The Revival and Success of Britain’s Second Application for Membership of the European Community, 1968-71

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Abstract

On 19 December 1967, France formally imposed a veto on British entry to the European Community. The Labour government of Harold Wilson had applied for membership of the Community in May of that year, but the French, in accordance with the views of their President, Charles de Gaulle, implacably opposed enlargement negotiations. Yet just three and a half years later, in June 1971, accession negotiations between Britain and the Community recorded agreement on the critical issues, thereby removing the major diplomatic obstacles to British membership. Why this turnaround in fortunes occurred, and what contribution the governments of Harold Wilson and Edward Heath made to it, are the questions at the heart of this thesis.

In its analysis of these historic events, this thesis provides numerous new findings. It re-interprets British actions in relation to the controversial ‘Soames affair’ of February 1969. It demonstrates the impact of The Hague summit upon the cost of British membership, and shows how this influenced internal debate about the case for joining the Community. Fresh light is shed upon the critical phase of the accession negotiations between January and June 1971, both in regard to Pompidou’s actions and motivations, and the role of the May 1971 Heath-Pompidou summit in the successful outcome.

The thesis is based primarily upon British governmental sources held at the National Archives. The private papers of key participants have also been consulted, as well as parliamentary debates, political diaries, memoirs, and
newspapers. In addition, the papers for the presidency of Georges Pompidou, deposited at the Archives Nationales, are employed to illuminate French actions at the two pivotal moments of the accession negotiations: the impasse of March 1971; and the Heath-Pompidou summit two months later.
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### List of Abbreviations

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<th>Abbreviation</th>
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<td>AE/AEO</td>
<td>Ministerial Committee on the Approach to Europe/Official Committee on the Approach to Europe, June 1970 onwards</td>
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<td>AN</td>
<td>Archives Nationales, Paris</td>
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<tr>
<td>CAB</td>
<td>Cabinet Office Files</td>
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<td>CAP</td>
<td>Common Agricultural Policy</td>
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<td>CCAC</td>
<td>Churchill College Archives Centre, Cambridge</td>
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<td>CFP</td>
<td>Common Fisheries Policy</td>
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<td>COREPER</td>
<td>Committee of Permanent Representatives</td>
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<td>DNB</td>
<td>Oxford Dictionary of National Biography</td>
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<td>DOP</td>
<td>Defence and Oversea Policy Committee, June 1970 onwards</td>
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<td>EC</td>
<td>European Community</td>
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<td>ECSC</td>
<td>European Coal and Steel Community</td>
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<td>EEC</td>
<td>European Economic Community</td>
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<td>EFTA</td>
<td>European Free Trade Association</td>
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<td>EID</td>
<td>European Integration Department, Foreign Office</td>
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<td>EURATOM</td>
<td>European Atomic Energy Community</td>
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<td>EUR(M)/EURO</td>
<td>Ministerial Committee on the Approach to Europe/Official Committee on the Approach to Europe, until June 1970</td>
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<td>ES</td>
<td>Ministerial Committee on Economic Strategy</td>
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<tr>
<td>FEOGA</td>
<td>Fonds Européen d’Orientation et de Garantie Agricole</td>
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<tr>
<td>FO/FCO</td>
<td>Foreign Office/Foreign and Commonwealth Office</td>
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<tr>
<td>HMG</td>
<td>Her Majesty’s Government</td>
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<tr>
<td>HCD/HCP</td>
<td>House of Commons Debates/House of Commons Papers</td>
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<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
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<td>MISC</td>
<td>Miscellaneous Committees</td>
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<tr>
<td>NATO</td>
<td>North Atlantic Treaty Organisation</td>
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<tr>
<td>OPD</td>
<td>Defence and Oversea Policy Committee, until June 1970</td>
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<tr>
<td>OECC</td>
<td>Organisation for European Economic Cooperation</td>
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<td>OECD</td>
<td>Organisation for Economic Cooperation and Development</td>
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<tr>
<td>PREM</td>
<td>Prime Minister’s Office files</td>
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<td>PUS</td>
<td>Permanent Under-Secretary</td>
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<td>T</td>
<td>Treasury files</td>
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<tr>
<td>TNA</td>
<td>The National Archives, London</td>
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<td>TUC</td>
<td>Trades Union Congress</td>
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<td>WEU</td>
<td>Western European Union</td>
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<td>WGE</td>
<td>Working Group on Europe</td>
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Introduction

On 8 May 1967, Harold Wilson began a three day debate in the House of Commons on his government’s decision to apply for membership of the European Communities.¹ His speech was an 85 minute tour d’horizon of the potential consequences of British accession. Reaching his peroration, Wilson declared that, in asking the House to endorse the application, he was asking it ‘to take an historic decision’.² Sitting opposite Wilson was the man who, until recently, had been perhaps the most recognised champion of a British future in Europe, Edward Heath, leader of the Conservative Party. Just six years earlier, Heath had been the head of the British negotiating team during the first attempt to join the Community between 1961 and 1963. For this very reason, he questioned the proposition that Labour’s application was ‘historic’, and suggested that British membership should be seen as a ‘part of the wide sweep of European history’.³ To Heath, it was both natural and logical that Britain should be at the centre of the movement towards greater unity in Europe. In the coming years, as the 1967 application met with short-term failure, was then revived and finally brought to a successful conclusion, both men would seek to denigrate the value of the other’s contribution.⁴ Such

² Hansard, HCD, vol.746, 8 May 1967, col.1097.
politicking was purely superficial; one of the most important factors in the ultimate success of the application was the consistency of purpose to that end shown by successive Labour and Conservative governments, for which Harold Wilson and Edward Heath are primarily responsible.

Wilson’s pursuit of early British entry to European Community was to be curtailed by a French veto in December 1967. Three and a half years later, however, in the summer of 1971, it became clear that accession negotiations between Britain and the Community were heading for a successful outcome. The purpose of this thesis is to examine the roles played by the governments of Harold Wilson and Edward Heath respectively in securing the ultimate success of the application. This Introduction will briefly review the development of Britain’s relationship with the European Community from its origins in the early 1950s, through to 1967. It will then go on to explain the contribution of the thesis to the existing literature and the methodology which has guided the research upon which it is based.

**Britain and the European Community, 1950-67**

The European Community of the late 1960s and early 1970s was based upon three Communities formed during the 1950s. The first, the European Coal and Steel Community (ECSC), was the product of an initiative in June 1950 by the French foreign minister, Robert Schuman. He proposed an organisation which would pool Europe’s coal and steel industries within a supranational framework (one where national powers of decision are
transferred to shared international institutions). Schuman’s plan was principally targeted at the Federal Republic of Germany (FRG), but four other countries - Belgium, Italy, Luxembourg, and the Netherlands – also participated and the ECSC came into being in July 1952. The same six countries (hereafter referred to as ‘the Six’) went on to prepare a Treaty establishing a European Defence Community (EDC). The initiative once again came from France, on this occasion to deal with the vexed question of German rearmament, and once more, supranational principles were integral to it. In 1954, however, the French National Assembly rejected the treaty, throwing the nascent movement towards European unity into temporary crisis. But the momentum was regained the next year, when the foreign ministers of the Six met in Messina, Italy, and agreed to investigate the possibility of a European customs union and a European atomic energy authority. The ‘Spaak committee’ was established, under the chairmanship of Belgian Foreign Minister, Paul-Henri Spaak, to produce detailed proposals. At an historic ceremony in Rome in March 1957, the Six signed two treaties, one establishing the European Economic Community (EEC), the other a European Atomic Energy Community (Euratom). The EEC was to be the most important of the three Communities, providing not simply a customs

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union, but a prospective common market (a customs union plus other forms of market integration, such as agriculture and transport).  

At each stage in this process, Britain had the option to participate, but successive governments declined to do so. With each Community, the reasons for not doing so had their own specificity, but two main explanations lay at the heart of all the decisions. The first was London’s preference for a global foreign policy orientation, prioritising its Commonwealth and US relationships above its European role. The second was a preference for intergovernmental rather than supranational organisations in Europe. In the case of the EEC, Commonwealth concerns featured particularly strongly: participation in a European customs union seemed likely to mean the end of Commonwealth trade preferences, thus seriously undermining the political

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8 On terminology: in 1967 the institutions of the three Communities were merged to become the European Communities, but frequently referred to as just the European Community or EC. In British discourse, however, the terms EEC and ‘Common Market’ were still frequently used into the early 1970s. Stephen George, An Awkward Partner: Britain in the European Community, 3rd edn, (Oxford: Oxford University Press, 1998), p.2.


10 Milward, United, esp.2-3. Milward in fact goes further and argues that throughout the 1950s British policy towards Europe was determined by a ‘national strategy’, based on Britain’s US and Commonwealth relationships, as the best means to advance British security and prosperity in the long-term. See Milward, United, pp.1-9.

cohesion of the grouping.\textsuperscript{12} Within the Foreign Office, there was also a strong conviction that the attempt to create a European customs union would go the same way as the EDC, and be rejected by the French National Assembly.\textsuperscript{13} While this confidence of failure has been strongly criticised by historians, it is very unlikely that an expectation of success would have altered the British decision.\textsuperscript{14} The psychological adjustment necessary for British policy-makers to join the Six was at this stage too great, and would only be made after witnessing the success of the EEC and the damage that its success seemed likely to inflict upon British interests.

Having initially tried, and failed, to deflect the work of the Spaak committee into the intergovernmental Organisation for European Economic Cooperation (OEEC), which already existed for the purposes of trade liberalisation, London produced a more constructive proposal aimed at averting the danger of British exclusion from tariff-free trade among the Six whilst also enabling it to maintain Commonwealth preferences. This was a plan for a European Free Trade Area, in which the EEC would participate as a single bloc.\textsuperscript{15} Ellison argues that the proposal marked a genuine advance in British policy towards Europe, but that the seeds of its downfall lay in the fact that it threatened to unbalance the hard won agreements of the Six enshrined in the Treaty of Rome.\textsuperscript{16} The return to power in France of General Charles de Gaulle, the wartime leader of the Free French and self-defined opponent of

\textsuperscript{12} Ellison, \textit{Threatening}, pp.33-34.
\textsuperscript{13} Ibid., pp.17-18; Kaiser, \textit{Using}, p.42.
\textsuperscript{14} For criticisms see: Kaiser, \textit{Using}, p.60; Milward, \textit{United}, pp.180-181.
\textsuperscript{16} Ellison, \textit{Threatening}, pp.221-241.
integration, initially created doubts about the survival of the EEC, but these quickly proved unfounded. By mid-1958, talks over the Free Trade Area were already running into difficulties, and in December de Gaulle delivered the *coup de grace*, terminating the negotiations with the justification that Britain would not adhere to a common tariff. Britain went on to form the European Free Trade Association (EFTA) with six other OEEC members (Austria, Denmark, Norway, Portugal, Sweden and Switzerland), but this did little to grapple with the economic and political consequences of British exclusion from the EEC.\(^17\)

The precise reasons for, and timing of, Prime Minister Harold Macmillan’s decision to seek membership of the EEC have been extensively debated. Explanations vary from the desire to access the large and rapidly growing industrial markets of the Six, to the hope of creating an alternative to the Anglo-American relationship as a basis for Britain’s international role, and, conversely, a wish to ensure that British influence in Washington did not diminish.\(^18\) Account must also be taken of the gradual decline of the Commonwealth as a political asset, as a wave of decolonisation markedly reduced the scope of Britain’s extra-European responsibilities.\(^19\) Within Cabinet, however, significant reservations remained and Macmillan was forced to proceed cautiously. The decision taken by ministers in the summer

\(^{17}\) On the formation of EFTA, see Kaiser, *Using*, pp.100-107.


of 1961 was to seek negotiations in order to determine whether terms were available that would permit British entry. In particular, London wanted to avoid disruptive changes to its agricultural and Commonwealth trade policies.  

From the outset, it was clear that one of the principal dangers to the success of the negotiations lay in the ambiguous attitude of France. Ludlow argues that the conditional nature of the application, and a failure to make important concessions more quickly, undermined the best hope that London had of averting a veto by de Gaulle: to reach agreement on the major issues before his domestic position had been strengthened by the constitutional changes of autumn 1962. Macmillan made two attempts to forge a high-level understanding with de Gaulle: the first at Chateau de Champs in June 1962, and the second at Rambouillet in December of the same year. Historians have closely examined whether, and to what extent, Macmillan may have advanced the idea of an Anglo-French nuclear accord as a tacit *quid pro quo* for de Gaulle facilitating British entry. At a press conference on 14 January 1963, however, de Gaulle declared his opposition to enlargement in dramatic fashion. By virtue of its ‘nature’, ‘structure’ and ‘economic situation’, Britain was distinct from the Six, and its entry to the Community would be followed by that of other European states which also did not share the cohesion of the

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Six. The result would be a progressive metamorphosis of the EEC into a colossal Atlantic Community under American leadership. This was unacceptable to France, which wished the Community to remain a purely European ‘construction’.  

Three main explanations have been advanced for the veto. Bozo argues that the president wished to focus upon building a European system, centred upon Franco-German cooperation, able to strike positions independent to those of the US. De Gaulle saw Britain as too closely associated with American policies, rendering its membership of the Community contrary to his vision. Moravcsik, by contrast, emphasises France’s desire to safeguard the Community’s nascent Common Agricultural Policy (CAP): ‘de Gaulle vetoed British membership above all because Britain, a country with a domestic agricultural structure entirely different from that of France, was almost certain to block generous financing for the CAP’. Underlining the inter-relationship between political and economic considerations, Milward explains de Gaulle’s decision in terms of a clash between British and French strategies, with the British application threatening both French agricultural interests and its leadership of the Community.

While the failure of the first application was a bitter blow for Macmillan, one man emerged from the Brussels talks with his reputation enhanced: Britain’s

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24 Ludlow, Dealing, p.207-08.  
25 Bozo, Two, pp.89-94.  
27 Milward, United, pp.463-483.
chief negotiator, Edward Heath. While much ink has been spilt on the subject of Heath and Europe, a satisfactory interpretation regarding the nature and development of his views is still outstanding. The most convincing, for reason of their caution, remain those of Campbell and Young respectively. Many writers have seen his views as a product of early experiences travelling in 1930s Europe (including civil war Spain and Nazi Germany), followed by his involvement in the campaign to liberate North-Western Europe in the latter stages of the Second World War. More problematic is the thesis, be it implied or explicit, that there was a broad continuity in Heath’s convictions from the late 1940s onwards. For those who advance this view, his maiden speech to the House of Commons, calling for British participation in the Schuman Plan, is commonly cited in corroboration. There are, however, a number of problems with this. Most important, it is all too rarely noted that Heath was speaking in support of a Motion tabled by the Conservative leadership (Winston Churchill and Anthony Eden), and while this by no means indicates that Heath was not sincere in what he said, it raises questions about his motivations and whether his maiden speech really can be taken as a reflection of his strong

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30 For example: Campbell, pp.115; Young, Blessed, pp.216-220; Ziegler, Heath, p.68.  
commitment to European unity at this stage.\textsuperscript{33} Furthermore, there were a number of more senior Conservative ‘Europeans’ at this time (Bob Boothby, Harold Macmillan and Duncan Sandys being notable among them), often referred to as the ‘Tory Strasbourgers’, who favoured a more dynamic policy towards the continent but who did not support British membership of a European customs union in the mid-1950s.\textsuperscript{34} Similarly, there is no evidence that Heath supported participation in the EEC at the outset. And while in his memoirs Heath explains away this apparent lacuna by reference to his government responsibilities, Kitzinger (writing in the early 1970s) records that some MPs recalled that as Chief Whip in the mid-1950s, Heath ‘cheerfully sat on the more ardent Europeans’.\textsuperscript{35} Both Campbell and Young present the 1961-63 accession negotiations as the critical event which focussed Heath’s mind upon the objective which would ultimately define his political legacy.\textsuperscript{36} It was the experience of the Brussels negotiations, which did most to engender Heath’s subsequent determination to take Britain into the Community.\textsuperscript{37} In this context, his statement at the final meeting of the negotiators on 29 January 1963 has acquired a symbolic resonance: ‘We in Britain are not going to turn our backs on the mainland of Europe or on the countries of the Community. We are part of Europe by geography, tradition, history, culture

\textsuperscript{33} For Eden’s speech see Hansard, \textit{HCD}, 5\textsuperscript{th} series, 26 June 1950, cc1907-1924.
\textsuperscript{35} Heath wrote: ‘by convention, government Whips cannot speak in the House of Commons and Ministers do not trespass outside their areas of responsibility’. Heath, \textit{Course}, p.145.
\textsuperscript{36} Campbell, \textit{Heath}, pp.112-115; Young, ‘Heath’, p.260.
\textsuperscript{37} Ziegler, \textit{Heath}, p.131.
and civilisation. We shall continue to work with all our friends for the true
unity and strength of this continent'.

At the time of Labour’s election victory in October 1964, Harold Wilson, who
was hitherto identified with support for the Commonwealth, was an unlikely
candidate to renew Britain’s pursuit of EEC membership. At the time of the
first application, and in keeping with the official position of the Labour
leadership (Wilson was then Shadow Chancellor), his approach had been
steeped in ambiguity. In the Commons debate on the decision to enter into
negotiations, Wilson acknowledged the historic significance of the event,
comparing it to the repeal of the Corn Laws in the nineteenth century, yet
conceded that ‘in the sphere of world politics the importance of this issue
transcends even that of the Free Trade issue of 1846’. He went on to veer
between easy political point scoring and more positive engagement with the
fundamental questions: thus, on the need to safeguard New Zealand
exports, he remarked that ‘if there has to be a choice we are not entitled to
sell our friends and kinsmen down the river for a problematical and marginal
advantage in selling washing machines in Dusseldorf’, but on the question of
supranationalism that, ‘The whole history of political progress is a history of
gradual abandonment of national sovereignty. ... We abrogated it – some
would say that we did not abrogate it enough—when we joined the United
Nations. One cannot talk about world government in one breath and then

38 Ludlow, Dealing, p.226.
Labour’s 1964 election manifesto hedged the issue: it did not rule out entry in principle, but insisted that five conditions (protection for Commonwealth, EFTA and domestic agricultural interests, as well as freedom to pursue national economic planning and a national foreign policy) would need to be satisfied if Britain were to join.42

Whatever Wilson’s true views at this stage, there were obvious reasons why he should want to give the European issue a wide berth for some time after the 1964 election: the first application had provoked fissures within the Labour Party, and Wilson was naturally anxious to avoid provoking new tensions (he had witnessed first-hand the consequences of Labour division in the 1950s), especially given that the government’s majority was just four. And having been out of power for thirteen years, the principal interest of the new Labour prime minister was always likely to be domestic affairs. Parr and Young both point to movement in Wilson’s thinking in early 1966, but Parr also contends that the decisive event in propelling Wilson towards the second application was the July 1966 sterling crisis, which forced the government to restrict public spending, to the detriment of its domestic agenda, and encouraged the prime minister to embark upon this new policy initiative.43 If the July sterling-crisis acted as a short-term trigger, the fundamental reasons for the application were rooted in the growing pressures upon Britain’s international position and influence. If these had

41 Ibid., col.1665 and col.1667.
been apparent in 1961, the situation had only been compounded by the continuing lag in British economic performance relative to France and Germany.\textsuperscript{44} Labour had entered government promising Commonwealth rejuvenation, but it was soon confronted with the reality of an increasingly disparate and diffuse organisation, prone to crises and with little scope for meaningful British leadership.\textsuperscript{45} The weakness of the balance of payments also forced the government to envisage major changes in Britain’s defence posture ‘East of Suez’, which had acquired symbolic importance as the last vestige of Britain’s global role.\textsuperscript{46} Europe appeared increasingly to be the framework within which Britain would have to operate. It was thus that between January and March 1967, Wilson and his fervently pro-membership Foreign Secretary, George Brown, embarked upon a tour of Community capitals to determine whether the conditions existed that would enable Britain to join.\textsuperscript{47} In the spring of 1967, the Labour Cabinet intensively debated whether to make a renewed application and after much dispute, Wilson was able to overcome the ministerial doubters by arguing that there was no alternative to British membership in the long-term.\textsuperscript{48} By implication, it was better for Labour to take the decision, than to leave the subject free for Heath and the Conservatives to make electoral capital from the issue. On 2 May


\textsuperscript{46} On the relationship between Britain’s withdrawal from East of Suez, Anglo-American relations, and the decision to apply for EC membership, see J. Ellison, \textit{The United States, Britain and the Transatlantic Crisis: Rising to the Gaullist Challenge, 1963-68} (Basingstoke: Palgrave Macmillan, 2007), pp.139-163.


\textsuperscript{48} Ellison, \textit{United}, p.149; Parr, \textit{Britain’s}, pp.129-151; Young, \textit{Labour}, pp.151-152
1967, Wilson announced the decision to the House of Commons. A three day debate commenced a week later and culminated in a massive display of support, with the application being approved by 488 to 62.

At a press conference shortly afterwards on 17 May, de Gaulle signalled his continuing scepticism towards the British membership bid. His words seemed less dogmatic than in January 1963; he remarked that he did not wish to ‘prejudice the issue of negotiations’, and that there had ‘never been any question of a veto’. The question was whether Britain’s desire to join the Six was ‘possible within the framework of the Common Market as it now exists, or could be achieved only within another framework should this be desired’. Wilson pushed on, travelling to Grand Trianon the following month in an attempt to do what Macmillan had not – persuade de Gaulle to permit British entry. He found the General in ‘gloomy and apocalyptic mood’, his attitude seemingly more inflexible than his May statement had revealed. London’s close relationship with Washington was once more cited as critical. Wilson raised the possibility of Franco-British cooperation in defence and technology, but de Gaulle remained implacable.

