique, 1955, pp.381-82.
² Ibid.
These were brave words to be spoken in the spring of 1955.

On 18 May the Benelux Ministers formally presented to the other Ministers of the Six a project for the economic integration of Europe by the creation of a common market and the harmonisation of social policies.\(^1\) French support was surprisingly strong: M. Maurice Faure,\(^2\) Under-Secretary of State for Foreign Affairs, told a press conference on 26 May that a real organisation could not let itself degenerate into a mere club of ambassadors: "... if the word supra-nationality still scares people, let us admit that just the same it must be granted powers of decision."\(^3\)

On 1 June 1955 the Foreign Ministers of the Six met at Messina to begin negotiations for a customs and economic union. This was the first time they had met together since August 1954. M. Beyen had drafted the working paper for their discussions. The Six Governments themselves were severely reticent about the whole affair. Dr Adenauer had been expected to attend but sent his Foreign Secretary instead. The French Government released to the press only cryptic and incoherent statements. The cloak-and-dagger atmosphere of 9 May 1950 was recaptured. The New Statesman and Nation commented on "the conspiratorial atmosphere which seems inseparable from meetings of

\(^1\) L'Année Politique, 1955, pp.381-82.
\(^2\) Radical.
\(^3\) L'Année Politique, supra.
"European' leaders ..." and went on to make one of its classic false prophecies:

"Last week's Messina Conference ... ended in a disastrous miscarriage ... The purpose of the Conference was the much-discussed reliance europeen, designed to compensate for the 'temporary check' of EDC ... the best the Conference could do was to hand over the Benelux proposals to a Committee, instruct it to report back in October, express a hope that Britain would take part in its deliberations, disagree as to who was to be its chairman and fill out the rest of the communique with a list of pious but vague objectives."1

It was of course not quite like that: the intellectual Left was certainly having no luck picking its winners.

The Six lost no time in dealing with the major problem of the United Kingdom. On 7 June M. Bech wrote to Mr Harold Macmillan, inviting the British Government to take part in "a Committee of Governmental Representatives" to deal with the working out of treaties and other arrangements "concerning the questions raised by the Messina Resolution." M. Bech emphasised that he and his colleagues "were unanimous in our hope that the British Government would participate in this work in the closest possible manner." The Messina Resolution forwarded to Mr Macmillan read:

"The Governments of the Federal German Republic, Belgium, France, Italy, Luxembourg and the Netherlands believe that the time has come to make a fresh advance towards the building of Europe. They are of the opinion that this must be achieved, first of all, in the economic field.

"They consider that it is necessary to work for the establishment of a united Europe by the development of common institutions, the progressive fusion of national economies, the creation of a common market, and the progressive harmonisation of their social policies.

"Such a policy seems to them indispensable if Europe is to maintain her position in the world, regain her influence and prestige and achieve a continuing increase in the standard of living of her population."

The means by which the Ministers proposed to achieve these ends included primarily "... the creation of a common organisation to be entrusted with the responsibility and the means for ensuring the peaceful development of atomic energy, ..." and "... the establishment of a European market, free from all customs duties and all quantitative restrictions ...".

After a week's delay Mr Macmillan replied. His letter of 15 June stated that he had read M. Bech's letter and the Messina Resolution with much interest. He assured M. Bech that:

"Her Majesty's Government will consider most carefully what response to make to the invitation which is to be addressed to them to participate in the work of the Committee which the Six Foreign Ministers are to set up ..."

On the basis of past experience, this reply could not be considered encouraging. This negative impression was heightened by

1. Cmd.9525, pp.6-7.
2. Ibid., p.9.
another of the unfortunate coincidences which so often intervened to place British policy towards Europe of the Communities in the worst possible light. On 21 June the British Foreign Office decided to economise in extending diplomatic privileges to foreign representatives in the United Kingdom. They started with the ECSC. It was decided that M. Rene Mayer, the Chief Representative of the High Authority in the United Kingdom should receive the same legal immunity as an Envoy but would have to pay himself the "non-beneficial" element of the rates on his official residence. To this extent he would be financially worse off than an Envoy. Other members of his delegation were to have no relief from rates. Their privileges were to be intermediate between those accorded foreign diplomats and the secretaries of international organisations. This classification was probably appropriate but its timing was as unfortunate as the postponement of the British Ambassador's Press luncheon, the publication of European Unity, the omission of the significant sentence from Cmnd. 7970, Mr Strachey's international plot, and the rest. The British Government's coincidences were never happy ones.

This rather trivial affair was followed in a few weeks by an action which was the most hostile and damaging to the ECSC that the British Government could have adopted. In July a complete ban

was announced on exports of British coal to the ECSC in 1956 once existing contracts had been fulfilled. M. Mayer was thereby placed in a most difficult position. The Community was already acutely short of coal. The loss of British exports meant that the High Authority would have to find 10 million tons from other sources in 1956. The alternative would be to declare an emergency and attempt to ration coal supplies in the Community. But this would have to be done with the cooperation of the National Governments on which M. Mayer could not count. ¹ Otherwise it would be necessary to import United States coal at more than double the price of British coal. The British Government claimed that their action was necessary to save foreign exchange: if they did not cut exports they would have to import American coal themselves. However, the Financial Times objected that the saving of exchange would not in fact be significant. Moreover, the ban did not extend to exports to the United Kingdom's Scandinavian partners in Uniscan.² Once again the Europeans might have asked how else the United Kingdom could have acted if its sole intention had been to frustrate the development of Community Europe in every possible way: if this was what the British understood by association one could only wonder what their hostility would be like.

2. Ibid.
Nonetheless M. Mayer remained resolutely confident. When French Ministers asked him not to ascend too hastily the pedestal of supranationality he replied: "J'y suis, j'y reste."\(^1\) Meanwhile M. Beyen flew to London for discussion with Mr R.A. Butler, once the Wild Man of Federal Union but now silent and discreet.\(^2\) On 30 June M. Beyen wrote to Mr Macmillan, formally inviting the United Kingdom in the name of the Six Governments to participate in the work of a Committee of which M. Paul-Henri Spaak would be the Chairman.\(^3\) This time he had an immediate reply: on 1 July Mr Macmillan answered:

"Her Majesty's Government are naturally anxious to ensure that due account should be taken of the functions of existing organisations such as OEEC, and that work should not be unnecessarily duplicated. They also hope that the views of different countries affected may be heard. On this understanding Her Majesty's Government will be glad to appoint a representative to take part in these studies ... There are, as you are no doubt aware, special difficulties for this country in any proposal for 'a European common market.' They will be happy to examine, without prior commitment and on their merits, the many problems which are likely to emerge from the studies and in doing so will be guided by the hope of reaching solutions which are in the best interests of all parties concerned."\(^4\)

This was Mr Attlee and the Schuman Plan all over again: the British Government was acutely aware of all the difficulties and

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remarkably unimpressed by the merits. It sounded as if the function of the British representative would be less to speed the good work of the Spaak Committee as to frustrate their knavish tricks. This was rather less than goodwill.

But on 9 July M. Spaak welcomed the British representative to the first meeting of the Preparatory Committee in Brussels. It was noted that he insisted upon using Mr Macmillan's term "representative" which implied a closer relationship than that of "delegate" or "observer." On 12 August the British representative proposed that an OEEC representative should also sit on the Steering Committee. This was agreed to by the Six. And on 23 September, after M. Mayer had made a last-minute flight to London to try to persuade the British Government to modify their ban on coal exports, the Treaty of Association between the United Kingdom and the ECSC entered into force.

On 21 October M. Spaak addressed the Council of Europe. To the applause of the Deputies in the Assembly which twelve months previously had cheered M. Debre, he said:

"... the question whether it is possible to create a new economic Europe and more especially if it is possible to set up a common European market is not a technical question but one of political resolve. The day that this political resolve gathers its full force there will be no technical problem that cannot be solved."

This was a salutary reminder to the Deputies not to worry unduly about formal relationships: national Governments could make almost any kind of association work if they wanted it to. M. Spaak had told his technical experts:

"The only thing I ask you not to say is: 'it will be necessary to surrender a part of national sovereignty!' Nor must you say: 'One can never surrender a part of one's national sovereignty ...' The experts will reach the conclusion that certain institutions should not possess independent authority - I would rather put it that way than talk about relinquishment of sovereignty which seems to arouse violent nationalist feelings. It is more tactful to refer to them as independent authorities with a special field of competence."

This undoubtedly sounded much less frightening. And M. Spaak concluded with his appeal to Europe outside the Communities:

"As for the others, Ladies and Gentlemen, I assure you once again, the one thing we hope is that you will be with us in this adventure. There is nothing exclusive in our attitude. We do not hold as a principle to the formation of a group of six. We would like it to be much larger. We wish that all the European States represented here would give their agreement to the principles which, I hope, will soon be those of the Six."

2. The Euratom Rift

The British attitude towards the Community idea hardly needed emphasising. However, it was spelled out meticulously on 16 November by Mr Peter Thorneycroft who led the British delegation to

the Committee of Association in Luxembourg. In his welcoming speech M. Mayer claimed that this was the first time in history that a supranational Community had entered into relations of equality with a Sovereign State. Mr Mayer had reason to believe that the British Government did not regard the relationship as one of equality. The British had committed themselves to nothing: they had merely agreed to discuss. In these circumstances it seemed inappropriate for Volney D. Hurd to describe the Treaty of Association as:

"... a history-making innovation fraught with significance for the future. A Britain, which simply cannot 'federate' with a Continent to which it belongs geographically, now has inaugurated a new relationship called 'association' with the ECSC. Thus ends the centuries-old British role of playing the balance of power among the States of a divided Continent ..."3

The British role had not yet finished. No such significance was attributed to the Treaty in the United Kingdom. Mr Thorneycroft described it merely as the logical outcome of the establishment of the Community:

"It would be unnatural on the part of two such producers if we did not know something of the thoughts in each other's minds4 ... the foundations of the present association have

2. See p.146.
4. Ibid.
been built not on theory but on a solid base of cooperation and goodwill. The Association is not exclusive; the interests of other Western European countries must be considered, and Britain has always her duty to the Commonwealth.

The nature of the cooperation and goodwill was illustrated in the course of the discussions that followed immediately the signing of the Treaty. The position of the British Government remained completely intransigent; they refused to alter M. Mayer's status, to modify their export ban, to agree to a common budget to purchase American coal, or even to discuss a proposal to revive the system of coal allocations used during the Korean War. Again the Europeans began to use M. Briand's phrase: les anglais torpillent tout.

In the face of this sustained display of British reserves, the uneasy optimism of the opening sessions of the Spaak Committee broke down in bitterness and anger. British and Community representatives clashed in recriminatory arguments throughout the network of European Assemblies. On 6 December Sir Hugh Ellis-Rees, Chairman of the OEEC Council of Ministers, repeated Mr Macmillan's warning that the work of the Spaak Committee was obviously going to duplicate that of the OEEC. He said that the British Government were most anxious to avoid this. They had particular difficulties with this kind of association because of their relations with the Commonwealth. He

1. Combat, supra.
doubted whether the Six could actually achieve their aims any more quickly than they could have by working normally through the OEEC. In any case by going ahead on their own they were liable to create a discriminatory bloc in Europe. This would certainly weaken the association of the OEEC.¹

In the Spaak Committee the British were accused of having made up their minds in advance. Discussions on this basis were pointless. Delegates of the Six demanded that the British should state clearly what kinds of association they were prepared to support and not merely what kinds they opposed.² The British Government did in fact make an initiative. However, this served only to deepen the rift. In the OEEC Council Sir Hugh Ellis-Rees appointed Mr Leandre Nicolaides of Greece chairman of a committee to investigate the development of atomic energy in Europe. In a closed session of the WEU Assembly M. Spaak accused the British Government of deliberately working in the OEEC to sabotage the atomic energy scheme proposed by the Messina countries. In the words of The Economist, the position of the United Kingdom had changed in European eyes from that of an interested bystander to a hostile critic waving a fistful of spanners.³

The Nicolaides Committee recommended that the Ministerial Council of the OEEC should appoint a steering committee to promote

3. The Economist, 14 January 1956, p.112.
joint enterprises for the development of atomic energy. The enter-
prises would work with the Steering Committee but would technically 
be independent of it. ¹ The Report made no mention of the Euratom 
scheme which had been tabled three weeks before. ² It was suggested 
that one reason for the deliberate disregard of Euratom might be that 
the United Kingdom was relying upon its current industrial supremacy 
to be able to manufacture reactors for the Europeans. This advantage 
could be lost if the Messina Powers succeeded in developing a 
genuinely supranational approach to atomic energy. ³

On 22 February President Eisenhower offered 88,000 pounds 
of Uranium 235 to an agency that could develop atomic energy in 
Europe. He also made it clear that the United States Government 
favoured the Euratom rather than the Nicolaides project: it seemed 
more practical to try to combine the efforts of six countries than 
of seventeen. Moreover, the Euratom project had been proposed first.

British policy altered immediately. The British representatives in 
the Spaak Committee let it be known that the United Kingdom would 
consider associating with Euratom when the agency was set up. On

² Christian Science Monitor, 1 March 1956.
³ The Scotsman, 11 January 1956.
28 February Mr Harold Macmillan told the Council of the OEEC that the development of atomic energy was "above all an opportunity when Europe could act together." Mr Thorneycroft said that he could see no reason why Euratom could not exist within the general European pattern, though of course not on any discriminatory basis. "We should try to unite in this scheme, and not to divide Europe." This was followed on 29 February by a Resolution of the OEEC Council that there was no incompatibility between the forms of cooperation pursued by the OEEC and those pursued by "certain member countries" which were seeking to establish among themselves "closer" forms of cooperation than those envisaged in the OEEC." Moreover, M. Spaak secured a significant victory by having incorporated in the Resolution a reference to the need "to coordinate the action of existing organisations."

This implied clearly that Euratom was already an existing body which in fact it was not. The Nicolaides Report on the other hand had implied that it had not even been projected.

Any victory at this time was welcome to M. Spaak. On 9 March the Belgian Federation of Industries attacked the Euratom scheme and expressed a preference for the looser kind of collaboration envisaged by the Nicolaides Report. The chief reason for

1. The Times, 1 March 1956.
objecting to Euratom was that they might lose the opportunity for monopolistic exploitation that it derived from its holdings of Uranium in the Congo. The French Patronat was also threatening to leave the ECSC unless the Germans gave them more concessions in the Saar. Combat said that the French Government had decided to break from Euratom and follow the OEEC line because this would leave France free to make the atom bomb. Finally, West German industrialists supported the OEEC and rejected the Community system as an unwarranted interference by bureaucratic agencies in the working of the free market.

International capital and chauvinism appeared once more to have closed ranks against Community Europe. Once more the Netherlands and the Left moved to the defence. On 14 March the Foreign Affairs Commission of the Dutch Parliament resoundingly supported the supranational approach to the development of atomic energy. In Germany Mr Ludwig Rosenberg, Labour Member of the German Atomic Energy Commission, conferred with Mr Irving Brown, European representative of the A.F.L. - C.I.O. Mr Brown assured Mr Rosenberg that on his return to Detroit he would confer with Labour leaders in the United States to determine how American Labour could help the European Left defend Euratom against the industrialists. It was a measure of the change from 1950 that European Labour would seek assistance from the

United States rather than the United Kingdom in such a struggle.

The reason for this change in attitude was given by Mr. Rosenberg himself in Welt der Arbeit: he said:

"If we want European integration we must finally stop waiting for Britain to take part. Britain will not and cannot take part in a real European integration. On the other hand, it will always associate itself when others have created such integration. If you want to be sure to bring down any and all European integration plans, you have only to base them on the question of whether or not Britain will take part ... we should finally stop causing European plans to fail by using this argument. It would be more honest to say frankly that: 'We don't want real integration.'"

Further assistance came from one of the most valuable and least expected quarters: on 20 March the Quai d'Orsay announced that the French Government had in no way altered its determination to bring about the Euratom project. Over the week-end of 20-21 April the Spaak Committee completed its work. It unanimously recommended the gradual setting up of a customs union and the adoption of a common external tariff by the Six countries over a period of 10 to 12 years. The United Kingdom representatives did not associate themselves with the final stages of the Committee's work. The Manchester Guardian suggested that the British Government was deliberately taking no sides in the expectation that the Common Market and Euratom projects would founder like the EDC on the shoals of Continental Parliamentary

That the French Parliament did in fact have reservations was indicated by an Order of the Day unanimously approved by the Assemblee Nationale, demanding that the French Government should undertake no obligations in the field of atomic energy without first consulting Parliament. The Debate on the Order of the Day had been provoked by M. Debre. He had bitterly attacked the whole Euratom concept, claiming that the ECSC had given only deceptions and that he hoped to avoid a repetition of the EDC drama. It would have been more accurate to say that a repetition of the EDC drama was precisely what M. Debre hoped to provoke. In the current economic and political condition of France he was not unlikely to succeed.

2. The Free Trade Area: (i)

M. Debre was not yet Premier of France. The supporters of the Community Idea still had some grounds for the remarkable degree of optimism they betrayed in the spring of 1956. In Brussels and Luxembourg it was increasingly felt that the United Kingdom would have to participate in the work of building Community Europe. Intra-European trade had increased by 50% since 1950. Over the same period the Sterling Area had proved a grave disappointment. Already British

exporters were cultivating markets outside the Commonwealth. In 1955 Community Europe took over £375 million of British exports. British management and labour were alike concerned at the prospect of the European market being restricted by a discriminatory common tariff. On 20 May Mr Alf Robens told the Co-operative Congress at Blackpool:

"Britain should take the initiative in Europe for the development of atomic energy for peaceful purposes. We should offer to join in a European organisation for these purposes as full and equal partners, putting our knowledge and technique into a common pool with other nations ..."

Mr Robens thought that this would not only avoid a great waste of money and the time and labour of scientists but would also create confidence between nations.  

M. Spaak made clear what Community Europe wanted from the United Kingdom. He said that the economic struggle between the Soviets and their rivals was the true struggle of tomorrow. "It is the real ground upon which we must accept the challenge which has been launched by the Soviet Union. On this basis the responsibility of those who would make this policy fail will be tremendous." M. Spaak said that he had adopted British empiricism at least to the extent that he did not tell his experts in principle to create supranational institutions. "I ask you in all conscience to tell us the

kind of institutions which must be created to permit a common market to function. 1

The Times also supported Mr Robens. It argued that the British attitude sometimes:

gives the impression that it is based on the idea that the union of the six countries might make them economically too strong ... But Britain, too, stands to gain from freer markets and wider competition. It could be more far-sighted to encourage the efforts to unite Europe than to adopt an ambiguous attitude which is commonly interpreted as opposition. 2

On 29 May the Six agreed on the Euratom Report. The Report did not suggest that the executive agencies of the new Communities should have the supranational powers with which the High Authority of the ECSC had been invested. It was suggested that this indicated the desire of the Six to make it easier for the United Kingdom to associate itself with their efforts. On 5 June at the luncheon of the Anglo-American Press Association in Paris M. Monnet made another appeal to the British Government to help Community Europe in its crisis. He said that British participation in Euratom had now become essential. He had changed his mind about the importance of first creating a European Commission to develop atomic energy and then asking the United Kingdom to associate itself. The changes that were taking place

were too rapid: the United Kingdom and Europe could no longer solve their problems separately: it was no longer good enough for the United Kingdom to wait and see. M. Monnet said that he had seen that morning a cemetery in Paris where British airmen were buried. On the graves were the words: "We light the way." I hope that today the light for Europe will come not only from the Continent but from the Continent and Great Britain together."

Darkness was undoubtedly falling over Euratom. The apparent unanimity of the Spaak Report cloaked a dangerous and scarcely soluble conflict of interest over the project. The Belgians still hoped to derive monopolistic advantages from their resources in the Congo and opposed a pooling of supplies of Uranium. The French still wanted to be able to secure their military position by being free to make the atom bomb. However, they were inclined to favour Euratom more than the Common Market: they were already having difficulties in fulfilling their commitments under the OEEC Code of Liberalisation and they were unwilling to face the far more severe demands of the Common Market. The Germans were sympathetically disposed towards any scheme for freeing trade. However, they opposed Euratom on two grounds. They feared that their own chances of developing atomic energy profitably might be reduced if they had to cooperate closely with countries inferior to themselves in industrial strength. They were also seeking

1. The Times, 6 June 1956.
a bilateral agreement with the British Government to exchange atomic data and feared that the British would not agree if the information had to be passed on to five other nations. The only Powers content with Euratom were apparently the Netherlands, Luxembourg and Italy, which had no military pretensions, no resources of Uranium and no prospect of becoming atomic powers in their own right. The only hope seemed to be that the United Kingdom might consent to act as a political and economic counterweight in the uneasy equilibrium of Community Europe.

On 15 June M. Maurice Faure, the French Foreign Minister, flew to London in search of light on British foreign policy. He had discussions with Mr Selwyn Lloyd, Mr Anthony Nutting and Lord John Hope, none of whom was likely to be illuminating. M. Faure had no hopes that the United Kingdom would actually join Euratom: the British attitude here seemed quite unequivocal. His object was to persuade the British Government to come to rescue of Community Europe with some offer of limited participation. He was told instead that the United Kingdom would not join Euratom because this would involve the common ownership of fissionable materials and thus disrupt existing military plans and purchase agreements. The British Government had

3. Radical.
no intention of modifying these plans and agreements in any way. Moreover, the British Government had just signed an agreement with the United States to exchange confidential atomic information. This agreement would be upset by the Americans if the information had to be pooled with the Euratom countries.¹ On these grounds the British Government declined to consider any possibility of a close association with Euratom. Some doubt was thrown on the validity of these arguments by a letter from the American Ambassador in Italy which gave assurances that the United States Government would transfer to the Six bilateral atomic agreements already concluded with other countries once Euratom was set. The Economist referred to the "obvious American support for Euratom and ... impatience with the British attitude."² It appeared that the British Government was merely pursuing its consistent policy of refusing to make the slightest gesture or concession which could get any measure of support or encouragement to development of Community Europe. In a very real sense the drama of the EDC was being repeated.

On 19 June Sir Robert Boothby³ asked the Chancellor of the Exchequer exactly what was the policy of the British Government towards the Common Market project. Mr Macmillan replied:

¹ The Times, 16 June 1956.
² The Economist, 23 June 1956, pp.1173-74.
³ Conservative, Aberdeenshire East.
"Her Majesty's Government are giving very careful consideration to the implications for the United Kingdom of this proposal, and are considering how best to keep in touch with its development ... I think that perhaps the meeting of the Commonwealth Prime Ministers will be of advantage to us at the moment because we shall have to consider its implications together with their views."

The meeting was in fact held in June, but the question was never discussed with the Commonwealth Ministers. It would appear that Mr Macmillan was merely using the proximity of the meeting as a convenient excuse for not replying to Sir Robert Boothby's question.

In the same way Mr Lloyd, Mr Nutting and Lord John Hope had placed upon the United States Government the responsibility for the determination of the British Government to afford no assistance for Community Europe. However, the United States Government was more ready than the Governments of Commonwealth countries to repudiate policies to which it was opposed and which it regarded as contrary to its own interests.

On 26 June the Financial Times stressed the urgent need for some agreement to be reached quickly on both the Euratom and Common Market projects. It asked why the British Government could not make a plain gesture of mere interest at this crucial stage. It claimed that: "the future of both Euratom and the Common Market may indeed depend on whether the United Kingdom demonstrates its willingness to

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164
give active support to both ventures." In France the parallel with the drama of the EDC was indeed becoming unmistakably obvious. Once more the *tombour* of the EDC made his appearance: *Combat* printed an article by M. Debre in which he claimed that France had watched over the cradle of the independence of the United States and asked if the United States intended to repay the debt by presiding over the burial of French independence. M. Debre suggested that it might be M. Spaak's vocation to help the Americans in this task, but for Frenchmen to assist him was:

"... a scandal, a treason ... One nation does not have the right to manufacture atomic weapons, that is Germany. One nation has taken a step and even a lead in this field, that is the United Kingdom. One nation could have done as much but has not yet done it, that is France."  

Even the most pro-Community of the French Representatives at the meeting of the Ministers of the Six Governments on 26 June felt that their cause was hopeless. In Paris the French Government was considering reservations to safeguard its rights to make atomic weapons which would deprive Euratom of its last shreds of supranationality. The old chauvinism that had brought down the EDC was running wild:

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1. Financial Times, 26 June 1956.
2. Combat, 26 June 1956.
again in Combat M. Debre proclaimed: "We must call things by their proper names: Euratom ... is a plot hatched and implemented by the foreigner against France."\(^1\)

Again on 5 July Sir Robert Boothby asked his Government for some assurance that they would not stand aside as in 1954 and watch the Community Idea go down before Gaullist and USDR chauvinism. He insisted:

"We must tell them on what terms we will come in because, if we take the lead, the proposal will succeed, and if we do not take the lead it will not. If it involves, for the time being, omitting agriculture and horticulture, I say we should go ahead with it, and I believe that the other countries will come along. Let us indicate what we want done if we are to participate. I believe that if they really see that we are prepared to come in and take the lead they will virtually allow us to write our own ticket."\(^2\)

In reply Sir Edward Boyle, the Economic Secretary to the Treasury, repeated that the common market had special difficulties for the United Kingdom because of its commitments to the Commonwealth. The changes of policy which association with the Common Market would require would be difficult to reconcile with these obligations and with existing United Kingdom policies. But Sir Edward went on to say that nothing would attract the attention of the Government more in the months ahead than this question of the Common Market. The Government realised

\(^1\) Combat, 3 July 1956.

\(^2\) House of Commons, Debates, vol. 555, col. 1673.
completely "... the advantages which the countries inside the area should gain - that is to say, a great single market within which industry could be developed to its best economic use, possessed of great bargaining power in its negotiations against outside competition." The Government therefore "... are not ruling out any possibilities for the future ... We are studying the question ... we do not want to associate ourselves too closely at this stage and then be open later to a charge of bad faith. We must, first, make the basic, political decision."¹

In other words the Government would have to make up their minds what they were going to do before they did it. They had already had at least six years for decision. The Economist said flatly what it thought this decision should be.

"Britain should join with the common market project to the fullest possible extent: if Germany is in the scheme, and Britain is outside it, the result could be disastrous for our trade."²

The Financial Times also implied that the Commonwealth commitment argument could be more convincing if it were not so blatantly obvious that the British Government regarded itself as the sole judge of what those commitments were. On repeated occasions in the future the United Kingdom took decisions immediately affecting the Commonwealth

¹: House of Commons, supra, cols.1684-85.
²: The Economist, 14 July 1956, p.105.
without the slightest prior consultation with Commonwealth leaders. As for Mr Macmillan's reference to seeking the views of the Commonwealth Prime Ministers, the questions of the Common Market and Imperial Preferences were never discussed at the Conference.¹ In a few months' time Mr Macmillan was to refer to the fate of Canadian industrial exports to the Free Trade Area as something too unimportant to worry about. Mr Macmillan may have had an argument there but it was not one that found support in Ottawa.

Meanwhile in Paris leading French nuclear technicians pleaded before the National Assembly that France's only chance of achieving satisfactory atomic development lay in close collaboration with its neighbours.² M. Debré had it all wrong: it might be difficult for France to make the atom bomb in Euratom but it would be impossible for it to make the bomb outside Euratom. On 10 July M. Pineau told the National Assembly frankly that the British had refused to join Euratom despite every possible attempt to persuade them. The only course for France was thus to go ahead and join Euratom instead of waiting for an improbable change of mind by the British. M. Pineau made no secret of his own view on the reasons for British intransigence: he said they had a great lead in atomic development and a close association with the United States and were not going to risk losing

¹ Financial Times, 7 July 1956.
any advantage that might accrue from either. This argument was not thoroughly convincing but it was more acceptable than the obvious alternative, that, whether it brought them material advantage or not, the British Government were not going to lift a finger to help a European Community on the brink of disaster. In the ensuing Debate M. Pierre Dreyfus-Schmidt told the Assembly wryly that one of the most important things in the society of nations was the choice of one's associates.

"There is one which everyone wants to associate with. Unhappily it does not want to associate with anyone: Great Britain. I admire the curious technique of our Ministers who say: 'It is true: when we go to London, we have been very well received by the British, who have said: "No."'"*

However, M. Pinay managed to secure an unexpectedly high majority of 342 votes to 183 for a Socialist measure authorising the Government to continue with negotiations to conclude a treaty to establish Euratom. Europe had successfully passed through another crisis. Meanwhile, in the House of Commons Mr Geoffrey Rippon introduced a Resolution supported by over 60 Conservative and Liberal Members that:

2. Independent Payson.
4. The Times, 12 July 1956.
"This House expresses agreement in principle on the establishment by stages of a common market in Western Europe and urges Her Majesty's Government to participate in the negotiations currently taking place ... with a view to ensuring that if, or when, any treaty is signed, the way will be open for British participation in the Common Market on an acceptable basis and in accordance with the interests of the Commonwealth and Empire."

Despite pressure of this nature the British Government did not actually initiate any programme to devise a way to associate the potential new Communities with the rest of the OEEC. What happened was largely fortuitous. A meeting of the Council of Ministers of the OEEC was due to be held in Paris in July. The Secretariat considered placing on the agenda the question of liberalising trade within the OEEC by requiring Member States to reduce the area of their trade subject to quantitative restrictions on imports. The Scandinavian countries objected that they had already more than fulfilled their commitments to reduce tariff restrictions on imports from OEEC countries. They argued that it was not fair to insist on a reduction in quota restrictions without first dealing with the problem of the high tariff countries which had not met their original commitments. They suggested a complex scheme for introducing special tariff cuts on selected exports entering on a large scale into intra-European trade. The United Kingdom representative objected to this. M. Rene Sergent, the Secretary-General, tentatively proposed that the Council might consider

1. The Times, 12 July 1956.
establishing a free trade zone throughout the OEEC. The British representative saw in this a formula which could give the United Kingdom all the advantages of associate membership with the Common Market, without destroying Commonwealth Preferences. He accordingly gave M. Sergent's suggestion enthusiastic support. On 16 July M. Sergent informed the Six Governments of his proposal. They gave it their immediate consideration. On 19th July the Ministerial Council of the OEEC decided to establish a special Working Party which would

"study the possible forms and methods of association, on a multilateral basis, between the proposed Customs Union and Member countries not taking part therein. As a possible method of association the Special Working Party shall take into account the creation of a free trade area which would include the Customs Union and such Member countries." 1

The Working Party was set up on 21 July. On 24 July Mr Macmillan explained the terms of the Resolution of the OEEC Council to the House of Commons. He added: ". . . I ought to make it clear that no country is committed at this stage by the action which we have taken in this wide field of possible action . . ." On the question of possible British membership of the Common Market, Mr Macmillan said:

"The position of Her Majesty's Government is completely open. We welcome these studies because it is only in the light of them that we can see by what method - all methods being open in principle - we can most usefully cooperate." 2

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The Six Governments did not at first display much interest in the studies of the Working Party. They were at the time too engrossed with the difficulties of their own association. M. Faure gave some indication of the nature of the difficulties they were likely to encounter when he stated that France had resolved to manufacture its own nuclear bombs regardless of the views of other nations. However, the French Government would not explode any bombs for at least four years after the signing of the Euratom Treaty. They would also continue with their own nuclear researches but would submit to the central control of the Euratom Agency all fissionable material used for military purposes. It appeared that the French Government had decided to participate in Euratom primarily because Euratom would permit fissionable material to be used for military purposes, under the supervision of the Euratom Agency. The OEC scheme would have restricted the use of fissionable material to peaceful purposes.¹

On 4 September M. Spaak flew to London² for consultations with Mr Macmillan, Mr Selwyn Lloyd and M. Rene Sergent. Meanwhile the Federation of British Industries began their own studies to determine

². The Times, 4 September 1956.
the possible effects on British industry of the establishment of a Free Trade Area in Europe.¹ Over 29-30 September the British Government sought the reaction of the Commonwealth Finance Ministers to its decision to support the idea of a Free Trade Area.² At a press conference on 3 October Mr Macmillan said that he had told the Commonwealth Ministers:

"Of course, the United Kingdom might stand outside the customs union altogether - but this would involve at the least a loss of advantage for our exports to European markets. At the other extreme we might join the customs union - but this would involve the collapse of our system of Imperial Preference within the Commonwealth. Obviously, if such were the only choice, we could not hesitate. We must choose the Commonwealth. But is there a way out? Can we find a way of associating with this initiative in Europe in such a way as to benefit all? That is what we have to look for."

Mr Macmillan claimed that the solution was "a partial free trade area" which would "exclude agriculture and foodstuffs generally."³

It is noteworthy in view of later assurances by the British Government that the views of the Commonwealth Ministers was sought only ex post facto. However, it is also noteworthy that the Free Trade Area proposals were presented to them purely as a commercial manoeuvre by which the United Kingdom could preserve both its access to European markets and its preferential tariff system within the Commonwealth.

2. Cmnd.648, p.3.
3. Council of Europe, Consultative Assembly, Reports, 8th Session, 20th Sitting, 22 October 1956, text quoted.
The Commonwealth Ministers were asked to comment on a measure of economic policy design to preserve British trading advantages. They were not given the impression that the political unity of Europe was in any way at stake.

The responses of the Commonwealth Ministers varied understandably. They were concerned entirely with the question of relative economic advantages. The Rhodesian Government gave qualified support. Australian Ministers had serious reservations. However, they appeared to think the immensely powerful and diversified economy of their country could probably benefit from an extension of free trade in Europe. The Canadian Government had graver doubts. A British rapprochement with Europe would jeopardise their concept of an Atlantic Alliance in which Canada could figure as one of the main partners with the United States and the United Kingdom. It would also mean that Canadian manufactured goods would lose their preferential advantage in the United Kingdom market. This would make it the more difficult for Canada to lessen its economic dependence on the United States. In the words of a Canadian observer they would have put all their eggs in the United States basket at a time when that particular basket was already brimming. Under these circumstances Canadians were not reassured by Mr Macmillan's references to the

1. Financial Times, 2 October 1956.
2. The Times, 9 October 1956.
"mere 10% of Canadian goods that would be affected."\(^1\)

The New Zealand Government appeared to be resigned to the fact that the United Kingdom had in fact no real choice. The Financial Times commented in support of this view:

"Britain could still try to destroy the Common Market, but at the cost of destroying almost all European goodwill towards Britain. Short of that there is really only the alternative of joining in some form of association, or of staying outside. The disadvantages of staying outside scarcely need to be stressed. A quarter of our export trade would be subject to crippling tariff advantages ... Whereas now we could provide leadership and initiative toward the establishment of a Free Trade Area, then we should find ourselves entirely excluded from our own nearest and best markets. This is not a course which anyone would willingly contemplate."\(^2\)

The Observer used even franker language:

"... there is a serious danger that left to themselves, the Europeans will develop their production, not on the British pattern, but on the quite different American pattern, which would require United States, not United Kingdom materials and equipment."\(^3\)

This view was expressed by Sir David Eccles in a form not calculated to render it any the more acceptable to the Europeans. His opinion was that the prospect of Britain becoming "managing director of Western Europe" was very good.\(^4\) Europeans might well have asked themselves in what company their prospective managing director had his shares.

\(^{1}\) The Economist, 13 October 1956, p.145.
\(^{2}\) Financial Times, 3 October 1956.
\(^{3}\) The Observer, 21 October 1956.
\(^{4}\) Financial Times, supra.
The Free Trade Area proposals gave the impression of having been designed to meet the economic requirements of the United Kingdom without making the slightest concession to those of any other nation. It was thus not surprising that responses from the Continent were in general unenthusiastic. The Scandinavian countries gave qualified support. In the Council of Europe Mr Kraft of Denmark acknowledged that his country would now have to reverse its attitude towards European integration. Its economic ties with the United Kingdom did not permit Denmark to join in the Common Market unless the United Kingdom were to join: Denmark would have to follow the British lead.¹ The Chairman of the Swedish General Export Association also conceded that: "... if England joins the proposed Union Sweden cannot stay outside ..."² And Mr Knut Wold, the Director of the Norwegian Ministry of Trade, said in an interview that Norway would like to see the United Kingdom a member of the European Free Trade Area; otherwise the preponderance of Germany would be too great.³

The Six were more reserved regarding the proposals. The Italian Government claimed that the change of heart of the United Kingdom was too abrupt, too clearly linked with the need for European

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¹. Council of Europe, Consultative Assembly, Reports, 8th Session, 16th Sitting, 18 October 1956.
². Swedish International Press Bureau, 6 October 1956.
support in the Suez crisis, and quite capable of changing overnight and leaving behind it the wreckage of Euratom and the Common Market. 

Combat claimed that: "It takes some memory to recall when the European idea was put forward for the first time by an Englishman." The argument would have been even stronger had the Combat observer recalled that the Free Trade Area had been proposed, not by an Englishman, but by a Frenchman. The article continued:

"It is apparently an idea good for other but not for British citizens ... Great Britain envisions a partial free trade zone with certain OEEC countries and an association with the Common Market of the Six ... in short, and to confine ourselves to France, our agricultural products would not be able to enter Great Britain, but the British products would compete freely with our industry. We are a long way from the Europe conceived by the theorists ... The British idea, dictated by the desire not to lose their export markets in Western Europe, is limited to the conclusion of a special customs agreement not damaging to their relations with a Commonwealth which takes up to 50% of English trade."  

Suspicious of this nature were not likely to be allayed by the speech which Lord John Hope delivered in the Council of Europe on 22 October. With unexpected confidence he prophesied:

"We can, I think, already suggest that the theme of the history of Europe of these ten years will tell not how Europe fell apart but how it came together. Included in the account in rather a special way will be the United Kingdom's part."

It was undoubtedly true that the part played by the United Kingdom in this historical process would demand special consideration. However,

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1. Financial Times, 16 October 1956.
2. Jean Fabiani, Combat, 5 October 1956.
the nature of the consideration was debateable. Lord John recognised this fact: he said:

"How the historian deals with this will, of course, depend on his own constitutional predelictions. If he is a devotee of form rather than content he will criticise the United Kingdom for excessive caution..."

However, one might suggest that even a devotee of content could have come to this conclusion from a study of the Schuman negotiations of May 1950, the subsequent repudiation of the European idea in the House of Commons, incidents such as Mr Strachey's reference to an "international plot," the attempts to defer signing of the Schuman Treaty in March-April 1951, the refusal to participate in the Health and Agricultural Communities, the withholding of assistance from the EDC and the ECSC, the rejection of the Messina proposals, the introduction of the OEEC atom plan to outbid Euratom in the attempt to secure fissionable material from the United States. WNU was conspicuous as a genuine British initiative. However, it was difficult to see how the construction of a military alliance against the Soviet Union could justify Lord John's statement that:

"... when it comes to concrete steps towards constructive membership of the European family, the historians will say, I believe, that the United Kingdom did its duty ... There is no doubt that the enquiry in which Her Majesty's Government are now engaged opens up the possibility of events of unsurpassed importance in the whole of Great Britain's history. At the same time it is in direct line with the steps we have taken at each stage of our postwar journey. As a matter of historical fact, the destiny of the United Kingdom has always been closely linked with that of Continental Europe..."
"The difficulty with which we have always had to contend is that some of our friends in Europe ... have never been able to feel that our actions lived up to our words."

After this impressive preamble, it was unfortunate that the particular concrete step Lord John had to propose was to exclude agricultural products from the Free Trade Area. However, he could say with confidence in conclusion: "I hope that I have shown the Assembly at least two things on behalf of my Government; first, that the outline of our ideas is definite, and secondly that our sincere desire is to see them fulfilled."¹

In the House of Commons Mr Macmillan and Mr Thorneycroft also emphasised the determination of the British Government to exclude agricultural products from the Free Trade Area. On 23 October Mr Macmillan said: "It would be a condition of the United Kingdom's joining in such an area that raw and manufactured foodstuffs, feeding-stuffs, drink and tobacco would be excluded from the arrangements."²

Mr Thorneycroft repeated on 25 October:

"I must emphasise that there is no question of the United Kingdom entering the European Customs Union: it is not the alignment of our external tariffs with those of Europe which is being considered but the creation within Europe of an area within which restrictions on the free exchange of manufactured goods will be progressively removed."³

However, the Six Governments seemed to think that nothing could have complicated their work more than the suggestion that their

¹. Council of Europe, Consultative Assembly, Reports, 8th Session, 20th Sitting, 22 October 1956.
³. Ibid., vol.558, col.65.
Customs Union should be incorporated in an OEEC-wide Free Trade Area. Already the French appeared to be contemplating a full retreat from the obligations involved in economic integration. They demanded that the Common Market should not become effective until after the Algerian problem had been solved, that import duties and export subsidies should be retained, and that social policies should be harmonised throughout the Six.¹ The President of the French Employers' Federation, M. Villiers, insisted that economic integration could not succeed without harmonisation of social charges.² Experts of the Six Governments argued that co-existence between the Customs Union and the Free Trade Area might not be technically possible. The Netherlands and Italian Ministers considered that they would in any case have sufficient difficulty trying to set up the Customs Union without complicating it by trying to establish a wider association. And the French were professing to favour a looser structure in which the United Kingdom could participate.³

One reason for the French concern not to estrange the United Kingdom was seen on 31 October when the two countries carried out their essay in Pearl Harbour diplomacy at Suez. But their concern

¹ L'Année Politique, 1956, pp.362-63.
² Financial Times, 27 October 1956.
³ Ibid., 28 October 1956.
with European trade problems did not end with the Suez affair. It may well have been strengthened: as Mr Selwyn Lloyd said poignantly to M. Spaak: "There is one lesson from recent events that we all have taken and that is that we must all be closer together."\(^1\) And in the United Kingdom the Government went on gathering support for their scheme. Nine out of ten regional councils of industrialists supported the view that "... the United Kingdom could not afford not to negotiate association with the Six."\(^2\) The only exception was the North Midlands Council which expected competition in hosiery and footwear.\(^2\) Out of 60,000 Associated Chambers of Commerce in the United Kingdom, 42,146 replied to an FBI questionnaire and of these 37,000 favoured partial association by the United Kingdom.\(^3\) The Parliamentary Labour Party and the TUC gave modified support provided that adequate socialist safeguards could be secured.\(^4\)

On 26 November Mr Macmillan again presented the United Kingdom's terms for association. He said that all agreed that it was impracticable for the United Kingdom to join the Customs Union. It

\(^{1}\text{New York Herald Tribune, 17 January 1957.}\)
\(^{2}\text{Financial Times, 2 November 1956.}\)
\(^{3}\text{Manchester Guardian, 10 November 1956.}\)
\(^{4}\text{Ibid, 23 November 1956.}\)

181
would not be advantageous for the United Kingdom if Commonwealth foodstuffs entering Britain had to pay duties less than those from the Continent: for one thing, the countries of the Commonwealth would probably stop giving preferential treatment to imports of manufactured goods from the United Kingdom. This would be a fatal objection to the United Kingdom's joining the Customs Union. The problem was that:

"... the developing countries of the Commonwealth would not be prepared to remove their tariffs and quotas against European goods and ... the countries of Europe, not having our historical link with the Commonwealth, would be reluctant to grant free entry to Commonwealth manufactures. ... We must make it clear from the first that any project we could envisage of a free trade area cannot be extended to foodstuffs, whether for man or beast, whether in the raw or manufactured, or a processed state. Foodstuffs must be extended to include drink and tobacco. We must remain free to continue to grant to this great volume of supplies the preferential arrangements we have built up over the last twenty-five years ... It is absolutely essential that this exception should be made so that the preferential system can remain ... there is only one way out. It is simple, but it is vital; it is to treat agriculture as an exception in this scheme."¹

Mr Macmillan admitted that Canada was an exception to the general rule, but claimed that Canada enjoyed a special position in any event, since Canadian industrial goods would retain their preferential advantages in the United Kingdom against United States manufactures.² However, this was not likely to modify the apprehensions of the Canadians, since it was not the prospect of United States competition with which

² Ibid., col.49.
they were concerned. It was not likely that criticisms from Ottawa would be taken very seriously by the British Government in any circumstances. The second richest country in the world has always experienced difficulty in attempting to arouse sympathy for itself in less favoured nations.

Mr Macmillan received enthusiastic support from the Left for his free trade proposals. Mr Harold Wilson said:

"I say to the Chancellor, 'Enter the negotiations with our encouragement and support.' I give the right hon. Gentleman the pledge that Her Majesty's Opposition, as long as it remains the Opposition, will not be found ranging itself on the side of any protectionist lobbies in this country."

United Kingdom support for the Free Trade Area thus seemed even more unanimous than it appeared to have been for the Schuman Plan in the second week of May, 1950.

However, a serious lack of agreement was soon shown across the Channel. The major difficulties arose over the question of the overseas territories of the Six. On 20 November M. Maurice Faure announced that France and Belgium had agreed that the projected Common Market should extend to their overseas territories: markets in the French Union and the Belgian Empire would be freely open to the exports of their partners in the Six. In return the French and Belgians insisted that their partners should give them financial aid

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to help raise economic and social standards in the overseas territories.\(^1\) German and Italian Ministers saw little advantage in a scheme from which they would incur the odium of being labelled colonialists without deriving compensating economic returns.\(^2\) The Belgians also began to consider if it would not be more profitable to forego their share of any financial aid from Germany and Italy and retain monopolistic control of their resources of fissionable material in the Congo.

The only positive gain which M. Maurice Faure could present to the Assemblee Nationale was that the German Government had agreed to the demand of the French Personnel to adopt the forty-hour week within four years of the entry into force of the Common Market.\(^3\) Meanwhile on 14 January M. Speak flew to London. The British leaders suggested that he should try to get the Common Market Treaty signed by the end of February. In March the United Kingdom would then enter into negotiations with the Six.\(^4\) M. Speak told his colleagues on his return that Mr Macmillan had "a good European-minded team" in London.\(^5\)

This view was not shared by the French Parliament. In the Conseil de la Republique M. Debre denounced Germany, Italy and

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4. Ibid., 16 January 1957.
5. Ibid., 17 January 1957.
Belgium for supporting the Egyptian concept of the Suez affair. He said: "Only the Netherlands and Luxembourg had the courage to abstain...

Such is their concept of European solidarity... None of the other countries desired to consider that the French action should be supported." And from all parties speakers warned of the uncertain future of integration. M. Gilles Gozard cautioned:

"... we should not have too many illusions about the collaboration of Great Britain with the general Common Market. It is still too penetrated with isolationism, too turned towards the Commonwealth to abandon either and turn deliberately and indefinitely towards the Common Market." M. Rene Pleven said: "A check to the Common Market would carry an irremissible blow to progress towards European union..." M. Jean Le Bail added:

"As for the United Kingdom, we greet the arrival in power of a man who loves France, a great friend of Europe, but

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2. *S.F.I.O.*
6. *S.F.I.O.*
7. Mr Macmillan.
"we must not forget that if, one day, this disciple of Churchill, had to choose between Europe and the Anglo-Saxon community, he would not hesitate a moment."  

M. Pineau, with memories of the Euratom rebuff administered by Mr Anthony Nutting, said:

"... if there were no Common Market of the Six, there would certainly be no free trade zone with Great Britain, our ally being interested in the problem only when it finds itself faced with a concrete reality."  

And M. Mendes-France as usual sounded the gravest warning:

"M. Maurice Faure told us yesterday that we would make at the same time a Common Market with our five partners and a free trade zone with half a dozen other countries including Great Britain. This solution is hardly feasible. The creation of a Common Market zone with five partners is already a very complicated operation ... Could one imagine that ... we could add, with the same participants and with other countries, a complementary structure with different laws and rulings? ... it is a great political error to give the English again the impression that we are going away from them."

But every indication across the Channel was that these problems were not worrying the United Kingdom Government in the slightest degree.

4. The Free Trade Area (ii)

In the first week of February 1957 the British Government released its White Paper Omnd.72 on the Free Trade Area proposals.

It announced:

"Her Majesty's Government earnestly desire a successful

2. Ibid., p.158, 18 January 1957.
"outcome of the continued effort in the postwar world to strengthen the cohesion and promote the prosperity of Western Europe ... During the past decade a great deal has been done in the Organisation for European Economic Cooperation and elsewhere to lower trade barriers in Europe, but Her Majesty's Government believe that what is needed now is a much bolder approach.

"With these considerations in mind Her Majesty's Government are glad that the negotiations which were set in train in June 1955 for the establishment of a Customs and Economic Union ... are now approaching a successful conclusion. There are, however, substantial reasons why the United Kingdom could not become a member of such a Union ... Her Majesty's Government could not contemplate entering arrangements which would in principle make it impossible for the United Kingdom to treat imports from the Commonwealth at least as favourably as those from Europe ... Her Majesty's Government's concept of the Free Trade Area differs in some important respects from that of the Customs and Economic Union now contemplated by the Messina Powers. The arrangements proposed for the Customs and Economic Union include far-reaching provisions for economic integration and harmonisation of financial and social policies and for mutual assistance in the financing of investment. These arrangements are to be effected within an appropriate institutional framework. Her Majesty's Government envisage the Free Trade Area, on the other hand, as a concept related primarily to the removal of restrictions on trade such as tariffs and quotas. Nevertheless, Her Majesty's Government recognise that cooperation in the field of economic policy is of great and continuing importance ...

There are special considerations which are of great concern to the United Kingdom in the matter of agriculture: the United Kingdom must be free to continue the preferential arrangements which apply to imports of foodstuffs from the Commonwealth ... The United Kingdom and most other European countries protect their home agriculture by one means or another for well-known reasons, and will wish to continue to do so ... Any special arrangements for agricultural produce, if restrictive in character, might clearly give rise to difficulty in securing international agreement. For these reasons Her Majesty's Government have throughout made clear their view that the products in question ... must be excluded from the provisions of the Free Trade Area. Her Majesty's Government proposal is accordingly for a European Industrial Free Trade Area defined in this sense."
On the question of institutions the White Paper was equally explicit.

"In the event of acute balance of payments difficulties it is clear that the imposition of quotas must be permitted and this without prior consultation, though it should be made subject to frequent and stringent examination. Apart from this, it seems unlikely that there will be circumstances in which unilateral action would be justified ... It had been suggested that there are certain disparities between the social regulations in different countries which are likely to distort the free play of competition, and that these disparities should be corrected by harmonising these regulations at the beginning of the transitional period ... Her Majesty's Government do not consider it essential, as ... as necessary condition of the creation of such an Area ... Some departure from the unanimity role will be necessary in certain carefully defined matters, for example, where a country seeks a release from one of the original obligations; or in procedure of a fact-finding or judicial nature concerned with verifying that a country is carrying out its obligations and with remedying any failure to do so."¹

The Economist said that there were many places in the twenty-four paragraphs of the White Paper where the British Government could have struck a jarring note and that it had done so in very few of them.² It was therefore doubly unfortunate that it should have done so on the most important issues. The substance of the British Government's proposal was that an Industrial Free Trade Area should be instituted which excluded agricultural products and any special arrangements for them. There was also to be no prior harmonisation of social charges. Escape clauses could be invoked only for serious

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¹ Cmd. 72.
balance of payments reasons. Otherwise the majority principle would apply to them. There were to be no supranational institutions or independent agencies. The effect of this arrangement would be that the United Kingdom would maintain unaltered its preferential arrangements with the Commonwealth together with full control over its own social policies. In short, the Free Trade Area proposals suffered from the fact that they appeared to have been drafted without regard for the interests of a single country in Europe except the United Kingdom.

The Six themselves were in no position to give immediate attention to the proposals. The Netherlands Ministers were still dissatisfied with the turn negotiations had taken. They claimed that the concessions made to the French had robbed the original Messina Proposals of all their significance. Germans and Italians were also reluctant to agree to a plan which would involve their subsidising the French Union. However, it was felt in general to be essential to come to an early decision: the German Federal elections were due to take place in a matter of weeks, and M. Mollet's Government had already outlasted any other Government of the Fourth Republic and could not be expected to be able to hold onto office much longer. At this crucial point representatives of the British and Portuguese Governments

warned the Six Ministers on 16 February that the association of the French and Belgians overseas territories with the Common Market would be liable to lead to difficulties if attempts were made to incorporate the Common Market into the Free Trade Area.¹ They also warned the Six against the possibility of meeting opposition in GATT if they attempted to set up a discriminatory trading bloc.²

European solidarity was apparently strengthened by the threat of Anglo-Portuguese opposition. Within two days of receiving the British warnings the Six had agreed to incorporate their overseas territories in the Common Market and to apportion contributions and allocations roughly as follows:³

<table>
<thead>
<tr>
<th>Contribution</th>
<th>Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>$200 million</td>
</tr>
<tr>
<td>West Germany</td>
<td>$200 million</td>
</tr>
<tr>
<td>Netherlands</td>
<td>$70 million</td>
</tr>
<tr>
<td>Belgium</td>
<td>$70 million</td>
</tr>
<tr>
<td>Italy</td>
<td>$40 million</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>$1.25 million</td>
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</tbody>
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¹. Combat, 18 February 1957.
French adhesion was secured with a further loan of £650 million from Germany and the United States.1 At 10:30 on the morning of 21 February 1957 the Six Ministers announced that:

"An agreement has been reached on the problems relative to the association of the overseas territories with the Common Market ... The Six Heads of State have reaffirmed the will of their countries to pursue their efforts in the direction of an ever closer European integration of which the Treaties of Euratom and the Common Market will constitute a decisive step ..."2

Europe of the Communities had been made again. A Dutch Minister expressed the feelings of his Government, which had worked consistently to this end for the last five years: "The integration agreement has been concluded - now let's try to bring about integration."3 Combat, whose change of ownership was displayed in a newfound chauvinism, said:

"... the movement towards European economic integration is now irreversible ... At a time when the disunited countries of Europe are the playthings of the hostile forces that divide the world, it is not presumptuous or utopian to think of bringing about the union of the oldest civilised peoples on earth."4

The British Government did not display this enthusiasm in its official acknowledgments of the decision of the Six. The Economic Secretary to the Treasury, Mr Nigel Birch,5 said on 8 March that it

1. The Observer, 2 February 1957.
5. Conservative, West Flint.
would be possible to pay too high a price for the Free Trade Area.\(^1\)

On 12 March Sir David Eccles said that the decision of the Six did not alter the inflexible determination of the United Kingdom to exclude agricultural products from the Free Trade Area.\(^2\) It did not appear that the British Government regarded the rebirth of Community Europe as a development to be welcomed.

On their part the European leaders made it evident that they were not prepared to accelerate their negotiations for the convenience of the United Kingdom. Mr Fritz Berg, the President of the Federal Association of German industries, said that the Six would welcome talks with the British Government at some future time. However, they were not prepared to delay the institution of the Common Market.

Mr Walter Hallstein, the German Secretary of State for Foreign Affairs, said: "We welcome the idea of a larger free trade zone, but we are conscious that the essential pre-condition for creating it is prior existence of the Common Market.\(^3\)" M. Maurice Faure also said that France hoped that a free trade zone would be created, but only within the framework of the agreement concluded for the Common Market and on the same conditions for all members of the European Club. He said that it was understood that under those conditions the presence of the United Kingdom would be welcome.\(^4\)

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On 1 March the British Government made an attempt to regain the initiative in Europe. In the Council of the NATO Mr Selwyn Lloyd revived Mr Eden's scheme to bring the parliamentary assemblies of the European organisations together under one organisational roof.\(^1\) At his Bermuda meeting with President Eisenhower on 21 March Mr Macmillan also stressed the importance of this proposal.

The Economist commented on this scheme:

"Mr Selwyn Lloyd may combine the Council of Europe, WEU, the EEC, the EGSC, the Common Market, the Free Trade Area, Euratom (and perhaps any other bodies he can think of, like the European commission for inland transport, plant protection and foot and mouth disease) give them new names and house them in any palace under the sun; it is doubtful whether there will be any new sparkle of constructive life unless there is a driving force behind them. Indeed, with so many 'good Europeans' gathered together in one place, it is easy to imagine their voices growing worse ... Parkinson's Law is bad enough at home; on a European scale it is multiplied by a special factor B from the Tower of Babel. If the European bureaucracies are to be in all seriousness not idle retainers but disciplined servants with practical jobs, they need to be directed with a firm hand by something like a European cabinet. In fact most of the plethora of European institutions are already headed by Councils of Ministers from the member countries; the trouble has been that there are too many councils and that some of them have done little or nothing at all. Most of them consist of the very same men, hopping from meeting to meeting and capital to capital.\(^2\)

It was sufficiently apparent that merely grouping the European Assemblies together would not make them any the more effective unless the effective scope of their authority was increased.

\(^{1}\) William J. Humphreys, New York Herald Tribune, 7 March 1957.
\(^{2}\) The Economist, 23 March 1957, pp.978-79.
Apart from this fundamental objection, the Europeans criticised the Grand Design on two points of substance. It was objected that it made no distinction between organisations such as the Council of the ECSC, which possessed genuine supranational powers, and the Councils of Europe or the OEEC which possess no executive functions. The second criticism had been made earlier against the Eden Plan. It was that the Grand Design fulfilled no effective purpose except to provide a means by which countries outside the Six could maintain some means of supervision and control over the activities of the Six. As The Economist described it: "... the implication was that Icelanders interested in the OEEC could sit in the economic committee making recommendations to the Six."¹

The most serious flaw of the Grand Design was perhaps that it was put forward at a time when the Europeans were too engrossed with their own affairs to be able to give it serious attention. On 25 March 1957 the Treaties instituting the European Economic Community and Euratom were signed in Rome. Dr Erhard flew to London almost immediately for consultations with Mr Thorneycroft to try to determine the nature of the British reaction.² Mr Thorneycroft made no formal comment but in the New Statesman and Nation Mr Thomas Balogh summed up what might be regarded as the most serious reservations the United

¹ The Economist, 11 May 1957, p.503.
² Financial Times, 27 March 1957.
Kingdom could be expected to have about the new communities. Mr Balogh expressed concern that the "common marketeers" could be a threat to the prosperity of both the United Kingdom and Europe. He considered that their efforts were unlikely to cure the "terrible economic weakness of Europe before the growing power and technological superiority of the United States and the USSR. Internally they may well lead to a growing political division because of the problems set by German technical preponderance." Mr Balogh felt that the most obvious beneficiaries would be the clerical regimes in Italy, France and West Germany:

"A reunification of Germany would be above all a setback to Catholic hegemony on the Continent of Europe. A second likely beneficiary is free enterprise ... Britain still has enough influence to check the present drift towards political and economic insecurity; the Treaty has yet to be ratified. But we must not be content with a purely negative opposition. The dangers in the scheme as it stands can be met at two points: first, there must be some prior agreement on the reunification of Germany; secondly, we must at all costs insist that the Common Market itself, and the Free Trade Area should contain positive safeguards to establish a balance between the participants by increasing rather than reducing the investment of the weaker members. A liberalisation of the European payments scheme ... and the establishment of a united investment bank are the least we must seek for."¹

The majority of Mr Balogh's fears have so far proved illusory. However, they were unquestionably well-founded at the time. It is remarkable that none of his reservations or recommendations were

¹. The New Statesman and Nation, 30 March 1957, p. 401.
alluded to in the statements of British political leaders on the development of European integration. It is also remarkable that the British Government should have selected this time for an experiment in the subsidisation of exports of agricultural produce to the European Continent. On 30 April Mr Lammung of Denmark protested in the Council of Europe:

"... I am sorry to say to my British friends that the farmers of my country are very much concerned by the fact that the United Kingdom in recent months has been and is still exporting heavily subsidised eggs in rather great quantities to continental markets, not least Germany. Subsidised cattle are also being exported. These exports are the result of the great expansion of United Kingdom agricultural products brought about by internal subsidies ... During the last few weeks ... the situation has become more acute. English eggs are reported ... to have been sold in some European countries for little more than half the guaranteed minimum price of the producers in the United Kingdom."

It can only be felt that this resort to subsidised exports of agricultural surpluses indicated a disregard for the reactions of European Governments similar to that reflected by the proposals for a Free Trade Area set out in Cmd 72. This action was also singularly inappropriate at a time when the British Government was requiring the Continental Governments to accept the principle of a Free Trade Area from which agricultural products were to be excluded. Under the circumstances, the speech of Mr David Ormsby-Gore, the British

1. Council of Europe, Consultative Assembly, Reports, 9th Session, 2nd Sitting, 30 April 1957.
2. Conservative, Oswestry.
Foreign Minister, at the Council of Europe, on 1 May can only have left an unfortunate impression on his audience. Mr Ormsby-Gore warned the Europeans:

"... I would not be frank if I were to leave the impression that we can go to any lengths in our desire to see this thing through. We cannot. We have special relations with the Commonwealth ... We cannot possibly jettison these long-standing arrangements which we know are of great reciprocal benefit to members of the Commonwealth /... We have expressed our strong will, for political and economic reasons, to see a European Industrial Free Trade Area established ... We could be asked to pay too high a price for it if, for instance, we could only achieve a Free Trade Area by sacrificing the interests of the Commonwealth."