In July George Brown presented the British application at a meeting of the Western European Union (WEU, an intergovernmental organisation, constituted by Britain and the Six, the main focus of which was defence questions). Brown’s speech laid particular stress on a British desire to develop European political unity (i.e. cooperation in foreign policy). More

51 Ellison, United, pp.165-166.
controversially, however, he stated that Britain would wish to participate in the Community’s negotiations on the financing of the CAP which was due to be settled at the end of 1969. British concern on this score stemmed from the probability that existing Community rules would result in London making large contributions to the common agricultural fund, but because of the small scale of British agriculture, receiving very little in return. It was a brave but perhaps foolhardy move to declare this objective so openly in advance of negotiations; as has been seen, given the benefit which France derived from the policy, few British requests were more likely to stir opposition to enlargement in Paris than a desire to participate in the detailed formulation of CAP finance. The question was also raised by the Commission in its October Opinion on the applications for membership, pointing to the need for ‘balance’ between the contributions of Britain and other member-states, without undermining the principles upon which the existing system was based.

How far this influenced de Gaulle’s veto of the second application is, as with the first, a matter of debate.\textsuperscript{56} In 1967, however, France would not even permit enlargement negotiations to begin. Capitalising upon the Wilson government’s decision to devalue sterling on 18 November, de Gaulle once again declared his opposition to enlargement in present circumstances at a press conference in the Élysée on 27 November.\textsuperscript{57} The Commission’s Opinion had laid particular stress upon Britain’s financial problems which de Gaulle was also able to use in support of his contention that ‘The Common Market is incompatible with the state of Sterling ... combined with the Pound’s character as an international currency and the enormous external debts weighing on it’.\textsuperscript{58} The French veto on negotiations was then formally manifested at a meeting of the EC Council of Ministers on 19 December where the ‘friendly Five’ continued to back the membership applications, but as the Communiqué of the meeting made clear: ‘One member state ... expressed the opinion that this enlargement would modify profoundly the nature and ways of administering the Communities’. Accordingly, the Council was not in a position to invite the candidates to begin negotiations, but the applications would remain on its agenda.\textsuperscript{59}

\textbf{From veto to success: the contribution of this thesis to the historiography of British EC entry}

The story of the decision to apply, and the prosecution of the second application up to the December 1967 French veto, has been the subject of numerous recent studies. The purpose of this thesis is to carry forward the story from the veto, through the decision to open enlargement negotiations in June 1970, to the point at which, in the early summer of 1971, it became clear that the negotiations, and therefore the application, were going to succeed. The dominant theme in British diplomacy throughout this period was the question of French opposition to enlargement. As will be seen, despite the resignation of de Gaulle in April 1969, and the decision of his successor Georges Pompidou to lift the veto on enlargement negotiations at The Hague summit, it remained far from clear that France’s opposition to enlargement was at an end. Subsequent developments fostered this apprehension further, and when the accession negotiations reached impasse in the spring of 1971, it appeared possible that a French technical veto – which would insist upon terms that the British government would be unable to accept – might replace the political veto of December 1967. At a summit meeting between Heath, Prime Minister since the general election of June 1970, and Pompidou dispelled such doubts and led to the resolution of the principal issues during two crucial ministerial negotiating meetings the

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following month. It was the combination of these events in May-June 1971 –
the revelation of France’s political commitment to enlargement, and the
settlement of the main negotiating problems – which meant that in the early
summer of 1971 it became clear that the application was going to succeed,
and it is this fact which explains the decision to conclude the thesis at the
end of June 1971. While a ‘clearing-up’ phase of the negotiations continued
until January 1972, during which the complicated question of fisheries had to
be resolved, the political atmosphere in which these talks took place was
transformed. Consequently, from July 1971, the main focus in the
government’s pursuit of entry shifted from the diplomatic aspects of entry to
the pursuit of parliamentary ratification. But this year-long domestic battle
must await separate treatment. It is the diplomacy of British entry, from the
veto of 1967 to the decisive negotiating meetings of June 1971, which is the
centre-piece of the present study. Alongside this, a secondary line of enquiry
will be the motivation for joining the EC during both the Wilson and Heath
governments, thus extending the historiographical debates surrounding the
determinants of British European policy since 1945.

The literature examining British policy and diplomacy in the period 1968-71
can broadly be divided between those that focus upon Harold Wilson (up to
the general election of June 1970), and those that look at Heath’s

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61 See Con O’Neill’s division of the negotiations into three distinct phases: An ‘opening’
phase of ‘exploration exposition and manoeuvre, in which few decisions were reached’,
lasted between June and December 1970. Then the ‘decisive’ phase, between January and
June 1971, resulted in ‘back of the negotiations’ being broken. Then, the July 1971 to
January 1972 represented ‘a phase of clearing-up, consolidation and conclusion’. D.
Hannay, Britain’s entry to the European Community: Report on the Negotiations of 1970-72
contribution to British entry thereafter. The exceptions to this rule can be found in studies that adopt a bilateral or multi-national perspective. One aim of this thesis is to demonstrate the artificiality of the Wilson-Heath division. In less specialised literature, the myth still persists of a ‘third application’, tabled by Heath immediately after the general election. More fundamental, is the narrative of Heath’s decisive, even indispensable, role in the success of the application, implicitly (and necessarily) distinguishing him from Wilson. The parameters of this thesis are designed to highlight that the success of the application cannot be reduced to Heath and the negotiations of 1970-72, but needs to be viewed as part of a political context, shaped by both the events of 1967 (already recounted) and particularly by developments in 1968-70. In this, it builds upon the work of other diplomatic

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historians writing about the late 1960s, but as part of the first wave of writers to deal with the archives on Heath and the second application, the thesis seeks to influence future British historiography by demonstrating that the balance in the narrative of EC entry ought to rest as much upon this earlier period as the eye-catching events of 1971.

For the more specialised reader, the thesis also presents a number of significant new findings. The first three chapters deal with revival of the application under Harold Wilson. Currently, the principal work on this subject is Pine’s *Harold Wilson and Europe: Pursuing Membership of the European Community*. While Pine’s is certainly a very valuable account of the period in question, this thesis revises her analysis in two important ways. Chapter 1 shows that British policy and tactics during de Gaulle’s final months in power were more contested than her study reveals. By the end of 1968, a debate was emerging over future policy, which gathered momentum as a result of the ‘Soames affair’ of February 1969, and which had its heart the possibility of significant alterations to London’s existing approach. This internal debate was only stayed by the resignation of de Gaulle in April 1969. Chapter 2 then presents a new analysis of British diplomacy in the lead up to The Hague summit, in which as much attention is paid to the question of Community finance as to the withdrawal of the French veto on enlargement negotiations. It will show what has not before been seen: that in the lead up to the summit, Britain sought to influence the Five in the hope of preventing agreement on a
permanent regulation.\textsuperscript{65} The failure of this diplomacy, and subsequent attempts to influence the detailed definition of the regulation, ensured that Community finance would be one of the central battlegrounds of the enlargement negotiations. Chapter 3, while broadly consistent with existing interpretations of Wilson’s European views, provides new insights into his approach to the EEC application on the eve of negotiations. It emphasises the altered context brought about by the deterioration in public opinion towards the EEC application in early 1970, as well as the potentially formidable balance of payments implications of joining which were highlighted by the February 1970 white paper. In spite of this, and some equivocal statements made in the context of the forthcoming general election, the chapter shows that Wilson’s determination to bring about a successful conclusion to the application was unabated.

The second half of the thesis explores Heath’s role in the success of the accession negotiations, which began on 30 June 1970, just twelve days after the general election. While there is a significant body of literature on this subject already, much of it was written without access to official archives. Of the two that are, Con O’Neill’s report is based only upon Foreign Office files and is written from a Foreign Office perspective. In particular, his treatment of the crucial period between May and June 1971 suggests that he was not privy to the record of the critical Heath-Pompidou summit (the record of which was not transmitted beyond Downing Street), with the result that his explanation of this crucial meeting and its impact upon the decisive

negotiating meetings in June is in need of substantial revision. Rücker has examined the accession negotiations within a trilateral Anglo-French-German perspective, and is therefore complementary to this study; her work on the British side being limited by the fact that she does not utilise either Cabinet minutes and memoranda, or the files of the European Integration Department in the Foreign Office.

Chapter 4 will thus explore the EEC related dynamics within the Heath government, and its early exchanges with the Six in the period June to December 1970. Little has previously been written about the how the EEC application played out within the Conservative Cabinet, and the chapter will show that the case for British entry was brought into question by the issue of British payments to the Community budget, just as it had been under Wilson, and that Heath sought to deal with this internal difficulty in a very similar way to his predecessor: by deferring it.

In its final two chapters, this thesis will itself increasingly adopt an Anglo-French perspective. It does so because it is clear that the success of the negotiations in Brussels rested on a bilateral reconciliation between London and Paris. Here, the thesis employs the presidential papers of Georges Pompidou to gain an all-important French primary source perspective on a story which has until now largely been told using British sources. Chapters 5 and 6 thus explain the development of the negotiations in the crucial six months of January to June 1971. Chapter 5 will show how and why an

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66 Hannay, Britain’s.
67 Rücker, ‘triangle’.
impasse arose in the accession negotiations during the first quarter of 1971. It will argue that it was deliberately inspired by Pompidou, partly to demonstrate the need for a summit meeting with Heath. It will also examine the British reaction to the impasse, and the secret Anglo-French conversations which resulted in a meeting of seminal importance to the negotiations: the Heath-Pompidou summit of May 1971. Chapter 6 will then provide a detailed analysis of the summit, surpassing previous accounts of how it led to the resolution of the major negotiating problems in June.

The research on which this thesis is based primarily rests upon British official sources held at The National Archives. This includes minutes and memoranda of Cabinet and Cabinet committees, the files for the Prime Minister's office, the Cabinet Office, Foreign and Commonwealth Office and Treasury. It also makes use of Hansard parliamentary debates and command papers, the private papers of a number of key ministers and officials, interviews with witnesses, memoirs and diaries. As has been noted, the presidential papers of Georges Pompidou (including those of his technical adviser, Jean-René Bernard) are utilised in Chapters 5 and 6 to explain Pompidou’s approach to the accession negotiations. In keeping with the approach of the thesis as a whole, however, the greater weight of analysis will continue to fall upon British attitudes, policies and diplomacy.
Chapter 1

‘Poker with the General’¹

Britain, Europe and de Gaulle

January 1968 to April 1969

The French veto of December 1967 provoked a Community crisis that was both deeper and longer than that which followed the veto of 1963, with the result that the question of EC enlargement remained at the forefront of European affairs throughout 1968 and into 1969.² The crisis of the Six offered scope for Britain to play an activist role in European diplomacy, to maintain the momentum gained during 1967, and to attempt to preserve the isolation of France because of its veto. Much of this has been recounted in existing studies, yet British policy in 1968-69 was also more contested than has previously been revealed.³ From late 1968, the new ambassador to Paris, Christopher Soames, began to advocate a more conciliatory approach to France, ideas which soon began to find interest in London.⁴ When Charles de Gaulle then stunned the British by proposing Anglo-French talks with a view to the possibility of major changes in the existing architecture of West European politics, the question of British policy towards France was posed in

¹ TNA/PREM13/2628, Palliser to Wilson, 5 February 1969.
² Ludlow, *European*, pp.146-173.
⁴ TNA/PREM13/2641, Soames to Stewart, 13 November 1968; TNA/FCO30/395, Chalfont to Stewart, 19 December 1968; TNA/PREM13/2641, Wilson handwritten minute, on Palliser to Wilson, 23 December 1968.
a more acute and immediate form.\(^5\) London’s response, by informing the Five of the French proposal, was to create a sensation, and reflected the dominance of FCO thinking at the time. Yet de Gaulle’s ideas were to give impetus to those who favoured changes in British diplomatic tactics. Indeed, by April 1969, a major debate was beginning about Britain’s future European strategy, with thoughts of reviving the French offer of talks increasingly ascendant.\(^6\) The debate was only cut short by de Gaulle’s resignation on 28 April, as the prospect of early entry to the Community came to the fore.

This chapter revises existing understanding of British policy during the veto period and proceeds in three stages.\(^7\) In the first part, it will examine internal thinking on Britain’s approach to Europe and how best to respond to France’s opposition to enlargement in the year from January 1968 to January 1969. It will then re-examine the Soames affair, emphasising both Wilson’s uncertainty about how to handle the French approach, and his subsequent use of it as a means to contribute to French isolation. The final part of the chapter will show that Wilson was among those who began to question the wisdom of London’s reaction to de Gaulle’s offer, and will delineate how this debate unfolded between March and April 1969.

\(^5\) TNA/PREM13/2628, Paris to FCO, tels.121-125, 5 February 1969  
\(^6\) TNA/PREM13/2641, Record of a Meeting (hereafter ROM), Wilson, Stewart, Soames, 26 March 1969; TNA/FCO30/421, Greenhill to Chalfont, 8 April 1969; TNA/PREM13/2629, Wilson handwritten minute, on Youde to Wilson, 10 April 1969.  
\(^7\) The chapter goes beyond what has been said by either Pine, Harold, or Rücker, ‘triangle’.
In February 1968 Cabinet carried out a fundamental appraisal of British foreign policy, concluding, as it had done in the previous year, that there was no satisfactory alternative to full membership of the European Community.\textsuperscript{8} The review was triggered in January 1968 by expressions of unease regarding the direction of British diplomacy in the post-veto context.\textsuperscript{9} In the month following the Community Council meeting of 18-19 December, at which France had made clear it was unwilling to allow negotiations with Britain to be opened, Foreign Secretary George Brown had been involved in an ongoing effort to co-ordinate with the Five and isolate France over the question of enlargement.\textsuperscript{10} This activity had culminated in the Benelux proposals of January 1968, calling for consultations between the Six and the applicant states over Community policies and for joint ‘action’ in areas which fell outside existing Community competences.\textsuperscript{11} To some ministers, this concentration on relations with the Five seemed of dubious value in a context where British entry to the EC appeared impossible for some time to come. It was argued that in the new situation created by the French veto, Britain might do better to focus on its relationships with partners other than the Five.\textsuperscript{12} There seemed plenty of alternative diplomatic avenues to pursue: relations with the United States and the Commonwealth were both in need of

\textsuperscript{8} TNA/CAB129/136, C(68)42, 23 February 1968; TNA/CAB128/43, CC(68)15\textsuperscript{th}, 27 February 1968.
\textsuperscript{9} TNA/CAB128/43, CC(68)9\textsuperscript{th}, 18 January 1968.
\textsuperscript{10} For more detail, see Pine, \textit{Harold}, pp.36-46.
\textsuperscript{12} TNA/CAB128/43, CC(68)9\textsuperscript{th}, 18 January 1968.
attention following the decision to accelerate withdrawal from East of Suez; EFTA continued to provide Britain with economic advantages in Western Europe, and there was ongoing potential for improving trade links with the countries of Eastern Europe. While the Cabinet minutes do not specify which ministers raised concerns, there were a number of individuals who had felt uneasy about the original decision to apply (including senior figures such as Barbara Castle, Richard Crossman and Denis Healey) and for whom the French veto might have appeared a good reason to lessen the priority currently accorded to diplomatic action with the Five. In his diary, Benn records that there were ‘a lot’ of ministers who expressed misgivings and that he too ‘urged that we should pause and reflect [on] what our view should be.’

From the outset there was, however, little prospect of the review leading to changes in the Community focus of British foreign policy. The question of whether or not to seek membership had been exhaustively examined in the spring of 1967, and the decision to do so had been taken in full consciousness that a French veto was possible, even likely. Wilson had secured Cabinet support by arguing that Community membership offered the only satisfactory framework for British foreign policy over the long-term, that an application at some stage was therefore inevitable, and that French opposition should not be seen as an impediment to doing so in the short-

13 Ibid.
14 Parr, Britain’s, pp.135-37 and p.146; Pine, Harold, p.20 and 53; Young, Labour, p.151. Other potential critics included Peter Shore, Fred Peart and Richard Marsh.
16 Parr, Britain’s, pp.131-147; Young, Labour, pp.151-52, Ellison, United, p.149.
term. It was easy to extend this logic into the post-veto situation: if EC membership was the ultimate objective, Britain should simply keep pressing its application until France gave way. And it was a policy supported by the four most senior ministers: Wilson, Brown, Roy Jenkins (the Chancellor of the Exchequer) and Michael Stewart (First Secretary of State). Any attempt to alter the direction of policy would have to overcome this consensus at the top of government.

The basis of the review was a paper submitted to Cabinet by Brown, representing a synthesis of Foreign Office thinking about the future of British power. The FO had been a consistent supporter of British entry to the Community since the early 1960s, but the importance ascribed to Europe within the overall framework of British foreign policy had gradually increased as Britain’s economic strength and political influence had declined. The essence of the Foreign Office view was that Britain could no longer play a major international role on its own, and that it needed to be associated with ‘a much larger power system than we ourselves possess’. That power

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17 Parr, Britain’s, pp.135-137.
19 TNA/CAB129/136, C(68)42, 23 February 1968; TNA/FCO49/13, Permanent Under-Secretary’s Steering Committee (hereafter PUSC), memorandum attached to SC(68)3, 29 January 1968.
21 TNA/FCO49/13, PUSC memorandum attached to SC(68)3, 29 January 1968.
system should be Western Europe. An increased concentration on Europe did not, however, weaken the FO’s commitment to the more traditional mainspring of British foreign policy: Atlanticism.\(^\text{22}\) The aim of partnership between Europe and the United States was still integral to British strategy. Reflecting this thinking, Brown’s paper argued that Britain should seek ‘to produce a Western Europe which is stronger and more cohesive than at present and which, generally speaking, expects to act in harmony with the United States’. The EC represented ‘the basis of such an effort’ and Britain ‘should bend every effort to join the European Communities at the earliest possible moment’. To this end, London should both support, and participate in, diplomatic initiatives such as the Benelux proposals. This would reduce British ‘isolation’ in the interim, and, potentially, if sufficient pressure could be exerted, France ‘might come to think that the damage to them of keeping us out is greater than the risks of letting us in’.\(^\text{23}\) Presenting the paper to Cabinet, Brown underlined his hope that Western Europe would develop ‘into a power-structure able to exert world-wide influence in defence of its interests’\(^\text{24}\).

The Defence Secretary, Denis Healey, was given the first opportunity to respond. He agreed with Brown that British policy must be ‘Europe-based’, but he stopped short of the conclusion that Britain must therefore join the Community. Britain’s principal objectives should be prosperity and security at


\(^{23}\) TNA/CAB129/136, C(68)42, 23 February 1968.

\(^{24}\) TNA/CAB128/43, CC(68)15\(^\text{th}\), 27 February 1968.
the lowest cost, to which end Community entry represented just ‘one means’. He doubted whether the EC could be turned into an organisation ‘through which we could influence world affairs’, and felt that in future London should concentrate less on the objective of entry. For Healey, it was still ‘premature’ to try and reach conclusions about future policy, but ‘careful thought’ needed to be given to the subject moving forward.25 There was little Cabinet discussion beyond this (a reflection less of the support for Brown’s paper, than an inability on the part of the sceptics to present a coherent critique around which others could rally). One of the potential critics, Crossman, was not present, and only Castle appears to have made a significant contribution. In her diary, she recalled ‘burst[ing] out with one of my usual diatribes’, only to be met with ‘deathly silence’ from her colleagues.26 Castle’s account accords with the minutes of the meeting, which do not attribute comments to individuals, but in which there does appear to be a solitary, sceptical intervention. It was argued that ‘membership of the EEC was now blocked for some years and was not necessarily the best option open to us’. The Kennedy Round had significantly mitigated the harmful effects of the Community’s common external tariff, and Britain should not overlook the advantages it accrued from EFTA and the Commonwealth. If, as Castle’s diary suggests, silence did follow, it was then filled by a repetition of the argument that there was no ‘viable alternative’ to Community membership and that ‘neither EFTA nor the Commonwealth could be sufficiently strengthened’.27 The outcome was captured in Wilson’s summary that ‘we’ve

25 Ibid.
26 Castle, Diaries, entry for 27 February, p.382.
27 TNA/CAB128/43, CC(68)15, 27 February 1968.
had a pretty uneventful, not to say dull, debate': Brown’s paper was approved, but it had by no means received a resounding endorsement.  

Shortly after, in mid-March 1968, Brown was to resign from Cabinet over Wilson’s handling of the gold crisis.  

His replacement, Michael Stewart, had been foreign secretary between 1964 and 1966, during which period he had pressed Wilson to look more favourably at the prospect of Community membership.  

He thus seemed certain to be a continuity figure as far as Europe was concerned, albeit with a more sober style (both literally and metaphorically) than his colourful predecessor.  

Stewart’s principal adviser with regard to European policy would be Patrick Hancock, himself only promoted to the post of deputy under secretary in the FO in February 1968.  

With the resignation of the man who would have led Britain’s negotiations with the Community had they opened in 1967, Con O’Neill, in March, Hancock became the lead official concerned with British-EC relations.

Under Brown, the Foreign Office had been looking to make progress on the Benelux proposals.  