It was not surprising that the Europeans were not prepared to accept dictation of this kind from the British Foreign Minister.

M. Paul-Henri Teitgen replied with unusual acerbity:

"I have studied the proposal [for the Grand Design] with great interest. It seems to me that the French and British ways of thinking, tastes and tendencies are rapidly assuming a marked resemblance: while the French people acclaim Queen Elizabeth II with somewhat remarkable enthusiasm, we find the British Government leaving terra firma and proposing a gigantic plan full of cloudy abstractions."2

In the Assembly of the WEU Mr van der Goes van Naters criticised the Grand Design as fundamentally dangerous to the whole concept of integration pursued by the Six. He said:

"The new Assembly would be ... up in the air, operating in a vacuum ... there has been one essential characteristic common to every system of parliamentary government since the French Revolution and that is that every parliament has

2. Ibid., 6th Sitting, 2 May 1957.
"an official opposition ... It is precisely because we are determined to stand firm for an international and supranational democracy in Europe that we have insisted from the outset that our European constitution should provide for the existence of an efficient opposition ... this would be completely destroyed were the Grand Design adopted as it stands ... would our Assembly, absorbed by an entirely amorphous organisation, be anything more than the International Parliamentary Union of Geneva ...?"

Sir David Eccles was also encountering opposition in his efforts to arouse the Six to a sense of urgency about the proposals for a Free Trade Area. Here he faced three major difficulties. In the first place, the Ministers and their advisers who had negotiated the treaties of the Common Market and Euratom were reluctant to commence a second series of negotiations which promised to be even more complex and exhausting. In the second place, they were understandably anxious to have these treaties ratified by their Parliaments before taking any further steps. This could not be done until a French Government had been formed which could ratify a treaty. Finally the Socialist Parties of Western Europe showed no inclination to endorse the principles of the Free Trade Area: on 4 June the Conference of Socialist Parties of the Six unanimously recommended their Parliaments to ratify the Treaties of Rome but advised other members of the OEEC either to adhere to the Common Market or to conclude individual bilateral trading agreements with it.

3. Ibid., 30 May 1957.
Sir David Eccles accordingly set out on a goodwill tour of Western Europe. In Paris he told the British Chamber of Commerce that the Treaty of Rome was "one of the masterpieces of history." But he warned: "If the Common Market came into existence without the Free Trade Area then Western Europe might fly apart ... Some powers might look elsewhere for their trade and expansion. That we must avoid." Sir David could only have been referring to possible action by the United Kingdom, since there was no reason to believe that the policy of the United States towards Western Europe would be affected by the creation of a Free Trade Area. In Rome Sir David said:

"We have a fairly high tariff on manufactured goods and we must expect strong competition from Europe. But with few exceptions, British industry has welcomed with satisfaction the perspective of a much wider market ... As soon as the Common Market has been ratified it will be essential to pursue quickly the conclusion of the agreement for this [Free Trade Area] ... Given that customs duties will be reduced by stages in the Common Market as well as in the free trade zone, it is essential that the programmes for reducing tariffs enter into force at the same time ..."

Sir David then made the striking conclusion:

"In the great questions of life politics are more important than economics and when we studied in England the text of the Treaty of Rome we did not let ourselves be deceived by the economic language. We see behind all the clauses dealing with tariffs, contingents, etc., that the Six States are seeking the path towards something very fundamental. In fact the political adhesion of Europe is essential. If one asks oneself, what is the vital point of the Treaty of Rome which will have equal importance in the free trade
"zone, one must necessarily reply: 'The Council of Ministers.'"

It could not escape notice that the British Government now appeared to be reversing its previous attitude and to be attributing greater importance to the presumed political implications of the Treaty of Rome than to its economic aspects. However, it is remarkable that Sir David Eccles should have thought it prudent to attempt again to attribute to a Treaty a significance which its words did not express. It will be recalled that the formal divergence of attitudes over the Schuman Plan arose from the determination of the British Government to attribute to Schuman proposals a commitment which was not expressed in the proposals and which the French Government insisted that they were not meant to imply. However, there was no ambiguity about Sir David's threat of trade reprisals if the Six Governments did not agree to the establishment of the Free Trade Area.

Back in the United Kingdom Sir David told the Swansea Business Club that he did not know how British industry could miss an opportunity such as that presented by the Free Trade Area: Europe had to import goods as well as the United Kingdom: "So let us get in there on a free trade area basis," he said.

But the United Kingdom would be able to exploit these opportunities only if permitted to do so by the Europeans. It was becoming increasingly obvious that the Six were not prepared to make

a unilateral gift of their markets to United Kingdom industry. The
Treaty of Rome had been negotiated only because of significant exchang-
es of concessions by the signatory Powers. Similar concessions would
be required from their prospective partners in the Free Trade Area. On
23 July M. Pinceau told the Conseil de la Republique that the United
Kingdom was still seeking to exclude agricultural products from the
Free Trade Area and that this was unacceptable to France.1 In Paris
a flood of inspired rumours suggested that the Six were prepared to
offer Denmark associate membership of the Common Market on terms that
would give Danish agricultural producers greater access to EEC markets.2
As the Manchester Guardian said, Britain was not going to be allowed
to dictate terms.3 Now that the Treaty of Rome was safely signed and
ratified by the French and German Parliaments the Europeans were in
fact beginning to discuss the positive advantages of excluding the
United Kingdom from their association.4 Mr Roy Jenkins said that the
Free Trade Area negotiations would have no hope of success unless the
Government modified their position on agriculture. He said:

4. The Observer, 26 July 1957.
"Not unreasonably, most of the European countries will not agree to a free market for industrial goods without a quid pro quo for their agricultural products. Provided we move a little way, a settlement ought not to be too difficult to reach. Nobody wants free trade in agriculture, but the Danes, the Dutch, the French and the Italians want some prospect of sharing in a growing British market."¹

And on 28 August Dr Beugel, the Dutch Minister of State for Foreign Affairs, in fact warned that Holland intended to press for the inclusion of agriculture in the Free Trade Area.²

4. The Maudling Negotiations (i)

On 29 August Mr Reginald Maudling, the United Kingdom Paymaster-General, met Dr Beugel at Val Duchesne in Brussels.³ Reports of their meeting suggested that Mr Maudling had agreed that the British Government should modify its position on agricultural products: he argued that the White Paper had merely meant that the British Government were determined to protect domestic agriculture.⁴ However, on 13 September the interim Committee of the OEEC engaged on the Free Trade Area negotiations broke up with the Europeans complaining that the British still insisted on the exclusion of agriculture.⁵ This was

¹. Manchester Guardian, 26 August 1957.
². Financial Times, 30 August 1957.
³. Ibid.
⁴. Financial Times, 30 August 1957.
⁵. Le Monde, 18 October 1957.
followed by a demand from the French Patronat that the negotiations
should not be resumed because "it was impossible to find a way to
coordinate the Common Market with the much freer system of the Free
Trade Area."1 Mr Maudling understated the case on 4 October when he
said that the area of agreement in the Committee was wide but a number
of disagreements still existed on difficult points.2

On 15 October Mr Thorneycroft elaborated these views to the
Ministerial Council of the OEEC in Paris. He said: "The question was
simply whether we were going to have two Europes or one. We decided
to have one." He asked the Council:

"Must agriculture be included in the free trade zone? It is a misleading question ... none of the countries repres-
ented here, with perhaps one or two exceptions, would propose a system as a result of which its agriculture would
be exposed to competition in the same way as industrial products would be ... in the free trade zone ... we cannot,
for well known reasons, accept ourselves obligations compelling us to abandon our customs protection, but we
would not oppose the inclusion in an agreement on agricultural products of a clause involving the progressive elimination
of duties between member countries on condition that the United Kingdom is authorised to make use of escape clauses.
We are prepared to discuss the means of strengthening the existing system according to which our agricultural policy
is submitted to detailed examination, appeals and criticisms, and by virtue of which we are called upon to justify our
policies. Decisions would continue to be taken on a unanimity basis, as is the custom in the OEEC."3

1. Le Monde, 18 October 1957.
2. The Times, 5 October 1957.
3. Le Monde, supra.

203
This statement of Mr Thorneycroft's conflicted with the principles set out in Cmnd.72 on three major issues. The original White Paper had expressly excluded the possibility of special arrangements for agriculture. It had insisted that escape clauses could be invoked only for serious balance of payments reasons. Finally, it had recommended that the majority principle should apply wherever a country sought release from one of the original obligations. The British Government now appeared to be proposing to make exceptions in their own interest to all these fundamental principles.

Nonetheless the Council of the OEEC resolved unanimously on 17 October that it was determined to:

"secure the establishment of a European Free Trade Area which would comprise all Member countries of the Organisation; which would associate, on a multilateral basis, the European Economic Community with the other Member countries; and which, taking fully into consideration the objectives of the European Economic Community would in practice take effect parallel with the Treaty of Rome."1

The Council also agreed to set up an Inter-Governmental Ministerial Committee to carry out the negotiations involved in bringing about such a Free Trade Area. Mr Maudling was to be the Chairman.2 However, the unlikelihood of a Free Trade Area being created acceptable to all seventeen Members of the OEEC was indicated by Mr Maudling in his speech that day to the Council of Europe. Mr Maudling began by saying:

2. Ibid.

204
"We are anxious lest there should be, arising from the Treaty of Rome, a setback to the policy of freer trade and payments to which we attach so much importance. We feel that, as a part of the process of ensuring that the European Economic Community should be outward-looking rather than inward-looking, it is right to complement the European Economic Community with a Free Trade Area ... we must so organise the Free Trade Area that it moves away from discrimination and does not bring into being new forms of discrimination ... the rules of origin should be as liberal as they possibly can be made so as to permit the maximum flow of goods ... it is possible to exaggerate the difference between cooperation and integration as it is possible to exaggerate the difference between a unanimity vote and a majority vote. I do not believe that in practice, among great and ancient nations like ours, there is so much difference between the cooperation of independent countries and the integration of their policies and economies into one."  

But while Mr Maudling was insisting that the Treaty of Rome should not cause a setback to the policy of freer trade, the United Kingdom was imposing duties on imports higher than any other major trading nation in Europe except France. Mr Maudling put the political problem precisely when he referred to the distinction between cooperation and integration and implied that it lay essentially in the distinction between the majority and the unanimity principles. However, he minimised the difference between principles which were mutually contradictory. The distinction between cooperating independent countries and countries whose policies and economies had been integrated was that the latter were no longer independent sovereign States.

This might not have been of practical significance to States among which there was basic agreement on major issues. However, this was clearly not the case between the United Kingdom and the Six: otherwise the British Government would have had no difficulty in accepting the Schuman Plan. In the case of the Free Trade Area, application of the majority principle would undoubtedly have resulted in the inclusion of special arrangements for agriculture. The British Government would also presumably have been required to modify their Commonwealth Preferences and their system of deficiency payments to their farmers.

On the matter of agriculture Mr Maudling said:

"We in the United Kingdom have always said that we could not agree to the inclusion of agriculture in a Free Trade Area, meaning that we could not agree to the treatment of agricultural products in the same way as industrial products..."

This had not been the sense of previous statements by the British Government. Mr Maudling continued:

"... it seemed to us in the United Kingdom that what was needed was a further agreement on agricultural cooperation in the light of that established fact ... On tariffs our position is that ... we cannot ourselves be a party to an agreement to reduce tariffs on agricultural products. We suggest, nevertheless, that on condition that the United Kingdom be accorded a waiver in the matter of tariffs, it might well be proposed and accepted that the new agreement on agriculture should provide for the progressive removal of tariffs among the countries that take part in the agreement ..."

Mr Maudling was thus suggesting essentially that the Europeans should accord one another increased access to their own agricultural markets.
However, it was the United Kingdom market to which the Europeans sought access, as compensation for according the United Kingdom access to their industrial markets. It is not easy to see how Mr Maudling arrived at the conclusion:

"I believe that we shall succeed. The alternative is tragic to contemplate. If we should fail, if disunity in these matters should spread in Europe, it will be followed inevitably by disharmony in political matters, and in the eyes of history, we, as the politicians of Europe, will have failed."¹

Seventeen months before M. Spaak had also said that the responsibility of those who brought about the failure of his policy would be tremendous.² But M. Spaak had been recommending the total integration of the economies of Western Europe. Mr Maudling seemed to be advocating the opposite as far as the agricultural economy of the United Kingdom was concerned.

The reactions to this proposal were not surprising. Mr Ole Kraft of Denmark said:

"All of us here agree that the United Kingdom has a special connection with the British Commonwealth and in working together we have to think of this problem, too. I would emphasise that ... it is our duty and, if I might be allowed to say so, also the duty of Great Britain, to see that these factors shall not lead to adversity and faction in Europe ... the partisans of the Free Trade Area have to accept the fact that the Six countries have in many cases shown the way and will not and cannot be ready to accept a solution which will

¹ Council of Europe, Consultative Assembly, Reports, 9th Session, 19th Sitting, 23 October 1957.
² See p.159.
"undermine the unity which they have with such ability ... been able to work out ... The British are very fine traders and do not at the beginning of the negotiations offer everything that they are prepared to give ... A great deal depends on Great Britain and therefore my last words are an appeal to our British friends never to forget that Great Britain without Europe is as bad as Europe without Great Britain."  

Mr Tassis Droulia of Greece pleaded that:

"The exclusion of agriculture from the Free Trade Area not only deprives European countries of any improvement in their already important agricultural markets in the United Kingdom, but it positively reduces their outlets in the Common Market, which in that case they will be able to enter only by surmounting the common external tariff wall..."  

But it was M. Jean Legendre of France who summed up the real objections of Community Europe to the British position. He began by asking what must have been in the minds of most of Mr Maudling's hearers:

"... why begin by making such a commotion about excluding or declaring that they would exclude agricultural products from the Free Trade Area, when it is, technically, impossible to subject agricultural products to the same regulations as industrial products? It would no doubt have been more sensible to say right away as Mr Maudling has just [done] ... 'We suggest, nevertheless...'

"The original idea of excluding agricultural products, Ladies and Gentlemen, has not only aroused the opposition of agricultural circles in France, but, more seriously, created apprehensions in French industrial circles. On what lines are they thinking? Let me sum it up briefly:

2. Council of Europe, supra., 20th Sitting, 23 October 1957.
3. Independent Paysan.
"the United Kingdom wants to buy foodstuffs for its labour force at world prices, which are frequently bargain prices, so that it may pay low wages; it wants to cut down its costs and thereby price our manufactures out of our own home markets. It wants to keep the Commonwealth countries as its own game reserve, and meanwhile go poaching in the countries of Europe. It is playing a double game and refusing contact between its two sets of partners. It wishes to enjoy the benefits of the Common Market without shouldering its obligations. It wants to gain admission to the European club without paying its subscriptions and, still worse, without observing the club rules accepted by the other members ... That, Ladies and Gentlemen, is what is being said in French industry.

"And another more weighty argument is being used as well, with which I associate myself: by joining the Common Market, France and her partners have laid themselves open to a certain amount of competition. Obviously, as soon as the Common Market begins to come into operation, our national economies are bound to be somewhat upset; there will have to be adjustments and reconversions, perhaps even, for a time, partial unemployment ... In other words, we are exposing ourselves to evident risks, but we are doing so because we realised that they will not be with us for long, that the advantages of the arrangement will soon have helped us overcome them and the operation will have been profitable to us all.

"When Mr Maudling says ... that the reduction of customs duties must proceed at the same pace in the Free Trade Area and the Common Market, and that he wants the implementation of the Common Market and the Free Trade Area - which means the freeing of industrial products - to be completely simultaneous, I hope you will all think carefully that, in addition to the dangers already inherent in the Common Market, this will involve increased competition from the Free Trade Area. Might not all these risks coming one on top of the other be enough to disorganise completely our national industries and even our national agricultural economies as soon as the Common Market was launched ... In this way might it not permanently compromise the economic Europe of the Six?"
"This is the danger and it is a formidable one. We have taken one step and we are being urged to take a second which may throw us off balance ... we have no right to spoil our own and Europe's chances by acting with undue haste ... Certainly, our ultimate hope is to establish a Free Trade Area embracing all the countries of Europe, but we first want to make a success of our gamble with the Common Market. Once the Common Market has proved its worth and become a reality - and not until then - we shall be able seriously to consider the establishment of a Free Trade Area."¹

The position of the British Government remained undefined.

Mr John Hare, the Minister of Agriculture, told members of the National Farmers' Union at Ipswich not to be frightened by the proposals for a Free Trade Area. He said that the Government had made it clear from the beginning that Britain would not enter into arrangements which involved free trade in foodstuffs into the United Kingdom. The British Government would not let control of domestic agriculture out of its own hands: there was no question of accepting decisions on this matter from other countries.² However, Mr Hare did not specifically exclude the prospect of special accommodations being made with other countries regarding the export of foodstuffs to the United Kingdom market.

Mr Hare's speech was followed by criticisms of mounting intensity from Continental States seeking markets for their agricultural produce. The French Minister for Trade and Industry, M. Paul Ribeyre, described the Free Trade Area as a cloud overshadowing the

¹ Council of Europe, Consultative Assembly, Reports, 9th Session, 20th Sitting, 23 October 1957.
future of the Common Market. He said that establishment of the Free Trade Area would come up against "almost insurmountable difficulties."¹

In the Maudling Committee Portugal and Greece joined with the rest of Continental Europe in criticism of the British position. Faced with complete isolation Sir Hugh Ellis-Rees admitted:

"It is no longer a question of including or excluding agriculture from the Free Trade Area. We are all more or less agreed that what will finally be signed will be a free trade area for industrial goods and a separate but parallel agreement on agriculture."²

It is at least possible that recognition of this situation twelve months earlier might have secured acceptance of the Free Trade Area by the Europeans. The original British position had been unacceptable to virtually the whole of Western Europe. The attempts to maintain this position had only antagonised the opponents of the Free Trade Area proposals and alienated prospective supporters. It was unlikely that a retreat from the principles of Cmd. 72 would be able at that time to recover the prestige which the proposals had lost over the preceding twelve months.

Nonetheless, on 17 January Mr Maudling claimed that there would be an agreement by the end of July and that a Treaty would be ready by January 1959.³ This would mean that the Free Trade Area

would enter into force contemporaneously with the Treaty of Rome. In Brussels Mr Maudling continued the policy initiated by Sir David Eccles of threatening the Europeans with the possible consequences of failing to agree on the Free Trade Area proposals. He said:

"If the European Free Trade Area is not constituted this year the whole strength of the OEEC and the EPU is threatened and will probably be undermined by the Six-Nation Common Market."

Mr Maudling said that he did not see how the structure created could survive if the countries of Western Europe were to start discriminating against one another as the Rome Treaty envisaged. He made a similar warning in Paris: "If we were to choose between Europe and the Commonwealth it would be unfortunate for us, without doubt, but also for Western Europe." This was a shift of position from that adopted earlier by Conservative spokesmen who had claimed that there was in fact no divergence of interests between Western Europe and the Commonwealth.

Mr Maudling also said in Paris that the French underestimated the competitive powers of their own economy. In this he was perfectly correct. On 9 March by the French Government presented counter-proposals which would have emanated more appropriately from the Republic of Indonesia than from one of the greatest industrial

nations in the world. They suggested basically that the lowering of trade barriers should be harmonised with the equalisation of social charges and production costs. The effect of this would be to destroy any of the advantages which might have been expected from the application of the principle of comparative costs in the Free Trade Area. It would also have involved enormously complex industry-by-industry negotiations with the consequent danger of instituting a Continent-wide cartel structure.¹ The Manchester Guardian illustrated the national state of mind which could seriously present proposals of this nature by referring to a Paris newsreel on the inauguration of the Common Market which ended with the warning that all the benefits of that grand idea might yet be lost if the British succeeded with their wicked Free Trade Area scheme.² The Manchester Guardian pleaded that it was not a secret vice of the British people that they happened to live on an island and had world-wide interests.³ However, the point of departure of the French proposals was evident: since the Free Trade Area proposals set out in Cmd.72 appeared to have given the great balance of advantage to the United Kingdom without significant concessions to the Europeans, the French had designed proposals which would make the British ones inoperative. This of course did not provide a

¹. Financial Times, 10 March 1958.
³. Ibid.
useful basis for discussions: Dr van der Bueger said that the French proposals were even less acceptable to the Dutch Government than the British ones. The misfortune was that any French Government which adopted a less intransigent attitude was almost certain to lose the support of the National Assembly.

The immediate British response was to attempt to isolate France from the other Common Market countries in the Maudling Committee. Meanwhile Mr Maudling gave more serious warnings of trade reprisals in the event of a breakdown of the Free Trade Area negotiations. At a press conference in Copenhagen on 20 March he particularly warned the Danes against joining the Common Market: he said that it would be "difficult to maintain" British imports of Danish food products if the Danes imposed tariffs on British cars and not on cars from the Six. He said: "If you do something unpleasant to us, we in turn will do something unpleasant to you."

On 28 March Mr Roy Jenkins again warned that:

"... the negotiations for a Free Trade Area are in an extremely critical state ... What, I am sure, was a major mistake on the part of the Government was to go on for a year or more saying that agriculture had to be excluded as a subject even for negotiation ... After all, nobody in Europe wanted free trade in agriculture. To

2. Ibid.
"take such a line was, therefore, to attack an entirely fictitious target ... but equally, it was unrealistic for us as a great industrial exporting nation to say that we wanted an industrial Free Trade Area in which we were not even prepared to discuss the question of agriculture ... we allowed the extremely detailed and complicated negotiations for the Rome Treaty to go on far ahead of the parallel negotiations for the Free Trade Area. Therefore, we got into a situation in which the negotiators of the Six were exhausted and unanxious to do another lot of negotiations and in which the Six Governments, too, were frozen into particular attitudes ..."

Mr Jenkins concluded with the hope that:

"... we should continue plans for a Free Trade Area with the Scandinavian countries even if we cannot get a Common Market and that we shall associate them in our Commonwealth arrangements."¹

Plans for an arrangement of this kind were in fact already in hand: by 19 April the industrial federations and employers' organisations of the United Kingdom, Norway, Sweden, Denmark, Austria and Switzerland had agreed on plans for a European Free Trade Area which would exclude the Six.² Meanwhile the British Government intensified its campaign against France. In London on 17 April Mr Maudling regretted that: "... the French are taking a different view from us on a lot of aspects." and blamed France directly for the present impasse in the Free Trade Area negotiations.³ On 19 April he said that the

controversy was:

"not so much between Britain and France as between people who wanted a freer system of trade, lower tariffs and less protective ideas and people who were more protective by instinct and more concerned about opening their market to freer trade with other countries." 1

It was indeed the fact that France was the only major country by comparison with which the United Kingdom could claim to follow policies of free trade: by the end of 1958 the United Kingdom maintained an average tariff of 19% on ten major classes of imports. It was in debt to the EPU to an extent of $348 million. By comparison, France maintained an average tariff on the same classes of goods of 21%. French indebtedness to the EPU amounted to 446 million. On the other hand, the equivalent German tariff was only 13% and Germany enjoyed a credit of $1977 million with the EPU. Moreover, the proposed common tariff of the Common Market was scheduled at only 15.8% on these classes of goods, or nearly 20% lower than that of the United Kingdom.2

At this point a French cabinet crisis temporarily interrupted negotiations.3 The isolation of France under the British attack now seemed complete. Dr Erhard gave assurances that he would initiate negotiations between Germany and France as soon as there was a French Government with which negotiations could be transacted. However, he

admitted that the present views of the French seemed to be diametrically opposed to his own.\(^1\) In Rome Sir Ashley Clarke, the British Ambassador, said that France’s failure to agree on an association between the Six and the other OEEC countries might lead to the disruption both of the OEEC and of the EPU. This could have serious implications for NATO.\(^2\) Further significance was given to this aspect by inspired rumours that the United Kingdom might withdraw 10,000 troops from Germany.\(^3\)

On 29 April Mr Macmillan, Mr Selwyn Lloyd, Mr Thorneycroft, Mr Ormsby-Gore and Mr Maudling appeared before the Council of Europe. Mr van der Goes van Naters welcomed the British delegation with the accusation that they were seeking to divide the Six and warning them that the Six would not permit themselves to be divided.\(^4\) M. Paul Reynaud added:

"... I would like to point out ... that, had it not been for the representatives of the few countries which made a start towards a united Europe ... nobody here would have thought at all in terms of a Free Trade Area. So to those who make the complaint: 'Thanks to you there will be no Free Trade Area' I am quite justified in replying: 'If it had not been for us there would never have been any question of it.'"

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2. Ibid.
4. Ibid.
M. Reynaud then accused the other OEEC countries of saying to the Six:

'Go ahead with Europe if you like; lay the foundations of a political community if you believe in the idea; we have no objection; but if you set up a wide market and if your factories find that, by producing for 170 million customers, they can cut down their cost prices - and are thus beating us in the European and world markets - then we want to be in on the deal. Otherwise you will be guilty of discrimination against us.' To this the Six reply: 'All you have to do is join us.' ... We realise that the City bankers will be saying with a knowing wink: 'When we have the European market as well as the Commonwealth market, it is to our country that American capital will come, to build factories in England, not in Germany, France or Italy.' We are not taken in; we think it is only human and we are quite ready to rejoice at any good fortune which comes the way of our friends. However, as we are not blind, we realise that the danger for France will be greater with the Free Trade Area embracing ... 17 countries than with the Six. In the Rome Treaty we made provision for some form of association with the Common Market, but the Eleven would have none of it. They expect us to recognise their own particular situation but reproach France for pointing out the difficulties of her own situation ... Not only would the Free Trade Area constitute a threat if it made no provision for harmonising conditions governing competition, it would also be out of balance as a result of the Eleven saying: 'We expect you to buy our industrial products' ... 'But do not rely upon us to buy your agricultural products.' ... Britain, because she stands to gain on both sides, Europe and the Commonwealth, will distort the balance of competition ..."1

M. Fayat, the Belgian Minister for Foreign Trade also claimed: "... the United Kingdom will be able to enjoy the best of both worlds: preferential access to the Commonwealth and free access to the

In reply to these criticisms Mr Maudling outlined the new policy of the British Government. He shifted emphasis noticeably from the purely economic arguments which the British had employed at first and which appeared only to have alarmed the Europeans. He said:

"The whole conception of European economic co-operation, important as it is, seems to me to be of lesser importance than the conception of European political unity which grows more and more important as the clouds darken over the rest of the world ... I would be glad to make it clear once again that, so far as the British Government are concerned, we do look at the Free Trade Area as being a matter possibly more of political importance than of economic importance ... it is not intended as a commercial concept but as a political as well as an economic project."

This necessarily involved a complete reversal of policy from that adopted by British leaders at the beginning of the Free Trade Area negotiations. In September 1957 Mr Macmillan had presented the Free Trade Area proposals to the Commonwealth leaders purely as a commercial enterprise. Moreover, the negotiations had been held in an impasse for over a year due to the British refusal to reconsider the question of agricultural trade. A reversal of policy on this score as well was also indicated by Mr Maudling when he said:

"... we are trying to negotiate two separate agreements, one to deal with industrial products and one to deal with agriculture and it is entirely accepted that no country will be expected to begin the one without the other. In fact they are inevitably interlinked."

1.
Council of Europe, Consultative Assembly, Reports, 10th Session, 3rd Sitting, 29 April 1958.
Mr Maudling then dealt with the objection that the United Kingdom derived a double advantage from its membership of the Commonwealth as well as of the Free Trade Area. He said:

"I believe the fact of British membership of two systems is in fact of benefit to everyone concerned and consequently, insofar as we are, or will be, members of two clubs, we shall have paid the full entry fee to both of them ... I do not think it would be possible to have a situation in which one country was, as it were, asked to pay a special entry fee over and above the general entry fee that everybody else is paying on a multilateral or reciprocal basis." 1

On 13 May the Algiers coup d'etat again deferred negotiations with France. Proceedings had necessarily to be deferred until it was clear whether the French political crisis was to be resolved by civil war or by the establishment of a strong central Government in Paris.

On 27 May General de Gaulle informed M. Pflimlin that he had begun the process necessary to the establishment of his Government. 2 Supporters of the idea of Community Europe like M. Schuman regarded with some concern the creation of a Government whose Premier was to be their most bitter, eloquent and successful opponent, M. Michel Debre. The new Government at first reserved its position on the question of European economic integration: on 15 June M. Pinsy said briefly that the French Government were studying the question with other interested parties but did not wish at this stage to make any comment which might

2. L'Express, 29 May 1958.
revive old controversies. The Financial Times said that the difference in attitude between the Fourth and Fifth Republics was that between hostility and boredom. In Paris Mr Maudling admitted that he did not know where negotiations stood: they had been virtually at a standstill since February and could not be resumed until the new French Government was prepared to discuss the problem.

However, it was apparent that the deadlock would not be relieved by any concessions on the part of the United Kingdom. Over 3 - 6 July the British Government carried out secret consultations with its Uniscan partners. Herr Berg warned the Six that the British Government would probably form a counter-bloc against the Common Market if it were not supplemented by a Free Trade Area. In Bonn Mr Maudling reiterated that there was no question of other countries being allowed to share Commonwealth preferences unless they were prepared to participate in the balanced system of rights and duties involved in the preferential arrangements. However, he claimed that the British Government could not make any decisions on this matter.

2. Ibid., 3 July 1958.
themselves: it would have to be decided in bilateral negotiations with the individual Commonwealth countries concerned. He added that this would probably be incompatible with GATT in any event.¹

The peremptory line adopted by United Kingdom spokesmen was explained in part by the steady deterioration of the economic position of the United Kingdom vis-a-vis Europe. Towards the end of 1958 Mr F.A. Stahl, the Chairman of Standard and Pow, said that growth prospects in Europe were highest in West Germany, North Italy and Sweden. The United Kingdom was grouped with Portugal and Spain among the countries where growth prospects were poorest.² It was noted that the United States recession had caused a slight downturn in production in the United Kingdom but had only arrested development in the Common Market countries. Germany had in fact made an increase of 1% in industrial production in the recession. The Common Market countries had also recovered from the effects of the recession far more quickly than the United States or the United Kingdom: even France had increased its favourable trade balance with the outside world from June onwards.³

It appeared that this growing economic strength of the Common Market countries might encourage them to disregard the threats of trade

¹ J. Emlyn Williams, Christian Science Monitor, 26 June 1958.
² Financial Times, 14 October 1958.
³ Ibid., 27 October 1958.
reprisals to force agreement on the Free Trade Area. It was certainly clear that British attempts to isolate France in the Maudling Committee had much less prospect of success with the revival of economic and political stability in France.

On 27 October French officials leaked news of an impending breakdown in the Free Trade Area talks. The Patronat again protested that the free trade zone would wreck the Common Market if the United Kingdom were left free to reduce its tariffs unilaterally against third countries. At a press conference in Paris Mr Maudling claimed that there had been an evolution in British thinking since 1956: he said:

"... we have given our approval to an extension of the scope of the free trade zone from the purely commercial perspective... we are also concerned with the political unity of Europe and we consider that the free trade zone is essential to this unity. If the prospect of creating a free trade zone had only a purely commercial aspect, I don't believe that British public opinion would have accepted it."

However, the Free Trade Area proposals had first been presented to British public opinion purely in a commercial guise and public reaction had been sought only on its commercial aspects. Mr Maudling also suggested that the French concern about the capacity of members of a Free Trade Area to lower their tariffs unilaterally could be met if

members agreed to codes of good conduct, which would require members
countries to consider the possible effects upon their partners before
adjusting their tariffs. However, the United Kingdom could not admit
that a Free Trade Area should restrict the freedom of members to alter
their external tariffs. The proposed codes of good conduct could thus
offer no effective assurance to the French. Mr Maudling also warned
the French that countries could not be allowed a unilateral right to
escape from their obligations under the Free Trade Area by invoking
escape clauses.

6. The Maudling Negotiations: (ii)

Combat commented on Mr Maudling's words by reminding French
industrialists of the predictions of disaster which accompanied the
launching of the ECSC. Industries had in fact survived and were doing
better than ever. The Common Market was a first step but it could not
oblige France to launch itself on the:

"reckless, anarchistic and uncontrolled [course?] of Free
Trade ... French protectionism dates from more than 65
years. It was a cuirass, it is becoming a straight-jacket.
To free ourselves of its restrictions is wisdom. To go
further and throw ourselves quite naked into world-wide
competition, would be folly." 2

In Paris M. Wurmser warned that France would not be hustled into an agreement which might be gravely prejudicial to its national economy. The new French Government would have to take its time in dealing with fundamental matters of economic policy. He reminded France's critics that his country had faced civil war only six months previously. However, critics of France in the OEEC were not satisfied with the methods employed by General de Gaulle to restore France's balance of payments position. The annual Report of the OEEC issued on 3 November acknowledged that the new French Government had attained a state of equilibrium between supply and demand. But it objected that this equilibrium would be imperfect as long as it was obtained by arbitrary restrictions on imports and payments abroad. It would be necessary for France to relax these restrictions as quickly as possible to comply with international regulations. There was considerable doubt that even General de Gaulle would be able to pursue extensive liberalisation measures in the face of the opposition of virtually the whole of French business. However, the General insisted that France would abide by its obligations under the Treaty of Rome. He was clearly resolved that France would associate with other European Powers only

where it would meet any obligations on the same basis as its partners.\footnote{1}

The only Free Trade Area which France would join would thus need to be one in which France would not have to make use of escape clauses to evade its obligations. It did not seem possible that this could be reconciled with the kind of Free Trade Area envisaged by Mr Maudling.

The apprehensions of the German Government increased as the British and French Governments continued to reserve their positions. In Bonn German spokesmen floated the idea of a last-minute pre-negotiation conference between the British, French and German Governments.\footnote{2} At first the German officials attempted to give the impression that the suggestion had not originally come from their Government. When the British Government failed to give any response to their feeler, the German Government formally offered to mediate between the United Kingdom and France.\footnote{3} In London Mr Macmillan said the Lord Mayor's Banquet that he was not prepared to contemplate the failure of the Free Trade Area negotiations.\footnote{4} On 11 November he said in the House of Commons that he did not consider that the time was appropriate for a conference such as that suggested by the German Government.\footnote{5} On 13

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November M. Wurmser and Mr Maudling clashed over the question of Commonwealth Preferences. M. Wurmser again accused the United Kingdom of unfairly trying to gain preferential access to both the Commonwealth and European markets. Mr Maudling replied by asking if the French were prepared to share the benefits of the French Union with other countries. Mr Maudling's offer involved a certain risk since the French had in fact done this with their partners in the Common Market. A frank discussion on the basis of exchanging preferences in the French Union and the Commonwealth might have given some prospect of a way out of the impasse. But neither Government seemed in a mood for compromise.

Again inspired rumours from London suggested that the British Government might be considering its Rhine Army if it suffered economically as a result of trade discrimination in Europe. Then after the meeting of the Council of Ministers on the morning of 14 November M. Jacques Soustelle, the French Minister of Information announced that:

"... it is not possible to create the Free Trade Area as wished by the British - that is, with free trade between the Common Market and the rest of the OEEC, but without a single external tariff barrier round the 17 countries, and without harmonisation in the economic and social spheres."

M. Soustelle added that this did not mean that there could be "no

solution to the problems of the commercial relations" between the
Common Market and third countries, or that France was "closing the
door." He said that the French Government was "trying actively to
find a solution," but the United Kingdom position was "unacceptable as
it stands."¹ A spokesman of the Quai d'Orsay explained later that day
that it would be absurd to imagine that M. Soustelle was suggesting
that a Free Trade Area should have a common external tariff. This
would render it simply an enlargement of the Common Market. M. Soustelle
was merely saying that France could not accept a Free Trade Area on
the terms presented by Mr Maudling.²

M. Soustelle's words merely gave formal recognition of the
deadlock which had existed since February 1958. It had long been
evident that the Free Trade Area proposals advanced by the British
Government were irreconcilable with the minimum safeguards which the
French required from any country to which they were prepared to open
their markets. In France itself M. Soustelle's statement did not
occasion any surprise. The French press reported the incident as if
it had not involved the slightest change in the attitude of France to
the Free Trade Area proposals.³ M. Soustelle was merely reaffirming

¹ Financial Times, 15 November 1958.
² The Times, 15 November 1958.
³ Sunday Times, 16 November 1958.
accepted French policy. On the other hand, acceptance of the British position would have involved a virtual reversal of French policy.

However, in Whitehall M. Soustelle's statement was described as a "bombshell." Mr Maudling insisted that it had come as a complete surprise to him. French officials explained the apparent surprise of the British Government on the grounds that the British had been basing their expectations on three serious miscalculations. The British officials had assumed that the Treaty of Rome was "an unrealistic pipe-dream" and that the Europeans would not have been able to weld themselves together into a cohesive entity. They had underestimated French power and influence over the other five Common Market countries. And they had assumed that it would be easy to bring the other five around to accepting British views and that France, as the most intransigent of the Six, would be unable to hold out. Meanwhile, at an Anglo-American Press luncheon on 14 November Mr Maudling said that it was quite untrue that the United Kingdom had a secret dislike of the Rome Treaty: the British Government could only wish well to their friends in the OEEC, and to the extent that the Rome Treaty served the interests of the OEEC, the British Government wished it well. But it was not possible for all the countries of the OEEC to

sign such an agreement: it was obviously out of the question for Switzerland and Austria and it was impossible for the Scandinavians and the United Kingdom. Moreover, Mr Maudling had suggested frequently in the past that the Treaty of Rome would be disastrous for the OECD and all other forms of European cooperation unless it were supplemented by a Free Trade Area. It was therefore unlikely that the British Government could have wished the Rome Treaty well to any extent.

On 17 November the British Government broke off negotiations for a Free Trade Area. It was not surprising that this action did not arouse much concern in France. A French official spokesman actually said that the move might even prove constructive: it would clear the air and it showed that the British Government had realised that they could not get the Free Trade Area on their own terms. Harold Callendar said that the surprising thing was not that the negotiations had been broken off. It was that they had every been started in the absence of anything like a common goal.

M. Soustelle's assurances that the French Government were working on alternative schemes were promptly fulfilled. On 17 November they said that the quota concessions which would be made on

1 January within the Common Market would be extended to the other 11 members of the OEEC. On 19 November it was announced that General de Gaulle and M. Pinay, his Finance Minister, would discuss the matter with Dr Adenauer in a few days. On the same day the Benelux Governments submitted to their Common Market partners a proposal to minimise the effects of discrimination after 1 January. They recommended that 10% tariff reduction due to come into force among the Common Market countries should be extended to all members of GATT. Reciprocity would not be required but would be welcomed. They also supported the French suggestion to extend the 20% quota reductions to all OEEC members.

Professor Walter Hallstein, president of the Commission of the EEC, immediately set out on a quick tour of the capitals of the Six to determine their responses to the French and Benelux initiatives.

Under the circumstances The Times acted singularly inopportune in printing on 18 November a leading article entitled France the Wrecker. This article claimed that M. Soustelle's statement had originated from the fact that:

"By the end of last week the French Government had evidently realised that there was no more scope for the tactics of delay and diversion which it had been practising in the Free Trade Area negotiations for months past ... France has formally declared herself the odd man out ... though France may be the odd man out in views and policy, her Community partners have

2. Ibid., 20 November 1958.
"shown no signs of letting her be the odd man out in practice. Neither Germany nor any other of the Six has put any real pressure on France to fall in with the views of the other sixteen countries of the potential Free Trade Area."

The Times attributed the motives of the French Government to a fear of free trade and to hope of retaining "the degree of semi-political unity" promised by the Common Market. However, The Times suggested that the proposed European Economic Community might prove to be "neither European nor Economic nor a Community." It concluded:

"It is not too much to say that France has wrecked the negotiations single-handed after wasting many precious months in sheer prevarication. Neither Britain nor any of the other non-Community countries has ever refused to consider concessions and a willingness to negotiate remains."¹

However, these assertions of The Times were scarcely in accordance with the facts. Any delay over the first twelve months of the negotiations had been due primarily to the insistence of the British Government on maintaining a position virtually unacceptable to any other country in Europe. The French proposals of 9 March had been equally unacceptable, but they had not been persisted in by the de Gaulle Government. It was not correct that the British Government had never refused to consider concessions. They had refused to consider concessions on the three main issues of agriculture, Commonwealth Preferences and the harmonisation of social charges. They had in some

¹. The Times, 18 November 1958.
measure retreated from their position on the first issue but without suggesting any alternative solution. The policy of the British Government had been essentially that of remaining in an uncompromising free trade position and attempting to compel the nations of the Six to fall into line with them. The fact that France had most persistently and vigorously resisted the British pressures did not imply that the other countries of the OEEC did not sympathise with the French. The readiness of the other Common Market countries to assist France in pursuing its intransigent line suggested rather that they were relieved to see the French Government shouldering a burden which they would otherwise have had to bear themselves.

The inaccuracies in The Times leader were stressed by a former opponent of the Common Market, Mr Thomas Balogh. In a letter to The Times on 20 November Mr Balogh said:

"Your leading article ... singling out France as the 'wrecker' of European harmony, ignores the back history and reasons of the present deadlock. 'Free' trade (especially if confined to industrial products) is by no means a way to economic harmony. On the contrary, it is a way in which a dominant industrial nation could perpetuate its superiority to the detriment of less developed parts.

"The European countries and especially the French try to use OEEC as a coordinator of investment in order to achieve greater economic unity in Europe. This was frustrated by the opposition of successive British Governments (which in this case means almost exclusively the laissez-faire-minded Civil Service). The Common Market is much more (even on the economic plane) than a device to cut tariffs. It is an attempt at genuine unification of the economies of the Six. The dangerous
"effects of the lowering of tariffs on the weaker partners are to be offset by the free movements of workers and of capital assisted by conscious policy through the European Investment Bank and Social Fund.

"It may be argued, as I have, that these institutions are not strong enough to take the strains caused by free trade; that inequality and German dominance will grow, and more rather than less political strife will follow this particular attempt at political unity. But it may be countered that remedial action by way of increasing the means and the scope of these institutions will be enforced by the will to political unity. In any case these misgivings in no way support our attempt in the 'Free Trade Area' proposals to do away in respect of trade in manufactures even with those scanty safeguards offered by the Common Market. To call these proposals a unification of Europe is certainly to take a very insular view ... 

"It is to be hoped that the well-merited failure will not push the British Government into panic action. The discrimination against British exports remains negligible for another 18 months after the commencement of the Common Market. The Government ought to reconsider the philosophy of its policy and attempt to build up in the Sterling Area a common attitude to meet the challenge. It may well be that such conversations will permit it to take greater responsibilities and so permit Britain and the Commonwealth to participate more intimately in the proposed European institutions. What is impossible is to remain frozen on the present purely negative Asquithian free trade posture. As the late Sir Hurbert Henderson wisely said on the Anglo-American Agreement on Convertibility - 'it would be both foolish and dangerous to indulge the hope that we may compensate ourselves for having to accept American demands which we know to be unreasonable by pressing demands on other countries that will seem no less unreasonable to them.'

In the House of Commons Mr Maudling repeated that there would be serious consequences if discrimination commenced in Europe.

after 1 January. However, there was no question at the moment of the United Kingdom putting forward an alternative policy. The situation was very confused by the French statement. It was necessary that it should be clarified by the Six giving the British Government a formal statement of their present position. In a reply to a question by Mr Harold Wilson, Mr Maudling said that the British Government had not closed their mind to any possibility, including that of a Free Trade Area with the Scandinavians and other OEEC members. The view of the British Government remained that any alternative to the Free Trade Area remained a second best.¹

However, the British Government had been taking more positive action towards the alternative of a limited Free Trade Area than Mr Maudling's words suggested. Even before the French statement the Swedish Government had appealed to the United States to end the deadlock in the Free Trade Area negotiations.² This was followed by the presentation by the Swedish Government of formal Notes to the Six Governments informing them that even if the tariff reductions contemplated under the Treaty of Rome were compatible with GATT they would not be compatible with the maintenance of traditionally friendly relations. The Swiss Government followed this up on 21 November by

¹ The Times, 20 November 1958.
announcing that it had invited the Governments of the United Kingdom, Scandinavia and Austria to send experts to a meeting to discuss the Free Trade Area situation. On 26 November the Swiss Government threatened that they would consider withdrawing from the EPU if discrimination against Swiss exports occurred after 1 January. They were also resolved not to accept any bilateral association with the Common Market such as suggested by the French Government.

Meanwhile, General de Gaulle and Dr Adenauer agreed at Bad Kreuznach that every effort would have to be made to avoid discrimination within Europe on 1 January. The two Heads of State agreed that Professor Hallstein should be empowered to carry out exploratory discussions with the Six and the Eleven to establish some permanent association between the two groups. They also agreed essentially that the concessions originally proposed by the French Government and expanded in the Benelux proposals should be extended to the rest of the OEEC for at least a year.

The difficulty was that the Benelux proposals would not avoid a certain discrimination by France against the rest of the OEEC. The Common Market countries had agreed to reserve to themselves the extension of quotas of up to 3% of national production in the importing

country for goods for which only nil or negligible quotas existed so far. This preferential arrangement would be permissible under the terms of the OEEC liberalisation code for countries which had already liberalised at least 90% of their trade on an OEEC-wide basis. The French Government had so far not complied with this requirement. They would therefore be required on 1 January either to extend their 3% quotas to the rest of the OEEC or to liberalise up to 90% of their total imports. It was still an open question whether General de Gaulle would feel that the French economy was sufficiently strong for him to risk doing either. However, it appeared as if the Heads of the Six Governments were seriously considering every practicable measure which might avoid discrimination. Their decision to extend tariff reductions on a GATT-wide basis was in fact going considerably further in the direction of non-discrimination than anything that had been suggested by the OEEC.

However, these attempts by the Six to avoid discrimination did not meet with much encouragement from the British press. The bitterness of British comments seemed to reflect primarily resentment at the renewed display of Franco-German solidarity.¹ The Financial Times said that the United Kingdom:

"will have to make common cause with Scandinavia, Switzerland and Austria ... we may without being unhelpful remember that we are in a position to impose certain discriminatory quotas without running

¹ Jan Hasbrouck, New York Herald Tribune (European Edition) 2 December 1958, 237
"counter to EEC regulations ... the events of the last few weeks will have an important bearing on the whole of Britain's relations with the Continent of Europe ..."¹

In The Observer, Mr Alan Day said with reference to this attitude:

"There is, indeed, a strong feeling in Britain that France was the wrecker, but the people who have this feeling particularly strongly are, for the most part, lacking in imagination. If British industrialists had come to the conclusion that they would lose more than they would gain from the widening of trading opportunities in a Free Trade Area, the proposal would never have been considered seriously in Britain. At least it must be said for France that the scheme was considered seriously, even though French industrialists did believe that they stood to gain less than they would lose. Beyond this, a good deal of the blame for the failure of the free trade scheme was due to the British assumption that the only interests that would have to be mollified in establishing the Area were those within the United Kingdom and the Commonwealth. The British negotiators never seem quite to have recovered from their surprise at finding that the members of the Common Market were not willing to risk everything for the sake of bringing Britain into association with their new club, on any terms that the British thought fit to demand ... The alternative that still remains is for Britain to enter the Common Market ... Economically, this would make good sense ... But the fact of the matter is that such a proposal only has the slenderest political chances in Britain ... For too many people in Britain there is still the deep-seated, Blimpish feeling that wogs begin at Calais."²

On 1 December the British, Scandinavian, Austrian and Swiss representatives met at Geneva. The Portuguese, who had not been ¹

invited to attend, also sent a delegation. At the end of their discussions Dr Scheffer, of the Swiss Ministry of Economics, who presided over the meeting, read a paper stating that the participating Governments reaffirmed their intention to pursue their efforts to find a satisfactory formula of multilateral association between the Six and the Eleven. They formally insisted on multilateral association and in rejecting bilateral agreements with the Six.

On 3 December Dr Erhard announced that he was flying to London for conversations with Mr Maudling to see if some way could be found of reopening the Free Trade Area talks. In the House of Commons Mr Maudling warned that he could not see how the tradition of confident cooperation could survive intact in the military and political fields if they were to break down in the economic sphere. In talks with Dr Erhard Mr Maudling agreed that the EEC proposals should be discussed at a Meeting of the Ministerial Council of the EEC instead of at a further meeting of the Maudling Committee. British officials apparently still hoped that it might be possible to retain the original conception of a Free Trade Area if some protection were afforded France in vulnerable economic areas. At Torquay Mr Maudling said that

1. The Times, 2 December 1958.
2. Ibid., 3 December 1958.
3. Ibid., 4 December 1958.
4. Ibid., 5 December 1958.
a Free Trade Area would provide the only context in which the Treaty of Rome could achieve its full results. Provisions could be made for "some countries who are not yet economically strong enough to undertake the full obligations." He said that he found it difficult to believe that any new solution could be found that differed much from the Free Trade Area. It was quite impossible for all OEEC countries to join the Common Market. The obligations envisaged in the Treaty of Rome were unacceptable to the United Kingdom as well as to others.¹

This suggested use of escape clauses was the most significant concession that the British Government had yet offered. However, it was unlikely to be acceptable: General de Gaulle had made it clear that he was not prepared to accept an international agreement in which France would have to seek release from its obligations. This appeared to be the limit of British concessions: at a Cabinet Meeting on 12 December the British Government decided that they were not likely to put forward any new schemes of their own at the Council Meeting. They also refused to accept the Franco-Benelux proposals to minimise discrimination after 1 January.² Their attitude was apparently to be based on an unreserved acceptance of the Free Trade Area.

Under the circumstances the French expectation that the Council meeting would prove to be the most bitter in the history of the OEEC seemed justified. Sir David Eccles, who was to preside at

1. The Times, 8 December 1958.
2. Ibid., 13 December 1958.
the meeting, remarked that "Faith can move mountains," but faith in the "spirit of the OEEC" was not likely to move the Six from their present position. Professor Hallstein claimed that the British Free Trade Area proposals would have worked only in an old-fashioned liberal economy: the varying degrees of state intervention in industry in present-day economies made it impossible for States to have customs agreements without in some measure harmonising their economic policies. On the other hand, Professor Hallstein considered that a political union of Europe was nowhere in sight: it was not a matter for practical statesmen to bother about.

Sir David Eccles began his address at the Council meeting on 15 December by saying that he rejoiced that everybody wanted a multilateral solution to the problem. But for this there had to be the right atmosphere. This was incompatible with discrimination. The proposals of the Six amounted to discrimination, "whatever way you looked at them." Towards evening Sir David abruptly presented to the meeting the new proposals of the British Government. The United Kingdom would be prepared to match the Six if they extended their 3% quotas to the rest of the OEEC. The Six Ministers pleaded that they

needed time to consider these unexpected proposals. Sir David pressed for an immediate answer. The Six Minister left the Conference room for an urgent discussion. When they returned they asked if it would be possible for the British proposals to be put in writing. At this Sir David angrily asked M. Couve de Murville how the French could ease their trading policies towards their Common Market partners and still fall down on their commitments towards the other OEEC countries. He claimed that this amounted to discrimination and that the United Kingdom would reserve its right to revise its commercial policies towards France and to take retaliatory action to protect its trade.  

By this time most of the Ministers were on their feet. In a high moment of ironic comedy, Germany, in the person of Dr Erhard, again sought to mediate between its old enemies. He suggested that complicated matters such as the British proposals could not be solved in a few hours. But by this time it was too late for German moderation to heal the breach. Warning Sir David Eccles that France was not accustomed to negotiate under threats, M. Couve de Murville led the French delegation out of the Council room. With them went the last shreds of thirteen years of British domination of Western Europe. A period of history had come to an end.

Under the circumstances it was easy to agree with Dr Erhard's comment that the meeting had "not been pleasant." It was

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less easy to credit Sir David Eccles' comment that: "It ended up all right. I am satisfied." At London Airport Mr Maudling denied that a breach between the United Kingdom and France had in fact occurred. He said:

"If there had been a monumental row, my money would have been on Sir David. Nevertheless the position is extremely serious. At one time everyone supported the European Free Trade Area. That unanimity no longer exists."  

It would have been more accurate to say that there had been unanimity regarding the undesirability of discrimination occurring after 1 January. However, the proposals of the British Government for averting this discrimination had been found unacceptable by virtually every country in the OEEC. The Free Trade Area had never been presented in a form to which any Government in Western Europe had given unqualified support. The illogicality of the position which Mr Maudling and Sir David Eccles were endeavouring to maintain was stressed by the Daily Worker in its article entitled: "Anglo-French Row? Nevah!" Odd Claim By Eccles." The article continued:

"... Sir David Eccles arrived back in London yesterday from the Paris row over the 6-nation Common Market, and claimed: 'We didn't really have a row with the French. It was a row between Six countries in the Common Market and the other Eleven European countries. It happened that we were speaking for the Eleven. It is not an Anglo-French row. We said that when 1 January came and the Common Market comes into operation we don't want British

"Trade discriminated against. It is said that I threatened ... M. Couve de Murville. He threatened me first. I said to him: "It is like a game of golf. We are all square." ... We can say to the ... Six that if they are not prepared to give us a bigger quota for selling British cars then we shall have to consider what we buy from them." Asked about the statement attributed to German delegates that the atmosphere at the talks was ... 'not pleasant,' Sir David replied: 'It is never pleasant when the British stand up for their rights.'

After this it would have been difficult for the British Government to have maintained that their primary interest in the Free Trade Area was political rather than commercial. Combat claimed that:

"Egotism is always short-sighted. To safeguard temporarily sordid material interests, Great Britain is disarming NATO and wrecking the OEEC ... We may be impressed. We must not be daunted. Europe will be made and it will make itself. And that is the lesson of the tumultuous rencontres in Paris."²

The Economist commented:

"More damage can rarely have been done in fourteen hours of talking than at the Chateau de la Muette on December 15 ... what shot a new and ugly streak of bitterness into the discussions was ... the first blunt threat of retaliation from the British side. The choice of Sir David Eccles as Britain's spokesman seemed unfortunate in many continental eyes. He is not popular in France. Rash words, spoken long ago, implying a basic dislike of the Common market, have been dug up and quoted again and again. Now it was he who bluntly told the Six that if there was no change in their position, Britain would take 'defensive measures.' It, too, could discriminate in its quotas. And


Unlike the Six, it seemed Britain intended to do so not by enlarging quotas more for some people than for others, but by new restrictions ... The CEC, which has survived many prophecies of its imminent collapse undisturbed, now faces a really serious threat. Trade war could kill it ... One must suppose that the object of the British threats was to force the French to give way. But the French really care little about any restrictions Britain may put on their exports. Nor have the threats of reprisal made it more likely that General de Gaulle will agree to talk the dispute over personally with Mr Macmillan. The British Government's tactics on Monday suffered from faults that have handicapped it all along - an overestimate of the strength of the British position, the mistaken belief that it could get agreement by isolating the French. 'Strange,' remarked a Dutchman who spends most of his waking hours struggling with the French within the Community; 'I feel greater solidarity with the Six than ever before.'

In almost the same language Combat reported:

"Having manoeuvred badly, the United Kingdom is trying to preserve its prestige intact. 'Fair-play' when its plans work, perhaps, but any methods are good in the case of a failure ... It is not by chance that this announcement was entrusted to Sir David Eccles. He is not popular in France, and is reported throughout Europe for his systematic hostility towards the Common Market ... Once again, by a lack of the most elementary diplomatic flair, London has tried to force the hand of the Six ... In insisting on an economic approach the United Kingdom persisted in not speaking the same language as its interlocutors ... In a word, the United Kingdom would not admit that there exist two systems of weights and measures. Not participating in the Common Market of the 'Six', the latter has become for the United Kingdom a veritable nightmare."  

John Allan May suggested that the only way that the United Kingdom could save the unity of Europe would be by abdicating the leadership

of the Eleven. He said:

"... Britain, by its insistence on leadership, has simply played into French hands. An OEEC Committee is set up to form a Free Trade Area - the chairman is Britain's Maudling. The Council of Europe frames a resolution backing Britain - the chairman is Britain's Lloyd. The WEU Assembly backs Britain - the President is Britain's Derrick Heathcoat Amory. Every evening, it is said, the French look under their beds in case the British are there. On December 15 the last four named above were all discovered there at once ..."¹

The reluctance of the British Government to abandon their policy of direct pressure was indicated by a speech of Lord Landsdowne's in the Assembly of the WEU on 17 December. Lord Landsdowne said:

"If we are not successful in finding a solution to these problems, I cannot disguise from you the seriousness with which we view the situation. This is not just a question of trade. The dangers are political. We in the United Kingdom want the European Economic Community to prosper. It is nonsense to suggest otherwise .../But/ We have built up over the last 10 years a multilateral non-discriminatory trading system which is at the basis of our mutual prosperity and strength in Europe. If we weaken this, I do not see how we can fail to weaken our co-operation in the military and in the political sphere."²

M. Jean Legendre replied to this speech in much the same terms in which M. Couve de Murville had replied to Sir David Eccles. He said that the negotiations had been unsuccessful:

"Simply because we on our side see very great, if not insuperable difficulties in the way of granting countries outside the Common Market the same advantages as those negotiated by the Six among themselves, which are the

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"result of a whole series of concessions and counter-concessions ... If Great Britain were willing to enter into similar undertakings, there would no longer be any reason to withhold the corresponding advantages from her, but she has so far refused to do so. Not only that, but to my great regret, Lord Landsdowne reaffirmed once again this morning his Government's intention of maintaining the system of preferential tariffs with the Commonwealth. It is all very well to talk of discrimination on the part of the Six, but it may surely be asked whether there is not an equal degree of discrimination on the part of the United Kingdom which - for reasons which I perfectly understand and am not criticising - is keeping the Commonwealth as its own private reserve into which it refuses to invite outsiders. This is the bone of contention which, over the last two years, has prevented any reconciliation between the two points of view. For our part, we say that we are perfectly willing for an association between the Eleven and the Six, and we are ready to examine any and every formula that might make that association possible, provided only that the creation of a united Europe, which is our fundamental objective, is not compromised ... "I am not going to mince my words ... I have just been fighting an election in the course of which I spoke at 115 meetings. At each of them I was asked what I thought of the Common Market and what I thought of the Free Trade Area. French public opinion has now accepted the idea of the Common Market, in spite of the fact that it still shows considerable concern as to its immediate effects in certain sectors, but it is basically opposed to the Free Trade Area. Its attitude can be summed up as follows: the British are opposed to the Common Market so it must be a good thing for France; they are in favour of the Free Trade Area so it must be a bad thing for France ... So long, therefore, as the United Kingdom is unwilling to make the slightest concession, I am afraid negotiations will remain bogged down." Referring to Lord Landsdowne's reference to a possible weakening of cooperation in the field of defence, M. Legendre said:

"This is an open threat, the same as was made a few days ago at OEEC ... Is it really the case ... that, for a matter of
"And, because that is all it is, the United Kingdom is ready to put back into the melting pot the whole question of its political and especially of its military cooperation with the other European countries? We must know clearly once and for all ... Let me say again: the Common Market, the Europe of the Six, is not and has no intention of making itself self-sufficient. It has no intention of dividing Europe into two. It is a club that anyone can join provided they will pay their entrance fee. If for perfectly valid political or economic reasons, some countries are unable to join the club, then it is ready to consider with those countries - but not under threats or blackmail - what measures can be adopted to harmonise the Europe of the Six that we are trying to create with the Europe of the Eleven, whose perfect right to call itself Europe we have no wish to gainsay."

However, the confidence with which M. Legendre spoke sufficiently indicated that it was not a question of negotiating between two Europes. The Six had risen as a coherent and distinct entity within the framework of the OEEC. The other 11 countries had in common only the fact that they had not yet joined the Six. They did not in any sense form a separate entity. Europe of the OEEC had resolved itself into the Common Market and the Rest. The question was now what the Rest would resolve themselves into.

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VI. WITH OR WITHOUT ENGLAND

"... the bridges have been built towards the world outside and not only towards the other European countries. United Europe is a stage towards a world community."

Dr Erhard

"The cause of each is the cause of all; the cause of all is the cause of each: that is the spirit in which must be created the Europe of tomorrow, the Europe des patries et de la liberté."