Hopes of early advances had been frustrated, however, by Germany’s desire to investigate the possibility of a trade arrangement

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28 Castle, Diaries, entry for 27 February, p.383; TNA/CAB128/43, CC(68)15th, 27 February 1968.  
33 TNA/CAB129/136, C(68)42, 23 February 1968; TNA/CAB128/43, CC(68)15th, 27 February 1968.
between the Community and the applicant countries.\textsuperscript{34} The FO was
instinctively sceptical about this prospect, believing that France would ensure
that any negotiations were protracted and potentially desultory, and that in
the meantime attention would be deflected from the question of British
membership.\textsuperscript{35} But the fact that Bonn was the principal sponsor of the idea
meant that London could not simply adopt a sceptical attitude. Throughout
1968, Germany proved reluctant to let arguments over enlargement damage
its bilateral relationship with France, or hinder the internal development of the
Community.\textsuperscript{36} Thus, British reluctance with regard to the trade arrangement
would reduce the pressure on Bonn to support initiatives such as the
Benelux proposals. In addition, Anthony Crosland, the president of the Board
of Trade, urged that Whitehall should not discount the possibility that such an
arrangement might offer Britain some advantage.\textsuperscript{37} Britain therefore made
clear that it was prepared to consider any proposal emanating from the
Community, provided it had the support of the Six as a whole and was linked
to eventual British accession.\textsuperscript{38} With Belgium, Italy and the Netherlands also
insisting that a trade arrangement must be linked to British entry, the months
from March to September witnessed a protracted attempt to induce Paris to
declare its position.\textsuperscript{39} It was not until the Council of Ministers meeting on 27
September that the new French Foreign Minister, Michel Debré, finally
conceded that his government was unwilling to permit a link between a trade

\textsuperscript{34} See Ludlow, \textit{European}, p.147-9.
\textsuperscript{35} TNA/CAB134/2805, EUR(M)(68)6, Memorandum by Stewart, 17 May 1968;
TNA/PREM13/2113, Robinson to Hancock, 17 September 1968.
\textsuperscript{36} Ludlow, \textit{European}, pp.163-6.
\textsuperscript{37} TNA/CAB134/2805, EUR(M)(68)7, Memorandum by Crosland, 20 May 1968;
TNA/CAB134/2805, EUR(M)(68)2\textsuperscript{nd} Meeting, 21 May 1968.
\textsuperscript{38} TNA/PREM13/2112, FCO to Certain Missions, tel.68, 14 March 1968.
\textsuperscript{39} TNA/PREM13/2113, RoC Stewart, Brandt and Harmel, 9 July 1968; TNA/PREM13/2113,
Robinson to Hancock, 20 September 1968; Ludlow, \textit{European}, pp.149-152.
deal and British accession.\textsuperscript{40} As a result, while Germany continued to harbour hopes of resuscitating the plan, the Benelux countries and Italy now felt free to pursue other avenues, and the opportunity presented itself for Britain to play a more assertive role in the post-veto diplomacy.\textsuperscript{41}

On 3 October, the Belgian Foreign Minister, Pierre Harmel, took the initiative by advocating a modified version of the Benelux proposals. The Harmel plan called in particular for an attempt to establish new procedures for cooperation on European political and defence issues within the Western European Union (WEU).\textsuperscript{42} The proposal was first discussed on a Seven-power basis at the Rome meeting of WEU on 21-22 October.\textsuperscript{43} Stewart reported to London that the French approach had been ‘completely negative in substance and offensive in tone’.\textsuperscript{44} In consequence, representatives of Britain and the Five met without France for the first time since the veto crisis of January 1963, and discussed how Harmel’s ideas should be taken forward. Stewart now took the lead in pressing for continued action without France, and at a further meeting in New York on 14 November it was agreed that the Italians should prepare a report on the establishment of new procedures for political consultation to be considered at the next WEU meeting in February 1969.\textsuperscript{45}

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\textsuperscript{40} The Times, 28 September, p.1; TNA/PREM13/2113, EEC to FO, tel.340, 27 September 1968.
\textsuperscript{41} TNA/PREM13/2113, FO to Brussels, tel.1341, 1 October 1968; TNA/PREM13/2627, UN New York to FO, tels.2490-2492, 13 October 1968.
\textsuperscript{42} Dujardin, ‘Failed’, p.30.
\textsuperscript{43} Ibid., p.32.
\textsuperscript{44} TNA/PREM13/2627, Rome to FCO, tel.1007, 22 October 1968.
\textsuperscript{45} TNA/PREM13/2627, Rome to FCO, tel.1006, 22 October 1968; TNA/PREM13/2627, Brussels to FCO, tel.544, 14 November 1968. For a detailed account of the British part in this diplomacy, see Pine, Harold, pp.92-97.
\end{flushright}
The reasons for British participation in the Harmel plan remained fundamentally the same as those which had motivated British support for the Benelux proposals: to maintain the momentum behind Britain’s application to join the Community and to apply pressure to France over its continued opposition to enlargement. This was intimately connected to another tactical objective: to prevent the Community developing in ways that would make subsequent British accession more difficult (for instance, through agreement on a permanent mechanism for financing of the CAP). In the Foreign Office, this situation came to be known as the ‘double veto’; France was able to block British entry to the EC, but by continuing to press its application, Britain would seek to hold-up the Community’s internal development.

One historian has recently labelled British diplomacy between late 1968 and early 1969 as ‘Wilson’s anti-French approach’. It is more accurate to refer to a Foreign Office anti-French approach, spearheaded by the powerful combined intellects of Patrick Hancock and the head of the European Integration Department, John Robinson. Throughout 1968, it was the FO which took the lead in formulating and implementing British policy towards Europe, and, as will be seen shortly, this was not always synonymous with Wilson’s thinking. By the close the year, differences between Downing Street

46 TNA/FCO30/395, Hancock to Maitland, 30 October 1968.
47 TNA/CAB134/2805, EURM68(6), 17 May 1968; TNA/PREM13/2113, Robinson to Hancock; 20 September 1968.
48 TNA/FCO30/395, draft memorandum, following Morgan to Robinson, 3 January 1969.
49 Möckli, European, p.24.
50 TNA/PREM13/2113, Hancock to Gore-Booth, 10 July 1968; TNA/PREM13/2113, Robinson to Hancock, 20 September 1968; TNA/FCO30/395, Hancock to Maitland, 30 October 1968; TNA/PREM/2627, paper under Hancock to Soames, 7 January 1969; TNA/FCO30/418, Robinson to Maitland, 25 March 1969.
and the Foreign Office were increasingly visible. In the early autumn, however, the FO line remained unchallenged. Its approach to the linked questions of British policy towards Europe and relations with France are captured in two minutes written by Hancock. The first, in July 1968, before the launch of the Harmel Plan, advocated sustained diplomatic activity in order to keep the question of British EC membership alive:

The fact that France will continue to oppose any step which might facilitate our membership of the Communities is not an argument against our maintaining pressure. Indeed we need to do so. We must continue to stick pins into the French from time to time. Our European policy will not succeed unless and until there is a complete change in French policy. Until this change comes about our interest lies in the Community making as little progress as possible. While we must be careful not to avow it, a stagnant Community will increase pressure on France to change her policy on British membership.\(^{51}\)

Then, in October 1968, once the Harmel plan had been launched, Hancock updated his analysis:

we must continue to maintain that all we do in Europe is open to the French. But there can be little question now of France either taking part or abandoning her efforts to obstruct what we are trying to do. Relations with France are consequently going to become increasingly difficult during the months ahead, and are likely to reach a dead end as regards Europe when [at the next WEU meeting] ... France makes clear her opposition to Britain’s participation on an equal footing in action outside the Treaties [of Rome]. There will be nothing to be gained by attempting to disguise this. France for her own reasons is out to damage our interests. But to the greatest extent possible we should try to identify French damage of our interests with her damage of European interests. Her tactics have helped us in this so far, and could continue to do so.\(^{52}\)

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\(^{51}\) TNA/PREM13/2113, Hancock to Gore-Booth, 10 July 1968.

\(^{52}\) TNA/FCO30/395, Hancock to Maitland, 30 October 1968.
While relations with France would become an increasing point of tension between Downing Street and the FCO, the first signs of disharmony arose over a different question: Wilson’s support for a re-launch of the Fouchet Plan. The Fouchet Plan was originally a French initiative, dating back to 1961, for a new European political community. At that time, it provoked considerable discord within the Six due to the intergovernmental nature of the proposed Community, over its relationship with NATO, and the question of British participation (which de Gaulle opposed). The Fouchet negotiations came to a halt in April 1962, never to be revived, and at a press conference the following month de Gaulle spoke indignantly about federalism and alleged intrigues on the part of Britain and the US. Historians have differed in their explanations for Wilson’s attraction to the idea in 1968. Möckli depicts it as a mechanism to ‘demonstrate Britain’s European posture’, to isolate de Gaulle, and to influence internal French politics in a way that would reduce the likelihood that the president, when he retired, would be succeeded by a Gaullist. Pine, on the other hand, contends that it was a contingency plan, which Britain could launch if the Harmel initiative were to fail, thereby maintaining the momentum in Britain’s relations with the Community. The argument here is that neither explanation accurately captures Wilson’s motivations. The prime minister was not attempting to

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influence electoral politics in France; his fear was that, whatever the British might do, de Gaulle would be succeeded by someone that shared his attitude towards enlargement and would seek to maintain the veto.\textsuperscript{58} At the same time, Wilson’s championing of the initiative was not contingent upon the success or failure of the Harmel plan: his return to the issue in November, having initially raised it in September, was motivated by a view that the WEU initiative was too limited.\textsuperscript{59} During Cabinet’s discussion of the Harmel plan in mid-October, Wilson had urged Stewart to consider ways of ‘giving greater content to the proposals for collaboration’. Fouchet attracted him precisely because it was more far-reaching than the Harmel plan – the aim being to establish Britain so firmly within the framework of European integration that it would appear impossible for any successor to de Gaulle to maintain his opposition to enlargement.\textsuperscript{60} As Wilson explained to the ambassador designate to Paris, Christopher Soames, shortly before he took up the post, Britain’s purpose should be to ‘pursue policies designed to break down the resistance of the General’s principal lieutenants and therefore to soften up the resistance of a successor regime’.\textsuperscript{61} If successful, it also offered the domestic advantage of enabling Wilson to trump Edward Heath and the Conservative party.

\textsuperscript{58} On Wilson’s concern that de Gaulle’s successor may seek to maintain the veto on British entry see TNA/PREM13/2113, Palliser to Maitland (record of a discussion between Wilson and Stewart), 12 September 1968; and handwritten comment on paragraph 6 of draft memorandum attached to Hancock to Soames, 7 January 1969.


\textsuperscript{60} TNA/CAB128/43, CC(68)42\textsuperscript{nd}, 17 October 1968. TNA/CAB130/398, MISC224(68)1\textsuperscript{st} Meeting, 16 October 1968.

\textsuperscript{61} TNA/PREM13/2641, Note for the record, meeting between Wilson and Soames, 10 September 1968.
The Foreign Office, however, was sceptical about the idea. Its reservations were rooted in tactics rather than principle. In particular, officials doubted the wisdom of injecting a new and potentially divisive proposal into an already fractured European context. Given the controversy provoked by the original Fouchet negotiations, and the present reluctance of Germany to take meaningful steps without France, such an initiative could do more harm than good. To the FO, it seemed better to proceed cautiously on the basis of Harmel’s ideas, thus maintaining the pressure on France, rather than to risk potentially greater controversy, a danger inherent in the Fouchet Plan, and end up with nothing. While Downing Street acknowledged the FO’s argument about the divisiveness of the original Fouchet proposals, it could not accept its more general analysis. Wilson wrote to Stewart conceding that any initiative would have to be proposed under a different name, but his basic support for the idea remained unchanged. With this top level intervention, the FO began work on a draft Cabinet paper setting out the case for a new British initiative.

The tensions over future policy towards France were stimulated above all by the persistent advice from Christopher Soames who was installed as ambassador to Paris in September. A former Conservative Cabinet minister (and the son-in-law of Winston Churchill), Soames was a ‘heavyweight’ political ambassador and an impassioned believer in British membership of

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62 TNA/PREM13/2627, Maitland to Palliser, 9 December 1968.
63 TNA/PREM13/2627, Palliser to Wilson, 9 December 1968; TNA/PREM13/2627, Wilson to Stewart, 17 December 1968.
64 TNA/PREM13/2627, Wilson to Stewart, 17 December 1968.
the Community. The inspiration for his appointment is usually accredited to George Brown, but Wilson’s private secretary at the time, Michael Palliser, maintains that the idea was originally that of Wilson, who then ‘sold’ it to Brown. Soames had high hopes of his mission, stressing to Wilson in July that ‘we should not rule out the possibility of a volte-face by the General in the next year or so’. Wilson entertained little such optimism, but supported Soames’s desire for an improved atmosphere in Franco-British relations. Stewart was less enthusiastic about the appointment than his predecessor; when Wilson told him that it appeared Soames would be a ‘rumbustuous’ ambassador, the foreign secretary expressed ‘some apprehension lest Soames might try to play too active a part in the formulation of policy’. Wilson diminished the concern, explaining that Soames appeared to understand the ‘limitations’ which the job entailed. Yet the foreign secretary’s misgivings soon proved well founded: on 13 November, the new ambassador wrote a lengthy letter to him commenting upon a growing sense of isolation in France, the possibility of moves towards a more amicable relationship with the United States, and the opportunities it might provide for progress in Franco-British relations. He urged that thought should be given to new initiatives in the political, defence and monetary fields with the aim of including France.

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66 Churchill College Archives Centre (hereafter CCAC), The Papers of Baron Soames, SOAM49/3, paper under Soames to Maitland, 24 July 1968.
68 TNA/PREM13/2641, Note for the record, meeting between Wilson and Soames, 10 September 1968.
69 TNA/PREM13/2641, Palliser to Maitland, 12 September 1968.
70 TNA/PREM13/2641, Soames to Stewart, 13 November 1968; for a part eye witness, part historical account of Soames’s thinking and actions during his first months at the Paris embassy see A. Campbell, ‘Anglo-French Relations a Decade Ago: a New Assessment (1)’,
For the time being, while there was little prospect of Soames’s thinking leading to any alterations in FCO strategy, dominated as this was by Hancock and Robinson, it attracted interest in Downing Street. On 23 December, Palliser wrote to Wilson recording a conversation he had held with the ambassador the previous day. Soames, he explained, was ‘frustrated’ with what he saw as a Foreign Office predilection for trying to isolate France and desired an opportunity to try and ‘re-open the dialogue’ between London and Paris. He was dismissive about the possibility of the Harmel plan ending successfully, and suggested that once this was shown to be the case (which he believed it would be at the WEU meeting in early 1969), Britain should break with the existing strategy of co-ordinating with the ‘smaller’ powers and focus upon building closer relationships with France and Germany. With his first meeting with de Gaulle due at the start of February, Soames hoped for authority to ‘probe in a fairly substantive fashion’. If the French president were to show an interest, Soames hoped it might be possible to work towards a meeting between Wilson and de Gaulle the following autumn. Although Palliser felt that there was ‘some confusion in his [Soames’s] mind between his natural and instinctive desire for action and the question [of] whether any action of the kind he envisages can be productive’, he nonetheless felt that Soames’s ‘instinctive political feeling about this situation is probably right’. Wilson’s private secretary also thought that ‘Soames’s despair about the rigidity of Foreign Office thinking is a bit


71 TNA/FCO30/395, Europe (talking points), before Lush to E.E.I.D, 14 November 1968; TNA/PREM13/2641, Palliser to Wilson, 23 December 1968, and Wilson handwritten minute thereon.
exaggerated: but equally it has some truth in it'. Wilson’s attitude fell between that of Palliser and the Foreign Office. His primary concern continued to be that de Gaulle’s successor should deem a veto unthinkable, and to this end recognised the benefit in isolating France over enlargement; he was nonetheless attracted by the idea of a rapprochement with Paris. The prime minister scribbled on Palliser’s minute, ‘very useful ... I have a lot of sympathy with Soames’s views’.  

At the turn of the year, future policy towards France and a possible re-launch of the Fouchet plan became linked in Downing Street thinking, as the latter initiative came to be seen as one potential basis for a more positive approach to France. To this end, the proposal would need to be drafted and presented in such a way as to make it clear that London genuinely desired French participation. It should also make German participation easier, by reducing the scope for Paris to be outwardly critical. At the same time, Wilson remained realistic: while French involvement represented the ideal, his first objective was to ensure an advance in Britain’s European position, whether or not France was involved. And it was not only in Downing Street that this kind of approach was now gaining currency. On 19 December, Lord Chalfont, a Minister of State in the FCO with responsibility for Europe, wrote to Stewart to advocate a shift in British tactics. Like

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72 TNA/PREM13/2641, Palliser to Wilson, 23 December 1968.
73 TNA/PREM13/2627, Palliser to Wilson, 17 January 1969, and Wilson handwritten minute thereon.
74 TNA/PREM13/2641, Wilson handwritten minute, on Palliser to Wilson, 23 December 1968.
75 TNA/PREM13/2627, Wilson handwritten minute, on Palliser to Wilson, 17 January 1969.
76 TNA/PREM13/2627, Palliser to Wilson, 17 January 1968.
77 TNA/PREM13/2627, paper attached to Hancock to Soames, 7 January 1969; TNA/PREM13/2627, Wilson handwritten minute, on Palliser to Wilson, 17 January 1969.
Soames, Chalfont was pessimistic about the prospects for the Harmel plan and argued that if the February meeting of WEU failed to bring progress, Britain should continue attempts to develop new forms of cooperation in areas outside the Treaties of Rome, but at the same time look to 'shift the emphasis of our policy from a small-power operation (Benelux plus possibly Italy) to a big-power operation (France, and Germany, plus possibly Italy)'. This, he noted, would be consistent with Wilson’s support for a new British initiative as well as the ideas being advanced by Soames.\textsuperscript{78} While Stewart expressed some backing for Chalfont’s ideas, he had difficulty in seeing how ‘a big-power operation’ could be realised and requested further advice.\textsuperscript{79} In Downing Street, Wilson authorised Palliser to tell Chalfont that he thought his approach was ‘just about right’.\textsuperscript{80} 

By the beginning of February, however, the thought being given to a British Fouchet plan began to subside. The FCO remained cautious about the chances of it succeeding, and it emerged from discussions with Italian representatives that Rome was considering launching a similar initiative of its own.\textsuperscript{81} In a letter to Downing Street, Maitland suggested that it would be better to encourage the Italians to take the lead. There appeared to be growing domestic pressure upon the German Chancellor, Kiesinger, to modify his consistently conciliatory attitude towards de Gaulle, and a major proposal from another Community member would confront him with further

\textsuperscript{78} TNA/FCO30/395, Chalfont to Stewart, 19 December 1968.  
\textsuperscript{79} TNA/FCO30/395, Stewart handwritten minute, on Chalfont to Stewart, 19 December 1968.  
\textsuperscript{80} TNA/PREM13/2641, Wilson on Palliser to Wilson, 23 December 1968.  
\textsuperscript{81} TNA/PREM13/2628, Maitland to Palliser, 1 February 1969.
difficulties. Wilson fully agreed. Alongside the FCO rationale, it also meant that he did not yet have to ‘climb out on the limb of a British initiative’, with the attendant risk of a second European rebuff. More generally, February seemed certain to be an important month. The WEU ministerial meeting in Luxembourg was scheduled for 6 February, and an attempt would be made to take decisions on the Harmel plan. Six days after that, Wilson would be in Bonn for summit talks with Kiesinger. The linkage between these two events was clear: if France took an obstructive line in Luxembourg, the circumstances would be propitious for the prime minister to advocate Anglo-German cooperation in overcoming French obstruction. The fact that Bonn was desirous of an Anglo-German declaration of friendship (yet further evidence of Kiesinger’s domestic difficulties), appeared to strengthen the British hand. In preparation for this, Donald Maitland, Private Secretary to the Foreign Secretary, suggested that Stewart should make it clear to the German Foreign Minister, Willy Brandt, that if the Luxembourg meeting ‘failed’ to produce ‘a really significant step forward’, London would ‘regard it as very important that the German and British Governments should take some significant steps themselves, and the right moment to discuss this would be when the prime minister goes to Bonn’. This was, in effect, the Hancock-Robinson approach at its most persuasive: the opportunity to isolate de Gaulle by splitting the Franco-German tandem. And Wilson was delighted with it. He expressed strong approval both for the ‘general strategy

82 Ibid.
83 TNA/PREM13/2628, Wilson handwritten minute, on Palliser to Wilson, 1 February 1969.
84 TNA/PREM13/2672, Maitland to Palliser, 30 January 1969; TNA/FCO30/396, Robinson to Hood (and Maitland), 31 January 1969.
85 TNA/PREM13/2628, Maitland to Palliser, 1 February 1969.
and its detailed working out’. Presented with such an opportunity, Wilson lost sight of his earlier interest in a more constructive approach to France. But it did not take long for the question to reappear, as de Gaulle now moved to centre stage.

The ‘Soames affair’, February 1969

It was Soames’s first private conversation with the French president since his arrival in Paris and little can have prepared him for the intrigue that it would create. During a forty-five minute conversation on 4 February, the sole focus of which was ‘Britain and Europe in the longer run’, de Gaulle suggested to Soames the possibility of Britain and France commencing talks about potentially significant changes to the political and economic organisation of Western Europe. The early part of the conversation gave little indication of anything new in the General’s mind. As Soames put it, de Gaulle opened with a ‘classic lecture on our pro-American fixation’. Soames sought to impress upon him the extent of Britain’s commitment to the Community, and asked whether it was ‘necessary for us to leave NATO to prove that we were European’. De Gaulle said that ‘he was not looking for that, but that once there was a truly independent Europe there would be no need for NATO as such’. The ‘essence of a European entity’ must be independence. It was at this point that de Gaulle shocked Soames; he suggested a fresh look at Franco-British relations and how they might relate to Europe unity. The

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86 TNA/PREM15/2628, Wilson handwritten minute, on Palliser to Wilson, 1 February 1969.  
87 TNA/PREM13/2628, Paris to FCO, tel.121, 5 February 1969.  
88 TNA/PREM13/2628, Paris to FCO, tel.125, 5 February 1969.  
president remarked that ‘he had had no part in the creation of the Common Market, neither did he have any particular faith in it’, and he was convinced that if enlargement took place ‘it could no longer be the same’. He would be happy to see the Community change ‘into a looser form of a free trade area with arrangements by each country to exchange agricultural produce’. Alongside this, there would be an ‘inner political association’ made up of Britain, France, Germany and Italy. But the first step must be for Britain and France to hold bilateral talks with a view to determining whether they ‘saw things sufficiently in common’. His proposal should be kept secret until the decision was taken to begin talks, at which point it would be made public. ‘If things progressed the right way’, de Gaulle said that he would ‘welcome’ talks with Wilson.\(^90\) Eleven years earlier, this was exactly the offer the Harold Macmillan had hankered after.