Michel Debre

1. Readjustment After 1 January

Under the terms agreed on at Bad Kreuznach the Six would be discriminating against the other OEEC countries after 1 January only in respect of their 3% quotas. These applied to imports which were subject to total prohibition or for which only negligible quotas were in force. Discrimination on these would be in breach of the OEEC Code of Liberalisation unless France met its commitments to liberalise at least 75% of its trade to the rest of the OEEC. Since June 1958 only 11% of French imports had been liberalised.1 It was doubted whether the French Government could risk liberalising beyond 40% on 1 January. However, it was also clear that General de Gaulle

1. The Times, 29 December 1958.
was determined that France should fulfil all its international obligations as far as possible. In many ways he was in a favourable position. The French economy was rapidly gaining in strength. By the end of 1958 the trade gap which had existed since 1955 had virtually disappeared. The value of exports had risen by 19% in the last twelve months. Imports in the same period had risen in value by less than 5%. On 27 December France joined with the rest of the Six and the United Kingdom in notifying M. Rene Sergent that they wished to terminate the EPU. On 28 December the EPU was replaced by the European Monetary Agreement. The new fund was to have the dual purpose of facilitating settlement of monthly balances between the central banks of member countries and of granting credits of up to two years to member countries.

On 29 December General de Gaulle followed up this move by announcing a 17.5% devaluation of the franc. A new "heavy franc" equivalent to 100 old francs was introduced. At the same time France joined with other major European States in making its currency freely convertible with the dollar. Other measures were introduced to strengthen the French economy. The budget deficit was reduced. Export subsidies were lowered in many cases. Consumer subsidies were abolished on bread, rice, chocolate, milk and certain other foodstuffs.

3. Ibid., 30 December 1958.
tax was increased from 47.6% to 50%. On 29 December France liberalised to 90% of its intra-OEEC trade. The liberalisation was based on 1948 figures as required by the OEEC and amounted in practice to about only 60% of current French trade.¹ However, it served to render the Six safe from any charge of being in breach of the OEEC Code.

The Six were now in an appropriate position to resume negotiations with the Rest. The French Government supported a proposal to call a Ministerial Meeting of the OEEC on 15 January. Official spokesmen suggested that this would provide a suitable opportunity to smooth down feelings ruffled at the Château de la Muette.² French and British diplomats began preparatory talks at once.³ M. Pierre Drouin suggested that the "thunderstroke" of French devaluation had favourably modified the climate of conversations: the United Kingdom had no longer any possibility of accusing the Six of discrimination.⁴ Commenting on another British "illusion" that it would be possible to divide the Six and force France into isolation, an OEEC official said:

“You British seem awfully badly informed these days: this is hardly any better than persisting in sending arms to the wrong side in Cuba.”⁵

¹Financial Times, 1 January 1959.
²Ibid.
³Ibid.
⁴Pierre Drouin, Le Monde, 11-12 January 1959.
Meanwhile in the Ministerial Assembly of the Six Dr Erhard insisted that the Common Market countries must "take account of political realities to establish links with those who cannot join the Common Market." He said:

"Fears that the Common Market might develop protectionist tendencies can be discounted: the bridges have been built towards the world outside and not only towards the other European countries. United Europe is a stage towards a world community."  

Combat also suggested political reasons why other nations should not be too concerned about autarkic developments in the EEC. United Europe might have looked once as if it were going to take the form of a federation. It now seemed that a confederal system was far more possible: it would take years before the future United States of Europe could be built.

The Six continued confidently to prepare for the forthcoming negotiations. On 28 January Franco-German discussions took place in Bonn on the possibilities of association with the other OECD countries. In Paris the Ministerial Council of the OECD considered means of settling British and French debts to the EPU, amounting to £460 million and £635 million respectively. At the same time the Ministerial Council of the Council of Europe decided to reconstitute the International Committee of Experts on the basis of a proposal made by Mr Hirsch, the French representative at the Community's Secretariat.

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5. The Times, 29 January 1959.
Council of the Six instructed Professor Hallstein and his Commission to prepare a report on means of multilateral association between the Six and third countries.¹ In the Commission itself the Dutch suggested that the United Kingdom should be invited to seek associate membership under Article 238 of the Rome Treaty.²

On 5 February the British Government signed with Euratom a ten-year agreement for cooperation in the peaceful uses of atomic energy. The agreement opened the European market to British-made reactors. Provision was also made for the United Kingdom to supply suitable fuel on commercial terms.³ In the House of Commons Mr Maudling said that the first objective of the British Government remained to:

"find a settlement, acceptable to the OEEC, of the immediate problems caused by the entry into operation of the Treaty of Rome. But the Government continue to attach great importance to the settlement of the long-term problem and will remain in close touch with the other European Governments to this end."

Mr Maudling claimed that negotiations had not been broken off; they had merely been suspended. He concluded: "Everyone is in favour of closer association but the difficulty has been to find the terms to achieve it."⁴ This view was echoed in Brussels by M. Rey, who said that the constant aim of the Commission of the Common Market was "to

2. Ibid., 2 February 1959.
3. Ibid., 5 February 1959.
4. The Times, 6 February 1959.
establish a system of relations between the Six and the other members of OEEC."¹ However, it seemed that the primary concern of the British Government might have been the bilateral trade talks being conducted between Sir Paul Gore-Booth and M. Wormser.²

On 18 February a group of British Treasury officials under Sir John Coulson left for Copenhagen for a meeting of the Uniscan Economic Committee. On the following day Mr Maudling addressed the House of Commons on the subject of the Free Trade Area negotiations. He once more denied that it had ever been the British intention to undermine the Treaty of Rome. He said:

"That has always been quite untrue ... We in this country, who have suffered so much in the past fifty years from the troubles and wars of Europe, have every cause to welcome an organisation which is designed to promote the cohesion and the unity of the major Western European countries ... We have recognised that it offers new possibilities of expanding prosperity and expanding progress. At the same time, we and other countries have always felt that the Treaty of Rome, standing by itself, has two inherent dangers. In the first place, the Common Market powers, by themselves, might pursue policies of what is called an inward-looking, protectionist and restrictionist nature. Secondly, the development of the Treaty of Rome, unaccompanied by wider association, is, in view of many countries concerned, liable to tend to a division of Europe between the Six countries and the Eleven, and that division, we feel, could not fail in the long run to have tragic consequences, not only economic but political ... We could not contemplate any system of working with Europe which was at the expense of our ties with the Commonwealth. It would be bad for us; it would be bad for the Commonwealth; and I think that it would be bad for the whole

¹. Le Monde, 6 February 1959.
"Free world, if Britain were ever forced to choose between Europe and the Commonwealth ... Secondly, we must understand that there is no general public support in this country for the idea of political federation with Europe. Quite apart from its implications for the Commonwealth, I do not believe that there is any body of support for it. It is wrong to look at European economic problems solely from the point of view of their economic implications. We must not advocate courses or make suggestions that we are not prepared to follow through to their ultimate consequences. If we do that we shall rightly be earning the title of perfide Albion ... I see that it is suggested by the Liberal Party that we should join the EEC. The consequences of this suggestion are not always fully understood ... In the first place, we should have to agree to a common agricultural policy, settled ultimately by a system of majority voting in which we should be in a minority ... Secondly, we must recognise that to sign the Treaty of Rome would mean having common external tariffs, which, in turn, would mean the end of Commonwealth free entry, and I cannot conceive that any Government of this country would put forward a proposition which would involve the abandonment of Commonwealth free entry ... As for agriculture to sign the Treaty of Rome would be to accept a common policy which would once again be subject to majority voting. I do not see how that could be reconciled with the policy accepted by hon Members on both sides of the House in recent legislation ... Finally, we must recognise that the aim of the main proponents of the Community is political integration. We can see that in Article 138 of the Treaty, which looks forward to a common Assembly, directly elected. The whole idea of the Six, the Coal and Steel Community and Euratom is a movement towards political integration. That is a fine aspiration, but we must recognise that for us to sign the Treaty of Rome would be to accept as the ultimate goal, political federation in Europe, including ourselves ..."

Mr Maudling's arguments were in many ways as vulnerable as those put forward ten years previously by Mr Harold Davies. The protectionist argument was particularly liable to be turned against

its proponents: at the time at which Mr. Maudling spoke, the British Government was maintaining tariffs in general nearly 20% higher than the proposed common external tariff of the Common Market. The political division argument was equally vulnerable. The only NATO countries outside the Six in the OEEC were the United Kingdom, Denmark, Norway, Iceland, Greece, Turkey and Portugal. Greece and Turkey showed no sense of being alienated by the development of the Common Market. Iceland made no military contribution to NATO. Denmark and Norway would have joined the Common Market had the United Kingdom shown any intention of doing so. The adherence of Portugal to NATO could be relied upon since that country was not likely to be accepted as a member by any other international organisation. The political division of Europe would thus seem to have been a phenomenon of which only the United Kingdom was conscious and which its policy was certain to perpetuate. In any event it could hardly be imagined that six countries of Continental Europe would seriously design to weaken the political strength of the West or that the United States would help them to do so. The policy of the British Government was made the more ambiguous by its insistence on the paramount claims of political considerations over economic: if the present economic division of Europe were in fact causing a political division which could be healed by the United Kingdom's making an economic accommodation with the Six, it was certainly inconsistent for it not doing so. This inconsistency was demonstrated strikingly by the fact that Sir Paul
Gore-Booth was engaged in negotiating a bilateral trade deal with M. Wormser at a time when Mr Maudling was insisting that the most important thing was to avoid worsening the political breach, and that this could only be done by seeking a multilateral solution to the economic breach. The United Kingdom, like most other nations of Europe, was apparently multilateral to the extent that its interests were not concerned. Mr Maudling's attribution of an ideal of political integration to the Common Market was also unsupported by evidence. Professor Hallstein had described such a possibility as unrealistic.

It was unquestionably so while France was ruled by General de Gaulle and M. Debre: the foreign policy of the RPF was now unchallenged in France. M. Debre had said:

"Whatever be the consequence hoped for from this economic effort, it will not be sufficient to draw the European nations wholeheartedly into the work of association which our times demand. The frontiers will yield only before a commonly accepted conception of political solidarity. The cause of each is the cause of all: the cause of all is the cause of each; it is in this spirit that must be manifested the Europe of tomorrow, the Europe des patries et de la liberte."

M. Debre went on to explain that by the Europe des Patries he envisaged a system of regular Conference of Heads of State.

"... it is a matter of preparing for the future of our nations a regular and constant consultation of Heads of Government. That is the way that leads to true solidarity. That is the way that leads to the concord of great policies. That is the way that will make it
"apparent ... that national causes are part of the great cause of Europe ..."1

In this description M. Debre was merely finding new phrases for the old European policy of the RPF which General de Gaulle had inspired in December 1951.2

A more relevant criticism of the present development of Community Europe was given by Mr Thomas Balogh. He considered that:

"... the dominant competitive power of German industry must tend to enforce deflation and destroy the upsurge of investment which is an absolute condition of meeting the Communist challenge."

He praised the action of the French Government in being able to:

"extract from their 'liberal' partners positive safeguards, which are the ultra-European counterpart of the domestic arrangements that hold the disintegrating forces of pure competition in check ... It may well be that these institutions are too flimsy to take the immense strain caused by the economic union ... Faced by this challenge, the policy of the Tory Government has been fantastic ... They did not stop the Common Market when there was time, nor did they insist on the inclusion of positive safeguards. In a final burst of laissez-faire fanaticism they launched a scheme - the Free Trade Area - which was calculated to open the markets of the weak to the strong without any compensation or safeguard whatever. We were to face uncontrolled German competition in order to be able to overrun countries even weaker than ourselves. The British case claims, on the one hand, that our obligations to the Commonwealth are incompatible with membership of the Common Market, and on the other hand that

2. See p.95.
"joining the Common Market 'by linking our price levels with those of France will have disastrous effects on our competitive position in export markets outside of Europe.' If, indeed, membership of the Common Market were to prove as disastrous as the Board of Trade expects, we should rejoice that the German competitive power will be engulfed by it ... Mr Maudling was obviously misled into hoping that he could bluff his scheme through and break the French resistance, though he had been warned by the French over two years ago that the Free Trade Area scheme was unacceptable to them. He chose to disregard this warning on the basis of a complete misreading of the political situation. Yet there is a strong enough faction in each of the six countries of the Common Market, to whom a progressive programme of cooperation with Britain and the Commonwealth, as well as with the eleven other OEEC members, would make an appeal. What the Labour Party ought to do is, first, to show that the Maudling case is mendacious ... Secondly, it should put forward a scheme of economic cooperation, binding OEEC, the Common Market countries and the Commonwealth into a cooperative trading unit, with common employment and investment policies and suitable organs to implement them. The British Government has reacted to its utter failure in exactly the opposite way - by increasing its stake on the same number. Having been rebuffed, it tried to 'punish' the offending countries by forcing the end of the European Payments Union ..."¹

The United Kingdom was increasing its stake on the same number in a way not suggested by Mr Balogh. On 18 February Sir John Coulson led a group of British Treasury officials to Copenhagen to take part in a meeting of the Economic Committee of Uniscan.² On 4 March Mr Maudling left London for Sweden. It was stated that he was merely on a lecture tour.³ In Stockholm he announced that he was

¹ The New Statesman and Nation, 7 February 1959, pp.177-78.
² Daily Telegraph, 19 February 1959.
³ Manchester Guardian, 5 March 1959.
pessimistic about the short-term prospects for a Free Trade Area but optimistic about the long-term prospects. He claimed that something like a Free Trade Area was the only rational solution for Europe's problems. All projects to have the Eleven join the Six were unrealistic. The immediate problem was to arrive at a multilateral basis for reducing the discriminatory effects of the Common Market.¹

In Brussels Professor Hallstein's Commission of the Common Market had just come to a point of view opposite to that of Mr Maudling's. On 3 December the Council of Ministers had instructed this body to carry out an examination of the problems of a multilateral association between the Six and the other OEEC countries and a solution to these problems. The Commission carried out its task inauspiciously by failing to discover any solution. It informed the Ministers that the Treaty of Rome was perfectly in conformity with the rules of GATT relating to Customs Unions and with the liberalisation code of the OEEC: the preferential system established by the Six was not a discrimination but a perfectly legitimate differentiation. However, a free trade zone was a purely theoretical concept unrealisable in a modern economic system: even a Common Market would be inconceivable without the coordination of monetary and fiscal policies.² The Manchester

¹ Financial Times, 6 March 1959.  
² Le Monde, 4 March 1959.
Guardian commented that the sooner this Report was forgotten the better.\(^1\) It was in fact rejected by the Ministers. The Council described it as inadequate and lacking in imagination. The Commission was required to provide a more useful report by 15 April.\(^2\) In the meantime the Ministers suggested that a possible solution might be to increase all OEEC import quotas by 20\% every year. Reciprocal reductions in tariffs could be made for products entering significantly into intra-European trade.\(^3\)

Following Mr Maudling's lecture tour, experts of the Seven 'non-Six' countries met in Stockholm on 16 March. The Manchester Guardian warned the British Government against any attempts to use these discussions as a means of building up a counter-group against the Six.\(^4\) However, attacks on the Six began to increase in intensity. Mr Holenstein the Swiss Minister for Public Economy, claimed that the Common Market could not stand on its own feet in a divided Europe. The fact that trade between the Six and the Eleven amounted to 46\% of total intra-European trade should induce the Six to take their European partners into account.\(^5\) In Johannesburg Sir David Eccles told the

\(^1\) Manchester Guardian, 19 March 1959.
\(^3\) The Times, 17 March 1959.
\(^4\) Manchester Guardian, supra.
\(^5\) Financial Times, 22 March 1959.
South Africans that their country could certainly be injured by the Common Market. He said:

"Commonwealth countries must stick together and not allow themselves to be picked off one by one by the Six ... You may get trade delegations from the Common Market countries saying: 'Do a bilateral deal with us and we won't treat you too harshly.'"

Sir David said that he had recently angered the British leather industry by rejecting a proposal which would have affected the importation of South African skins. He warned: "Unless you boys do the same thing for us, we won't be able to keep it up for long."

Sir David's warning to the Commonwealth against any attempts at bilateral deals with the Six was followed by the conclusion of the bilateral deal between the United Kingdom and France on which Sir Paul Gore-Booth and M. Wormser had been negotiating. The two Governments agreed to enlarge all their quotas by 20% for the coming year. The United Kingdom also undertook to import an extra $3 million a year of French textiles, farm products and optical instruments. In return the French agreed to purchase an extra $10 million of cars and whisky from the United Kingdom.

However, the Six continued to seek a solution beyond bilateralism. Sir Piero Malvestiti, the Vice-President of the Commission

1. The Times, 16 March 1959.
2. The Economist, 11 April 1959, p.115.
of the Common Market, suggested an economic triumvirate of the United States, the United Kingdom and the EEC, similar to that proposed by Mr Balogh. Dr van der Beugel of the Netherlands consulted with Dr Erhard on 14 April regarding the development of an European Economic Association which would embrace all the OEEC countries. On the same day the German Government undertook to import a further 3 million tons of wheat and other cereals from France in the course of the next four years. The prices were scaled so as to reach the level paid to German producers by the end of twelve years if the contracts were renewed for so long. In the Council of Europe M. Wigny, the Belgian Foreign Minister, said:

"... while we may continue to need and love our native countries, these must to some extent be transcended ... it is essential to have a united Europe ... What is it ... that distinguishes the Europe of the Six from that of the Fifteen? Is it that it forms a stronger, more powerful or more isolated group? No: it is simply that it has made additional sacrifices." Dr Erhard followed with one of his most eloquent speeches in favour of liberalisation. He insisted that:

"A speedy solution must be found which permits the continued cooperation in the field of economic and

2. Ibid., 15 April 1959.
3. The Times, 16 April 1959.
trade policy, comprising all European nations over the last ten years ... I expressly declare myself in favour of the aims and purpose of the Common Market, with its close ties and mutual commitments, but it should not, and must not, lead to a split in Europe ... Nationalism and egotism have been a real scourge for Europe! We must never forget this."

A week later Mr Maudling also addressed the Council. His speech added little to current European impressions of British policy.

He said:

"The negotiations, and the story of the negotiations on the Free Trade Area last year, are a sorry tale in the history of free Western Europe. That we must all agree. There was at the beginning of the negotiations a universal will to establish a Free Trade Area ... The reason the negotiations, in the end, failed was because the will to succeed was no longer universal ... In the view of the British Government a Free Trade Area remains the only fully satisfactory solution to the problem of European economic relations ..."

"If other states, in this particular case the Eleven, do not want to aim for the larger benefits of total integration, it does not seem necessary to insist that they make the same special arrangements which were made for the Economic Community ... We were seeking free entry into the markets of the Six. We were offering in exchange free entry into our markets. We were not prepared to make the full political sacrifices involved in the system of the Six, but nor did we ask the Six to make the same political sacrifices to us in the Free Trade Area ..."

"There is the possible solution that other countries should join the Treaty of Rome ... I believe I can say with confidence ... that both the Government and the Opposition hold to the view that it is not a practical proposal that the United Kingdom should join the Treaty of Rome ... I do not see how

"any British Government could support putting new duties and other barriers against Commonwealth products which now enter the United Kingdom duty-free.

"This is not only a matter of economic commonsense, because it is very foolish for industrial countries to put up their cost of production by putting tariffs on raw materials; it is also a very important political matter, because within the British Commonwealth there are many countries undergoing economic development ... Surely it would be politically very unwise to start putting new barriers in the way of products coming from those developing countries when those are the very products on which those countries depend for raising their living standards ...

"We must recognise that neither from the point of view of the Eleven nor from the point of view of the Six is it a practicable solution to invite all European countries to join in the Treaty of Rome. The only alternative which has been put forward so far is the idea of the Free Trade Area ... But in whatever we do, we should, I am sure - and in this matter I certainly speak for the British Government - keep before us our main objective, which is a final solution embracing all Seventeen members of the OEEC.

"I detect in ... some of the speeches this morning a feeling that what is needed is negotiations between two groups, the Six and the Eleven. I do not know whether that is a practical possibility because clearly there is not the same complete unity, either of interest or of purpose, among the Eleven as there is likely to be among the Six. I certainly think that the more the negotiations can be narrowed down and the further we can get away from the whole system of bilateral negotiations, the better the chance of success in our final purpose."1

Mr Maudling's presentation did not assist the British case.

The Council of the OEEC had agreed unanimously on 17 October 1957 that there should be a European Free Trade Area which would associate

1. Council of Europe, Consultative Assembly, Reports, 11th Session, 10th Sitting, 27 April 1959.
the Common Market with the other OEEC countries on a multilateral basis.\footnote{1} This will apparently still existed. However, the Free Trade Area proposed by the British Government had been found generally unacceptable. It thus appeared unrealistic for the British Government to continue to advocate a policy which most of the OEEC countries had at various times rejected. Mr Maudling was scarcely correct in saying that the British had offered the Europeans free access to their markets in exchange for free access to European markets: the Free Trade Area negotiations had been stalemated originally because the British Government had insisted on access to European industrial markets while denying the Europeans access to British agricultural markets. His statement that the British did not expect the Six to make political sacrifices in the Free Trade Area concealed the fact that the Free Trade Area would have been made acceptable to the Six if other countries had been prepared to make those sacrifices. The question of Commonwealth free entry was more difficult. It was unlikely that the Six would have expected the British to apply reverse preferences against Commonwealth agricultural products. They would presumably have expected the United Kingdom to admit their own agricultural products on the same terms as Commonwealth products. The Six were scarcely likely to insist on an arrangement which would

\footnote{1}{See p.204.}
destroy the markets of the underdeveloped countries. They had in any case found means to accommodate the French Union. It was not likely to be more difficult to accommodate the Commonwealth. It was also remarkable that the only Commonwealth products for which the British Government seemed to be determined to secure free access into the United Kingdom were the cheap foodstuffs. The availability of these cheap supplies gave British industry a competitive advantage by enabling it to hold down wage levels. Canadian industrial goods were equally Commonwealth products but did not perform the same service for the British economy as New Zealand butter. The British Government would apparently have had no hesitation about eliminating preferences on the former. Finally, it was disingenuous of Mr Maudling to criticise the prospect of group-by-group negotiation at a time when the British Government was attempting to create a trading bloc of its own for this purpose, and to discourage bilateral negotiations at a time when the Anglo-French trade talks had just been completed.

Mr Lannung of Denmark against this point of view expressed his country's dilemma: he said in reply to Mr Maudling:

"May I add that if, in spite of everything, matters developed so that negotiations led to the result that Britain found it possible to join the Six, our position would have radically changed and the decision would be a relatively easy one for my country and maybe even for the other Scandinavian countries too. We Danes would then be able to join the Six."\[1

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The real Commonwealth problem was stated by Mr Frederick Mulley. Mr Mulley said:

"... if Dauphine and Volkswagen motor-cars are to be sold in Australia on the same terms as British motor-cars ... New Zealand butter, for example, must be sold in France and Germany, in return, without restrictions and without tax, as is the case in Britain."  

It was not likely that Commonwealth dairy products would ever be admitted to Western Europe without being subject to some restriction. However, this did not mean that Commonwealth countries would not have been able to make some accommodation with the Six on the terms Mr Mulley had suggested. Such an accommodation would necessarily have had to be at the expense of the preferential advantages which the United Kingdom enjoyed in the markets of other Commonwealth countries. It was this factor which led Sir David Eccles to threaten the South Africans with retaliation if they attempted to seek bilateral accommodations with the Six. However, it was probable that accommodations of this kind would continue to have an attraction for Commonwealth countries. The Economist commented that the strictly economic problems raised by this were smaller than commonly supposed. Commonwealth countries were likely to be prepared to sacrifice free entry for many of their products into the United Kingdom in return for quota concessions by the Europeans. They would also probably have to accord the Europeans

1. Labour, Sheffield Park.
2. Council of Europe, supra.
similar quota or tariff concessions in their own markets at the expense of British products. Even threats of British retaliation were unlikely to discourage moves of this kind completely. The Economist said that Sir David Eccles' sentiments to the South Africans were excellent if they were the prelude to early British consultations with the Commonwealth leading to a joint approach:

"If Britain does not take the initiative, then the chances are that the interests of the Commonwealth countries themselves will force them to make their own terms with the Six, perhaps using the preferences as bargaining counters. But then the members of the Commonwealth will get worse terms separately than they could together, and Britain will remain out in the cold."

A British initiative was in fact under way. However, it did not involve the sacrifice of any British preferences in the interests of the other Commonwealth countries: it was the Commonwealth preferences that were sacrificed. The joint approach was not adopted. The United Kingdom again reserved to itself the right of unilateral action in its own interests.

2. The European Free Trade Association.

On 10 May The Observer spoke of: "A plan for forming a rival grouping of European nations outside the Common Market ... put

1. The Economist, 4 April 1959, pp.18-19.
forward by Sweden, with British backing.\(^1\) The *Financial Times* said that a grouping of this kind was logical in view of the intransigent position of France.\(^2\) Confirmation of the preparation of such a scheme came from Stockholm. Swedish spokesmen suggested that the Scandinavian countries might begin by reducing tariffs among themselves by 20%. The Swedes were also negotiating in Helsinki on a Nordic Customs Union which would include Finland.\(^3\) The *Times* suggested that the United Kingdom now had three possible courses of action. The first was to join the Common Market. The *Times* claimed that this course had everything against it:

"It would be embarrassing to the Six. It is not acceptable to most of the Commonwealth. It is not acceptable to the rest of Europe outside the Six ... The second initiative now proposed for Britain is that she should encourage a negotiation between the Commonwealth and the Community. But this course comes up against two important obstacles. Hardly anyone in the Commonwealth wants it and nobody in the Community seems prepared to make worthwhile concessions. Outside New Zealand Commonwealth interest is slight ... There remains the question of what the British Government should do about the proposal for a free trade area between Britain, Scandinavia, Switzerland, Austria and Portugal. In terms of markets this offers great mutual advantages and stimulating industrial competition ... There are, however, important difficulties, not least the terms on which Denmark would be included. In any case it must be made abundantly clear that British policy is to create one European free trade area."\(^4\)

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4. Ibid.
The arguments of The Times seemed to rest on a number of unproved assumptions. The British Government had never openly proposed to the Commonwealth or the Six that the United Kingdom might join the Common Market. The only prospect that had been seriously discussed was that of joining the Free Trade Area. European and Commonwealth views had never been sought on the other possibility. Neither had the Six been given any opportunity to indicate what concessions they might be prepared to make to individual Commonwealth countries. This could only be determined by extensive negotiations and these had never been suggested by the British Government. It was not easy to see what kind of stimulating industrial competition the fourth greatest industrial power in the world was likely to receive from Scandinavia and Portugal. The conclusion was unescapable that the British Government had rejected without trial the prospects of entering the Common Market, of initiating negotiations between the Commonwealth and the Common Market, or even of working with the Common Market countries on their various proposals for a European Economic Association. They had resolved instead on the creation of a counter-bloc. However, the extraordinary disparity in strength between the rival blocs meant that there could be little possibility of the United Kingdom's exerting effective sanctions against the Common Market. The real purpose of forming a counter-bloc would be to prevent the Common Market from growing stronger; it would be, in
the words of Sir David Eccles, to prevent other countries from being picked off one by one by the Six. This policy was not likely to be able to force the Six to come to any accommodation with the United Kingdom and its associates. It could only serve to prevent the Six from increasing their relative strength in Europe vis-a-vis the United Kingdom.

The Six appeared to watch this development with complete equanimity. French officials claimed that they were not in a position to comment since they had heard so little about the new scheme. The Financial Times spoke of the "bland assumption" among the Six that the Seven could have little impact upon the Common Market. ¹ On 27 May it was formally announced in London that the British Government would be taking part in a meeting of experts in Stockholm. They denied that the purpose of the talks was in any way retaliatory. However, they considered that the outcome of the talks might be to strengthen the position of countries excluded from the Common Market. The British Treasury said that since the breakdown of the Free Trade Area negotiations the most promising alternative seemed to be "... the formation of free market arrangements among those members of the OEEC outside the Community who could from the outset accept the full obligations of membership ..." Such a scheme "would not only be valuable in

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¹ Financial Times, 27 May 1959.
itself but would also make possible a new approach to European economic integration ... 1

On 29 May Mr Maudling opened the British Trade Fair in Lisbon. He said that the views of the United Kingdom and Portugal on the economic organisation of Western Europe were the same: they shared the disappointment at the failure of the negotiations for a Free Trade Area in 1958. Both the United Kingdom and Portugal were members of OEEC and the two countries were keeping in the closest touch so as to ensure the continuing unity of OEEC. 2 The two Governments had already cooperated in February 1957 when they warned the Six against associating their overseas territories with the Common Market. 3

Denmark was providing the Uniscan countries with something of the same difficulties that France had created in Community Europe. 4 On 31 May the Danish Minister of Foreign Affairs, Mr Jens Otto Krag, told the Norwegian and Swedish Governments that it was important to make some attempt to come to an understanding with the Six before attempting to form a counter-bloc. 5 Mr Krag favoured a plan that he

2. The Times, 30 May 1959.
3. See p.190.
5. Danish Press Summary, 1 June 1959.
had discussed with the Belgian Foreign Minister, M. Wigny. This envisaged a 20% reduction in tariffs among all the OEEC countries.\(^1\) However, the Swiss were insistent on the need to create a "little" Free Trade Area as quickly as possible; they argued that the Seven should start reducing tariffs immediately in order to catch up with the Six.\(^2\) In Oslo the Norwegian Government stated that the formation of an "Outer Seven" Free Trade Area should have priority over the Krag - Wigny scheme.\(^3\) Mr Krag still urged a more conciliatory approach to the Six.\(^4\) He and M. Wigny were now favouring a "three plus three" plan under which the Scandinavian and Benelux countries would act together in urging a resumption of the Free Trade Area talks before the second round of tariff cuts were made in the Six on 1 July 1962.\(^5\) However, the other countries of the Seven were not prepared to consider cooperation with the Six. Alan Day commented that:

"The aim of diverting the channels of trade away from the Common Market suppliers, in retaliation for the loss

\(^1\) The Times, 1 June 1959.
\(^2\) Financial Times, 1 June 1959.
\(^3\) Ibid.
\(^4\) Goteborgs Hasdels, 1 June 1959.
\(^5\) The Times, 2 June 1959.
"which exporters in the Outer Seven will come to suffer in the Common Market, is undoubtedly one of the main reasons lying behind the new negotiations ... Such diversions would be largely at the expense of West Germany ... and to the benefit of Britain ... The declared aim of the Seven is to group together in order to provide a firm basis for future negotiations with the Common Market. But the danger is that, if the Seven appear mainly to be trying to divert imports from the Common Market suppliers, not to establish a system which has more worthy justifications, the effect may be to antagonise the Common Market countries, and intensify the political split in Western Europe."¹

Jan Hasbrouck described the proposed little Free Trade Area as:

"... a gerrymanderer's nightmare. Its members have no geographical cohesion like the Common Market, and one member, Great Britain, accounts in trade, population and general industrial capacity for about two-thirds of the whole bloc. The group's population is just over half that of the Six, but, even including Portugal, its wealth per capita is larger, and its foreign trade is two-thirds that of the Six. Every member of the Group runs a trade deficit with the Six, and with the exception of Britain, buys a substantial part of its imports from the Six ... The sudden British decision to go along with the new scheme is doubtless due ... to the fact that in recent years the Germans have been consistently outselling the British in the markets of all the Seven, including Portugal, a traditional British economic colony."²

In Stockholm the Seven agreed on 1 June that the most important objective was to hold together the 17 countries of the OEEC and not to split Europe's economy.³ However, the Danes were still

3. Daily Worker, 2 June 1959.
uncertain whether these aims could best be achieved by forming a trade counter-bloc. Mr Hansen, the Danish Prime Minister, said in Copenhagen on 3 June that he hoped that the Benelux - Scandinavian "three plus three" initiative might still be realised, "no matter what the results in Stockholm might be." 1 The Swedes themselves began to question how much could be expected from the little Free Trade Area. The Svenska Dagbladet warned that the Seven would constitute:

"neither a geographical nor any other kind of unity. All that they have in common is that they are outside the European Economic Community ... we have Denmark, that does not wish to offend the EEC, Sweden that once beat the big drum against the Six, and Great Britain, that is strongly tied up with the Commonwealth. Moreover, it is quite uncertain what Finland and Iceland will do if the Seven go their own way ... if neither of these two countries is either directly or indirectly brought into a European economic association, the political consequences will be serious ..." 2

At The Hague Mr Maudling told the Anglo-Dutch Trade Council that it was the responsibility of the Six to provide alternatives to the Free Trade Area proposals. He claimed that:

"... the present situation throws considerable strain on the OEEC and on European economic unity. There is a widespread feeling in the United Kingdom that our trade with our friends in the Netherlands, and in other countries of the Six, is now seriously threatened."