The British response to de Gaulle’s proposals has attracted significant scholarly attention and the main details of what went on to become the ‘Soames affair’ are well known.\(^91\) Alongside the question of how to reply, the situation in London was complicated by Wilson’s forthcoming visit to Bonn. Stewart recommended very early that he should inform Kiesinger of the General’s offer, with the result that in the week between receiving Soames’s report and Wilson’s departure for Germany, London debated intensively how to handle the presidential approach. The decision was eventually taken to

\(^{90}\) TNA/PREM13/2628, Paris to FCO, tel.124, 5 February 1969.
hide nothing from Kiesinger and to give the governments of the Belgium, Italy, Luxembourg and the Netherlands full information too. De Gaulle’s request for secrecy was thus disregarded. Matters were compounded by Britain’s failure to inform the French government of its actions until the evening of 12 February – after Wilson had spoken to Kiesinger. The accusation of a British breach of confidence was perhaps inevitable, but worse was to follow when France learnt from sources within the Five what the British had said. London was now also to be confronted with an accusation of distortion, a claim which, as will be seen, was by no means unfounded. The crisis was completed on 21 February when the British, believing that a tendentious French leak was imminent, took the decision themselves to leak a full account of de Gaulle’s offer. At a meeting with Debré the next day, Soames faced a charge of ‘diffusion, deformation and sensationalism’.

Within the existing literature, two main themes predominate on these events. First is the question of de Gaulle’s intentions and whether his offer marked a new approach or was simply a restatement of long-held ideas. Second is whether the British response reflected poor judgement or was appropriate to

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the circumstances. The focus in this chapter will be different. Rather than entering the debate about the propriety of British actions, it will demonstrate that the internal debate about how to respond both reflected existing tensions over British policy towards France, and catalysed them, leading in time to the decision to begin new studies about economic alternatives to full membership of the EC.

In the week between 5 and 12 February, the Whitehall debate divided along familiar lines. On one side, Stewart and Hancock were mistrustful of de Gaulle’s motivations, and favoured a flat rejection of the proposed talks, as well as full divulgence to Kiesinger. Against this, Palliser and Soames wanted to probe the French proposal further and to provide Kiesinger with much more limited information. The split was quickly established. Stewart, who was in Luxembourg preparing for the ministerial meeting of WEU, sent a long telegram to Wilson warning against ‘any response to de Gaulle’s approach which could be interpreted as positive or as showing interest’. Setting out his reasons, the foreign secretary argued that de Gaulle:

has given us his terms of reference: the disappearance of NATO: the destruction of the existing Communities: a four-power political directorate in Europe. This is not a basis for discussion as far as we are concerned, nor even for probing his intentions further. Indeed, these

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99 TNA/PREM13/2628, Luxembourg to FCO, tel.37, 6 February 1969; TNA/PREM13/2628, Conclusions of a Meeting (hereafter CoM), Wilson and Stewart, 10 February 1969; TNA/FCO30/414, Hancock to Maitland, 10 February 1969; TNA/FCO30/414, FCO to Bonn, 11 February 1969.
101 TNA/PREM13/2628, Luxembourg to FCO, tel.37, 6 February 1969
are conditions which in our own interest and that of our relations with the Five we should go on record as rejecting.\textsuperscript{102}

The danger which preoccupied the Foreign Office was that de Gaulle might use the offer to undermine Britain’s relations with the Five. Should London respond favourably, Paris would be able to argue that Britain was not truly committed to the Community and would prefer to see it transformed into a free trade area.\textsuperscript{103} Whilst Palliser and Soames were alive to this risk, both suggested that de Gaulle had an ‘open mind’ about where the talks might lead.\textsuperscript{104} Palliser’s ‘preliminary reaction’ to Wilson was that:

we should clearly not turn him down flat; that we should consider to what extent it would be of advantage to us to move cautiously down the road he is opening before us; and to what extent we should consult other governments in Europe before or while doing so .... Playing poker with the General, though fascinating, is not always a profitable enterprise. But on the present occasion my hunch is that there may be something genuine underlying the old man’s thinking. And we should be well advised not to ignore the possibilities that it might conceivably open to us.\textsuperscript{105}

Wilson’s view once more reflected conflicting predilections. Upon reading Soames’s account, his first instinct was to look for tactical motivations. He speculated whether the offer was intended to dissuade him from ‘taking too hard’ an ‘anti-French’ line with Kiesinger, or, with the first visit to Europe of the new US President, Richard Nixon, due at the end of February, whether he might try to claim that he was genuinely desirous of an end to the

\textsuperscript{102} Ibid.
\textsuperscript{103} TNA/PREM13/2628, Luxembourg to FCO, tel.37, 6 February 1969; TNA/PREM13/2628, Conclusions of a Meeting (hereafter CoM), Wilson and Stewart, 10 February 1969; TNA/FCO30/414, Hancock to Maitland, 10 February 1969; TNA/FCO30/414, FCO to Bonn, 11 February 1969.
\textsuperscript{104} TNA/PREM13/2628, Paris to FCO, tel.125, 5 February 1969; TNA/PREM13/2628, Palliser to Wilson, 5 February 1968.
\textsuperscript{105} TNA/PREM13/2628, Palliser to Wilson, 5 February 1968.
enlargement impasse. With this in mind, Wilson welcomed Stewart’s recommendation that he should inform Kiesinger of the approach. Yet he also agreed with Palliser’s desire to ‘probe’ the proposal further: ‘Certainly we sh[ould]d follow up – and given encouragement it is getting time for me to see him again’.¹⁰⁷

On 6 February, Soames met Debré, who went ‘over the ground’ with him a second time. The French foreign minister remarked that, ‘It might well be that the Treaty of Rome would prove to have been just a stage in economic development of Europe’. Soames felt that de Gaulle had been ‘none too sanguine’ about Anglo-French talks reaching a positive conclusion, but Debré warned of ‘a grave peril in the fact that France and Britain seemed to be vying with each other to woo Germany’; ‘this was extremely dangerous for both of us’. He believed it to be ‘in France’s interest to reach an accord with Britain and he recommended me [Soames] to put this in the balance against any pessimistic impression that I might have drawn from the General’s words or demeanour’.¹⁰⁸ Upon receiving Soames’s account, Palliser provided a further commentary for Wilson. Drawing upon Debré’s remark about a contest for German favour, Palliser now judged that ‘the French are obviously very anxious to put an oar in before you go to Bonn’, but maintained that Stewart’s advice reflected ‘the continuing reluctance in the FCO to face the fact that European unity is meaningless unless all three of the big European powers ... form part of it’. Thus, Palliser’s basic advice remained unchanged:

¹⁰⁶ TNA/PREM13/2628, Wilson handwritten minute, on Palliser to Wilson, 5 February 1969.
¹⁰⁷ Ibid.
¹⁰⁸ TNA/PREM13/2628, Paris to FCO, 6 February 1969.
I do not see how we can possibly refuse to talk to the French: nor that we need be scared that we must inevitably be taken for a ride if we do so. We can talk on the basis of our ideas, and they will talk on the basis of theirs. This may produce a dialogue of the deaf but if we refuse the dialogue altogether, surely it is we who are inevitably in the wrong.\textsuperscript{109}

It was also on 6 February that the Harmel plan was discussed at the Luxembourg meeting of WEU. The outcome was better than most in Whitehall had expected. While France, represented by State Secretary Jean de Lipkowski, adopted a sceptical attitude, it did not actively obstruct a decision, with the result that agreement was reached to institute new procedures for political consultation within WEU.\textsuperscript{110} While Stewart conceded that it marked only a ‘very modest step’ and that ‘determination’ would be needed to make it effective, it was nonetheless the first positive product of British diplomacy since the veto (to complement the negative achievement of holding-up internal Community development).\textsuperscript{111} By appearing to show that existing tactics were working, it also strengthened the argument for maintaining existing policies, and increased the perceived risks of any diversion.

A Downing Street meeting was held on 10 February to discuss Wilson’s general approach to the summit with Kiesinger. Alongside the prime minister, Stewart, Hancock, Palliser, Chalfont, Denis Greenhill (the new Permanent Under-Secretary at the FCO), and Cabinet Secretary Burke Trend were all

\textsuperscript{109} TNA/PREM13/2628, Palliser to Wilson, 9 February 1969.
\textsuperscript{110} TNA/PREM13/2628, Luxembourg to FCO, tel.42, 7 February 1969.
\textsuperscript{111} TNA/PREM13/2628, Luxembourg to FCO, tel.41, 7 February 1969.
present. De Gaulle’s proposals were the first item to be considered. While the minutes do not reveal the finer details of the discussion, agreement was reached that ‘in the spirit of consultation on political matters’ which had been apparent at the Luxembourg WEU meeting, ‘it would be desirable to inform Dr. Kiesinger (and the Governments of the Five) of the French approach; and to tell the French that this was being done’. While this did not represent a final decision, it shows that Stewart’s early advice on this matter was ascendant. On the question of how to respond to de Gaulle, however, the foreign secretary’s view – that Britain ‘should go on record as rejecting’ – had not prevailed. The meeting thus also agreed that ‘It could made clear to Kiesinger that we were not disposed to return a flat negative to the French proposal’. Thus, if Anglo-French talks were held, ‘we should do so in consultation with the Germans (and our other European allies) and we would make it clear at the outset that we did not accept General de Gaulle’s approach to N.A.T.O. or his concept of seeking some alternative arrangement to the E.E.C.’ Soames had expressed a desire to return to London to discuss the General’s approach, but Stewart made clear that he was against this. Hancock would instead go to Paris and inform the ambassador about current thinking in London.\footnote{112 TNA/PREM13/2674, Conclusion of a Meeting Wilson and Stewart, 10 February 1969.}

At a meeting with Soames later that day, Hancock produced an FCO paper setting out how Wilson should speak to Kiesinger. If followed, it meant providing the German Chancellor with much of the detail, including de Gaulle’s comments about NATO and what the Foreign Office continued to
call ‘a Four Power European political directorate’ – even though this term had not been used by de Gaulle. Hancock’s record of the conversation states that Soames ‘was very upset’, and insisted that ‘he must come to London at once’. The ambassador was, however, informed that Stewart was opposed to this. Soames argued that the proposed course of action ‘would kill the French approach dead ... before it had been probed. What was the use of his mission in Paris?’ But Hancock responded firmly:

what he [Soames] was involved in was a long haul. Even if, as he wished, he was allowed to probe the French position, it was not likely that any advantage to our European situation would accrue. Meanwhile we had to safeguard ourselves against the dangers to which the French approach exposed us. If this killed the French approach, that was a risk we must accept.\textsuperscript{114}

Soames immediately sent a telegram to London imploring Wilson and Stewart to rethink a course of action, ‘which ... would amount to a betrayal of General de Gaulle’s confidence’. He urged that Kiesinger be given only a much more cursory account, and that he should be given instructions to advise Debré about what was being done on 11 February (the day before the Bonn summit).\textsuperscript{115} Palliser also made a final appeal, advising Wilson to consider, ‘in the light of Soames’s views’, whether ‘You really wish to speak as fully as this to Kiesinger’, and ‘If you do’, whether ‘Your relationship with Gen. de Gaulle ... can stand the strain’.\textsuperscript{116}

\textsuperscript{113} TNA/FCO30/414, paper attached to Hancock to Maitland, 10 February 1969.
\textsuperscript{114} TNA/FCO30/414, Hancock to Maitland, 10 February 1969.
\textsuperscript{115} TNA/PREM13/2628, tel.143, Paris to FCO, 10 February 1969.
\textsuperscript{116} TNA/PREM13/2628, Palliser handwritten minute, 11 February 1969.
Wilson’s predicament was clear: on the one hand, suspicion towards de Gaulle, but on the other a genuine interest in bilateral talks. He travelled to Germany on 11 February still undecided about how to proceed.\(^{117}\) Stewart sent a telegram to reach the prime minister at the British embassy in Bonn. ‘The more I have thought about this since you left for the airport’, the foreign secretary explained, ‘the more convinced I have become that you should not leave Bonn without telling Kiesinger the whole story’.\(^{118}\) There is no formal record of how the decision was eventually taken. The official team accompanying Wilson included Trend, Greenhill, Hancock, Palliser and Robinson.\(^{119}\) Many years later, in an interview with Hugo Young, Robinson recalled an evening discussion in the embassy, in which Wilson, ‘swirling the brandy’, insisted that he would ‘go to Paris to talk to de Gaulle and poke Kiesinger in the eye’.\(^{120}\) In the sober light of day, however, his judgement was the reverse. On the morning of 12 February, he sent Stewart a telegram informing him of his decision ‘to put Kiesinger fully in the picture’.\(^{121}\)

Having reached this decision, there can be little doubt that Wilson implemented Foreign Office advice to the letter. In his memoirs, he deflected any responsibility for the crisis which followed, insisting that he had resisted the aggressive tactics (as far as France was concerned) of the FCO, and that his account to Kiesinger constituted ‘a few simple

\(^{117}\) TNA/FCO30/414, Bonn to FCO, tel.145, 12 February 1969  
\(^{118}\) TNA/FCO30/414, FCO to Bonn, tel.118, 11 February 1969.  
\(^{119}\) TNA/PREM13/2675, RoM, Wilson and Kiesinger, 12 February 1969, 4pm.  
\(^{120}\) Young, *Blessed*, p.205.  
\(^{121}\) TNA/FCO30/414, Bonn to FCO, tel.145, 12 February 1969
sentences with no overtones of the kind that had been proposed'. The official records, however, reveal a different picture. In his telegram to Stewart, informing the foreign secretary of his decision to give Kiesinger a full account, Wilson explained that he would outline the French proposals ‘in such a way as to point up the essentially anti-Atlantic nature of the de Gaulle approach, with an eye to the talks that Kiesinger and I are shortly to have with Nixon’. This was pure FCO orthodoxy: not only was he seeking to protect the British position, he would also seek to gain an advantage by further isolating de Gaulle. During the summit, he thus told Kiesinger that ‘de Gaulle’s basic proposition was that both N.A.T.O. and the E.E.C. should disappear’. Yet neither statement was accurate: de Gaulle’s comments on NATO had not formed part of his proposals at all – rather, they had been made in response to an earlier question from Soames about whether it was necessary for Britain to leave NATO in order to demonstrate that it was European. De Gaulle had said this was unnecessary, but expressed a vague and undefined hope that eventually there would be ‘no need for NATO as such’. With regard to the EC, de Gaulle had said that if enlargement were to take place, the Community would have to become ‘a looser form of free trade area’, which was not necessarily the same thing as it disappearing. Wilson underlined to Kiesinger that Britain’s ‘basic position was in total contradiction’ to that of France: London, he said, wanted ‘to join the Community, not bury it’. To compound matters, Wilson also used the term ‘directorate’ to describe de

122 Wilson, Labour, p.611.
123 TNA/FCO30/414, Bonn to FCO, tel.145, 12 February 1969
Gaulle’s proposed ‘inner political association’, and the phrase was repeated in the instructions sent to other Community ambassadors and Washington.\textsuperscript{125}

The length of time with which it took Wilson to reach a decision explains why France was not informed of British actions until after he told Kiesinger. Once the prime minister had made up his mind, the FCO sent instructions to Soames, but these did not reach the ambassador until close to eight o’clock that evening, by which point Debré was not available. He thus spoke to Hervé Alphand, the Secretary General of the Quai d’Orsay, explaining that London considered the French proposals to be ‘significant and far-reaching’, but in view of Wilson’s trip to Germany and the recent decision to begin political consultations within the WEU, it was ‘too much to ask that we should not tell Dr. Kiesinger and our other partners’.\textsuperscript{126} Nonetheless, and a point which is often lost in the concentration on the subsequent Anglo-French fallout, Soames made clear that that London, on the understanding that it held to its existing stance on NATO and its application for membership of the Community, was prepared to enter into the conversations which de Gaulle had proposed.\textsuperscript{127} At this stage, Alphand could only impress upon Soames that the British decision would be likely to ‘anger’ both de Gaulle and Debré.\textsuperscript{128}

\textsuperscript{125} TNA/PREM13/2675, RoM, Wilson and Kiesinger, 12 February 1969, 4pm; TNA/FCO30/414, FCO to Brussels, tel.33, 11 February 1969.
\textsuperscript{126} TNA/PREM13/2628, Paris to FCO, tel.154, 12 February 1969; TNA/FCO30/414, FCO to Paris, tel.81, 12 February 1969.
\textsuperscript{127} TNA/PREM13/2628, Paris to FCO, tel.154, 12 February 1969; TNA/FCO30/414, FCO to Paris, tel.81, 12 February 1969.
\textsuperscript{128} TNA/PREM13/2628, Paris to FCO, tel.154, 12 February 1969.
The situation deteriorated as France learnt of the British accounts from the Five. It was not until 22 February that Soames spoke formally to Debré, with the foreign minister stating on three occasions that Britain and France found themselves ‘in a field of ruins’. Soames reminded him that London was ready to enter into talks, but Debré reacted bitterly: ‘how can we possibly talk ... This was the reality of the thing ... Did I see myself having another talk with the General now?’ Attacking what he believed to be one of the dominant strands of thinking in London – that once de Gaulle retired, French policies would change – Debré said that these hopes were ‘an illusion’. ‘When the time came for the General to disappear from the scene, the government might lose its guiding spirit but it would be the same policies’. Returning to the question of bilateral talks, he underlined that ‘There was nothing we could now do. The book had been opened in good faith on 4 February and it had been closed on 22 February’.¹²⁹

The decision to review, March to April 1969

For the next two months, London would be preoccupied with the question of whether the book should be re-opened. The debate took on new dynamics, as differences of view between Downing Street and the Foreign Office were added to by tensions within the FCO. External developments also played an important role. One was Nixon’s visit to Paris at the start of March, during which the new US president made no secret of his intention to repair Franco-American relations, lavishing praise on de Gaulle’s ‘wisdom and vision’. More

significant, however, was de Gaulle’s reciprocity of American goodwill, describing the meeting as ‘a success ... for both countries’, as well as indicating that he would pay a return visit to Washington the following year.\textsuperscript{130} The positive atmospherics provided yet further evidence that de Gaulle’s thinking might be shifting, inevitably casting doubt upon the wisdom of Wilson’s actions in Bonn. Another relevant factor was the Franco-German summit in Paris on 14 March. British reports suggested that an accord had been reached on the need to resume the development of the Community, whatever the disagreements over British membership.\textsuperscript{131} While this did not reflect a change in German policy, it did point to the failure of Wilson’s tactics in Bonn, and the difficulties in attempting to undercut Franco-German unity. Brandt also revealed that France had advocated fresh studies of a free trade arrangement between the EEC and EFTA.\textsuperscript{132} This could be interpreted in two ways: it might simply be a return to the Franco-German idea of February 1968 or it might suggest de Gaulle’s proposals to Soames had reflected a more considered approach.

With ‘the dust ... beginning to settle’ on the dramatic events of February, Soames wrote to Wilson to set out his thoughts for the future. He explained that a ‘number of influential Frenchmen’ had made known to him their desire to assist in bringing about a dialogue between London and Paris. One was Edgar Faure, a man with long-standing connections to de Gaulle; another was the senior Quai d’Orsay official, Jacques de Beaumarchais. Soames now asked for clarity: did Wilson want him ‘to encourage these sentiments’?

\textsuperscript{130} \textit{The Times}, ‘De Gaulle agrees to visit Washington next year’, p.4, 3 March 1969.
\textsuperscript{131} TNA/PREM13/2629, Paris to FCO, tel.280, 14 March 1969.
\textsuperscript{132} As reported in \textit{Financial Times}, 18 March 1969, copy filed in TNA/FCO30/420.
If he did, Soames suggested that he might return to London for a more detailed discussion.\textsuperscript{133} In a covering note, Palliser, who was shortly to leave Downing Street to take up a senior role in the Paris Embassy, suggested that if Wilson’s response was negative, Soames might ‘begin to wonder about the usefulness of continuing in Paris’. The loss of this high profile political ambassador less than a year into the job would mark another notable embarrassment for the prime minister’s European policy. Shortly thereafter, Palliser wrote to the FCO to say that Wilson’s reply to Soames’s question ‘would certainly be “Yes”’, and suggesting that the ambassador be asked to return to London for a meeting the following week.\textsuperscript{134}

Downing Street’s desire to bring Soames back to London led to the first signs of tension within the FCO. Hancock was opposed to Soames being brought back so quickly and told Maitland and Greenhill that any alteration in policy towards France would be a decision ‘of great moment’ which ought not to be taken ‘in a hurry’. Further internal study was needed. Certain that the urgency was not coming from the prime minister, Hancock concluded: ‘Do let us try to do this thing properly and with due consideration. Let us not be rushed into hasty decisions just because Mr. Palliser is leaving No. 10 at Easter’.\textsuperscript{135} On this occasion, however, Hancock’s views did not prevail. Greenhill intervened: with Stewart due to see Debré in April, the permanent-under secretary thought it right to discuss the situation with Soames in advance, insisting that there was ‘no question of rushing into decisions which

\textsuperscript{133} TNA/PREM13/2641, Soames to Wilson, 11 March 1969.  
\textsuperscript{134} TNA/PREM13/2641, Palliser to Maitland, 18 March 1969.  
\textsuperscript{135} TNA/FCO30/418, Hancock to Maitland, 19 March 1969.
have not been thought out’.\textsuperscript{136} Stewart agreed; such conversations did not mean ‘premature decisions’. Soames was thus asked to return to London and, beforehand, to provide the FCO with a written assessment of ‘the prospects for our relations with France’.\textsuperscript{137}

Soames’s assessment appeared to show some change in the ambassador’s attitudes. While he continued to favour a more positive approach to relations with France, his view about where this might lead was now, it appeared, more cautious: ‘we will never get as far as we would like along the European road while the General is in power, I think we should see how far we can get while holding fast to our principles in the hope that we will be able to travel farther and faster when he is gone. The alternative of waiting till he goes before moving at all is in my view fraught with greater risks’.\textsuperscript{138} It would be unwise, however, to accept Soames’s new advice at face value.\textsuperscript{139} After all, his experience at the end of 1968, and even more in February 1969, can have left him with little doubt that there was deep opposition to his views within the FCO. If he was to receive authority to play the sort of pro-active role which he desired, there was thus every reason to couch the case for doing so in terms that were more consistent with Foreign Office thinking. As will be seen shortly, it is possible that the ambassador’s private views remained in conflict with the attitudes of Stewart and Hancock.