Mr Maudling said that there could be no question of Britain's joining the EEC. The Community could not be extended to include Britain and

1. The Times, 4 June 1959.
the other countries without a fundamental revision of the Rome Treaty. There were political and economic problems which would make such a revision impossible. Negotiations between the United Kingdom and the Commonwealth and the EEC did not present any practicable solution.

"We have therefore rejected these two suggestions. We are pursuing the possibility of a free trade area among seven European countries ... In the meantime it seems sensible for countries outside the Six to get together and to apply amongst themselves the sort of principles of freedom of trade which would have held good in the free trade area. Thereby we shall strengthen ourselves. And, just as we have always said that we welcome the fact that, by the Treaty of Rome, the Six will strengthen themselves, so we expect the Six to welcome any similar success that we of the Seven may have on our part ... our objective is not merely to do more trade amongst ourselves, valuable as this will be, but also to provide a more satisfactory and practical basis for the ultimate negotiation of an agreement covering all members of the OEEC."¹

Mr Maudling was plainly concerned to represent the Six as being more exclusive than they had claimed to be. Spokesmen of the Common Market in the Council of Europe had repeatedly invited other OEEC countries to join their Community as either full or associate members. However, since the purpose of the British Government at that time was to discourage other countries from adhering to the Treaty of Rome, it was not surprising that they should interpret the Treaty in its strictest and most discriminatory sense. It was for this reason

¹. The Times, 11 June 1959.
that the British Government had rejected the possibility of a joint approach with the Commonwealth to the Six: the British intention was not to come to an accommodation with the Common Market, but to challenge and if possible contain it. The practicability of a joint approach could only have been determined by exploratory discussions with the Six. These had clearly never been carried out. Mr Maudling's words thus implied that the British Government had rejected the proposal of the Six out of hand, either with or without consultation with the Commonwealth. It may be presumed that the idea originated from the Commonwealth, so it is probably that it had been the subject of some intra-Commonwealth discussions, however perfunctory. In the same way the British Government must have sought Commonwealth approval for the agricultural concessions secretly offered to Denmark during the Free Trade Area negotiations. In both cases the purpose of maintaining secrecy would be to save the British Government from any public commitment which might have been embarrassing had it been found expedient to make a change of policy. An added reason for keeping secret any Commonwealth negotiations on the joint approach is that the Six might well have shown a readiness to participate. However, United Kingdom secret diplomacy was complicated by the unguarded statements of British Ministers, and by the fact that the Danish Government was less certain than Commonwealth Governments to remain silent on matters which it was in its interest to disclose.
Mr Maudling's statement that the British Government had always welcomed the Treaty of Rome could only appear incongruous after the bitter recriminations and accusations of discrimination and sabotage exchanged in the Spaak Committee and in the Councils of WEU and the OEEC. M. Jacques Dominique said that no-one should have any illusions about the real meaning of Mr Maudling's words. The short-term object of the British Government was to outflank the position secured by West Germany in the Common Market by reducing the German share of the Scandinavian market. The British Press had long been showing concern over the fact that British trade with the Continent had remained static for six years. Commonwealth Preferences were diminishing in value every year. Some members of the Commonwealth such as New Zealand were themselves displaying an interest in the Common Market. The United Kingdom had not yet resigned itself to being just another European Power with all the others.¹

It was increasingly apparent that the new counter-bloc would not be an industrial Free Trade Area as originally proposed by the United Kingdom. In London Mr Hansen warned that Denmark had not yet taken any firm decision. He insisted that no serious negotiations had yet taken place. He was sceptical about the Outer Seven because he wanted an OEEC-wide Free Trade Area. Danish adherence to the counter-

¹ Jacques Dominique, Le Monde, 12 June 1959.
bloc would clearly depend on how far their agricultural interests were satisfied. This in turn meant what concessions they could obtain from the United Kingdom.  

Svenska Dagbladet said:

"Can they really have imagined in Stockholm that Denmark would open her frontiers to free imports of British, Swedish and Swiss industrial goods ... without getting compensation in the form of safeguards and increased prospects for Danish agricultural products?"

Moreover, Danish adherence was essential to the success of the Outer Seven: the other Scandinavian countries were unlikely to join a trading bloc from which their partner was excluded; the talks on a Nordic Customs Union were in fact being kept open as a precaution.

Despite these difficulties, the meeting of experts in Stockholm was called a "great success" by its coordinator, Hr Hubert de Besch, the Deputy Secretary-General of the Swedish Foreign Ministry. Full agreement was reached on industrial products. It was agreed that there should be a 20% tariff reduction from 1 July 1960. Further annual reductions of 10% were envisaged over the eight years from 1 July 1962. The cuts would be coordinated with those carried out by the Six. Their timing could be adjusted if the Six found it difficult to keep to their schedule. Hr de Besch's communiqué referred throughout to a

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2. The Times, 13 June 1959.
5. The Times, 15 June 1959.
"trading association" and not to a free trade area. Hr de Bessch explained that a trading association was "more vague, but more embracing." 1

Following the Stockholm Report, Hr Krag set out on a tour of London, Brussels and Bonn. A proposed Ministerial meeting of the Seven was delayed until his return. 2 In Copenhagen the Chairman of the Danish Agricultural Council urged that Denmark should apply to join the Common Market. He contrasted the constructive cooperation of the Six with the defensive aims of the Outer Seven. 3 On 21 June Hr Krag and Hr Skytte, the Danish Minister for Agriculture, arrived in London. They were met at the airport by Mr Maudling. Hr Krag said that the breakdown of the Free Trade Area talks had left Denmark in a difficult position: between 35% and 40% of Danish agricultural exports went to the United Kingdom and between 30% and 35% to Germany and Italy. Hr Krag said: "We should like all the Western European countries to form a free trade area." 4 Meanwhile in Bonn Hr Miller-Armack told the

Bundestag Economic Committee that German efforts to promote an OEEC Free Trade Area would be resumed in the third quarter of 1959. Hr van Brentano and Dr Erhard assured Hr Krag that Danish agricultural exports to the Common Market would not be endangered if Denmark joined the Seven. They explained that this could not be guaranteed if the Seven developed as a genuine rival to the Six. Professor Hallstein also told the Danes that the Six were "watching with the greatest attention and understanding" moves by other European States to form a similar group. He added: "I can say very unequivocally that we do not consider the move as something specifically directed against ourselves."  

Assurances of this kind were of the greatest value to the Danes: their position was in fact more awkward than Hr Skag had suggested: the Danish constitution made membership of a supranational body well-nigh impossible by demanding a five-sixths majority in the Fælkesting. However, membership of a purely commercial association such as the Outer Seven could be ratified by a simple majority. The choice of action for Denmark was limited to joining the Seven or choosing isolation. 

Later in June Dr Erhard repeated his hope that a multilateral solution to the European economic problem would be found before July 1960. He regretted that effort was being wasted in attempts to

1. Danish Press Summary, 26th June 1959.
form small and outdated economic blocs. However, in London Mr Maudling and Sir David Eccles expressed confidence that the Outer Seven venture would prove successful. They did so despite the fact that the Danish Agricultural Association had rejected an offer to be represented in London at the negotiations between the Danish and British Governments. The Danish farmers stated that they preferred the prospect of Danish association with the Six. However, it appeared that the Danish farmers were due to receive some compensation. Boersen reported that in London Mr Krag and Mr Skytte had been offered tariff concessions amounting to 125 - 150 million kroner annually. This was not denied in the House of Commons by Mr Hare, who said merely that the talks had been entirely exploratory. The British National Farmers' Union immediately protested that: "... any attempt to buy Denmark's entry into the proposed Outer Seven free trade association by agricultural concessions would be utterly misconceived." The Financial Times commented:

"Under Ottawa and other agreements, we are committed to let in Commonwealth foodstuffs free of duty and to maintain present margins of preferences. For this reason, the Government has said all along that much as it wanted a Free

2. Ibid., 2 July 1959.
4. The Times, 3 July 1959.
5. Ibid., 2 July 1959.
"Trade Area, tariffs on agricultural and horticultural products must stay. Now that there is talk of something nominally much less ambitious - the Outer Seven - farmers will think it odd, to say the least, if the Government were to change its mind, especially as it would seem like giving in to the Commonwealth's chief rival ... but what should farmers expect? ... a free trade association of the Outer Seven ... is more than an attempt to increase the flow of business among 85 million people; it is a step towards negotiating agreement with the Six in a free trade area involving the seventeen nations of the OEEC ... since the Danish participation is essential to the success of the manoeuvre, agricultural concessions are probable ... It may be assumed that the Commonwealth as a whole favours the Free Trade Area idea."1

It was undoubtedly correct that no Commonwealth country had actually opposed the Free Trade Area. All had had serious reservations. The Canadians had certainly not found it a welcome prospect. They had been prepared to support it solely as a means of enhancing the political and economic strength of Europe. The Outer Seven would certainly not have this effect unless it led to a resumption of the Free Trade Area negotiations. It was by no means clear that this would happen. The Six clearly intended to seek a multilateral solution to the economic rift in Europe but their policy in this matter seemed to be framed in total disregard of the developments in Stockholm. The initiative for the European Economic Association would have to come from the Six and it did not appear that their decisions would be affected by the establishment of the Outer Seven. All that the new grouping appeared likely to achieve was to make it impossible for a number of countries to join

1. Financial Times, 3 July 1959.
the European Economic Community. This may have appeared as a positive
good to the British Government. It did not necessarily appear as such
to Commonwealth Governments who were now expected to approve the
waiving of their preferential rights in the United Kingdom market in
the interests of their keenest competitors. As the Financial Times
stated, it would seem remarkable that the British Government should
have been prepared to make concessions for this project which it had
refused to make for the Free Trade Area. The solution was soon made
clear: concessions had been secretly promised during the Free Trade
Area negotiations. They had been less then because the British
Government had then presumed that it was negotiating from a basis of
strength.

Again German leaders intervened to try to head off the
approaching European split. Negotiations with M. Antoine Pinay were
unsuccessful: the French Government were fully prepared to let the
negotiations on the Outer Seven continue: they presumed that the
intention of the British Government was to hustle them into making
concessions and they refused to be drawn. M. Pinay said simply: "We
spoke of realities. The Common Market is a reality. The Free Trade
Area is not." M. Pinay nevertheless expressed the hope that a way
would be found to build a bridge between the two trading groups.¹

French politicians were using the phrases of their British counterparts. The last time this had been done was when M. Debre brought down the EEC.

The French Government might have derived some satisfaction from the difficulties the British were experiencing in their efforts to form their counter-bloc. On 6 July Mr Krag stated unconditionally that Denmark would not join the Outer Seven unless adequate tariff concessions were received from the United Kingdom: he said: "... if we do not get what we want here, there would be no point in our going on with the idea of joining this new trading bloc." The British Government came to terms immediately: on 8 July they agreed that the 10% import duty on Danish bacon and the 20% duty on canned pork luncheon meat should be halved on 1 July 1960 and abolished on 1 July 1961. The 10% duty on Danish blue veined cheese was to be abolished on 1 July 1961. These concessions were expected to involve a loss to the British Exchequer of about £7 million annually. An official statement said the British Government:

"did not intend to adopt policies likely to deny Danish producers the opportunity to maintain their market in the United Kingdom for commodities of concern to them, or to share in any increase in the United Kingdom market for these products."

The Times commented that Conservative backbenchers from the farming constituencies found it hard to accept that Danish bacon and pigmeat

2. The Times, 9 July 1959.
imports would not increase considerably. They were also critical of the fact that agriculture should have been specifically excluded from the original Free Trade Area negotiations, only "to be made the basis of the Outer Seven plan." The backbenchers also felt that the Government had consistently failed to put over in Parliament and in the country the positive advantages of the United Kingdom's close economic association with Europe: it was "almost always the news that is going to hurt people that the Government bring from Paris and Stockholm to Westminster."  

Protests immediately followed from the British National Farmers' Union, the Association of Pig Producers and the Paper and Board Makers' Association. Mr Hare, the Minister for Agriculture, claimed that he had not let British farming down by removing the tariff on bacon: the tariff itself did not protect British pig productions: the pig farmers' protection was the guaranteed price for pigs and this was not affected. Mr Hare argued:

"I am absolutely confident that we have done nothing to let down British farming. But equally I am sure that public opinion would have strongly condemned agriculture if it had wrecked the possibility of the European Trade

4. Conservative, Sudbury and Woodbridge.
"Association by refusing to make any concessions, however marginal."

It was of course extremely unlikely that the Outer Seven idea had caught the imagination of the British public to that extent. It was also difficult to follow Mr Hare's argument: the guaranteed price would protect British pig production only if British pigmeat was capable of meeting Danish competition; it would not protect the British farmer if the British consumer preferred Danish pigmeat at the new price. Again it was obvious that the British Government were determined to bring the new counter-bloc into being and were prepared to sacrifice Commonwealth and domestic interests to this end. Clifford Selby wrote in *The Observer*:

"This smooth accommodation with the Danes is in marked contrast with all the doubletalk a year or two ago about the difficulty of reconciling industrial and agricultural economies when the European Free Trade Area was first projected. It was then said that in the interests of British and Commonwealth farmers agriculture at all costs must be excluded from the negotiations. It was only when the talks were breaking down that Britain conceded that there might be room for a reconciliation of agricultural policies ... It was not out of any tenderness for the British and Commonwealth farmers that the United Kingdom negotiators were reluctant to discuss agriculture. They were concerned ... to preserve ... the structure of Imperial Preference which brings the twin advantages of cheap food for Britain's industrial workers and safe markets for her industrial exports ..."

"This means however that the basic irreconcilability between Britain's Commonwealth connection and the Common

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"Market still remains despite all the brave talk about bridge-building by the Outer Seven. Many people in the Commonwealth have come to realise this in recent months and to question whether their interests in the issue are necessarily in line with Britain's. For the Commonwealth farmers, for instance, the British market for his produce is already pretty well saturated; would it not pay him to develop a connection with the Common Market countries? Similarly, the Commonwealth manufacturer is not always satisfied that he is getting the best end of the Preferential deal.

"It may well be that before long these Commonwealth voices may be joined to those already to be heard here calling for a joint re-thinking of Britain's approach to the Common Market."1

Danish farmers were also dissatisfied: on 13 July the Danish Agricultural Council regretted that, without fully ascertaining the possibilities of an conditions for Danish adherence to the Six, the Government had decided in favour of the Seven, with all the serious consequences entailed, particularly for agriculture. These doubts had appeared to be shared by Hr Krag: he considered the Outer Seven only a preliminary step. He said that he had hoped that the whole question could be postponed until the autumn. Sweden and particularly the United Kingdom were to blame for demanding a quick decision.2 Hr Krag also commented somewhat indiscreetly that Denmark had secured more far-reaching concessions than had been offered by the United Kingdom during the Free Trade Area negotiations.3 Hr Krag's indiscretion at

least cleared the United Kingdom of one charge made in the more irresponsible French press: the Free Trade Area had not been proposed merely as a means of sabotaging the Common Market: the British Government had fully intended that the negotiations should succeed and had been prepared to buy Danish adherence to the scheme. It was not surprising that the British Government should have been ready to give concessions to their major European supplier of cheap foodstuffs, or that the concessions should have been kept secret from the Common Market countries which were also seeking concessions.

In Copenhagen Mr Heathcoat Amory attempted to raise the prestige of the Outer Seven: he said:

"Our horizons are not limited to the benefit of our Seven countries. We believe we shall have the opportunity of moving forward to the removal of obstacles to trade with the countries of the EEC." 2

Mr Amory could only have been referring to a system of mutual tariff reductions, for which the creation of the Outer Seven would not have been essential. Responses from the Six were not enthusiastic. M. Pierre Drouin claimed that the British were hoping that the prospect of the little Free Trade Area might disturb the Germans who would in turn put pressure upon the French to reopen negotiations in the OEEC. 2 However, this would in any case have been the logical outcome of the

determination of the Council of Ministers of the Six to seek a multilateral solution to the trade problems of Europe. M. Rene Sergent of the OEEC told Jan Hasbrouck that the British had presumably adopted the idea of a little Free Trade Area instead of an OEEC-wide economic association because "they got tired of running after two hares at once." 1 Hasbrouck later claimed that:

"Britain has given no signs of altering its terms. It has simply thought up a new approach in the hope that the Common Market countries, in particular France, have changed their minds or will soon do so. Or can be pressured into doing so." 2

On 21 July the Ministers of the Outer Seven affirmed in Stockholm:

"... in establishing a European Free Trade Association, it would be their purpose to facilitate early negotiations both with the European Economic Community and also with the other members of the OEEC who have particular problems calling for special solutions. These negotiations would have as their object to remove trade barriers and establish a multilateral association embracing all members of the OEEC ..." 3

In the House of Commons Mr Bellenger 4 said:

"Rather late in the day, the Government have succeeded in dividing Europe into two parts, the Seven and the Six. What steps do they propose to bring the Six and the Seven

2. Ibid., 23 July 1959.
4. Labour, Bassetlaw.
"together, rather than leaving it to bilateral trade agreements?"¹

Mr Amory replied that he could not agree that the agreement on the EFTA would create a division in Europe. That had been brought about through the action of other parties. It was the hope and intention of the British Government that the Stockholm Agreement should be a bridge and not a source of division within the OEEC. However, Mr Amory added that it was not intended to invite an observer of the Six to be present at the EFTA discussions.²

Mr Bellenger's reference to bilateral trade agreements was remarkably timely: the opposition of the British Government to bilateralism as practised by Commonwealth or other OEEC countries had not prevented them from following up the negotiations they had concluded with the French in March: on 22 July the Anglo-French Trade Committee was convened in London on the initiative of the British Government for the first time since 1957.³ This Committee consisted of officials from the Treasury and the Board of Trade and their French counterparts. The British Government also convoked similar meetings with German and Italian officials.⁴

Meanwhile the Six made their own contribution towards assisting a country with particular problems calling for special

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¹ The Times, 24 July 1959.
² Ibid.
³ Le Monde, 23 July 1959.
⁴ Ibid.
solutions: on 25 July the Council of Ministers agreed unanimously after five minutes' discussion to adopt a request by the Greek Government for associate membership of the Common Market.\(^1\)

The Seven were finding that their difficulties took more time to solve. The Norwegian Government had proposed the abolition of restrictions and subsidies on fisheries. They also proposed that industrially processed goods from fish should be given full free trade area treatment on the same basis as other industrial goods. Processed goods for this purpose would include frozen fillets, prepared or preserved fish, crustaceans and molluscs, and fats or oils of marine animals. The other Scandinavian Governments, the Swiss, Austrians and Portuguese supported the Norwegian proposal. Only the British Government objected that they were prepared to give sympathetic consideration to preserved fish and marine fats and oils, but could not agree to the inclusion of frozen fish, crustaceans and molluscs in the free trade area arrangements.\(^2\)

While the Seven were at an impasse over the question of molluscs, the Six were encountering difficulties over the question of the political union of Europe. In February 1959 Herr von Brentano, the German Foreign Minister, had tentatively suggested that the Six should seek some institutional means of coordinating their foreign

\(^1\) Sunday Times, 26 July 1959.
\(^2\) The Times, 28 July 1959.
policies. General de Gaulle had visited Italy on 23 June for the anniversary of the Battle of Solferino. He had there mentioned to Sr Pella that the Six might hold periodic meetings of Foreign Ministers among themselves. These could be preceded by exploratory meetings of officials.¹ Sr Pella had adopted the idea with an enthusiasm which alarmed the French, who attributed it to the machinations of Italian domestic politics rather than to any great concern for the political future of Europe. The proposal now emerged as a recommendation that a Six-Power secretariat should be set up in Paris as a step towards the coordination, if not the unification, of the foreign policies of the Six. The French suggested that the United Kingdom could later be invited to join at an appropriate time. The British Government protested that WEU already existed for this purpose of coordination. The French claimed that WEU was moribund and challenged the British to revive it.² However, the proposal met with startled and unfavourable criticism throughout the EEC. Even the French Government was in no hurry to press the idea. The Belgians feared that the new grouping might have the effect of ranging the Six against their NATO partners. They also considered that Brussels would be a more appropriate site than Paris for the Secretariat.³ The Germans feared the consequences

¹ The Times, 28 July 1959.
for Anglo-German relations. However, on 5 August Herr Etzel, the German Foreign Minister, said that the failure of the Geneva Conference re-emphasised the need to organise Europe by means of a fully-fledged political federation of the Six. Meanwhile, the Council of Ministers found time to accept a Turkish application for associate membership similar to that made by the Government of Greece. The Six would have been entitled to call themselves the Eight. The British policy of containment had suffered another reverse.

It appeared to be in imminent danger of suffering yet another: on 13 August Arbeiderbladet referred to the fact that the British Government had not yet met the Norwegian demands on frozen fish. It was suggested that the British Government might be deferring acceptance of the Norwegian demands until after the elections in the United Kingdom: it was known that the British fishing industry was strongly opposed to any relaxation of the restrictions on imports of frozen fish. But Arbeiderbladet stated: "... if the British really, out of consideration for their industry, desire an outer free trade area, they must, the same as other countries, be willing to make some sacrifices." The Norwegian demand was given further significance by

1. The Times, 5 August 1959.
3. Ibid.
the successful conclusion of the bilateral trade negotiations with France on 17 August: both countries agreed to raise their quotas on the importation of cars from one another for the rest of 1959. This increase would amount to about 40% in volume, or an additional £500,000 in value.¹

General dissatisfaction over both the Norwegian demands and British reluctance to meet them hindered progress at the next EFTA talks in Stockholm on 7 September. The Times commented that opinion in the United Kingdom was still not wholeheartedly behind the plan. It suggested that this followed from "the understandable, and possibly correct view, that the EFTA is more likely to split than unite Europe. Partly, however, it is the result of a belief that the United Kingdom could have initiated some more favourable organisation. This ignores the weakness of Britain's bargaining position ..."² The Times had also ignored this factor in its leading article of 20 May when it had summarily rejected as impracticable all other solutions to the European situation. Another factor undoubtedly hindering progress on the Stockholm talks was the fact that the British general elections were scheduled for 8 October. The British Government was therefore unlikely to make any concessions which could injure its electoral chances.

2. The Times, 7 September 1959.
A similarly frustrating session was held in the Council of Europe. British Ministers were unable to attend because of the imminence of the elections. Neither the French nor German Ministers were present. In their absence the speeches of the representatives of the smaller States appeared strikingly ineffectual. M. Dehousse of Belgium said that: "Our gift for turning the European Assemblies into exhibitions of organised futility sometimes amounts to genius."\(^1\)

Mr Ismail Sener of Turkey said that his people had been "hurt" by the fact that:

"the Seven, who showed great vigour and speed in getting to work to make compensatory arrangements for the losses of trade which they might suffer in the markets of the Community, did not have a word of encouragement for those of us who are still left out of the two groupings."\(^2\)

Hr Per Haekkerup of Denmark again asked the British Government for a definite assurance that they intended to use the Outer Seven as a step towards a broader European economic union. He said: "If we could get such a statement, it would be valuable, not least to our friends inside the Six."\(^3\) Herr Czernetz of Austria also urged the United Kingdom to "show a conciliatory spirit ... however much insular thinking may prevail in Britain, she is still part of Europe."\(^4\)

\(^1\) Council of Europe, Consultative Assembly, Reports, 11th Session, 13th Sitting, 14 September 1959.
\(^2\) Ibid., 17th Sitting, 16 September 1959.
\(^3\) Ibid.
\(^4\) Council of Europe, Consultative Assembly, Reports, 11th Session, 17th Sitting, 16 September 1959.
Herr Vos of the Netherlands gave a resume of Anglo-European relations since 1950:

"First of all, during this time, there have been the discussions and decisions with regard to the Coal and Steel Community. Great Britain took part in these discussions. It was invited from the beginning to do so ... The British coal and steel industry played a very real role in Europe, but the British Government decided not to become a member of the Coal and Steel Community. Seven years after the foundation of the Coal and Steel Community negotiations were opened between the Six countries for a closer integration in the economic field. Again, Britain was invited to take part in the discussions, and it did, but again the British Government moved out and let others take their position and find their form of integration. After the sometimes very difficult negotiations between the Six countries proved to be a success and the Treaty of Rome was expected to come into being, the British Government came forward with its new proposal of a Free Trade Area. Negotiations have been carried on under the chairmanship of the British Minister, Mr Maudling. They have failed.

"If we look back over this period of eight years, there has been insufficient progress with regard to the integration of economic activities, between Great Britain and the Continent. I should like to conclude that it is time for a change ..."1

On 18 September the European Commission announced that it had concrete and practical proposals for linking the Common Market with a prospective European free trade area. M. Marjolin said:

"It would be contrary to the whole aim of our enterprise, which is to strengthen the free world as a whole, if the Common Market were to create commercial difficulties between the EEC and the rest of Europe - particularly those small

countries which find in the Community a market for a large part of their exports. There is no reason to think that those economic problems cannot be solved without undue difficulty, so long as political considerations, which are unrelated to the subject, are not brought into it.¹

A public reminder that at least one small country was concerned about the future of its markets was given on 18 September by Premier Einar Gerhardsen of Norway, who said that Norway expected the United Kingdom to recognise the Norwegian claim to have fish products accorded free trade area treatment on the same basis as industrial goods. He repeated that the United Kingdom was the only country in the Outer Seven which had not agreed to this proposal.²

3. Towards The World Outside.

On 24 December the new European initiative was launched. Professor Hallstein of the EEC Commission proposed that a joint Liaison Committee be set up between the Common Market and the other OECD countries. Its purpose would be to remedy distortions of trade which might arise as a result of the operation of the Common Market. The Commission favoured letting the question of principles rest and seeking ad hoc solutions to practical problems as they arose.³ In

¹. Le Monde, 23 September 1959.
addition, the Commission proposed that the next tariff cuts of 10% due to take place among the Six on 1 July 1960 should be extended to all signatories of GATT except where the cuts would go below the level of the common external tariff of the EEC. The expansion of nil and negligible quotas on 1 January 1960 would be formally reserved to the Six themselves but a special effort would have to be made to make some accommodation with third countries. Finally, special consultations should take place among the Six, the United States and the United Kingdom regarding the question of assistance to underdeveloped countries.¹

Dr Erhard immediately came to the support of the Commission. In a publication entitled European Integration he called for early negotiations between the two trading groups.² However, he warned that even a Free Trade Area of the entire OEEC should in no way inflict any discrimination on the other trading partners of the Western World.³ In half-page advertisements in German newspapers he insisted: "The economy of Europe runs on many wheels and on many axles ... We want Europe - the whole of Europe - with its more than 300 million inhabitants."⁴

¹ L'Annee Politique, 1959, p.508.
² The Times, 6 October 1959.
³ Daily Telegraph, 5 October 1959.
⁴ Financial Times, 6 October 1959.
On the other side M. Georges Villiers, president of the French Patronat, categorically denounced the idea of creating a Free Trade Zone. He claimed that it would bring about irremediably the destruction of the Common Market. The free trade zone would be consecrated to failure because of the impossibility of harmonising economies with differing structures, systems and policies. An anonymous article in the monthly Bulletin of the Patronat said that there was nothing in the proposed treaty of the Seven which would justify the opening of negotiations which would tend to make the European Community accept in 1960 what it had rejected in 1958.

However, M. Wigny of Belgium followed the lead set by the Commission and by Dr Erhard. He suggested that the first stage of European integration should be completed by 31 December 1961. Tariff cuts should be accelerated so that all customs barriers between the Six would be abolished by the end of 1965 instead of over a twelve to fifteen year period as originally envisaged. M. Wigny also suggested that the three European Communities should be coordinated by appointing a joint committee consisting of two members from each of them.

While the Six were developing their plans for acceleration,

coordination and the minimising of discrimination the Seven were facing a major crisis. The British elections had taken place on 7 October with a resulting victory for the Conservative Government. However, they had shown no signs of relenting on the question of Norwegian fish products. Negotiations between the British and Norwegian Governments began again on 20 October. They were expected to last at least two days. However, the Norwegians broke off discussions after a few hours without fixing a date for their resumption.\(^1\) In Oslo Mr Skaug, the Norwegian Minister of Commerce, said that the Outer Seven would not be a good agreement unless frozen fish were admitted as industrial products. He and Mr Lysoe, the Minister of Fisheries, expressed bitter disappointment over the attitude of the British Government.\(^2\) Verdens Gang said that this was a useful lesson for those persons in Norway who in everything that had to do with international trade "have found it easy to throw their arms uncritically round the necks of the British."\(^3\) Mr John Olsen, chairman of the Shipping and Fisheries committee of the Norwegian Parliament, said that if Norway did not get complete free trade treatment for its fish exports it would be necessary to reconsider Norwegian participation in the

\(^1\) [Daily Telegraph, 21 October 1959.]

\(^2\) [Financial Times, 22 October 1959.]

\(^3\) [Norwegian Press Summary, 22 October 1959.]
Outer Seven. In this crisis the British Government appealed to the United States Government for support for the Outer Seven plan. The United States Government replied that they could not endorse an unknown entity. They also said that in the deteriorating American balance of payments position it was necessary that they should be satisfied that American trade would not be hurt by the new group.

The Norwegians continued the pressure. On 25 October Mr Lysoe said that the British Government were maintaining that it was unreasonable for them to open their markets to Norwegian frozen fish if Norway created difficulties for British fishermen by extending its territorial fishing limit to twelve miles. Mr Magnus Aarnes, President of the Norwegian Fishermen’s Union, said that the British position was outrageous: both Sweden and Denmark were fishing countries but they had accepted frozen fish as industrial products: it was not just that Norwegian fisheries were assured of a market. The following day Mr Jens Steffensen, President of the North Norway Fresh Fish Trawlers’ Association, said in Trondheim that:

"the twelve mile limit is not for sale in return for our membership of EFTA. The twelve-mile limit is more important than selling frozen fish: without it, we might not have much frozen fish to sell."

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On 2 November the British Government offered a compromise: they agreed to accept frozen fish fillets and shrimps as industrial goods. At the same time they wished to reserve the right to review this decision if fundamental changes occurred in fishing conditions. The Norwegians interpreted this as meaning that British acceptance of the Norwegian position on frozen fish would be conditional upon Norwegian territorial claims not interfering with the activities of British fishermen. Oslo newspapers described this as an attempt by the British Government to tie Norway's hands. This was followed by a statement by the Norwegian Government that there would be no reduction in the duties on imports of cars into Norway: the Government had decided that these duties were fiscal and not protective in nature; they accordingly did not come within the scope of the free trade agreement.

The EFTA negotiations were in an impasse again. Don Cook commented:

"... never in a century and a half has a British Foreign Secretary found himself in such a weak position vis-a-vis Europe, moreover, there seems to be almost a malevolent pleasure in the Continent at Britain's diplomatic plight ... Essentially it is a matter of 'a bridge from what to what?' ... Britain is confronted with the frustrating fact that the Common Market nations ... are not nearly as concerned about the split between the Six and the Seven as the British think they ought to be. It's all very well to want to build a bridge but it's got to have some sort of

"foundation on the far side. The Continental attitude, broadly speaking, is that things are going well in the Common Market and there is no pressing economic or political reason to involve the Common Market in a negotiation to ease Britain's trading problem. This is of course just the reverse of the British view..."1

Jan Hasbrouck suggested a further problem:

"... British businessmen have had a chance to study the new scheme and many do not like what they see. There is a fundamental inconsistency in it which bothers them. It goes like this: you say this is a bridge to the Common Market, a means to facilitate the eventual formation of a free trade area for the whole of Europe. Yet it is supposed to stimulate trade with the other EFTA members. Are we expected to re-orient our export efforts, make contacts, find agents ... and so on for something which is admittedly temporary? All that takes time and money and we might no more than have done it when the whole picture would change ... the main result of the EFTA will be the diversion of trade from existing channels to others within the Association, rather than the extensive creation of new trade ... Investment capital, particularly American, will probably be attracted to the large market rather than to Britain. In fact this is already evident ..."2

The Bridge argument was repeated in Paris by Mr Selwyn Lloyd on 8 November he said:

"We have always been in favour of the Common Market ... we realise we have to have a relationship with it. The negotiations going on now for a Community of the Seven are really meant to build a bridge between the other countries of Europe and the Six."3

The fact that the Stockholm negotiations might be little rewarding in themselves was indicated by Mr Maudling in a speech at Birmingham on

3. The Times, 9 November 1959.
12 November: "Of course we have not got all we wanted. Some of the points of detail in the agreement will give rise to disappointment. That is inevitable ..." He said that much would depend on the policies pursued by the Six:

"Will they be liberal-minded, determined to reduce or abolish quotas and reduce tariff barriers, or will they become inward-looking and restriction-minded? There is the danger of the establishment of the European Community."

In answer to the question whether Britain should have turned back to trade with the Commonwealth when the Free Trade Area negotiations failed, Mr Maudling said:

"It is an attractive solution but not a sensible one. There is no alternative between Europe and the Commonwealth. We must trade with each, and be on fair and friendly terms with them both. We cannot turn our back on Europe and trade exclusively with the Commonwealth. Such an idea may attract some newspapers, but it will not appeal to people who study the facts of British trade."

In conclusion Mr Maudling said that it would be much easier to conduct negotiations between two well-knit communities than among 17 independent nations. He claimed that this had been the cause of the failure of the Free Trade Area negotiations. However, it would have been more correct to have said that the only time that there was substantial agreement among the OECD nations was in rejecting the stated British position on agricultural products.

Mr Maudling's fears that the Six might become inward-looking

and restriction-minded might have been allayed by an unexpected detente by the French Government on 17 November. In Brussels M. Wormer suggested that on 1 July the second tariff cuts in the Common Market should be made by 20% instead of 10%. Under the terms of the Treaty of Rome this would involve proceeding to the establishment of the common external tariff. Its level on an arithmetical basis would be between the relatively high tariffs of France and Italy and the relatively low tariffs of Benelux and Germany. It would thus have the internal effect of raising Benelux production costs. The Benelux Governments were accordingly reserved in their reception of the French proposal.¹

Meanwhile the EFTA negotiations concluded with a capitulation by the British Government. The United Kingdom had formerly imported about 10,000 tons of frozen fish annually from the Scandinavian countries. It now agreed to accept up to 24,000 tons of Norwegian frozen fish annually on a free trade basis until 1970.² In one of the more remarkable concessions extracted by a small nation from a great one the Norwegians also received an assurance from the British Government that the British imports would not be affected in any way by an internationally approved extension of territorial fishing limits.³

¹ The Times, 18 November 1959.
² Ibid., 20 November 1959.
³ Danish Press Summary, 21 November 1959.
Mr Maudling assured the British fishing industry that they would be wrong to exaggerate the possible effects of the agreement.¹

It was also clear that it would be unwise to exaggerate the unity of purpose among the Seven. The British Government obtained an assurance from the other Governments of the Seven that they would be ready to undertake collective negotiations with the Six as soon as the latter were prepared to begin discussions. In this way the British Government sought both to postpone any bilateral negotiations which Governments of the Seven might have had in mind, and also to shift the burden of initiating talks onto the Six.² However, the British Government themselves sought in WEU to have that organisation strengthened so as to facilitate political negotiations with the Six. The British Government made it clear that there would be no question of the Scandinavians being involved in the consultations. However, the Netherlands Government objected to the scheme that by excluding the Scandinavians it would tend to weaken NATO.³ Considering that the chief political objection that the British Government had made to the establishment of the Common Market was precisely that it would disrupt NATO and the OEEC, the new British détente seemed singularly impolitic. It was ironical that it should have been followed closely by a

1. The Observer, 22 November 1959.
similarly independent detente by the Swedish Government, which suggested to the Common Market countries that trade talks in the OEEC should be opened as quickly as possible.¹ The Outer Seven was not displaying a very united front.

On the other hand the Commission and the Council of Ministers succeeded in maintaining a remarkable unanimity. The tentative suggestion of General de Gaulle which had been amplified by Sr Pella to establish a permanent political secretariat in Paris was rejected by the Ministers on 23 November. Instead the Minister accepted the General's original proposal to hold regular common consultations on international policy every three months. The locale of the consultations would be determined by common consent. Officials' meetings would be held beforehand, as General de Gaulle had suggested. British proposals to bring the consultations under the WEU umbrella were rejected. The Ministers stated that the consultations would be held without prejudice to consultations in NATO or WEU. These organisations would be informed where necessary of any consultations among the Six in which they were concerned.² The Swedish proposals were uncompromisingly rejected. Professor Hallstein of the European Commission said that: "We do not have the right to introduce in Europe units of preference which would upset the susceptibilities of our partners on the other side of the Atlantic." He claimed that the United States Government would not

¹Financial Times, 24 November 1959.
²Ibid.

309
tolerate anything like another discriminatory trade group in Europe. As an indication of their desire to minimise the discriminatory effects of the development of the Common Market, the Ministers agreed to extend to all members of GATT the 20% tariff cuts agreed on for 1 July 1960. Quotas would also be extended to all members of GATT and the International Monetary Fund. These concessions included the minimal quotas which would be raised to 4% of national production on 1 July. Sr Pella explained that the Six were not requiring any counterpart in these concessions. However, he commented reasonably that it would seem normal for other GATT and IMF countries to take similar steps. Sr Pella also proposed that substantial reductions in the common external tariff of the Six could be negotiated on a basis of reciprocity at the GATT talks in autumn 1960. Meanwhile, a contact committee should be set up to deal with any immediate problems of distortions of trade between the Six and the Seven.

The Six had thus fulfilled the words of Dr Erhard: the bridges were going up towards the world outside and not only towards the rest of Europe: in their avoidance of discrimination the Six had moved beyond the regional bloc of the OEEC to the furthest frontiers of GATT. One strategical reason for doing so was doubtless the

2. The Times, 26 November 1959.
evident fact that an intensification of OEEC discrimination would be intolerable to the United States: American gold reserves had fallen from $22,860 million in 1957 to $19,510 million in 1959. Moreover, in 1959 the United States had actually suffered a deficit of $900 million on current account of goods and services. A further heavy drain on reserves was expected in 1960.

However, despite manifest American concern over this deteriorating trade situation, the British Government entered upon perhaps its most ill-advised policy venture in its relation with Community Europe. In defiance of American interests, the British Government sought to safeguard commercial interests in Europe and to maintain a mythical position as the leader of a divided Europe, by attacking the multilateral policy of the Six. A communique issued by the British Information Services in Bonn claimed that:

"The big question upon which depends the economic division or unification of Europe, presumably, is whether the Six reciprocate the wish of the Seven for a European association or whether they do not wish to treat the Seven otherwise than as the rest of the outside world ... One cannot get over the fact that it will be decision for the future of Europe, and for the creation of a counterpoise to the Soviet bloc with its rapid economic expansion ... a split within Europe, with the friction that would result, could mean that the entire Western World would have to compete in the race with the Soviet bloc under entirely new conditions."

In the Assembly of the WEU Mr John Profumo, the British Minister of State for Foreign Affairs, continued this policy which seemed perfectly calculated to drive the United States into the arms of the Six. He again affronted American sensibilities by threatening the Six with a repudiation of NATO and the withdrawal of British forces from the Continent:

"Once upon a time ... we in Britain could, and indeed often did, follow a policy of isolation ... all this is changed now ... This gigantic tide of events surging outwards from Europe has left one rock of truth - that Britain is now part of Europe ... Let me repeat with all the emphasis I can, and on behalf of the British Government - and here I am sure I carry with me even those of my Parliamentary colleagues who represent Her Majesty's Opposition - that we in Britain were sincere in our welcome for the Rome Treaties in 1957. We have supported it ever since and we continue to support this great experiment in European unity which is the Six ... After all, the political ideas behind the Rome Treaty are the same as those which brought WEU into being five years ago. It was precisely to enable Germany to take her place in the Western family and to allow the Federal Republic to play its free and proper part in the western alliance that the Paris Treaties were signed ... Can I put it like this? Whereas when WEU came into being we in Britain were determined to draw Europe closer together, now we are determined to draw closer to Europe. I have explained our interest in the successful development of the Communities of the Six. On the other hand, if this development were to result in economic divisions within Europe - in a trade war between two groups - in hostility between the Six and the Seven - then it is hopeless to expect that the military and political cohesion of Western Europe could survive ..."

"It is certainly our desire to come to terms with the Six and not to destroy the significance of the European communities in some wider grouping. It is not part of our..."

"policy to set up a club of the Seven in opposition to the Six. No, indeed: we want the Seven to have Six appeal!"  

M. Arthur Conte replied to this invitation to form a discriminatory bloc of Thirteen against the world outside. He said:

"I have done my best to understand what Mr Profumo had said and his motives for saying it ... No sincere European could fail to take comfort in the thought that the British had suddenly realised the need for integration with the rest of us. We cannot forget that even the bitterest French opponents of EDC would have been ready to accept it if at the decisive moment Great Britain had only given its own adherence to it. We cannot forget either that, from the very beginning, we almost went on our knees to the British to join the Community of the Common Market and the Community of Euratom. What do we mean by all this? We mean that the building of Europe must not be delayed. Until the establishment of the Six-Power Communities, until the establishment of the EESC, Euratom and the Common Market, what had we actually achieved at European level? We had some very nice, very friendly academies in which we all got very good at shaking and kissing each other's hands ... but so far as real life ... was concerned, we achieved precisely nothing and our one desire in establishing the Community of the Six was to do something real and carve the result in stone. We will accept no delay, no alteration, however slight, that will risk distorting our ideals.

"At least let us be honest with each other.

"There are two possible positions. One is to abandon everything we have so far created at Six-Power level and go back to the high-class academy which creates nothing: the other is to keep the door open to all who wish to enter: and there is no member of the Common Market or Euratom, not excluding France, who could refuse entry to anyone on the conditions already created by the Common Market. What we

2. S.F.I.O.
"want more than anything else is for our British friends to join us ... But there is something that lies at the very root of our thinking, and that is our reconciliation with Germany, still more our fusion with Germany, still more the fusion of our destinies with those of Germany ... If we wish for fusion with Germany as we once longed with all our hearts for fusion with Great Britain, it is because we look at things through the eyes of the 20th century."

4. The American Intervention.

Towards the end of 1959 it became known that the American Under-Secretary of State, Mr Douglas Dillon, would be visiting Europe to discuss problems connected with the American balance-of-payments position. The British Government hoped to make use of his visit to revive the Council of the OEEC. This body had not sat since December 1958. Meanwhile the German and French Governments postponed any further talks on a multilateral European settlement. There was little doubt how the American intervention was likely to make itself felt: on 10 December Mr Christian Herter, the United States Secretary of State, had been asked at a press conference whether the United States Government would support the Stockholm Agreement in GATT. Mr Herter had replied:

"We, as you know, have been strongly in favour of the Six. We have certainly not done anything to discourage the Seven."

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2. The Observer, 6 December 1959.
"We feel that if they should turn into rival organisations it might be a serious thing in Europe."¹

In Brussels Mr Dillon maintained this line of utmost reserve towards the EFTA: he described the Common Market as "one of the most significant developments in the postwar era" and confirmed American support for Community Europe. However, he declined to say anything in favour of the Seven.²

On 12 December Mr Dillon met the members of the OEEC in Paris. He refused to arbitrate between the Six and the Seven. However, he did suggest that Austria should be permitted to come to a separate accommodation with the Six, with which it transacted 60% of its external trade. British representatives expressed astonishment at such a proposal, despite their own past record of bilateral accommodations with Denmark, France and Norway.³ Otherwise French observers took note of the friendly disposition towards the Common Market of British officials in Mr Dillon's presence: M. Couve de Murville reported that Mr Selwyn Lloyd had assured him that the British Government did not dispute in any way the existence of or the justification for the Common Market.⁴ M. Jean-Albert Sorel⁵ claimed that France and Britain could easily have a common policy. The trouble was that

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³ L'Année Politique, 1959, p.572.
⁴ Assemblee Nationale, Débats, p.3671, 28 December 1959.
⁵ I.P.A.S.
the British did not understand this because they had forgotten that
they were part of Europe.¹ M. Couve de Murville repeated that Anglo-
French relations had improved encouragingly over the period of Mr
Dillon's intervention. A new Europe was being organised. Its essent-
ial bases were the Franco-German entente, close links between France
and Italy and the traditional alliance between France and the United
Kingdom.

In the Council of Europe Mr Selwyn said:

"I shall be told: 'It is all very well for you to say that
you are part of Europe, but you have done nothing to promote
European unity since the war. You did not come into the
Coal and Steel Community. You did not come into the European
Defence Community. You are opposed to the Six. You prefer a
Europe which is divided and in which you can play one group
off against another. What is more, when you are being your
nicest you are most to be suspected.'

"My answer to that sort of statement would be along these
lines. On the first point, I believe we made a mistake in
not taking part in the negotiations which led to the formation
of the Coal and Steel Community ... So far as EDC is concerned,
I say frankly that I always doubted whether it was a practical
proposition ... But ... the topical matter is the suggestion
that we in Britain are opposed to the Community of the Six.
This I categorically deny. It is true that we were assured
by all concerned that they would lead to a free trade area,
but we welcomed the Rome Treaties for their own sakes, because
a strong political unity of the Six is good for Western Europe
and for Britain. We welcome it and we will support it ...

"In the field of economics, if the Community has high tariffs
and is rigidly protectionist, then there will be a trade war
in Western Europe and political cohesion will not survive ... if the Six were to decide to discuss and form a common policy

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"about matters outside the internal affairs of the Community, if they were, for example, without consultation with their other allies, to formulate their policy with regard to disarmament, or Africa, or East-West relations ... I do not see how WEU could survive ... I think also it would profoundly affect NATO ... There is another political consequence of economic warfare, of a split in Europe, and that is its effect upon emergent Africa. If there were a split here, it would lead to bitter conflict in Africa ..."

"The EFTA is hostile to no country or group of countries. The United Kingdom Government's view in this is perfectly clear. If the purpose of that Association had been negative, the United Kingdom would never have considered becoming a party to it. It is in the interest of the United Kingdom, in the economic field, that there should be the greatest possible degree of unity of purpose and action between European countries. The establishment of the European Economic Community, the Six, has been one of the biggest strides in this direction and, as such, deserves, and will continue to deserve, our sincere support. The fact that the United Kingdom and other countries in Europe cannot go as far in the direction of integration as the Six have stated that it is their intention to go, does not mean, as is sometimes suggested, that we who are outside the Community do not welcome its existence and development. On the contrary, we continue to wish the Community well. That is a sincere statement of fact.

"We in Britain still believe that we should not abandon the idea of a peculiarly European association ... My feeling is that if we do abandon the idea of a peculiarly European association, grave dangers will loom ahead ..."

Mr Lloyd's speech created as bewildering an effect in the Council as had that of Mr Profumo on 30 November. It would have been more accurate to have said that the EDC had failed because the United

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Kingdom had refused to join it, and the Free Trade Area negotiations had failed because the United Kingdom had insisted on provisions unacceptable to virtually every other country in Europe. It could only be thought remarkable that Mr Lloyd should continue to refer to the possible protectionism and high tariffs of the Six at a time when tariffs were falling throughout Europe, when the British tariff was among the most protectionist in the world, and when the Six were persisting in a multilateral policy against British threats, now repeated for about the fourth time, to repudiate international treaties and provoke an economic war. Any mollifying effect produced by Mr Lloyd's belated assurances of good wishes was destroyed by Lord Grantchester, the Joint Treasurer of the Liberal Party and Governor of the British Institute for International Understanding, who denounced the Six as playing with fire, tending to weaken Europe, declaring war against the rest of the OEEC, being bureaucratic if not authoritarian, and ineffective as liberalising trade compared with the Scandinavians, and likely to remain so.  

In the fact of mingled compliments, abuse and threats from the British representatives, M. Robert Abdesselam\(^2\) called sharply on the British Government to stop talking about the bogey of a divided Europe and to cease invoking the spectre of a trade war where no trade war existed:

\[\text{\textsuperscript{1}}\] Council of Europe, Consultative Assembly, Reports, 11th Session, 27th Sitting, 21 January 1960.
\[\text{\textsuperscript{2}}\] Republican Unity.
The Community was never formed to drive a wedge or start a trade war ... The Community has harmed no-one. The further it develops the more liberal its policies will become. At yesterday's Sitting, two speakers said that the main problem was political, that it stemmed mainly from the relations between France and the United Kingdom. I do not agree. Quite recently at other international meetings, I can bear witness to very smooth-running Franco-British cooperation ...

In Paris on 19 February M. Rey of the Common Market Commission also said that the problem should be "depoliticised and reduced to its real proportions." Meanwhile Mr Maudling gave assurances in Zurich that the United Kingdom "would never consider negotiating alone with the Common Market or attempt to reach a bilateral agreement. We would not contemplate for a moment abandoning our friends." The British Government was apparently not considering a renewal of its earlier bilateral agreements with France.

Professor Hallstein also said in London on 29 February that he could see no reason at all why the Six and the Seven should not live peacefully side by side. He said that he had heard references to the "tariff wall" of the Six while he had never heard this term used with reference to the substantially higher tariffs of the United Kingdom. However, in New York Sir Harold Caccia said that unless the Six and the Seven could be united Europe would be unable to play its

full part in countering the Soviet economic threat or in helping underdeveloped countries to raise their standard of living. Professor Hallstein countered by appealing the Seven for their decision to accept policies of trade liberalisation similar to those employed by the Six. He hoped that they would continue to respond positively to initiatives from the Six. The complete discounting by the United States Government of Sir Harold Caccia's warnings was demonstrated on 20 March when President Eisenhower gave "a full-fledged endorsement" of the Hallstein plan bringing closer by 18 months the establishment of a common external tariff. It described the establishment of the Common Market as "a major contribution to a general lowering of world trade barriers."

This statement by the United States Government came at the worst possible time for the Seven. At their meeting in Vienna the Ministers of the Seven had already made it clear that they regarded the Hallstein proposal as a hostile act on the part of the Six.

American declaration of support for the Six represented the final defeat of the last campaign of the British Government to retain the leadership of Europe.

In Washington Mr Macmillan made a final threat. His words were immediately leaked by the States Department to the Washington Post and subsequently reprinted in European papers. According to the Corriere della Sera Mr Macmillan had told Mr Christian Herter that the United Kingdom opposed for historical reasons any attempt at unifying Continental Europe and was prepared to lead a new peripheral alliance against Germany and France as it had done in the days of Napoleon. Mr Macmillan claimed later in the House of Commons that he had merely said:

"... we should not allow an economic gap, a sort of division to grow up which, gradually, I do not say in the short run, but in the long run, as all history has proved, will make another division in Europe ... It is not the particular groupings of Powers, but a division, and I have made the plea, and I make the plea again that, somehow or other, we should, in the next period, try to make that gap so small that it is wearable and does not have these effects."  

The Daily Telegraph commented:

"There are elements of pathos in Mr Macmillan's incoherent anguish over the present division in Europe ... For who has

1. Miriam Camps, Division In Europe, Princeton University, 1960, p.44.
"done more to divide Europe than we have? .. Mr Macmillan's 'curious statements' in Washington were not solemn warnings from one equal to another. They were the political bankrupt's last plea for mercy from his creditors."  

In Bonn the British Ambassador explained to Herr von Brentano that Britain's attitude towards the Common Market remained unchanged from Mr Selwyn Lloyd's declaration of goodwill in January. However, the British Government were very concerned that unresolved economic differences should not tend to split the Atlantic Community. 2 United States indifference to this danger was indicated by Mr Herter's refusal to comment on Mr Macmillan's reported statements. 3 The attitude of the United States Government was in fact quite consistent. They had long expressed their approval of the establishment of a single market in Europe, provided only that the external tariff of the market was not too high. 4 They were particularly anxious to see the Europeans reduce their tariffs as far as possible before the GATT consultations began in September 1960, at which any concessions would have to be bargained for a basis of reciprocity. As Raymond Aron pointed out, the common external tariff of the Six was certain to be lower on many items than

2. Ibid., 4 April 1960. 

322
the United States tariff, and much lower than that of the United Kingdom, which was actually higher than the French tariff. ¹ The readiness of the State Department to permit Mr Macmillan's indiscretions to be leaked to the press might indicate a desire to give the Europeans a renewed impression of British hostility, which would encourage them to press forward on their own without regard for the intentions of the British Government. It was at all events clear that the game had been lost. No threats of withdrawing the Army of the Rhine would deter a Community Europe backed by the United States. On 9 April the New Statesman and Nation warned bitterly:

"Britain's claim to a 'special place' as America's lieutenant in the direction of the West will seem more and more ridiculous. Indeed, Washington has already shown that, confronted with incompatible claims from Britain and the Common Market powers, it will side with the latter. If the drift continues, our isolation may soon cease to be splendid and become squalid: within the foreseeable future, Britain risks degenerating into a Ruritanian backwater, thrust out of the main stream of world economic development."²

The British Government was not prepared to make an immediate readjustment. On 14 April Mr Anthony Barber, Economic Secretary to the Treasury,³ said that the United Kingdom had not yet reached the state where there was enough general support for political federation

¹ Raymond Aron, Le Figaro, 20 April 1960.
² New Statesman and Nation, 9 April 1960, pp.505-06.
³ Conservative, Doncaster.
to overcome the practical obstacles to British participation in the Common Market. Mr Barber mentioned in particular the problems of Commonwealth preferences and domestic agriculture and horticulture. He suggested that the best course was "to secure whatever advantage we can from reducing our most-favoured-nation tariffs on individual items in the GATT tariff negotiations which are to begin next winter."  

However, accommodations on anything but the widest multilateral basis were still unacceptable to the Six. On 19 April Professor Hallstein rejected the proposal of the EFTA Ministers that tariff cuts between the Six and Seven on 1 July should be mutually extended on a basis of reciprocity. Professor Hallstein claimed that:

"Limiting a procedure of this kind to Europe must be considered an arbitrary measure, especially by the American nations, and would furthermore be incompatible with GATT. The European Economic Community, as a new partner in the world's trade, is interested in using all its influence towards liberal trade in the most extensive framework possible ..."  

Gradually the British Government prepared for the last reversal of attitudes. Again their task was smoothed by the Europeans as M. Paul Reynaud had prophesied two years before. On 9 May the Council of Ministers of the EEC overrode Professor Hallstein with accustomed ease and called for renewed trade discussions with the


324
United Kingdom. They designated the 14 June meeting of the EEC as an appropriate occasion. Mr Maudling gave a prompt if reserved reply. At the dinner of the Wine and Spirit Trades Benevolent Society in London, he said that the United Kingdom would give a positive response to any initiative from the Six for breaking the deadlock between the two European trading groups: the attitude of the British Government would not be inflexible: they recognised that negotiation meant compromise and concessions on both sides "and so great is the importance of maintaining European unity that all concerned should enter any negotiations in the spirit that such a prize is worth substantial sacrifice." The impact of Mr Maudling's statement was perhaps lessened by the fact that the Netherlands Ambassador had denied the previous day in Glasgow that there was any serious split in Europe. The Financial Times suggested that the initiative of which Mr Maudling spoke could more appropriately have come from the EFTA or especially from the United Kingdom. Meanwhile British spokesmen hastily reassured apprehensive Commonwealth Governments. In Leeds Mr Maudling stated that the system of Commonwealth preferences was the outstanding problem for the United Kingdom. He criticised Liberal newspapers for suggesting that duties

2. Ibid.
3. Ibid.

325
might be imposed on Commonwealth products. In Washington the British
Ambassador Sir Harold Caccia repeated that the United Kingdom would
not make any agreement with the Common Market at the expense of
Commonwealth countries. This had of course already been done in the
establishment of the EFTA and perhaps in the bilateral agreements which
the British Government had negotiated with France and other partners
of the Common Market. However, Sir Harold then said that this meant
that the United Kingdom could not join the Common Market. This would
amount to a reversal of the United Kingdom's vital economic, political
and military ties with the Commonwealth.

Reversals of this kind had happened before. In the United
Kingdom informed commentators stressed the urgency of the British
position. Thomas Balogh warned again of the danger that the United
Kingdom could become an economic backwater and lose eventually what
political influence it still retained. He said that in the past Britain
had refused to join European organisations.

"in order to maintain what we call our 'special relation-
ship' with the United States. This is now irrelevant.
The Americans can no longer disregard the rapidly increasing
preponderance - military and economic - of the Six over
Britain ... The Commonwealth complex, our other excuse for
rejecting Europe, is even less convincing. The British
Government itself demolished such economic cohesion as
existed in the Commonwealth after the war ... A double-tier

"preferential system, linking the Six to the Commonwealth, could have been negotiated in 1956–57; now it may be too late ... if the Government's handling of the affair has been lamentable, the record of the Labour Party ... is still more vulnerable. It was Ernest Bevin who inaugurated the policy of scorning Europe. In those years of absolute British preponderance on the Continent, Bevin did nothing to consolidate our influence. On the contrary Britain sedulously prevented any attempt to use OEEC for effective planning. When the Americans demanded that long-term investment plans be drawn up, the Labour Government dragged its feet, made only perfunctory proposals, and then successfully sabotaged the efforts made by others."