\textsuperscript{136} TNA/FCO30/418, Greenhill minute, 19 March 1969, on Hancock to Maitland, 19 March 1969.
\textsuperscript{137} TNA/FCO30/418, Maitland minute (multiple recipients), 20 March 1969; TNA/FCO30/418, FCO to Paris, 20 March 1969.
\textsuperscript{138} TNA/FCO30/418, Paris to FCO, tel.313, 24 March 1969.
\textsuperscript{139} TNA/FCO30/418, Paris to FCO, tels.312-313, 24 March 1969.
Soames’s intervention again exposed the growing tensions within the FCO. His more moderate line made little impression upon those opposed to a change in policy towards France. In preparation for Soames’s visit to London, Robinson prepared a departmental brief which was strongly critical of the ideas set out by the ambassador. On a number of occasions, Robinson hinted at the possibility that de Gaulle’s intention may have been to reach agreement with Britain on a new European framework (a free trade area with an ‘inner’ political association), only to then present the Five with a choice between progress on those lines, or acceptance of French opposition to enlargement and a return to the Community’s internal development. The clear danger was that the Five would choose to protect what they had, and the Six would resume normal progress as they had done after the 1961-63 negotiations. Robinson continued:

Mr. Soames’ letter of 11 March leaves the impression that the aim should be above all to start talks with the French. This is not the prime aim. It is not an end in itself. It is no use starting talks with the French unless we and they are much clearer about what the talks should cover and what they should aim at. We have little idea indeed of what de Gaulle has in mind. It may be no more than to use talks with us as a means to resume development of the Communities.

‘It is not for us to try again’, Robinson concluded, ‘It is the task of our Embassy in Paris to persuade the French that their interest lies in an agreement with us which takes full account of the N.A.T.O. and the European objectives of France’s allies including ourselves’. 140

Once more it was Greenhill that spearheaded the dissent: ‘I have some reservations about our tactics in the next few months and hope that we can consider carefully what the Sec[retar]y of State should say to M. Debré in Washington’. In this, he was supported by a figure already known to be in sympathy with Soames’s thinking. Chalfont saw Robinson’s brief as a ‘reasonable basis for talks with Mr Soames’, but thought it ‘too rigid in its approach to the French’. Recalling his minute to Stewart of 19 December, which had called for a greater emphasis upon ‘big-power’ relations, Chalfont observed that he had ‘for some time advocated a policy in which France and Germany are associated with us as being the only one likely to lead to a constructive development with Europe’, and suggested that Soames’s visit be seen ‘as the first step in a thorough reappraisal of our European policy’.

Up to this point, the Downing Street-FCO debate had focussed upon Anglo-French relations and how to improve them, but, as Chalfont’s minute indicated, in the light of de Gaulle’s proposals it was increasingly difficult to separate strategy from broader questions about the nature of British European policy. This tension would come to the surface even more during the meeting between Wilson, Stewart and Soames held on 26 March. Having been advised by Palliser not to let Soames think that he could appeal to Wilson over Stewart’s head, Wilson tried where possible to show a united front with his foreign secretary – insisting, for instance, that London had had little alternative but to handle de Gaulle’s approach as it did – but Stewart’s suspicion about the underlying motivation for improved Anglo-French

141 TNA/FCO30/418, Greenhill minute, on Robinson to Maitland, 25 March 1969.
142 TNA/FCO30/418, Chalfont minute, on Robinson to Maitland, 25 March 1969.
contacts exposed the differences that were fast emerging between himself and the prime minister. When Wilson suggested that London might begin by proposing conversations with France on ‘less sensitive issues’, such as the Middle East or the civil war in Nigeria, Stewart interjected, warning that while the Middle East could be a profitable area for talks, he ‘foresaw difficulty’ in discussing European issues ‘without arousing suspicions amongst our other European partners’. More fundamentally, ‘there remained the question of differences between us about relations with the United States and the future of the Common Market’. Wilson insisted that these issues should ‘be left on one side ... while we sought to restore a normal Anglo-French relationship’, but he was unable to conceal that his personal view was at odds with that of the foreign secretary: ‘We should not regard it as our responsibility to act as the custodian of United Sates relations with other countries: even less should we feel obliged to take a harder line about them than the U.S. Government themselves’. Similarly, British actions in February ‘had provided sufficient evidence to the Five of our loyalty to their interests’. Later in the meeting, Wilson returned to a theme he had invoked with the French president at their meeting at Grand Trianon in 1967, the growing strength of the Federal Republic of Germany:

he would like to see some discussion with General de Gaulle of the future power complex in Europe. He had had some interesting exchanges about this in the past with the General. He was not thinking of existing political or economic structures but of the longer term issues and of the problem of where the real power in Europe would lie if appropriate action were not taken in time.

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143 Ibid.
144 Ibid.
Soames intervened to caution Wilson about how much could be expected given current French bitterness: while ‘relatively low level exchanges ... were undoubtedly possible’, ‘high-level’ contacts seemed unlikely. In keeping with his new, more cautious approach, Soames argued that a Franco-British dialogue should be seen as a means to improve the prospects for eventual British accession to the EC. For now at least, Wilson endorsed this analysis: in an argument reminiscent of his earlier support for the Fouchet plan, Wilson explained that ‘what seemed important was to get ... [de Gaulle’s] potential successors into the right posture for a more satisfactory Anglo-French relationship. In short, we were concerned with making a worthwhile investment in the post-de Gaulle period’. The first step would be for Stewart to request a private conversation with Debré at the forthcoming NATO meeting in Washington.¹⁴⁵

The *modus vivendi* was not long preserved, as the tensions within the FCO erupted into a full frontal assault on the logic which had underpinned British European policy since the veto. Hancock, who was shortly to leave the department in preparation for his next posting as ambassador to Rome, submitted a lengthy minute to Greenhill entitled ‘Some Political Aspects of our European Policy’. Convinced that some in London wished to revive de Gaulle’s February proposals, and that his departure from the FCO would significantly reduce his ability to resist this, Hancock sought to re-establish the principles which had hitherto guided British diplomacy – in his view, with success. He therefore gave the minute a wide distribution, including to the

¹⁴⁵ TNA/PREM13/2641, RoM, Wilson, Stewart, Soames, 26 March 1969.
private secretaries of Stewart and Chalfont, to his successor Thomas Brimelow, and to Downing Street. Hancock began by underlining the reasons for the British application in the first place: ‘It appears that in the future our political influence with the U.S. and Germany and with the world at large can best be exerted as part of the influence of an integrated Western Europe’. From here it followed that London should look sceptically upon the ideas (such as de Gaulle had put to Soames) for a free trade area in Europe: ‘An economic arrangement short of full membership of the E.E.C., whether or not the latter continued in existence, would involve foregoing the political advantage which we seek. In such an arrangement our political influence would not be exerted’. It was very ‘unlikely’, Hancock thought, that the Five would be willing to back any such proposal: ‘we could still expect the Germans, and Italians and Benelux to prefer the present integrated structure to a looser form’. If, however, and ‘contrary to present expectation’, such a proposal were to emerge from a consensus within the Community, that ‘would be hard for us to reject’; but in those circumstances ‘the political question would still remain for separate solution’. From these premises, Hancock went on to tackle the question of future policy towards France. The prescription again was for more of the same:

It is lucky that good relations with France are of less importance to us than good relations with America or Germany. For it is clear that, in present circumstances, we could hardly have good relations with all three countries. Our present policy is not compatible with good relations with General de Gaulle. Nor is his policy compatible with good relations with us. If we pursue our policy, as we ought to do, it will continue to be at the expense of our relations with France. While we may perhaps
hope to mitigate the Anglo-French quarrel, it is a basic quarrel which will exist until French policy changes.\textsuperscript{146}

Greenhill’s resistance to this sort of thinking had been growing and he was unwilling to let these arguments pass unchallenged; he hit back with a minute of his own, copied to all those that had been included on Hancock’s circulation list. ‘Mr. Hancock’s model minute ... is “magnifique” but is it really “la guerre”?’ While waiting for the French veto to be removed, Greenhill argued, public support for the government’s European policy was at risk of dissipating. And should this happen, ‘the opportunity for a constructive European policy both economically and politically involving a wider European grouping than the Six would be lost’. He thus advocated beginning a discreet ‘search for a new [economic] organisation’. Addressing Hancock’s argument that an alternative economic framework would leave unanswered the question of how Britain could best exert political influence, Greenhill commented ‘Yes, indeed, but if we were following a new, wider economic road a lot of the obstacles at present existing to political progress (e.g. the opposition of the French and the hesitation of the Germans) would be removed’.\textsuperscript{147}

After reading Hancock’s minute, Wilson reacted furiously: ‘We’ve paid enough price for this nonsense. When does Hancock go to Rome?’ Picking up on Greenhill’s rejoinder, he continued: ‘More power to Denis’s elbow. We sh[oul]d review’. This review should be informed both by the forthcoming meeting with Soames and ‘the first step’ thereafter, Stewart’s meeting with

\textsuperscript{146} TNA/FCO30/421, Hancock to Greenhill, 2 April 1969.
\textsuperscript{147} TNA/FCO30/421, Greenhill to Chalfont, 8 April 1969.
Debré.148 Moreover, with the receipt of further reports about the de Gaulle-Kiesinger talks, Wilson instructed the Cabinet Office to produce an ‘up-to-date’ study of the Munchmeyer plan – a free trade area proposal, dating back to the early 1960s, in which the EEC would join EFTA as a single unit.149 In London, such ideas had not been examined with intent since 1965, in the context of ‘bridge building’ between the EEC and EFTA.150 Now, against the background of de Gaulle’s proposals, and perhaps also French advocacy of such an arrangement to the Germans, Wilson was ready to look at it anew. The instruction was not born out of any desire to undermine the Community. Wilson first and foremost wanted to be prepared, should it be possible to resuscitate talks with France. More generally, however, the divisions on this issue had their roots in differing attitudes to relations with France, not divergent views on the nature of the EC. Thus, Palliser and Soames, both of whom were passionate supporters of British entry to the Community, had been at the forefront of those wishing to talk to de Gaulle. Against this stood Hancock and Robinson, both of whom considered Britain and France to be in a competition for influence in which only one could emerge as victor.151 While it may be that Greenhill, who was a newcomer to European policy, may have hoped to see a looser arrangement emerge, for Wilson, the critical question was not the form that the future organisation of Europe should take, but the fact that Britain should be part of it. Where in February he had allowed his suspicion of de Gaulle to win out over his desire to enter into talks, now, and

148 TNA/PREM13/2629, Wilson handwritten minute, on Youde to Wilson, 10 April 1969.
149 TNA/PREM13/2629, Wilson handwritten minute, on Youde to Wilson, 9 April 1969; TNA/PREM13/2629, Youde to McIntosh, 16 April 1969.
150 Young, Labour, p.145.
151 This is particularly apparent in Robinson’s minute, advocating a leak of leaking de Gaulle’s proposals, backed firmly, as it inevitably was, by Hancock. TNA/FCO30/415, Robinson to Greenhill, 21 February 1969, and Hancock to Greenhill, 21 February 1969.
despite what he had said to Soames in March, Wilson was coming to regret his actions in Bonn. The request for a fresh study of the Munchmeyer plan was thus driven by a hope that talks with de Gaulle might still be possible, the aim being precisely that which had inspired the application for membership in 1967: to establish a place for Britain at the centre of European affairs on an equal footing to France and Germany.

Wilson's irritation at having followed FCO advice in February was further reinforced when he read the record of Stewart’s meeting with Debré in Washington. The foreign secretary restated that London still wanted talks, but Debré underlined the difficulty this posed given de Gaulle’s current mood. In February the president ‘had attached such importance to his ideas that he wanted to discuss them personally with the prime minister’. France had no intention of carrying on negotiations ‘behind the backs’ of the Five ... It was a case of examining ideas and objectives together’. If the talks led to nothing, ‘no one would ever have known, whereas if progress had been made we could have moved ahead’. British actions had resulted in ‘a bad atmosphere and a lack of trust’, and ‘the line was down for the time being’. When Stewart suggested that, as foreign ministers, they could still talk to each other, Debré drew a clear distinction between general conversations and a dialogue of the sort originally proffered by de Gaulle. At the end of the meeting, Stewart proposed that they should meet again to consider ‘the solid problems facing us such as the Middle East and Nigeria’. Debré agreed, but insisted that it would not be possible until after the forthcoming French referendum.
Thereafter, ‘things might be expected to resume their course’. Reporting back to London, Stewart explained that Debré ‘seemed to be making the point that nothing was certain until after the referendum and that the situation might well be different thereafter’. After reading the account, Wilson wrote to his new private secretary, Edward Youde: ‘presumably Debré is right in stressing the referendum’. They should wait for that and then recall Soames for a further meeting. With Debré’s remark about the sincerity of de Gaulle’s approach clearly in mind, Wilson scribbled indignantly, ‘All this confirms my view that before, during and after the event ... we were taken for a ride by that oaf Hancock’.

With Wilson preferring to await the outcome of the French referendum before taking further action, Youde did not communicate his support for Greenhill’s 8 April minute to the FCO. In the light of Stewart’s meeting with Debré, however, Chalfont wrote to the foreign secretary to lend his support to the PUS’s analysis, and to recommend that he initiate a departmental paper ‘on the possibilities of some new approach’. On the morning of 15 March, Stewart discussed this suggestion with Hancock and agreed to Chalfont’s idea. The decision does not indicate any change in the thinking of the foreign secretary; it was born of a recognition that the support for a re-examination of these questions had now reached a point where it could no longer be resisted. On 18 April, Chalfont charged Robinson with beginning work on an initial paper, which would provide the basis for further

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152 TNA/PREM13/2629, Washington to FCO, tel.1158, 12 April 1969.
154 TNA/PREM13/2629, Wilson handwritten minute, on Youde to Wilson, 14 April 1969.
155 TNA/FCO40/421, Chalfont to Stewart, 14 April 1969.
156 TNA/FCO30/421, Maitland to Chalfont, 15 April 1969.
The purpose of the study was to examine economic alternatives to full membership of the European Community. Then, on 23 April, Robinson minuted Brimelow to inform him of rumours about potential alterations in British European policy, with the Paris embassy thought to be one of the sources. An indication of the possible veracity of this claim, and evidence that Soames’s views may have been less cautious than he wished the FCO to believe, is provided by the diary of the publisher and newspaper proprietor, Cecil King. After a discussion of ‘the Soames affair’ with the ambassador in Paris on 21 April, King recorded Soames’s view that ‘he could, after a suitable lapse of time, raise the matter with de Gaulle again’.

Within days, however, the debate in London was dissipated. On 28 April, following the rejection of his proposed constitutional changes by the French public, Charles de Gaulle resigned the presidency of the Fifth Republic. While the manifold implications of this event extend far beyond the purview of this thesis, the overriding significance for Britain was unmistakeable. The front-page of The Times put it succinctly: ‘British hopes on Common Market entry raised’. Wilson nonetheless reserved his position; he wanted first to see who de Gaulle’s successor would be, and emphasised that, whoever took over, the priority would have to be France’s internal problems. Within the FCO, however, there was a clear conviction that de Gaulle’s departure

157 TNA/FCO30/421, Robinson to Tait, 28 April 1969.
158 TNA/FCO30/420, paper under Robinson to Tait, 28 April 1969
159 TNA/FCO30/397, Robinson to Brimelow, 23 April 1969.
should lead to significant alterations in French foreign policy. As Stewart reported to Cabinet on 1 May:

The whole concept of General de Gaulle’s policies, which had placed France in self-imposed isolation, was so contrary to the general trend in Europe and indeed to France’s own best interests, that it was unlikely that they could be continued by any political figure who did not enjoy the General’s special position and exceptional hold over public opinion.\(^{163}\)

Robinson’s paper on European policy, which was supposed to serve as the basis for further discussion within the department, had been submitted on the same day that de Gaulle resigned. A minute from Chalfont to Stewart now quietly wound-up the nascent review.\(^{164}\) It was inconceivable that any future president would have the political strength or the will to contemplate changes such as de Gaulle had put to Soames. On Robinson’s conclusion, a forceful and detailed exposition of the case for maintaining Britain’s existing policy and tactics, Chalfont informed Stewart (with little sense of irony): ‘you will wish to know ... that we are ready with detailed arguments, if they are needed, to substantiate the view that there is no realistic and advantageous alternative for us to membership of the Communities’.\(^{165}\) More revealing than this predictable conclusion was its annex, which examined ‘Allegations of Francophobia in the Foreign Office’. A distinction was drawn between ‘Francophobia, in the sense of simply not liking France or the French’, which was strongly denied, and “Degaullophobia”, [which] has a respectable ancestry from Mr. Churchill’s war-time days’. The annex argued that the

\(^{163}\) TNA/CAB128/44, CC(69)20\(^7\), 1 May 1969.  
\(^{164}\) TNA/FCO30/420, Chalfont to Stewart, 30 April 1969.  
\(^{165}\) TNA/FCO30/420, paper under Robinson to Tait, 28 April 1969; TNA/FCO30/420, Chalfont to Stewart, 30 April 1969.
‘catalogue’ of de Gaulle’s ‘major actions’ towards Britain in the 1960s meant that ‘Degaullophobia has been much more often justified than not’, before concluding with a prescription for the future: ‘The important fact now is that de Gaulle’s resignation has drawn a line under the account’, and ‘it will be particularly important for H.M.G. to show by their actions in the new situation that they are not motivated by any permanent hostility towards France’.166

Conclusion

In February 1968, Cabinet’s review of foreign policy concluded with the analysis that there was ‘no satisfactory alternative’ to British membership of the European Community. Britain should therefore seek to join the Six ‘at the earliest possible moment’.167 For the remainder of the year, this logic had been central to Foreign Office attempts to concert with the Five, above all in relation to the Harmel plan, and to maintain the ‘double veto’. For Wilson, the principal goal was to ensure that any successor to de Gaulle would feel unable to sustain French opposition to enlargement.168 But this did not, as Möckli suggests, make Wilson’s policy ‘anti-French’.169 On the contrary, had he been able to feel confident in February 1969 that de Gaulle was making a genuine offer, or had his visit to Bonn not been so imminent, there is a good chance that the conversations which the French president suggested to Soames would have commenced. Yet in the Foreign Office, there was a

166 TNA/FCO30/420, paper under Robinson to Tait, 28 April 1969.
168 TNA/PREM13/2641, Note for the record, meeting between Wilson and Soames, 10 September 1968.
169 Möckli, European, p.24.
culture of antagonism towards France. Among Stewart, Hancock and Robinson, the levels of mistrust towards de Gaulle were such that they were bound to look askance at any proposals he might make. Wilson’s behaviour in Bonn was partially a product of such suspicion, alongside the desire to bring Germany into a common front against the French veto, but as his subsequent actions reveal, his personal attitude towards de Gaulle was by no means hostile. At the same time, the attempt to revive the French proposals was not motivated by attraction to a looser organisation, but simply by the opportunity to advance the objective which had dominated his European policy since 1967: to forge a more satisfactory role in Western Europe, as the basis for Britain’s international influence more generally. De Gaulle’s resignation raised the prospect of early progress towards this goal by entry to the EC. By helping to sustain the internal Community crisis which followed the French veto, the Wilson government had, just as the prime minister hoped, sharply restricted any successor’s room for manoeuvre. There was therefore reason for optimism in the spring of 1969, as the eyes of Europe now fixed upon the Élysée.

Chapter 2

The Price of Success

Britain, Pompidou and The Hague Summit

*May to December 1969*

On 20 June 1969, Georges Pompidou became the new president of France.¹ For those wishing to see a revival of European integration, Pompidou’s Gaullist background made him a less natural choice than his principal rival for the Élysée, Alain Poher, but the change of leadership in Paris inevitably raised hopes that the divisive politics of the de Gaulle years could now be consigned to the past.² For pro-market opinion in Britain, these hopes focussed above all upon the question of enlargement. On 15 May Pompidou was reported to have told a group of Gaullist deputies that: ‘Britain must come into Europe. General de Gaulle understood this well. It is desirable that Britain should come into Europe sooner or later – and the sooner the better’.³ From Paris, Soames stressed that ‘too much should not be read into these remarks’, and that they should be viewed ‘in the context of the electoral campaign’.⁴ In a minute to Wilson just before the vote, Stewart also noted that Pompidou had been ‘careful not to commit himself to the proposition that EEC membership is the right form for our association with Europe’.

¹ *The Times*, 15 May 1969, p.4.
² TNA PREM 13/2645, Stewart to Wilson, 13 June 1969; TNA/PREM13/2655, Paris to FCO, tells.560-561, 23 June 1969. On such hopes within the EC, see Ludlow, *European*, pp.174-76.
⁴ TNA/FCO30/445, Paris to FCO, tel.464, 15 May 1969
Nonetheless, there remained a clear expectation that Pompidou would prove to be a more flexible interlocutor than de Gaulle: ‘the element of irrational prejudice should disappear from French policy’, Stewart argued, ‘and French interests should be interpreted in a much more normal way’.\(^5\)

Over the next six months, a more flexible French approach did emerge. At the much heralded summit meeting of the Six at The Hague in December 1969, Pompidou lifted the Gaullist veto on enlargement negotiations. In return for this, he secured the agreement of his partners to a permanent system for financing the CAP. The outcome thus brought good and bad news for Britain: on one side, the opening to negotiations marked a very important step forward, albeit it was not yet possible to be sure that French opposition to British membership had been eradicated; on the other, a permanent settlement of the system for financing the CAP represented a defeat for the objective that George Brown had enunciated at the WEU in July 1967: British participation in the negotiations leading to the definitive financial regulation.\(^6\) During 1968, one purpose of the FCO’s ‘double veto’ strategy was to prevent the Community developing in ways that would make subsequent British accession more difficult.\(^7\) By settling the finance question on the basis of existing principles, a very large obstacle had been placed in the path to British accession, one which would make the process of negotiation much more complicated. Accordingly, in June 1970, the objective of avoiding such

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\(^7\) For example, TNA/CAB134/2805, EURM68(6), 17 May 1968; TNA/FCO30/395, draft memorandum, following Morgan to Robinson, 3 January 1969.
an agreement was made a priority for the coming months. In the final weeks before The Hague summit, London made a last ditch attempt to stiffen the Five, and particularly Germany, against conceding a permanent regulation, or at least one that would not prove ‘unalterable’ during future accession negotiations. The attempt failed, and the deal struck at the summit presented Britain with a daunting new obstacle to entry at the very moment that the veto on negotiations was lifted. Britain’s state of preparedness for this difficult yet promising moment of movement in its relations with the Community is the subject of this chapter. It begins by examining Whitehall attitudes towards the prospective revival of Britain’s application in the summer of 1969, focussing in particular upon the concerns raised by the cost of membership. It will then move on to examine how London sought to advance its European objectives at a diplomatic level, before finally examining the attempts which were made to influence the deal reached at The Hague.

Whitehall and the revival of the second application, June to July 1969

After years of dealing with de Gaulle, British hopes for a more forthcoming French attitude towards enlargement were nourished by the figures

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8 TNA/PREM13/2629, RoM Stewart and ambassadors, 24-25 June 1969.
9 This is not referred to in other accounts of Britain and The Hague summit: see : Pine, Harold, p.131-155; Milward, ‘Hague’, and Rücker, ‘triangle’, pp.169-175; TNA/FCO30/502, Record of Discussion (hereafter RoD) at the Italian Ministry of Foreign Affairs, 23 October 1969; TNA/FCO30/503, RoC at the Belgian Foreign Ministry, 4 November; TNA/FCO30/503, RoC Thomson and Rey, 4 November 1969; TNA/FCO30/271, Robinson to O’Neill, 10 November 1969; TNA/FCO30/437, RoC Stewart and Scheel, 10.15a.m., 14 November 1969.
Pompidou appointed to key posts in his new government. The orthodox Gaullist, Michel Debré, had been replaced as foreign minister by the ‘convincing European’ Maurice Schumann, a ‘well known if not too well known anglophile’. At the same time, Schumann’s lack of political weight was also judged by the Paris embassy to be an indication that ‘Pompidou clearly intends to keep close personal control over foreign affairs’. The filling of other important posts with ‘well known “Europeans”’, including Jacques Duhamel as Minister of Agriculture, provided further ‘clear evidence of M. Pompidou’s desire for a more flexible European policy’. There were, however, continuing grounds for caution. The Gaullist majority in the national assembly suggested that Pompidou would ‘have to move with circumspection towards any form of change’, with the corollary that while Britain must continue to state its desire for negotiations, ‘we must recognise that excessive haste, or the appearance of undue pressure, are likely to slow down rather than accelerate the wind of change in France’. Britain’s embassies in the Five had similarly warned that France’s partners in the Community would allow time for Paris to change course. But with all this taken into account, it was generally hoped that a positive reply to Britain’s application might be forthcoming by the end of the year.

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It was in these unprecedented circumstances, just four days after Pompidou became president, that Sir James Marjoribanks, head of the British mission to the Community institutions in Brussels, and Britain’s ambassadors to the Six, returned to the London for a two day Foreign Office conference on the way ahead in Britain’s approach to Europe. Stewart attended the meeting at intervals, and in his absence Lord Chalfont was in the chair. The room was also packed with officials closely concerned with British European policy. From the FCO: Greenhill, Brimelow, and Robinson. From the Cabinet Office, Deputy Secretary and Chair of the Official Committee on the Approach to Europe (EURO), Roger McIntosh. And from Downing Street, the prime minister’s Foreign Affairs Private Secretary, Edward Youde.\footnote{TNA/PREM13/2629, RoM Stewart and ambassadors, 24-25 June 1969.} The conference of Britain’s ambassadors to the Community proved highly important in determining British tactics for the next six months. It focussed upon three main questions: should Britain take any further initiatives in relation to enlargement? How should London approach the task of improving Anglo-French relations? And what stance should London adopt over the agricultural finance deadline? It was easily agreed that no new initiatives were required to advance application. Time would be needed for France to change direction, and the British line should remain that ‘we were waiting for a reply and hoped to receive one soon’. Particular attention focused on whether it was necessary to clarify British views on the future extension of integration into new fields (such as monetary cooperation). Greenhill observed that the department lacked a clear view on this, for which a paper was being prepared, but for the present a precise statement of its thinking
did not seem necessary. For now, it would simply be desirable for the government to convey, in general terms, its readiness to participate in further Community development.\textsuperscript{14}

With memories of the Soames affair still relatively fresh, relations with France would be an important but sensitive task. In his minute to Wilson immediately prior to the French election, Stewart had argued that: ‘Our general objective should be to develop relations, to common advantage no less good than we enjoy with other friendly European countries’. At the same time, the element of suspicion in Anglo-French relations was not easily dissipated, as Stewart’s later remarks revealed:

We should give no appearance of wishing to visit the sins of General de Gaulle on M. Pompidou. In practice, however, we should approach the implementation of this principle with a certain caution, related to the extent to which de Gaulle’s more unacceptable policies may actually survive.\textsuperscript{15}

At the ambassador’s conference, Stewart gave Soames instructions to tell Schumann that Britain wanted ‘to open up a dialogue of a friendly character’. Yet vigilance seemed necessary on two counts. First, London should not be drawn into any form of pre-negotiation with Paris. This might result in being asked to pay twice, ‘once for opening [accession] negotiations and once for

\textsuperscript{14} TNA/PREM13/2629, RoM Stewart and ambassadors, 24-25 June 1969.
\textsuperscript{15} TNA PREM 13/2645, Stewart to Wilson, 13 June 1969.
concluding them’. Second, the Five should be ‘informed of anything which affected their interests’, a line reminiscent of the one Stewart pushed in February 1969.

Potentially the most difficult of all issues that the ambassadors discussed was agricultural finance. Officials were conscious of the 31 December deadline for the Six to agree a permanent system for financing the CAP. The question of Britain and agricultural finance in the EC dated back to the first enlargement negotiations, but the scale of the problem had grown steadily worse since then. In January 1962, the Six had agreed Regulation 25 stipulating that levies on extra-Community agricultural imports would increasingly be apportioned to an EEC agricultural fund, with a view to a permanent system from 1970 whereby all levies would belong, as of right, to the Community. The fund (Fonds Europeen d’Orientation et de Garantie Agricole, abbreviated as FEOGA) was used to finance CAP support policies and by 1967 90% of levies were being transferred to it. This alone, however, did not meet the full scale of CAP expenditure, and the Six made an additional ‘fixed key’ contribution (the key being roughly proportional to each member states’ share of Community GDP). Due to Britain’s large non-EEC food imports, the prospect of paying upwards of 90% of levy receipts to the Fund was a source of acute concern. It was primarily a balance of

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16 TNA/FCO30/397, Robinson to Brimelow, 30 May 1969.
17 TNA/PREM13/2629, RoM Stewart and ambassadors, 24-25 June 1969.
payments problem: studies carried out in 1967 suggested that by the end of a transitional period Britain’s net contribution would be over £190 million annually.\(^{21}\) Given the UK’s persistent balance of payments difficulties, transfers of such a magnitude seemed extremely onerous; in 1967, the year of devaluation, Britain ran a current account deficit of £294 million.\(^ {22}\) The British also felt their prospective contribution to be inequitable. The 1967 calculations put Britain’s likely gross contribution at nearly 37% of the Community total. This would have been by some margin the largest of any member state – more than twice Germany’s and nearly three times that of France, despite having an economy smaller than both. When receipts from the fund were taken into account, the British contribution appeared even more unfair. The small size of the UK agricultural sector meant that Britain would receive relatively little in CAP expenditure. The 1967 estimates suggested it would claw back just £45 million, a mere 7% of the total.\(^ {23}\)

This was the background to Brown’s declaration of the British wish to participate in the definitive negotiations when he presented the application to the Six in July 1967.\(^ {24}\) While de Gaulle’s veto soon intervened, it also checked the Community’s own advance, so that by the time of Pompidou’s election in June 1969 a definitive regulation was still outstanding and arrangements for 1970 onwards were in abeyance. Given the advantages

\(^{21}\) TNA/CAB134/2817 EURO(67)65 (Part Revise), Agricultural Guidance and Guarantee Fund, 6 June 1967.


\(^{23}\) TNA/CAB134/2817 EUR(O)(67)65 (Part Revise), Agricultural Guidance and Guarantee Fund, 6 June 1967; also see Parr, *Britain’s*, p. 134.

\(^{24}\) Kitzinger, *Second*, p.195. For a detailed account of the preparation and content of the statement as a whole see Parr, *Britain’s*, p.161-64.
that the current system gave to France, it was clear that one of Pompidou’s first Community priorities would be to secure agreement on a permanent regulation which to a great extent preserved the existing system. Any such agreement would pose a major problem for Britain: since 1967, sterling’s devaluation and the mushrooming cost of CAP operations (FEOGA expenditure had increased from $494m in 1966/7 to an estimated $2,437m in 1968/9), requiring increased key contributions from all member states, meant that the balance of payments problem seemed likely to be worse.\textsuperscript{25} When combined with a short-term deterioration in the balance of trade (as a result of tariff changes), the overall burden might appear so large that Cabinet and parliament would baulk at joining. CAP finance arrangements thus became a key issue in Foreign Office planning.

It was felt to be imperative that the Six should not agree a definitive regulation by the end of the year. At this stage, however, such an outcome was considered unlikely. The ambassador to Bonn, Roger Jackling, argued that the Germans would not be ready for decisions by December and that a temporary agreement would necessarily follow.\textsuperscript{26} In a recent conversation with Wilson, Brandt had envisaged a one or two year extension of current arrangements.\textsuperscript{27} Crucial in any temporary agreement would be the review clause, stipulating how far the existing financial system could be altered in definitive negotiations. Britain would want a very open review, enabling significant changes to be made to existing rules. France, by contrast, would

\textsuperscript{25} TNA/FCO30/315, McLean to Robinson, 17 June 1969.
\textsuperscript{26} \textit{Ibid.}
\textsuperscript{27} TNA/PREM13/2629, RoM Wilson and Brandt, 16 June 1969.
inevitably look for a restrictive review, guaranteeing the system that it found so advantageous. The British approach was clearly defined in the conference conclusions, and it was one that would have dramatic consequences in the coming months:

It will be essential for us to be in on the negotiation of definitive agricultural finance arrangements. ... But even the French recognise that definitive arrangements are not likely to be negotiated this year. The Six will probably agree interim arrangements for a further period (e.g. 1-3 years) with a review provision. Our interest would be served by a good review provision and a short new interim period. It would be important not to change our 1967 position - that we were ready to come to terms with the common agricultural policy, and looked forward to taking part as a full member in negotiation of definitive arrangements.28

Differences of view emerged over how Britain should act while the Six were negotiating. Soames felt that Britain should not intervene as this would upset relations with France. Against this, however, Jackling and Evelyn Shuckburgh, the outgoing Ambassador to Rome, advocated discussions with German and Italian officials on how the CAP might be modified. Their advice reflected the dissatisfaction felt by those governments with the current operations of the CAP and the possibility that existed for an alliance with Britain on reform.29 The foreign secretary came down on the side of Jackling and Shuckburgh: studies on the balance of payments cost of accepting the CAP were currently being undertaken by EURO; once complete, Britain should ‘try discreetly to further our objectives by bilateral contacts with the

Six'. Concern over friction with France took second place to the objective of reducing future contributions to the CAP.

At the Treasury, the prospective revival of the EC application was viewed with misgivings. Treasury officials accepted that the principle of joining the Community was settled (provided satisfactory terms could be negotiated), but felt reservations about the wisdom of attempting to do so in the short term. The principal reason was again the balance of payments implications. In July 1969, Frank Figgures, a second secretary (immediately below permanent secretary), and the senior Treasury official concerned with European policy, set out his views in a minute to the private office of Chancellor Roy Jenkins:

(i) Nothing has happened in the last two years to modify the advice which officials gave two years ago that membership of the Community represented the only satisfactory political framework for the U.K. in the long run. The political framework includes economic organisation.

(ii) In the short run, membership of the Community will be economically disadvantageous for the economy as a whole, though some sectors will benefit very quickly. It may be possible in negotiation to limit this cost but nothing will prevent it from being very substantial.

(iii) Over time membership of the Community should bring some economic advantage, though it demands an act of faith to be sure that membership will bring economic advantages commensurate with the political advantages which are expected.  

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30 TNA/PREM13/2629, RoM Stewart and ambassadors, 24-25 June 1969.
31 TNA/T312/2456, Figgures to Dowler, 10 July 1969
The Treasury’s stance on the cost of membership reflected its consciousness of the sacrifices which had been necessary to remedy the weakness of 1967-68. The problem was made more difficult by the fact Britain had significant short and medium term debt obligations. In these circumstances, Figgures was to warn subsequently, there could be no additional burden on the balance of payments until the end of 1975.\textsuperscript{32} Given that the principle of entering into negotiations had already been agreed, official Treasury advice focussed upon the question of timing, and the need for a long transitional period during which the balance of payments burden would increase gradually. The later negotiations began, the stronger, it was hoped, the economy should be and the more international debt Britain should have repaid.\textsuperscript{33}

On 14 July 1969, a high level Treasury meeting took place at Jenkins’s request to discuss the possibility of renewed accession negotiations and the economic challenges British entry would present.\textsuperscript{34} Alongside the chancellor, there was a strong ministerial presence: the Chief Secretary, John Diamond, the Financial Secretary, Harold Lever, and Minister of State Dick Taverne. There was an equal complement of senior officials: Permanent Secretary Douglas Allen and Figgures were joined by the Chief Economic Adviser, Donald MacDougall as well as members of the Overseas Finance Division (the section of the Treasury directly responsible for relations with the

\textsuperscript{32} TNA/T312/2459, Figgures to Ryrie, 8 December 1969
\textsuperscript{33} TNA/T312/2456, Figgures to Dowler, 10 July 1969; TNA/T312/2456, Note of a meeting (hereafter NoM) in the Chancellor’s office, 14 July 1969; TNA/T312/2459, Figgures to Ryrie, 8 December 1969; TNA/T312/2456.
\textsuperscript{34} TNA/T312/2456, Dowler to Bell, 1 July 1969; TNA/T312/2456, TNA/T312/2456, Note of a meeting (hereafter NoM) in the Chancellor’s office, 14 July 1969.
Community). The minutes do not specify the names of contributors, but at the start of the meeting a litany of arguments were deployed against embarking on negotiations in the near future. These focussed above all upon the interrelated problem of cost and indebtedness. It was also pointed out that in 1967 the Six had wanted to discuss the international role of sterling within the context of accession negotiations. Britain had negotiated the Basle agreements (to guarantee the sterling balances) in 1968, and would want to renew them in 1971. It was therefore considered undesirable ‘to be obliged to discuss these matters [with the Community] early next year’.

Towards the end of the meeting, the arguments took an altogether different direction. The pure economic analysis was supplanted by broader considerations. It was suggested that: ‘The balance of payments assessment, which was essentially short-term, could not be regarded as the decisive factor; entry to the Community represented the only sensible political and economic course for the United Kingdom.’ The change of emphasis continued:

viewed objectively, our interests would seem to lie in doing nothing to accelerate the process of negotiation; indeed, the most sensible course in present circumstances might be to continue with our existing policies for a year or two, until our economic position was thoroughly secured, meanwhile keeping closely in touch with the Community. However sensible, this course would not ... be practicable, given the state of public opinion in the country, and the determination of our friends among the five to maintain constant pressure on the French. It would be essential to maintain the momentum of opinion; it would be very

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35 The author of the record, Assistant Secretary in the Overseas Finance Division, John Slater, admitted to having had 'some difficulty in hearing what people said' (due to 'noise'), but the record was agreed by his immediate superior, Under-Secretary, J. Owen, and initialled by Jenkins. TNA/T312/2456, Slater to Owen, 16 July 1969, and Slater minute thereupon; TNA/T312/2456, NoM in the Chancellor’s office, 14 July 1969.
damaging and dangerous to appear to be moving away from the door at the very moment when it gave signs of opening. It would be difficult enough to sustain enthusiasm for entry when the assessment of cost was known and the short-term burdens were recognised; any apparent hesitancy about our purpose could put paid to the prospects of entry for a very long time. There would, moreover, be a net political advantage in completing negotiations for entry before the election.  

While the invocation of electoral considerations inevitably suggests that this was a ministerial contribution, the critical point is that the arguments for delay had not been allowed to pass unchallenged. Having pressed the application for two years, and in so doing acquired a strong position in relation to the Five, it seemed inconceivable that the government might now suspend the application in the hope of more favourable financial conditions arising later. This had an important consequence for future Whitehall debate: with the neutralisation of internal Treasury disquiet, the FCO was left free to pursue an early renewal of accession negotiations.

Similar dynamics to those seen in the Treasury were also visible in Cabinet. Ministerial opinion can be broken down into three main groups: those in favour; those who were sceptical but prepared, as Barbara Castle put it, to ‘keep’ their ‘mouth shut’ for the time being; and, finally, those willing to question the application in present circumstances. Only two ministers appear to have fallen into the last category in the summer of 1971, namely, Peter Shore and Fred Peart. In the year ahead, however, Wilson would

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36 TNA/T312/2456, NoM in the Chancellor’s office, 14 July 1969.
encounter increasing difficulty with the middle group – the silent doubters – including such senior ministers as Castle and Richard Crossman. At a private meeting on 9 July, Wilson agreed that Stewart should seek a ‘renewed remit’ from Cabinet on Europe.\(^{38}\) With the fresh possibility of negotiations, it was felt that ministers needed to restate their basic commitment to membership given acceptable terms.\(^{39}\) And with the public opponents of entry likely to become increasingly energetic in the months ahead, there would be a need for ministers to show a united front.\(^{40}\)

The date selected for the Cabinet discussion was 22 July, and the debate it triggered provided an early warning of the difficulties Wilson would face if and when Britain actually entered into negotiations. Stewart opened by describing the improved prospects for this and underlined that ‘the government’s settled policy [was] to seek membership’.\(^{41}\) He was followed by a volley of critical analysis, in which Shore and Peart appear to have been the principal protagonists.\(^{42}\) It was argued that ‘the situation had changed considerably, particularly in the economic and agricultural fields, since the original decision had been taken in 1967’, and there should be a reappraisal of the ‘full implications’ of joining. Given that a central aim of the second application had been to join in time to participate in the working out of a definitive financial regulation, the possibility that the Six might reach

\(^{38}\) TNA/FCO30/398, Graham to Robinson, 9 July 1969.
\(^{39}\) TNA/PREM13/2629, Trend to Wilson, 21 July 1969.
\(^{40}\) TNA/FCO30/398, Robinson to Stewart, 21 July 1969.
\(^{41}\) TNA/CAB128/44, CC(69)35\(^{th}\) Meeting, 22 July 1969.
agreement without Britain enabled those hostile to entry to argue that a new barrier to joining might soon be raised:

Should the French insist on the satisfaction of their agricultural demands in full as a price for agreeing to negotiations for British entry, we should be in a difficult position. The price we should have to pay might be too high, and we should not seek membership of the EEC at any cost.

But the idea of a reappraisal was firmly resisted: should the fact that this was being done become public knowledge, it would ‘create doubts about the seriousness of our intentions’. The government’s line should be ‘firm but cautious’, with the final decision dependent, as always, upon the terms which emerged from negotiations. In summing up, Wilson underscored this approach, and by once again stressing the critical importance of the terms he maintained an awkward compromise: for those ministers favourable to entry, there would be continued progress towards negotiations; for those less convinced, an assurance that membership might still be declined should the outcome be unacceptable. Yet in order to leave himself maximum room for manoeuvre in future, Wilson deliberately left the unclear the question of what acceptable terms might be. He concluded by saying that Cabinet would ‘take note’ of Stewart’s statement and insisted that ministers’ public pronouncements should reflect the government’s agreed position.43

Cabinet’s approval of this summing up meant that the immediate objective had been achieved: Stewart had received a renewed remit. In the longer-

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term, however, the meeting held dangerous portents. The prosecution of effective negotiations would depend significantly upon ministers’ readiness to make important and potentially painful concessions at critical moments. Should divisions over what constituted acceptable terms prevent this, Britain’s membership bid could be severely handicapped.

Over the summer, important personnel changes would take place within Whitehall. George Thomson returned to the FCO (where he had been a minister between 1964 and 1967) as the minister responsible for Europe, and was given a seat in Cabinet as Chancellor of the Duchy of Lancaster. He would lead the British team in Brussels if and when negotiations were opened. The head of the team at official level would be Con O’Neill, who also returned to the Foreign Office in September. A leading marketeer during the mid to late 1960s, O’Neill had resigned in February 1968 after being overlooked for the vacant ambassadorship in Bonn.44 At the Cabinet Office, William Nield became Permanent Secretary and replaced McIntosh as chair of the EURO committee. Having worked together on Europe in 1966-67, Nield quickly established himself as Wilson’s principal adviser on this subject (effectively filling the void left by Palliser’s transfer to the Paris embassy – Youde having little specialist knowledge). Within the Whitehall machine, Nield and O’Neill also formed a powerful axis in support of the application. Once again, the Wilson government was poised to push Britain along the path to Europe. Once again, it awaited an opening from France.

44 *DNB* entry for Sir Con O’Neill, (author: Roy Denman).
Waiting on the Six, July to October 1969

On 10 July, Pompidou launched his proposal for a summit of the Six at a press conference in the Élysée. This shifted the parameters of European diplomacy for the coming months. Instead of the pressure focusing on France at each Council of Ministers until an opening to negotiations was accepted, the Community began a period of careful preparation, to culminate, it was hoped, in a major deal at The Hague at the end of the year.\(^{45}\) The summit was to become synonymous with Pompidou’s celebrated triptych: ‘completion’ of the common market (by which was meant, first and foremost, a definitive agreement on agricultural finance); ‘deepening’, denoting the future development of the Community; and ‘enlargement’.\(^{46}\) On the application for membership, Pompidou’s press conference remarks were open to differing interpretations. He made it clear that the Community’s first priority must be the completion of the common market. This should be followed by a period in which the Six considered the consequences of enlargement, and then, finally, negotiations might begin.\(^{47}\) Pessimists could thus point to the large body of internal Community work he had put before negotiations, while for optimists the fact that there had been no objection of


\(^{47}\) The Times, 11 July 1969, p.10; TNA/FCO30/446, Paris to FCO, tel.632, 10 July 1969.
principle to British accession was potentially significant. Wilson did what he could to advance the British cause from the sidelines: speaking at a Guildhall European dinner on 29 July, he made use of the renewed remit agreed at Cabinet to express the government’s desire to see integration extended into new areas. After emphasising the theme of technological cooperation, which had marked his approach to the Community 1966-67, Wilson spoke of the ‘aspirations which so many of us have for a greater and more effective political unity’, as well as underlining British willingness to discuss progress in currency matters, ‘not excluding as an ultimate aim a common European currency’.