Alan Day suggested that the biggest obstacle which stood in the way of arrangements with the Six was the widespread fear in the United Kingdom that France would not welcome them into the Common Market on any terms. Clear evidence that the United Kingdom would not be welcomed unconditionally was soon forthcoming. Towards the end of May it was rumoured in London that the British Government might be considering some form of association with Euratom and the ECSC though not with the Common Market. The proposal was made in the Assembly of the WEU by Mr John Profumo. It came after the Council of Ministers of the EFTA had at last accepted a further invitation from the Council of Ministers

4. Minister of State for Foreign Affairs.
of the EFTA had at last accepted a further invitation from the Council of Ministers of the EEC to commence negotiations. The invitation referred to the importance of maintaining and if possible extending the traditional pattern of European trade. However, the Europeans made it unequivocally clear that they were not prepared to consider unprofitable complications of the nature suggested by Mr Profumo. British officials in London hastily stressed the difficulties involved in such an association. In a television interview M. Monnet told the British that they were still talking about some form of trade agreement. His objective was to form "a vast market of production which will change, we think, not only the conditions of production, but the attitude of people towards one another. This is entirely different from a trading agreement." M. Monnet said that the institutions of the European Communities were nothing in themselves: they were only steps towards that goal. He said that the main problem for the United Kingdom was whether it would try to join the whole procession or only a part of it. He said that the Commonwealth was a great thing but was more sentimental than practical; it was not a common market and the United Kingdom was not going to derive from the Commonwealth the same advantages to production "and therefore to standards of living, that you can obtain

from the vast area of the Common Market, 160 million people, such as Europe is now becoming."¹

The practical difficulty was that Mr Profumo's demarche had been extraordinarily badly timed: the fatal disregard for the desires of other nations which had brought down the Free Trade Area was again exhibited in his proposing an association with two of the European Communities at a time when the Europeans were proposing to amalgamate all three.² Once again the British Government had laid itself open to the accusation of attempting to sabotage the development of European Union.³ Dutch politicians professed to be puzzled by the demarche: Dr Luns said that Six had regarded Mr Profumo's remarks as merely a "platform gesture" and he could not see why they should have been repeated:⁴ he said it was like "a convinced opponent of Papal claims seeking membership of a Church that was about to submit to Rome." However, Mr Selwyn Lloyd insisted that these objections were "purely legal and administrative and with goodwill surmountable."⁵ Mr John

³ Ibid.
⁵ Daily Telegraph, 18 June 1960.
Russell¹ said that Mr Profumo's gesture, which Le Monde had impolitely described as frenetic and somewhat anarchic,² was really designed to demonstrate "the fact that we feel ourselves to be part of Europe."³ However, the feeling did not appear at that time to be shared by the Europeans: even Herr von Brentano, the German Foreign Minister, stressed the practical difficulties that would be involved if the United Kingdom were to try to take "a two-thirds membership in a United Europe."⁴ The issue was made commendably in the French Senat. M. Rene Radius⁵ insisted that:

"declarations such as those of Mr Profumo must be hopefully welcomed. But intentions, even good ones, count for nothing if the men who express them are not for all that determined to act without thought of withdrawal ... The Western Europe of which General de Gaulle spoke has always existed. Great Britain is a part of it."⁶

M. Rene Pleven added:

"Certainly, we should be happy for the adhesion of Great

¹Spokesman for Mr Selwyn Lloyd.
²Le Monde, 9 June 1960.
⁵Union de la Nouvelle Republique.
"Britain to Euratom or the ECSC. But we do not want this adhesion to be paid for by the abandonment of the principal objectives of the EEC. These are not simply a Common Market: they are the establishment, in the heart of the six countries, of a true common policy in the social as well as the economic plan, and even ultimately on the fiscal and financial plan ..."¹

Professor Hallstein also said that there were signs that informed opinion in the United Kingdom realised that there would be small virtue in joining two of the three European communities, "merely as a gesture in the direction of European unity."² The Board of Trade and the Treasury acknowledged the failure of this latest démarche by exhorting British exporters to make a determined effort to expand trade in the EFTA.³ On 5 July Mr Maudling told a joint meeting of the Trade and Industry, Foreign Affairs and Agriculture Committees of Tory backbenchers that the difficulties in the way of British adherence to the Common Market were as great as ever.⁴ Mr John Rodgers⁵ deplored the fact that there was a tendency "to imagine that, if any Government is known to be considering a proposition, it follows that it is about to accept it." He said that this tended to limit the possibility of

² Daily Telegraph, 7 July 1960.
⁴ Financial Times, 6 July 1960.
⁵ Conservative, Sevenoaks; Parliamentary Secretary, Board of Trade.
finding solutions to problems.¹ There was no question that there was a problem and that a multiplicity of factors required the British Government soon to find an answer to it. Between 1957 and 1960 rates of increase of Gross National Product in the United Kingdom had been less than half those of Germany, France or Italy. The disparity seemed to be increasing. There was no longer any possibility of claiming that the divergence in growth rates was due merely to the fact that the European economies were operating at a lower level of per capita income than the United Kingdom: France had already surpassed the United Kingdom in this field and Germany had virtually closed the gap. More serious still was the fact that the European countries were increasing their share of world export markets more rapidly than the United Kingdom: between 1957 and 1960 British external trade increased in value by about 9%, French by about 30% and German by about 45%. In 1959 Germany had displaced the United Kingdom as the world's second largest exporter. Already Japan had become the world's largest shipbuilder and German tonnage was rapidly overtaking British. The economic foundations of British independence had collapsed along with its political foundations.

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On 18 July Dr Erhard appealed again to the British Government to take the step towards Europe. He assured them that if they were to take the plunge wholeheartedly they would not be turned down. However, anything less than an unreserved application for membership would only make matters worse. On 25 July the House of Commons bleakly debated a bankrupt policy. Mr Selwyn Lloyd again claimed:

"We in Britain regard ourselves as part of Europe ... although we have welcomed the Six from the beginning we have always been conscious of the danger that it might lead to a political division between us ... In seeking to avert this division we do not wish to affect the cohesion between the Six as an independent entity, nor to prejudice the achievement by the Six of their political goal ... I think what we have to ... realise that another set of proposals of the same nature [as the Free Trade Area] would have no chance of acceptance ... Our purpose is a United Europe and we accept the need for some political organisation as an element in that unity."

After that there was little more to be said. Even Mr Maudling substantially agreed with the words of the Foreign Secretary: he argued that nobody would suffer if the United Kingdom was a member both of the Commonwealth and of Western Europe: they were ready to pay in full for their membership of both associations. However, he

was still prepared to suggest that one possibility worth considering was that the Six might join the EFTA. Mr Maudling also said the United Kingdom could certainly join a common market within the definition of GATT: their objection was to the particular Common Market created by the Treaty of Rome. However, the House of Commons had lost confidence in the old antipathies; with four dissenting votes they supported Mr Lloyd's resolution that:

"This House recognises the need for political and economic unity in Europe, and would welcome the conclusion of suitable arrangements to that end, satisfactory to all the Governments concerned."²

The dissidents were Liberals who argued that the Government should have made an immediate application to join the Common Market. The situation was quite clear: the House of Commons recognised that a political as well as an economic union was unavoidable and that it could not take the form of the old Free Trade Area. There was also no possibility that the Six would really join the EFTA as Mr Maudling had obscurely proposed. There was only one form in which the Six would be likely to consider a proposal limited to Europe. That would be for the United Kingdom and other EFTA countries to make the unqualified approach that Dr Erhard had recommended. This of course had the problem for the British that it involved admitting the bankruptcy of fifteen years of foreign policy towards Europe.

2. Ibid., col.1094.
It may be doubted that any real choice was left to the
British at this stage. However, a new development in the evolution of
the Six perhaps made the final surrender easier. At a press conference
on 5 September President de Gaulle made an extraordinarily explicit
repudiation of the tottering federal principle. From at least February
1960 French commentators had been inquiring when the political union
of Europe could be expected to commence. Complete economic integration
now seemed possible by 1965. However, it was pointed out that formal
political union seemed less probable than it had in 1950. No-one
could feel that its chances had been improved by the accession to
Office as Premier of France of the chauvinistic M. Michel Debre. Now
President de Gaulle gave unquestionable proof that the foreign policy
of the RPF had altered little since 1954. President de Gaulle agreed
that it was essential to unite Europe. "Il est banal de le dire."
However, the unity had to be based on realities and not on dreams.
The true realities in Europe were the independent national States.
They alone had the power of making decisions and compelling compliance.
Unity in any realistic sense could be achieved only through the
deliberations of an Assembly in which representatives of the national
States would meet periodically "to ensure cooperation in the fields
of politics, economics, culture and of defence." The administrative

labour of unification would be entrusted to what the President called "certain organismes plus ou moins extra- ou supra-nationaux." The necessarily subordinate position of these bodies was emphasised by the President with reference to the difficulties experienced by the High Authority of the ECSC and the EEC Commission.¹

This of course was the same form of association which M. Debre had outlined on previous occasions to the Council of Europe. Its essential feature was that of a confederal assembly whose members would cooperate rather than integrate. To this extent it corresponded to the forms of international association hitherto sanctioned by the British Government. M. Paul-Henri Teitgen² in fact commented on the President's concept of L'Europe des Patries by saying:

"The European organisation which General de Gaulle proposes is, indeed, as he says, that of realities. Perhaps even more so than he thinks. It is in fact precisely the system which has been functioning since 1949: that of the Council of Europe ... the results are there already or rather they are not there."³

The essential difference was undoubtedly that the Europe des Patries contemplated a form of political association between countries already inextricably associated economically. On the other hand the members of the Council of Europe had only an accidental association one

2. President of the MRP.
with another. However, the formal rejection of the federal principle at a time when it was perhaps no longer necessary in some measure simplified the task of the British Government in effecting its last readjustment. The fact that the British Government recognised the necessity of facing the political responsibility of a formal treaty relationship was indicated by the transference of the problem from the Board of Trade to the Foreign Office: there was no longer any question of seeking an accommodation with Europe on a merely commercial basis. However, the emergence of the confederal concept would enable the British Government to claim that it was not in fact making a significant cession of sovereignty. In the Council of Europe Mr Heath told the Europeans that:

"The British Government seriously believe that the existence of the two groupings - the EEC and the EFTA - is in danger of creating a serious division ... The Community was created as a means of ending age-old political conflicts between its Members and its creators have taken care to cement this welcome concord by economic means."

For at least the third time he repeated that the British felt themselves to be part of Europe. Mr Heath continued: "... we have welcomed the progress made by the Six in setting up the three European Communities ... we want to play our part in the developing unity of the Continent."

He said that the main problems of the British Government arose from their relationship with the Commonwealth and from their domestic agriculture. These factors made it impossible for the British Government to sign the Treaty of Rome unconditionally as it stood. Nonetheless
these difficulties were not insuperable.¹

They were in fact so little insuperable that a fortnight later Mr Heath was able to tell the Conservative Party Conference at Scarborough that:

"If we are a part of a vigorously expanding and united Western Europe, our power to help the Commonwealth politically, economically and militarily, can be maintained. If we are outside, however, there is a risk that our economic position, relatively, and perhaps, absolutely, will decline; our power to help the Commonwealth would then decrease." He added that if the United Kingdom were closely associated with the Common Market it might find a way to reduce the harmful effects of the protection accorded by the EEC to its associated overseas territories. The United Kingdom would also be in a better position to contribute to Commonwealth development and also perhaps to encourage a greater contribution for this purpose from the rest of Europe.² So far from the Commonwealth being an insuperable obstacle it had now become a reason for joining the EEC. The last facts had been faced. The invitations tirelessly offered from the Continent over the last ten years had finally been acknowledged. The vacant seat at the European table would be filled. The United Kingdom was going into Europe. Whether the entry would actually be effected, and at what price, would depend in very large measure on the efforts and finesse of Mr Heath and the Foreign Office. They had no reason to thank their predecessors for making the task any the easier for them.

¹ Council of Europe, Consultative Assembly, Reports, 12th Session, 18th Sitting, 27 September 1960.
² The Times, 15 October 1960.
CONCLUSION

I

Nationalism as a political concept had been seriously denigrated in Europe by the experiences of World War II. Among the belligerents only the United Kingdom and the Soviet Union had not experienced both defeat and occupation. It was thus not surprising that throughout Occupied Europe and Germany leaders of the Resistance Movements should have committed themselves to the principle of federal union as the only solution to the problems of the Continent. They were encouraged in this view by repeated statements by responsible British spokesmen since the beginning of the war. Both Government and Opposition leaders in the United Kingdom continued their support for European Union after 1945. Their reasons for doing so were various. Some were known to be convinced adherents of the federal principle in international relations. Some may have developed during the war a taste or habit for working with representatives of other countries. However, the most significant reason for supporting concepts of international union was that it would have been totally impolitic to support nationalism: the latter was a lost cause with nothing to recommend itself to any politician seeking to acquire or retain office. Finally, the British leaders had the strong motive that by taking over the direction of the movements for European Union they would prevent them from being directed by anybody else: the veterans
of the Resistance might well have seemed the last people to be entrusted with the remodelling of Europe in a manner convenable to British interests.

It should always be remembered that neither the federal nor the customs union principles had any valid practical models for the association of sovereign states. The forms of union recommended by United Kingdom leaders were never clearly defined. When defined, they were not always compatible one with another. Some speakers deliberately or accidentally left obscure the crucial question of whether the United Kingdom should itself form part of the union proposed. However, there was unqualified general support for the principles of both federal and customs union with Europe. The former may be understood to involve the creation of a formal political federation corresponding to the classical examples of the United States and Australia. In such an association the Governments of the participating States would have been required to accept the restriction of their sovereign wills by the terms of a written constitution and the decisions of a federal council in which voting would be based upon the majority principle. A customs union would leave the sovereign wills of the participating Governments unrestricted in all fields except those relating to the establishment of a single market with free movement of goods, labour and capital within their territories and with a common external tariff imposed against third countries. With modern nations where State
activity is in any case substantially concerned with economic affairs, such a union would in fact involve virtually as binding an association as an orthodox political federation: the independence in external affairs theoretically permitted to members of a customs union would not have much significance for countries whose economies had become inextricably interdependent. However, the European countries most likely to be involved in such a union were already substantially committed to similar positions in most spheres of their foreign relations. Independence in foreign policy could scarcely be attributed after 1947 to members of the Western, Eastern or even the neutral blocs.

The federal principle was most consistently supported in the United Kingdom by Mr Attlee and by other Labour spokesmen such as Mr Philip Noel-Baker, Mr Brockway and Mr Morgan Phillips. Mr Churchill also advocated federal union. It is true that his words were chosen so as to bear the interpretation that he was advocating it only for the Continent and not for the United Kingdom. However, attention was not drawn to this interpretation at the time. Mr Churchill was also chairman of one of the six Movements for European Union grouped in 1947 under the leadership of Mr Duncan Sandys. At least two of these were avowedly federalist in intent.

The principle of federal union thus seemed assured of the verbal support of the British Labour Government and the practical
guidance of the British Conservatives. Customs union was essentially a Conservative scheme: on various occasions Mr Eden, Mr Butler, Mr Peter Thorneycroft all endorsed this concept and proclaimed it fully compatible with the obligations of the United Kingdom towards the Commonwealth.

II

It is evident that it was at least appropriate for the British leaders to give their support to various imprecise and millennial concepts of international union in the immediate postwar period. However, in 1947 the practical application of these principles suddenly became a matter for urgent concern. In offering economic assistance to forestall the impending collapse of Western European industry, the American Government made it clear that they considered that European trade problems could best be remedied if the Europeans were to adopt a single market system corresponding to that operating in the United States. At this point a manifest dichotomy became apparent between British verbal assurances and practical policy. From 1947 to 1949 the United Kingdom underwent the most severe balance-of-payments crisis of the postwar period. This demonstrated to the British the need both to secure substantial assistance from the United States and also to maintain strict economic independence so as to be able to make use if necessary of Schachtian tactics to preserve their welfare state system. They were thus required at the same time to support policies of
integration favourable to the Americans and to ensure that the application of such policies did not encroach upon their own sovereignty. Accordingly, British spokesmen enthusiastically supported the American suggestions. However, British representatives at the Study Group set up to consider the possibility of establishing a European Customs Union stressed the difficulties that this would have for the United Kingdom. They also insisted that the Organisation for European Economic Co-operation (OEEC) set up to distribute American aid should have no powers to override the wills of the participating Governments. It could thus serve as the embryo neither of a federal nor a customs union. Again, in 1948 a Congress of European Unión under the presidency of Mr Churchill called for the establishment of a customs union in Europe. For the second time a Conference of the British Labour Party supported the creation of a United States of Europe. However, in the Council of the OEEC and in the House of Commons, Sir Stafford Cripps and Ernest Bevin claimed that the Commonwealth relationship limited the extent to which the United Kingdom could integrate its economy with that of Europe, and warned that the British Government could not permit the encroachment by other Governments upon their economic sovereignty. In pursuance of this policy they rejected a proposal by M. Robert Schuman for a representative European Parliament Assembly and insisted on substituting for it the Council of Europe, subsequently recognised as the most impotent and futile of
European organisations. Meanwhile they frequently jeopardised the work of the OEEC by a policy of aggressive economic nationalism.

This dichotomy was made most evident by M. Schuman's second proposal of May 9, 1950 to pool Western European Coal and steel industries under a supranational high authority with powers independent of the participating Governments. This novel proposal arose primarily as a means of limiting German sovereignty in foreign affairs, of enabling French industry to adjust to emerging German competition, and of forestalling an imminent reappearance of the International Steel Cartel. The community which it proposed to establish corresponded to the traditional form of neither a customs nor a federal union. At the same time it possessed essential characteristics of both: it involved a real cession of sovereignty by member Governments to a new institution, and it established a single market involving a vital sector of their economies. It could thus have been regarded as a preliminary step towards the realisation of a complete union in both forms.

The British response to a Plan introduced by an MRP Minister and supported by all Socialist groups in the West was at first favourable. It altered immediately following a refusal by the French Government to abandon the original condition that negotiations on the Schuman Plan would have to be undertaken on the basis of determining the practicability of the High Authority. With virtual complete unanimity spokesmen of both the Labour Government and the Conservative
Opposition ridiculed the French proposals and denied that the principles of federal or customs union had even been acceptable to the British Parliament. Many of the most conspicuous critics of M. Schuman's plan had been among the outspoken supporters of the principles of federal and customs union. In this time of repudiation the attitudes of the Labour Government and the Conservative Opposition differed only in the measure that the Labour Government opposed participation under any circumstances while the Conservatives advocated participation on terms that would have destroyed the essential federal character of the proposed Community.

Reasons adduced for the rejection of the Coal and Steel Community were that the principle of the supranational high authority was unacceptable, the management of the welfare state required that the British Government should retain their economic sovereignty unimpaired, and participation in a federal union limited to Europe was incompatible with the position of the United Kingdom as a world power and as head of the Commonwealth. None of these factors had been stressed during the period of bilateral British support for federal and customs union. In themselves they were singularly unconvincing. Both France and Italy had economies bearing a higher proportion of nationalisation than the British economy. France had a social welfare system akin to that operation in the United Kingdom. Both Dr Dalton and Mr Morgan Phillips in fact described the Schuman Plan as meriting the enthusiastic support of all Socialists. It was recognised that
the primary function of the High Authority would actually be to moderate the impact of increased competition upon national economies and to ensure a harmonising upwards of labour conditions. Moreover, France had overseas involvements considerably more extensive than those incurred in the Commonwealth relationship. There seemed in any case no likelihood that any Commonwealth industry could be affected. At no time did the Americans, who might be presumed to be the parties most directly interested, seem to consider that strengthening the cohesion of Western Europe could do anything but assist that of the whole Western Alliance.

There were certainly substantial reasons why 1950 would have been a most inconvenient time for the British Government to have attempted a merger such as that contemplated by the Schuman Plan. They had just emerged from their most severed balance-of-payments crisis, their officials were exhausted after protracted negotiations in the OECD and GATT, Bevin himself was seriously ill and control of foreign policy temporarily in the quite inexperienced hands of Mr Herbert Morrison, and they had barely survived a General Election with a majority of only five seats in the House of Commons. However, none of these considerations were introduced in the debates on the Schuman Plan. In any case they would merely have served to discourage the British Government temporarily from participating in a Continental association. They would not have obliged them to maintain for ten years a policy of unaltering hostility towards the development of federal or customs union in Europe. It was not simply that the British Government were
not themselves prepared to join in such associations. Their conduct over the next decade indicated that they were determined that the Europeans should not be permitted to form any association of which the United Kingdom could not be a member without in any way abrogating its economic and political sovereignty.

This opposition first became manifest in the critical months immediately following ratification of the Schuman Treaty. The British Government used all their authority as members of the International Authority of the Ruhr to jeopardise the application of the Treaty. They intervened in internal disputes, denied full diplomatic privileges to the Chief Representative of the Coal and Steel Community and imposed a ban on exports of coal to the Community at a time of critical coal shortage in Europe. This ban was not imposed on exports to Scandinavian countries. The British Government also refused to discuss any measures by which the impact of this ban might have been lessened.

In the federal enthusiasm of 1951 proposals were made to establish European Communities for Defence, Health and Agriculture under the general supervision of a European Political Community. The Defence Community had been directly inspired by a proposal made by Mr Churchill while in opposition to form a united European Army to cooperate with American and Canadian forces in NATO. However, the British Government refused to join any of these Communities, on the grounds that they all involved the application of the federal principle.

347
In 1954 Mr Churchill denied that his words had implied anything more
than the creation of a Grand Alliance of independent armies, and
blamed the French for adopting a constitutional approach. In 1954
the EDC and the associated Communities collapsed as a direct result
of British refusal to participate in the face of repeated warnings
from Paris. Only the Coal and Steel Community survived with its
prestige diminished and its authority imperilled. This debacle of
federalism restored to the United Kingdom the position of absolute
predominance in Europe which had in some measure been compromised
since 1950. However, in this period when the British Government could
have established any form of European organisation they wished, their
sole move was to modify the Treaty of Brussels to incorporate Germany
and Italy in an orthodox military alliance. The Western European
Union (WEU) thus formed bore the same relationship to the EDC as the
Council of Europe had to Mr Schuman's European Parliamentary Assembly:
in both cases the federal character of the institution had been
eliminated as a condition of British participation.

Hostility was barely veiled when the British Government
rejected in 1955 an invitation to participate in the work of the Speak
Committee to devise plans for a European Common Market and for a
European Organisation for the development of atomic energy. Both
schemes were attacked by British spokesmen throughout the whole
complex of European organisations, all of which at that time were
dominated by British representatives. The British Government objected
that the work of the Spaak Committee would weaken the OEEC. They pleaded that the Americans would not approve their joining Euratom and that they could not commit themselves to the Common Market idea without first consulting with the Commonwealth Governments. However, the approval of the Americans for the Spaak proposals had already been made clear and the Commonwealth Governments were in fact consulted only after decisions affecting them had been made.

The proposals for the Common Market and Euratom were in one sense more extensive than any previous manifestations of the Community idea. In another sense they were less so: they were presented as purely practical measures to safeguard the economic future of Europe: there was no suggestion of their involving commitment to either eventual political federation or to the principle of supranationality. It was undoubtedly the case that the association they envisaged would be binding and indeed inextricable. However, there was no question of reviving the practically ineffective international bureaucracy of the High Authority: development of the association would be subject to the constant overriding supervision of the Ministers of the participating Governments. The issue at stake was thus primarily the economic sovereignty of the participating Governments: it was whether they were prepared to abandon in common the techniques of international economic warfare of which the United Kingdom had made considerable use between 1947 and 1955. The Common Market would not encroach upon their political sovereignty in the traditional sense of control over their
external relations. However, this had already in some measure been abrogated in the WEU. It was not in any practical sense the political alignments of the European States which was in question; it was the manner in which they were prepared to do business with one another and with the world outside. At the same time the Common Market concept was based on the belief long held by the Netherlands Government that a customs union would provide the only means by which European Governments would be induced to commit themselves to an effective union: association might be sought initially for political purposes but it would be kept binding only if it were proved to be convenable to the economic interests of the participating Governments. In this Mr Beyen was essentially applying the principles on which M. Schuman had founded the ECSC.

The British Government appeared at first to be concerned only with the negotiations of an immediate commercial advantage. It was in these terms that Mr Macmillan explained to Commonwealth Finance Ministers his reasons for endorsing M. Rene Sergent's plan for a Free Trade Area of the OECD. Conducts of the negotiations was placed not in the hands of the Foreign Office who would necessarily have been concerned had any serious alignment with the Europeans been contemplated, but in the hands of the Paymaster-General and the hardened commercial negotiators of the Board of Trade. No political considerations were allowed at the outset to obscure the determination of the British Government to secure their competitive advantages in world markets against the Europeans. Effects of the Free Trade Area upon
Commonwealth exports of industrial goods were dismissed as immaterial. At the same time all arrangements for agricultural products were rigorously excluded from the negotiations. The Board of Trade officials seemed in fact to be concerned only with maintaining the system of importing cheap foodstuffs from the Commonwealth which enabled British industry to restrict its wage costs. For over twelve months they kept the negotiations stalemated by insisting on an attitude with regard to agriculture which was unacceptable to every primary producing country on the Continent. Only when the collapse of the negotiations was imminent did the British Government attribute political significance to the Free Trade Area: they claimed that it was essential to the preservation of the Western Alliance that the Common Market should be incorporated in the wider complex of European groupings. All these were still under British domination. However, the British Government offered no trade concessions to the end but instead threatened the Europeans with trade reprisals, the dissolution of NATO and the WEU and the withdrawal of the Army of the Rhine. This policy broke on three main factors: the complete unacceptability of the British policy on agriculture, the resolve of General de Gaulle that France should not participate in any international organisation unless it could meet the obligations involved, and the determination of the German and Italian as well as of the Benelux Governments that the Common Market should not be allowed to collapse. If France was not prepared to join both the Common Market and the Free Trade Area on the terms dictated
by Mr Maudling, the Free Trade Area would have to be based on other principles. The Europeans were strengthened in this resolve by evident support from the United States Government. This in turn implied that the British Government would not in fact carry out their threats to destroy the system of political and military alliances established in NATO and the WEU.

The British Government were not in a position to carry out even trade reprisals. Their first action when the Common Market entered into force was to commence negotiating bilateral agreements with the Europeans to safeguard British trade. At the same time they directly threatened with trade reprisals Commonwealth and European countries which might be contemplating similar steps. They hastily pursued a Swiss initiative to set up a European Free Trade Association of countries which for various reasons had not joined the Common Market. Of the seven eventual members of this Association, Sweden, Switzerland and Austria had stayed out of the Common Market to preserve their political and economic independence and their high standards of living; Denmark and Norway because of their dependence upon the United Kingdom market; and Portugal because of its being underdeveloped and unacceptable to countries committed to the principles of the Rome Treaty. The one feature which they possessed in common was that of being outside the Common Market. In creating this organisation the British Government abandoned virtually all the principles to which had brought about the collapse of the Free Trade Area. Concessions were
made to Norway and to Denmark which had never been offered to France or Germany. Special arrangements for agricultural products were allowed, Commonwealth preference waived for the Danes and local interests sacrificed for the Norwegians. The purpose of this démarche was stated to be to establish a favourable position with which to negotiate with the Common Market Six for the establishment of an eventual multilateral solution to European trading problems.

Success of this policy naturally required that the Six should themselves be prepared to negotiate. It was foredoomed from the outset by the adoption by the Common Market countries of a policy of avoiding discrimination by global liberalisation of their trade with third countries. Removal of barriers to trade within the Common Market was accompanied by the extension of tariff and quota concessions to all members of GATT and IMF. This policy was of course undertaken in the knowledge that an intensification of regional discrimination would be unacceptable to the United States whose balance of payments deficit was rapidly increasing. The British Government were again in a dilemma: during the Free Trade Area negotiations they had attacked the Six for restricting the movement of world trade; they were now required to attack them for restricting it insufficiency.

This policy was actually adopted. In one of the most serious of their miscalculations in this period, the British Government ignored proposals from the Six to create a European Economic Association and again threatened the dissolution of existing military alliances if the
Six persisted in their policy of global liberalisation. In March, 1960 the EFTA Ministers announced that they would regard as a hostile act a proposal by the Six to move more rapidly towards the establishment of their common external tariff while at the same time extending sweeping tariff and quota concessions to the world outside. This demarche was promptly followed by statements of unequivocal support from Washington for the programme of the Six.

The British Government immediately abandoned their policy of active opposition towards the development of Community Europe. Ministers who had formerly considered participating in the Common Market impossible now began to speak in terms of problems requiring solution. In June, Mr John Profumo made a somewhat untimely suggestion that the United Kingdom should join the ECSC and Euratom. It was thus recognised that economic federalism and the welfare state were no longer incompatible and that the Atlantic Alliance did not require that the United Kingdom should abjure any binding ties with the Continent. In July, Mr Selwyn Lloyd said that the old Free Trade Area idea would have to be abandoned. Thus the mercantilist concepts of the Board of Trade were in their turn discarded. Finally in October, Mr Edward Heath told a Conservative Party Conference that the United Kingdom could best contribute to the development of the Commonwealth if it were closely associated with the Common Market. The last of the apparently insuperable barriers of the last ten years had apparently been breached. A policy maintained by successive British Governments
since at least 1947 had finally been abandoned.

III

It is not immediately obvious why this policy should have been adopted in the first instance. At the same time the consistency with which it was applied cannot be doubted. There were of course several factors of temporary expediency to induce the British Government from time to time to reject advances to join in a Continental Union. Among these were the balance-of-payments crisis in 1947, the domestic political situation in 1950, and the obvious commercial advantages to be derived from the Free Trade Area proposals in 1957. However, these factors would not explain the opposition to the European Parliamentary Assembly, the EDC, the EPC, the Health Community or Euratom, none of which seemed likely on any account to affect any British domestic, economic or Commonwealth interest, or to commit the United Kingdom to any alignments in foreign policy to which it was not in fact already bound.

One obvious explanation for this policy of intransigence was suggested frequently by French commentators from 1950 onwards and by British economists such as Andrew Shonfield and Thomas Balogh after 1960. It was that successive British Governments had sought to exploit whatever advantages might be gained from the unquestioned position of the United Kingdom after World War II as the second economic and military power in the West and hence the most important ally of the
United States. This position could of course be maintained only for as long as no more powerful rival rose in the West. Such a rival could be formed in the foreseeable future only by the union of two or more major European States. Benelux itself could not constitute such a rival. Benelux plus France, Germany and Italy, or just France and Germany themselves, obviously could. A union of such strength would clearly appeal to American enterprise as a more profitable field for capital investment than the periodically stagnant British economy. At the same time for the British Government to participate in such a union would in effect be to abandon any claim to a special relationship with the United States; the United Kingdom would then appear simply as a member of a European bloc and not as an independent world power. Hence the situation that the United Kingdom could neither participate in an effective union nor condone participation in such a union by other European States. Hence also the necessity to seek to subsume any nascent federal or customs union in a looser alliance of which the United Kingdom could appear as the manifest leader. British intransigence in the crisis of the EDC can thus be explained by the determination to remain the strongest military power in Western Europe if the EDC did not come into being and the only independent military power if it did.

In all this manoeuvring the crucial factor was of course the attitude of the American Government; the game was lost as soon as the Americans recognised a European Union as an ally of greater importance.
than the United Kingdom. In March 1960 it was made clear that the Six had in fact displaced the United Kingdom in the estimation of the Eisenhower Administration. By the time President Kennedy was in office Germany by itself had outstripped the United Kingdom as the second economic power in the West. When Mr Macmillan asked President Kennedy if participation in the Common Market might not impair the special relationship between the United Kingdom and the United States the American President professed to be unaware that such a relationship existed. Nothing could have illustrated more vividly the failure of ten years' diplomacy. Nothing could have made it so essential that factors which had hitherto been supposed to be insuperable barriers to British participation should now admit of solution. The Commonwealth relationship, the welfare state, the world power status suddenly lost after March 1960 the paramount importance they had assumed in May 1950. The British Government had once favoured the principles of federal and customs union when they had merely been discussed as principles. They had found them abhorrent when it became a question of their practical application. The triumph of these principles after ten years of vicissitudes had made them acceptable again. M. Monnet had often commented on the talent of the British for recognising fact.
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