Following the summer recess, French actions remained difficult to interpret. At the Franco-German summit on 8-9 September, the French warned of a “crise mortelle” should a definitive finance regulation not be agreed by the end of the year. Then, at the Council of Foreign Ministers on 15 September, Schumann repeatedly evaded attempts by the Six to draw a commitment on enlargement. Outside the Community bubble, however, French rhetoric appeared more positive. During a speech to the UN General Assembly in September, Schumann said of the membership applications that

49 TNA/PREM13/2629, FCO to Certain Missions, tel.164, 1 August 1969.
52 TNA/FCO30/271, EEC to FCO, tel.175, 15 September 1969.
it was ‘not only conceivable but eminently desirable that they may succeed’.\textsuperscript{53}

It was at the UN on 20 September that Stewart and Schumann had their first exchange as foreign ministers.\textsuperscript{54} Stewart found Schumann ‘friendly and forthcoming’, an improvement in itself from the latter part of de Gaulle’s presidency. And it was the tone rather than the substance of the meeting which he found most encouraging. Whilst insisting that no date for negotiations could be set at the forthcoming summit in The Hague (the Six would first have to examine ‘whether enlargement was compatible with the existence and development of the Community’), Schumann maintained that ‘the French government approached this question from a positive, not at all a negative, point of view’.\textsuperscript{55} Believing Schumann to be more favourable to British entry than the Quai d’Orsay diplomats who flanked him in formal discussions, British officials advised Stewart to seek an opportunity to speak to the French foreign minister in private. Once alone, it was hoped he might be more frank about French intentions.\textsuperscript{56} This reflected a broader Foreign Office anxiety that while the political leadership in Paris might have changed, the high ranking officials remained those of the de Gaulle era. Having worked tirelessly to prevent British entry for so long, it seemed unrealistic to expect them to abandon those positions with any speed.\textsuperscript{57} Stewart accepted this advice and in private conversation asked Schumann whether France (a) still

\textsuperscript{54} TNA/PREM13/2629, Paris to FCO, tel.646, 12 July 1969; TNA/PREM13/2629, Record of a conversation (hereafter RoC) Stewart and de Courcel, 22 July 1969.
\textsuperscript{55} TNA/FCO30/447, RoC Stewart and Schumann, 9.30a.m., 20 September 1969.
\textsuperscript{56} TNA/FCO30/446, FCO to UKMIS New York, tel.1122, 17 September 1969.
\textsuperscript{57} Hannay, Britain’s, p.326.
opposed British entry, (b) would reluctantly accept it, or (c) ‘would welcome it’. Schumann ‘replied without hesitation that it was (c)’, but completion would have to come first.\textsuperscript{58} The foreign secretary reported to Wilson that he was ‘well satisfied’ with their exchange.\textsuperscript{59}

The new Anglo-French contacts continued when on 10 October Soames had his first meeting with Pompidou. The conversation was dominated by Pompidou’s reflections on the European scene, insisting that he had ‘neither the desire nor the intention of using any veto’. He was ‘convinced’ that accession negotiations should be started and, moreover, he hoped that they would be successful. That said, Pompidou did raise some points of concern: one was the uncertainty surrounding the date of the next general election – the Six would prefer not to be presented with a change of administration midway through the enlargement negotiations (a comment which carried the implication that negotiations might have to await a new government). He had also noticed that a significant section of British public opinion was opposed to membership, and that the resolution on Europe tabled at the Labour Party conference had qualified the party’s commitment to membership. (On 2 October, the Labour Party conference passed a resolution on the EC calling on the government to ensure, among other things, protection for the balance of payments, the cost of living, and Britain’s freedom of action in economic planning and foreign policy).\textsuperscript{60} Soames did what he could to counter these points, emphasising that British entry was supported by the two main parties.

\textsuperscript{58} TNA/FCO30/446, NoM Stewart and Schumann, 10.30a.m., 20 September 1969.
\textsuperscript{59} TNA/PREM13/2629, UKMIS New York to FCO, tel.1926, 20 September 1969.
\textsuperscript{60} As reported in \textit{The Times}, 3 October 1969, p.4.
In these circumstances, neither a change of government nor the domestic opposition to entry should be a source of hesitancy. He urged Pompidou to focus not upon the resolution, which was designed to ensure maximum support, and instead to look at the speeches made by the party leadership. These, Soames argued, demonstrated the government’s firm determination to join.61

As these early positive Anglo-French encounters opened up new possibilities, the FCO remained anxious about the Six reaching a definitive agreement on agricultural finance prior to negotiations between the UK and the Community. The ambassadors’ conference in June had stipulated that British interests would best be served by a short, temporary agreement, containing a provision for an open review. Stewart had agreed that once the interdepartmental studies on the cost of membership were complete, Britain should look to defend its interests by discreet contacts with the Six.62 In September, the attitudes of the Five appeared to suggest that this was unnecessary. Brandt referred to a two to three year ‘provisional’ agreement, with the Italians also expressing a determination to stand up to France over its agricultural demands.63 Even the Dutch foreign minister, Joseph Luns, in spite of the benefits the Netherlands accrued from Community agricultural policies, indicated support for Brandt’s view on a provisional agreement.64

The devaluation of the Franc on 8 August, which had destabilising effects on

61 TNA/PREM13/2630, Paris to FCO, tel.914, 10 October 1969.
64 TNA/FCO30/436, RoC Stewart, Luns and Brandt, 22 September 1969.
the CAP, also seemed to make a permanent deal less likely.\textsuperscript{65} In late September, however, Soames became concerned by increasing French confidence. Paris appeared to believe that if it accepted a provisional regulation, the Five would agree to the crucial review clause stipulating that subsequent alterations could only be made by unanimous agreement. This would give France an effective veto on future changes. Soames wrote to the FCO to urge that Britain should encourage the Five to resist what would be ‘in effect if not in form’ a \textit{definitive} agreement.\textsuperscript{66} All was not lost if the Five could be brought to realise there was more give in the French position than their rhetoric might suggest:

When de Gaulle was around, the Five were obliged to give way to French blackmail because their first priority remained the preservation of the Community and they had a real fear that, in the last resort, old Samson de Gaulle would be prepared to pull down the temple. … When Pompidou talks of a “crise mortelle” within the Community he is, in the last analysis, bluffing. We here are convinced of this, but we wonder whether the Five have yet hoisted in this vital change and drawn the right conclusions therefrom.\textsuperscript{67}

Soames wanted the French bluff to be called. The Five should hold firm for an agreement ‘that would be acceptable to us and yet would be difficult for the French to refuse’.\textsuperscript{68}

\textsuperscript{65} TNA/FCO30/401, Robinson to Private Secretary, 29 August 1969.
\textsuperscript{66} TNA/FCO30/475, Soames to O’Neill, 22 September 1969.
\textsuperscript{67} TNA/FCO30/475, Soames to Brimelow, 22 September 1969.
\textsuperscript{68} TNA/FCO30/475, Soames to O’Neill, 22 September 1969.
The ambassador’s recommendation was awaiting further consideration when, in the first week of October, embassies elsewhere in the Community delivered supporting recommendations. In particular, Jackling reported divisions within the German administration over how to handle the finance issue. Especially worrying was the fact that the Auswärtiges Amt (the German foreign ministry) appeared to be advocating a definitive settlement. Jackling urged that Britain should try to ‘stiffen the Five by insisting on general reform of the CAP’ as the price for any agreement on finance.69

Central to reform would be the reduction of agricultural surpluses, which could significantly reduce the overall cost of the CAP, and thus alleviate the eventual charge on Britain. Soames, Patrick Hancock (now ambassador to Italy) and John Beith (ambassador to Belgium) all disliked this tactic: if discussions on agriculture were prolonged, the opening of enlargement negotiations might also be delayed. Moreover, London should aim to be part of any negotiations on CAP reform, and so ensure that the outcome was favourable to British interests. Better, it was argued, for Britain to encourage the Five to pursue an agreement that would both satisfy France whilst allowing Britain’s ‘essential requirements’ to be safeguarded during accession negotiations.70 Robinson agreed with this analysis, but was uncertain about how such a compromise could be achieved in practice. He wrote to O’Neill:

69 TNA/PREM13/2630, Bonn to FCO, tel.1227, 2 October 1969.
70 TNA/PREM13/2630, Paris to FCO, tel.888, 3 October 1969; TNA/PREM13/2630, Brussels to FCO, tel.311, 3 October 1969; TNA/PREM13/2630, Rome to FCO, tel.918, 6 October 1969.
If, by the turn of the year, we are going to be faced with an agricultural finance settlement from which we are going to have to dissent publicly, then we have little to lose by doing all we can in the interval to see that the finance settlement is one we can accept. The difficulty is to see what could be acceptable at this stage both to us and to the French. We should have to have either a ceiling on Community expenditure or no unanimity in the review at the end of three years. I do not see the French accepting either of these points without the most bitter struggle which is bound to bring us into open conflict with them if we take - as we would have to take - strong action with the Five.\footnote{TNA/FCO30/399, Robinson to O'Neill, 3 October 1969.}

At a meeting with FCO officials and Soames on 6 October, Stewart requested that draft instructions for Community posts be submitted to him the following week. Robinson produced a first version by 8 October and a process of consultation began with other Whitehall departments. From Downing Street, Youde advised that Wilson would need to approve the instructions before despatch.\footnote{TNA/FCO30/476, O'Neill to Greenhill, 10 October 1969.}

A key component of Soames’s advice had been the need to make any action acceptable to France. To do this, Britain would have to state its commitment to the three principles which underpinned the CAP and to which Paris attached primary importance: the single agricultural market, Community Preference (meaning the imposition of levies on non-EEC agricultural imports), and the collective responsibility of member states for financing agricultural support policies.\footnote{TNA/PREM13/2630, Paris to FCO, tel.888, 3 October 1969.} But given the massive increase in the cost of the CAP in just a few years, O’Neill and Robinson felt that Britain could not
make the unlimited financial commitment implied by the third principle, collective responsibility for finance.\textsuperscript{74} Robinson’s draft instructions thus omitted any reference to the principles and stressed only the difficulties for Britain inherent in a permanent agreement.\textsuperscript{75} Upon reading the draft, Soames was deeply concerned, and wrote to London urging reconsideration:

I am bound to say that, unless we can give more substance to our professed willingness to come to terms with the C.A.P., the risks inherent in this operation become in my view extremely high. It was clear to me that whatever we said to the Six on this sensitive issue would inevitably irritate the French and that they would profess to regard it as interference. But I felt this would have been a justifiable risk if our approach could have been based on the principles. But if this really is not possible, then I fear that action on the lines proposed would carry with it a real danger of arousing fresh resentment among the French ministers at a time when, as you will have seen from my recent talks with Pompidou, Schumann and Duhamel they are showing at last the first signs of a genuine change of outlook. (I need hardly say that the hard line senior officials could be counted upon to encourage such a hostile reaction by their political masters if we gave them the ammunition they want).\textsuperscript{76}

O’Neill took the point. His recommendation to Stewart two days later was that no action should be taken at this stage:

The drafting of instructions proved extremely difficult. The Secretary of State agreed that, if we said anything, we should say the same thing to all the Six. This is essential. But it is clear that if we state our position to the Six at the present moment in the form that we wish them to avoid a

\textsuperscript{74} TNA/FCO30/399, Robinson to O’Neill, 3 October 1969; TNA/FCO30/476, O’Neill to Soames, 10 October 1969.

\textsuperscript{75} TNA/FCO30/316, Draft telegram, FCO to Bonn, u/d.

\textsuperscript{76} TNA/FCO30/316, Paris to FCO, tel.919, 13 October 1969.
permanent agreement (however that permanency is defined) but cannot add (and we do not think we should) a reassurance that we are prepared to accept the principles of the Common Agricultural Policy, the effect of our representations might well be to cause difficulties over the consideration of our application for membership of the Communities at the summit of the Six next month. It might also cause the French to question whether our application should be accepted at all. Yet to say formally at this moment that we accept the principles of the Common Agricultural Policy (particularly the principle of Community financial responsibility) might be to strengthen rather than weaken the hand of the French in negotiations with their Five partners, and might prejudice our own negotiating position.

The overriding priority had to be to secure an agreement to open accession negotiations, with the result that Soames’s advice had been accepted. But O’Neill went on to make clear that the current recommendation may change. The FCO would carefully monitor how attitudes were developing within the Five, particularly within the new German government, and in a fortnight’s time the matter would be reconsidered.77

Britain and The Hague summit, October to December 1969

On 21 October, Brandt became the new German Chancellor. There could be little regret in London at the disappearance of Kiesinger, whose mediatory approach to enlargement had been a source of great frustration.78 The ideological affiliation between Labour and the SDP also promised much for a

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78 TNA/PREM13/2627, Palliser to Day, 7 October 1968; TNA/PREM13/2630, Barrington to Youde, 22 October 1969; TNA/CAB128/44. CC(69)58th meeting, 4 December 1969; also TNA/PREM13/2631, memorandum by Nield, 3 December 1969.
renewal of Anglo-German relations, but added to this was Brandt’s reputation for being more ready to stand up to France.79 His promotion to chancellor meant that Walter Scheel, the leader of the Free Democrats, the second party in the new ‘small coalition’ in Germany, became foreign minister. The new administration’s statement of policy to the Bundestag certainly gave cause for optimism, containing as it did a forthright passage on the importance of British Community membership.80 With new political leadership in Bonn, and time running short before the summit, a more intensive phase of European diplomacy began, leading up to the crucial meeting at The Hague on 1-2 December.81

The promise of a more determined attitude in Bonn was particularly welcome at a time when the ambiguity surrounding French policy was giving cause for concern. In a letter to Palliser on 22 October, Robinson revealed his growing concerns: where in June there had seemed good reason to be optimistic about the gradual emergence of a more flexible French attitude, he now feared that this might not be materialising. He asked Palliser to provide an assessment of the new government’s attitude to British entry.82 Palliser’s reply on 29 October was categorical; the joint conclusion of Soames and himself was that ‘there has been a fundamental and favourable shift in the French attitude since the departure of de Gaulle’. To substantiate the point,

79 TNA/PREM13/2629, Paris to FCO, tel.281; 14 March 1969; Brandt himself said as much to Stewart during a meeting in September: TNA/FCO30/436, RoC Stewart, Luns and Brandt, 22 September 1969.
80 TNA/PREM13/2630, Bonn to FCO, tel.1339, 28 October 1969.
82 TNA/FCO30/447, Robinson to Palliser, 22 October 1969.
Palliser observed that Paris no longer insisted that enlargement would necessarily weaken the Community – witness Schumann’s UN speech and its reference to the success of accession negotiations as ‘eminently desirable’. ‘No French Minister could have uttered any such thought under de Gaulle’. Then there was Soames’s audience with Pompidou, in which the president had insisted that he would not use a veto. Tackling head on France’s hard line approach to The Hague summit, Palliser wrote:

You may also ask why, if they really mean business, the French refuse (as they almost certainly will at the Summit) to fix a date for the opening of negotiations. … [W]e regard it as a tactical attitude. Is it realistic to expect the French to agree now to a date for the opening of negotiations? If they do, they lose most of their hold on their partners in the preparation of common negotiating positions to which they attach such importance. But we do not believe that reluctance on the question of a date conceals a continued objection of principle to negotiate. On the contrary, it remains our view that the most fundamental change which has occurred in the past four months is precisely that - as Pompidou says - the veto of principle on the opening of negotiations has now been lifted.

Even if the summit did not set a specific date, the embassy believed that France could be brought to accept a timeframe within which negotiations should be started. For all this, he did not believe that France genuinely wanted Britain in the Community. Whilst they were concerned about increasing German power, which British entry should help to counteract, Paris saw greater danger in an Anglo-German combination directed against France. There would also be tougher industrial competition and the dilution of French influence in European institutions, bringing with it the potential for
English to supplant French as the dominant Community language. Nonetheless, France was ‘resigned to British entry ... They know they will not get what they want out of the Community unless they allow negotiations to open’.  

For Robinson, this dual conclusion – that there was no longer any veto on negotiations, but that France did not see British entry as being in its own interest – raised clearly the danger that Paris might try to adopt so rigid a posture during negotiations that a successful outcome would be made impossible. This again brought agricultural finance into the foreground, for it was here, above all, that Paris could insist upon terms that the British government would be unable to accept. On 6 November, Robinson set out his thoughts to O’Neill:

If the French position is that they are resigned to negotiations, but intend to make them long and tough and have suspended judgement on whether they need ever be concluded, then the real problems for us arise in negotiations rather than in getting negotiations to start. I would conclude from this (to take agricultural finance as the main obstacle to our membership) that we risk less as a result of a serious crisis over the question of permanency for finance agreements agreed before negotiations start, than we do by allowing permanent agreement on finance to be reached and then trying to overturn it in negotiations. In any case, this is the central issue in our European policy for the coming three months.  

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83 TNA/FCO30/447, Palliser to Robinson, 29 October 1969.
84 TNA/FCO30/448, Robinson to O’Neill, 6 November 1969.
Three weeks previously, the FCO had decided against making representations on agricultural finance for fear of antagonising Paris. Now, however, with the possibility that France might seek to use a permanent regulation to frustrate a successful denouement to negotiations, the greater danger appeared to lie in not acting. Better, Robinson felt, to have a confrontation at this stage, while the financial arrangements were still undecided, than seek to alter them in negotiation, when Paris could insist that the onus was on Britain to accept an agreed Community policy.

In fact, the FCO had already begun to retreat from the decision taken on agricultural finance in mid-October. Starting in Rome at the end of the month, and then with the Belgians, Dutch and the Commission in early November, British representatives began to stress the problems that a permanent settlement would pose. These were threefold: it would make accession negotiations more difficult, as Britain would need substantive safeguards against an inequitable contribution; definitive arrangements might take so long to agree that the opening of enlargement negotiations might be delayed; and British public opinion would be confounded by such a deal being struck immediately prior to the opening of negotiations. On 7 November, Thomson emphasised this last point in conversation with the French ambassador to London, Geoffroy de Courcel, and was met with a warning that, ‘Britain should be careful not to attempt to divide France from her partners on the

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question of agriculture'. But the FCO could no longer be deterred. Instructions were sent to embassies in the Five to continue stressing the problems a definitive agreement would create. Soames felt that London was going too far, but this time his concerns went unheeded. Yet the signs from the Five were far from encouraging. Italy appeared to be the only state willing to oppose a definitive settlement, but it was clear that it could not hold out alone. The pivotal player would be Germany. Stewart had a visit to Bonn scheduled for 14 November and he would exert high level pressure to resist French demands.

That agricultural finance became Britain's major preoccupation in November was, in large measure, a reflection of increasing confidence that a decision of principle to open negotiations would be taken, if not at the summit, then shortly after. This greater optimism was in part due to the Palliser letter, but it also followed the more robust line now being taken by Germany and Italy. In Cabinet Stewart remained cautious, asserting that the summit was unlikely to set a date, but in a meeting with Wilson on 12 November he revealed his belief that negotiations would start by the middle of 1970. On agricultural finance, the picture was less encouraging: Stewart thought it ‘just

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87 TNA/FCO30/447, RoC Thomson and de Courcel, 7 November 1969.
88 TNA/FCO30/316, FCO to Luxembourg, tel.59, 13 November 1969.
89 TNA/FCO30/447, Greenhill handwritten minute, 15 November 1969, on Robinson to Baker 14 November 1969.
90 TNA/FCO30/502, RoD, O'Neill and Guazzaroni, 23 October; TNA/FCO30/503, RoC Thomson and Harmel, 4 November 1969; TNA/FCO30/320, tel.249, UKDEL EEC to FCO, 7 November 1969.
91 TNA/FCO30/437, RoC Stewart and Scheel, 10.30a.m., 14 November 1969.
92 TNA/PREM13/2631, EEC to FCO, tel.256, 11 November 1969.
93 TNA/FCO30/436, Bonn to FCO, tells.1425-26, 8 November 1969; TNA/FCO30/271, Robinson to O'Neill, 10 November 1969.
94 TNA/CAB128/44, CC(69)45th Meeting, 6 November 1969.
conceivable’ that there would be only a temporary settlement, allowing for alterations at the end of its life, but ‘the danger was that there could be an agreement ... [which] could only be changed by unanimity’, thus giving France a veto. In mid-November, therefore, the British were realistic about the chances of avoiding a permanent regulation. Contemplating the worst, O’Neill wrote to closely concerned officials that a definitive regulation need not present London with an insurmountable obstacle: ‘We would simply have to undermine it and find a way round it by insisting that, whatever the nature and character of the agreement the Six might have made, the burdens of the Common Agricultural Policy must, through one device or another, be equitably distributed and not all heaped on us’. This did not mean that Whitehall had already given up on a temporary regulation. On the contrary, it was this issue which took centre stage, as Stewart travelled to Bonn.

The meeting between Stewart and the new German Foreign Minister, Walter Scheel, was crucial in conditioning British expectations ahead of the summit at The Hague. Stewart began by indicating his belief that French policy had changed: ‘it seemed that France now accepted enlargement in principle’. Scheel, who had held talks with Schumann only five days earlier, concurred; the crucial point for Paris was that there should first be agreement on agricultural finance. Provided this was granted, and that it preserved the principles of the CAP, France would be ready to move to negotiations, ‘even an early date would be acceptable’. Scheel then elucidated the German

95 TNA/PREM13/2631, Note for the Record, meeting between Wilson and Stewart, 12 November 1969.
96 TNA/FCO30/316, O’Neill to Robinson, 27 October 1969.
approach: while Paris insisted that completion must precede development and enlargement, Bonn wanted parallel movement on all three. Thus, Germany was ‘ready to reach agreement on agricultural finance if this really guaranteed progress towards the other two goals’. For the British, the implications of this statement were plain: Bonn would concede a permanent regulation in return for French agreement to open accession negotiations. Stewart impressed upon Scheel the difficulties that such a deal would create for London: ‘It was clearly possible that this might be of a kind that would in fact make it impossible for the United Kingdom to enter the Community’. He stressed the need to make any arrangement alterable in the context of enlargement. O’Neill redoubled the foreign secretary’s points: a definitive settlement could ‘prejudice negotiations from the outset’, and Britain ‘would much prefer that no final agreement was reached now’. Scheel, however, argued that Stewart and O’Neill were missing the point; the British problem stemmed not so much from the finance regulation itself, but from the excessive cost of the CAP as a whole. London’s aim should be to use CAP reform to limit total expenditure, in the pursuit of which Germany would be an ally. To British minds, this was not an adequate solution: their concern was not simply the overall cost, which in any case would remain large, but the fact that the methods of finance resulted in Britain facing a disproportionate contribution. Again, however, Scheel took a different view, Britain would have to mitigate the imbalance by replacing its traditional non-EEC food imports with Community ones. In the short term, the problem could also be dealt with through transitional arrangements. It was clear that the German position was fixed, and thus, while the tone of the meeting remained friendly – Stewart
expressed warm appreciation for the support the new government had given
to enlargement – the British left the meeting confronting a new political
reality: their efforts to prevent a definitive agreement on finance had
collapsed. By the same token, it was apparent that Germany would insist
upon a countervailing commitment from France to the opening of
enlargement negotiations.\(^97\) As the British looked to The Hague, therefore,
the fundamentals of an agreement between the Six could be discerned.\(^98\)
Two questions now remained. First, when would negotiations begin? And
second, would the agricultural finance regulation allow for contributions to be
adjusted in the event that British contributions proved manifestly
disproportionate?

On 1 December, the Six met at The Hague for their long awaited summit.
The day after, the French veto on negotiations was finally lifted. To
understand this outcome it is necessary to look beyond the conference
communiqué; for while it referred to enlargement in positive terms, there was
no specific commitment regarding negotiations.\(^99\) Rather, the communiqué
needs to be viewed in conjunction with the post-summit press conferences.
France conceded that the Five should be allowed to state that ‘the difficult
problems … which should be solved before the start of negotiations, could be
decided in the first half of 1970, and probably earlier, and that negotiations

\(^97\) TNA/FCO30/437, RoC Stewart and Scheel, 10.30a.m., 14 November 1969.
\(^98\) TNA/PREM13/2631, FCO to Brussels, tel.225, 17 November 1969.
\(^99\) TNA/PREM13/2631, European Summit Conference: Translation of Agreed Final
Communiqué.
could start immediately thereafter’.\textsuperscript{100} Whether or not this represented a precise obligation was unclear. Germany appeared to interpret it that way: Dr Paul Frank, a senior Auswärtiges Amt official who Brandt sent as his personal emissary to report the outcome of the summit to Wilson, stressed that 30 June was a deadline and that negotiations should begin in July.\textsuperscript{101}

In London, particular praise was given to Brandt for his support for the British candidacy. In Cabinet Thomson explained that the new chancellor’s ‘firmness and consistency’ contrasted ‘very favourably with the performance of previous German governments’.\textsuperscript{102} Schumann, however, lost no time in emphasising that France had been true to its word all along: at a NATO dinner in Brussels on 3 December, he reminded Stewart of their private conversation at the UN in September, commenting, ‘Now you can see I have kept my promise’.\textsuperscript{103} In return, and as was expected after Stewart’s Bonn visit, agreement was reached on the need to settle the outlines of a definitive financial regulation by the end of the year, with the summit communiqué stipulating that subsequent changes to the regulation could only be made on the basis of unanimity (thus giving France a veto), and on condition that the principles of the CAP were not infringed.\textsuperscript{104}

\textsuperscript{100} TNA/FCO30/272, The Hague to FCO, tel.619, 2 December 1969; also see Ludlow, \textit{European}, p.193.
\textsuperscript{101} TNA/FCO30/437, RoC Stewart and Frank, 3 December 1969.
\textsuperscript{102} TNA/CAB128/44, CC(69)58\textsuperscript{th} meeting, 4 December 1969; TNA/PREM13/2631, memorandum by Nield, 3 December 1969.
\textsuperscript{103} TNA/FCO30/448, Graham to EID, 4 December 1969.
\textsuperscript{104} TNA/PREM13/2631, European Summit Conference: Translation of Agreed Final Communiqué.
In his analysis of intra-Community diplomacy before and during The Hague summit, Ludlow argues that: ‘France had extracted a high price for its volte-face on enlargement. But Pompidou was now committed to permitting a widening of the EEC in a way which made any thought of future vetoes all but inconceivable’. By insisting upon settlement of the finance regulation in definitive form as a *quid pro quo* for French agreement to the opening of negotiations, this interpretation suggests that Pompidou could not seek to wield another veto without precipitating a further, and perhaps more dangerous, Community crisis than that of 1968-69. It therefore has potentially important implications for the explanation of French behaviour during the accession negotiations, and consequently will be returned to in later chapters. At the time, there could be no such confidence in France’s future cooperation. The possibility remained, as Robinson had suggested in early November, that France might still seek to thwart the British bid in the course of accession negotiations. London’s reaction to the summit outcome was thus marked by caution. In a long minute on the summit, Nield wrote that: ‘whilst we have seen the first breach for ten years in the French dyke, there is a very long way to go before the dyke is down’. On agricultural finance, his frank assessment was that: ‘the price of membership may well be too high unless we can see either the cost of the CAP reduced in the Six’s discussions, or get our probable share of the cost reduced in the negotiations’. Indeed, the British position had been made yet more difficult

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106 The author would also like to thank Dr N.P. Ludlow for allowing me to read his draft paper on the consequences of The Hague summit, ‘Part of a Political Deal: How the Hague Bargain Over-rode the Technical Difficulties of Negotiation’.
107 TNA/FCO30/448, Robinson to O’Neill, 6 November 1969.
108 TNA/PREM13/2631, memorandum by Nield, 3 December 1969.
by the agreement that the final regulation should be based upon the
European Commission’s proposals, which prescribed that member states
should transfer not only all agricultural levies, but also all customs duties to
the Community.\textsuperscript{109} Britain’s worldwide trading patterns made certain that it
would record large customs receipts, exacerbating the perceived inequity
which had existed on the basis of levies alone.\textsuperscript{110}

With the crucial Council meeting on agricultural finance set to begin on 19
December, the British determined to make new representations about the
difficulties which would be created if the Community settled on the basis of
the Commission’s proposals. On 11 December, Niels and O’Neill consulted
with deputy secretaries from the Treasury, Ministry of Agriculture and Board
of Trade, and the following day submissions were made to Wilson and
Stewart advocating action.\textsuperscript{111} O’Neill’s minute went into great detail about the
scale of the potential problem. The approximate figure for Britain’s levy
contributions was put at $500 million (£208 million), representing almost half
of total Community levy receipts. Customs duties, meanwhile, would be in
the region of $600 million (£250 million), perhaps 25% of member-state
collections from that source. A remainder would still need to be covered by
fixed key contributions (or, in the preference of the Commission, a
Community tax), but this amount would be comparatively small and would
have only a marginal effect on the overall distribution of costs. Britain would

\textsuperscript{109} TNA/PREM13/3207, RoC Wilson and Giscard d’Estaing, 4 December 1969.
\textsuperscript{110} TNA/FCO30/323, O’Neill to Maitland, 12 December 1969.
\textsuperscript{111} TNA/PREM13/2631, Niels to Youde, 12 December 1969; TNA/FCO30/323, O’Neill to
Maitland, 12 December 1969.
therefore be certain to face a contribution far in excess of its 20% share of GDP in a Community of ten (the Six plus the Four applicants). Moreover, the position became more inequitable when consideration was given to how little money Britain would receive back through Community agricultural expenditure. O’Neill calculated that Britain and Germany would be the only sizeable net contributors, with the British figure perhaps three and half times as great as Germany’s. The aim, therefore, would be to persuade the Six to make provision for possible abatements, or for ‘flexibility’ in the transfer of levies and duties. He warned Stewart that ‘unless something along these lines is allowed for, the task we shall face next year in negotiating equitable arrangements for ourselves in the budgetary field will be much more difficult’. O’Neill fully acknowledged that the chances of such safeguards materialising were remote, but the arguments in favour of action remained overwhelming:

We cannot have high hopes that our representations will radically alter the outcome of the Six’s current negotiations. But we must put our views on record. We must do what we can to make the Five aware of the changes that would be necessary if they persist in adopting arrangements on the lines now under consideration. And we must be able to say afterwards that we told them plainly and in good faith that arrangements of this kind would involve unacceptable burdens on Britain.  

Wilson and Stewart quickly approved the instructions, which due to their technical character were to be carried out at senior official, rather than

112 TNA/FCO30/323, O’Neill to Maitland, 12 December 1969.
ministerial, level.\textsuperscript{113} By 15 December, representations had taken place in the six capitals and with the European Commission.\textsuperscript{114}

O’Neill’s pessimism proved to be well founded, as British representations brought little reward. The Germans and French both indicated that it would be difficult to take account of British interests at this stage.\textsuperscript{115} Then, on 20 December, Schumann was reported in the \textit{Financial Times} as saying that, “if before joining somebody wants to have an influence on Community decisions, the whole system established at The Hague will crumble”.\textsuperscript{116} Yet Paris had little to be acrimonious about, the Council agreement struck on 22 December locked in place the finance system France so prized. The type of safeguards Britain sought were completely absent. A crucial aspect of the agreement was the decision that future financial contributions should cover all aspects of Community expenditure, not just agriculture.\textsuperscript{117} In theory, this offered hope for alleviating Britain’s financial burden over time; if new Community policies could be developed, from which Britain would be a net beneficiary, the basic inequity might be reduced. But this was hypothetical

\begin{footnotesize}
\textsuperscript{114} TNA/FCO30/322, The Hague to FCO, tel.645, 14 December 1969; TNA/FCO30/322, Luxembourg to FCO, tel.207, 15 December 1969; TNA/FCO30/322, Bonn to FCO, tel.1578, 15 December 1969; TNA/FCO30/322, Rome to FCO, tel.1147, 15 December 1969; TNA/FCO30/322, Paris to FCO, tel.1182, 15 December 1969; TNA/FCO30/322, EEC to FCO, tel.302, 15 December 1969. The only reference to this in the existing literature is a sentence in O’Neill’s report stating that: ‘We made clear to the Member States, as their work on the financial regulation proceeded, how crucial a matter it was from the point of view of our interests and of our future negotiations’. Hannay, \textit{Britain’s}, p.169.
\textsuperscript{115} TNA/FCO30/322, Bonn to FCO, tel.1578, 15 December 1969; TNA/FCO30/322, Paris to FCO, tel.1185, 16 December 1969.
\textsuperscript{116} TNA/FCO30/323, Mellon to Morland, 23 December 1969.
\textsuperscript{117} TNA/PREM13/3199, ‘EEC: Agricultural Finance’, under Barrington to Everett, 9 January 1970.
\end{footnotesize}
and London had to confront the existing pattern of expenditure, dominated as it was by agriculture. The settlement of the finance regulation in the form proposed by the Commission made certain that the critical issue in accession negotiations would be the UK’s contribution to the Community budget. It would pit France against Britain – the country which would be most opposed to substantive alterations to the regulation, against the country which would fair worst under its operations.

Conclusion

The Hague summit should be remembered as one of the most important events in the history of Britain’s relations with the Community prior to entry. By lifting the veto on enlargement negotiations, Pompidou had initiated a process which would culminate in British accession to the Community in January 1973. At the same time, his actions must be viewed in the context of the Community crisis which resulted from French opposition to enlargement over the previous two years.\(^{118}\) December 1969 can thus be seen to vindicate the British strategy of 1968 in seeking to isolate France through cooperation with the Five in areas outside the Treaty of Rome.\(^{119}\) At the same time, the Community’s agreement upon a definitive finance regulation would have long-term consequences for Britain’s relations with the Community, acting as a recurring point of friction in its first decade as a

\(^{118}\) See Ludlow, *European*, pp.146-198.

\(^{119}\) See Chapter 1.
member. More immediately, it presented a much greater obstacle to British accession than had existed in 1967, contradicting Pine’s conclusion that British diplomacy in the veto period prevented the Community developing in ways that would make its subsequent accession more difficult. On the contrary, not only did it make the prospect for the accession negotiations more challenging, it also provided a ready argument for opponents of entry in Britain to deploy against the application in domestic debate. It was thus a meeting of transformative importance for British European policy, the consequences of which will reverberate through the remainder of this thesis.

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121 Pine, Harold, p.178.
122 See, for example, Douglas Jay’s contribution to the February 1970 parliamentary debate: Hansard, HCD, 5th Series, vol.796, cols.1022-1037.
Chapter 3

Public Equivocation and Private Determination: Wilson’s Domestic Balancing Act

January to June 1970

For some, it has not been beyond the bounds of imagination to suggest that if Labour had won the 1970 General Election, it would have been Harold Wilson who took Britain into the European Community.¹ Edward Heath’s supporters naturally doubt this prospect. They argue that but for the strength of Heath’s convictions over EC membership, Britain may never have joined.² Analysis of the period from January to June 1970 is particularly relevant to this question. With The Hague summit having opened the way to enlargement negotiations, Britain’s application was once again active. It had been relatively easy for Wilson to state his commitment to EC membership in the period following the veto, but the revival of the application and the prospect of difficult negotiations was bound to present him with domestic challenges. The deterioration in public support for membership in the winter of 1969-70 created a much more difficult environment in which to advance

the application than had been the case in 1967.\(^3\) On the surface, there does appear reason to question Wilson’s determination to carry the application to a successful conclusion. As his authorised biographer Philip Zieger writes:

> for students of Wilsonian tactics, there were signs that he was preparing to hedge his bets. The White Paper which the government published in February 1970 on the likely economic consequences of British entry was a cautiously balanced document, and Wilson’s speech in the debate that followed was no less cautious and balanced in its nature. Indeed, when he berated the Tories for being ready to sacrifice cheap food from the Commonwealth without any corresponding advantage, he seemed to be distancing himself from his more partisan European supporters.

Implicitly looking ahead to Wilson’s 1971 decision to oppose entry on the terms negotiated by the Conservatives, Ziegler concludes that Wilson ‘was not yet retreating from his support for British entry, but he was placing on record that a line of retreat existed’.\(^4\) This chapter will interpret Wilson’s actions in an altogether different light. There can be little question that the white paper presented a potentially grim picture as regards the economic consequences of entry, and that his speech in the House of Commons was equivocal, but against a background of increasing Cabinet concern about the cost of accession, strong public dissatisfaction with the continued pursuit of membership, and an imminent general election, Wilson was bound to adopt a reserved posture in his public pronouncements. Within government, however, and away from the public gaze, the prime minister’s actions reflect an altogether more determined attitude.


The February 1970 white paper

Wilson had promised to make available an up to date assessment of the economic consequences of joining the Community during his speech to the Labour Party Conference on 30 September 1969. The background to this decision included remarks by Heath to the effect that the British people should be given as much information as possible on this score. The detailed work by a Whitehall team under William Nield’s leadership began in November and, with the exception of Wilson, ministers only considered the draft in the late stages before its publication. Their impact on the final outcome was thus limited to presentational, rather than substantive, aspects. Wilson was concerned throughout to ensure that the white paper avoided antagonising anti-market opinion. He thus wanted the paper to be ‘factual’ rather than ‘argumentative’, and resisted Nield’s desire to include a detailed exposition of the political case on the grounds that, ‘this would give the opponents of entry the opportunity of saying that we were seeking to disguise the economic effects by vague political arguments’. He also made sure that the conclusion to the white paper was clear about the importance of the terms to the final decision on joining. Wilson nonetheless opposed

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5 The Times, 1 October, pp. 1 and 6.
6 Overall co-ordination was carried out by EURO: TNA/CAB134/2825, EURO(69)7th meeting, 28 November 1969 and TNA/CAB164/2826, EURO(70)1st meeting, 26 January 1970. An ‘inner group’ was responsible for the detailed work. Records of its meetings can be found at TNA/CAB164/482. Nield’s correspondence with Wilson and other Whitehall departments is contained in TNA/CAB199/6 and CAB199/7. Cabinet did not discuss the draft until February: TNA/CAB128/45, CC(70)5th, 3 February 1970; TNA/CAB128/45, CC(70)6th, 5 February 1970.
9 TNA/PREM13/3199, Everett to Nield, 15 January 1971.
Nield’s preference for the document to take the form of a ‘green’, rather than a ‘white’, paper (the former is normally used to outline a government proposal, the latter an agreed policy); as a member of the prime minister’s private staff explained to Nield, ‘To move back to “Green Papers” could give the impression that the policy was open for reconsideration’. Wilson’s main intervention in officials’ calculation of the economic costs came when he asked that further consideration be given to the passage on invisibles (where he believed there to be greater potential for a positive impact) and inward investment, but this was not such as to prescribe officials’ final conclusions on the matter.\(^\text{10}\)

In both Cabinet and parliament, Wilson referred to the white paper as being ‘objective’. This was undoubtedly a misnomer. The document is better understood as the product of interplay between competing Whitehall biases. One incident in particular helps to illuminate the point: in the latter stages of the white paper’s production, a dispute arose over a passage, drafted by the Treasury, for inclusion in the white paper’s ‘overall economic assessment’. As was seen in the last chapter, Treasury officials held serious concerns about Britain’s ability to manage the balance of payments cost implied by EEC membership in the short term, and in this particular section, they referred to the possibility of a ‘consequential deterioration in the terms of trade’ – a ‘transparent euphemism’, in Nield’s words, for devaluation. The matter was finally resolved on the basis of a re-draft by Nield.\(^\text{11}\)

When he sent a copy of the original Treasury passage to the prime minister, Wilson

\(^{10}\) TNA/PREM13/3198, Youde to Nield, 22 December 1969.

\(^{11}\) TNA/PREM13/3199, Nield to Halls, 30 January 1970.
expressed ‘amazement’, and decided to speak to Jenkins: ‘The Chancellor,
of course, was a leading figure in the European movement, and I shall want
to talk to him. He is also, I think, professionally allergic to consequential
deteriorations in the terms of trade’. But as the relevant passage had now
been agreed at official level, Wilson’s reaction did not alter the final draft.
Overall, the influence of the Treasury may have helped to achieve the
outcome which Wilson most desired: a white paper which could not be
branded by anti-marketeers as partial or biased.

The white paper was divided into five chapters. The first was an Introduction,
explaining the historical context, important developments since the
application had been made in the spring of 1967, and the methodological
approach. It was in this chapter too that a brief reference was made to the
political case for entry, by quoting from Wilson’s statement to parliament on 2
May 1967: ‘whatever the economic arguments, this House will realise that ...
the Government’s purpose derives above all from our recognition that
Europe is now faced with the opportunity of a great move forward in political
unity and that we can – and indeed we must – play our full part in it’. The
remaining chapters dealt successively with the impact of accepting the
Common Agricultural Policy, ‘Trade and Industry’, ‘Capital Movements and
Invisible Trade’, and, finally, the overall economic assessment. Capital
movements and invisibles were judged to be impossible to quantify, and so
the critical chapters for the calculation of economic costs were those on the

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13 TNA/PREM13/3199, Nield to Halls, 30 January 1970.
CAP and ‘Trade and Industry’, with the latter also discussing the countervailing advantages that it was hoped would accrue from the dismantling of tariffs between Britain and the Six.\(^{15}\)

The chapter on agriculture included what was by far and away the most significant component of the balance of payments cost: contributions to the Community budget. The gross figure was put at anywhere between £150 million and £670 million annually, with a claw-back of £50-£100 million. To justify the imprecision, it was observed that the Six had agreed their contributions to the 1970 budget on the basis of percentage shares, and that in subsequent years their payments would be prevented from rising or falling by more than a specified amount.\(^{16}\) Britain’s contribution could not be predicted as it would depend upon the percentage share negotiated for its base year (or ‘key’).\(^{17}\) The lower figure of £150 million represented a British contribution in the first year of a transitional period were it to obtain a starting contribution representing 15% of the total Community budget. To the informed eye, there were two problems with this analysis: first, it was by no means clear that Britain would be offered the same transitional terms that the Six had agreed for themselves, or that this would even be to Britain’s advantage. Secondly, no mention was made of the post-transitional (or ‘definitive’) period when the financial mechanism would be likely to operate untramelled, with Britain facing a gross contribution near to the upper end.

\(^{15}\) Hansard, HCP, Cmnd.4289, February 1970

\(^{16}\) Between 1971 and 1974 member state contributions could not rise (as a proportion of the total) by more than 1% or fall by more than 1.5%. Between 1975 and 1977 the figure was 2% in either direction. TNA/PREM13/3198, paper attached to Barrington to Youde, 2 January 1970.

of the range. Internally officials envisaged that once correctives were removed, Britain would be paying in the region of £500 million annually (£430 million net).  

The second cost associated with the CAP was that of increased food prices. This was due to the comparatively high agricultural prices set by the Community and the requirement to impose levies on agricultural produce imported from non-EEC countries. The white paper estimated that there would be an 18% to 26% rise in retail food prices by the end of a transitional period, resulting in a four to five per cent increase in the cost of living. While the immediate effect of the rise would be felt by British consumers, a significant proportion was likely to be passed on to employers through larger wage demands, with negative, but not necessarily significant, consequences for industrial competitiveness. The other probable effect of more expensive food imports was a worsening of the balance of agricultural trade. The precise scale of the impact was difficult to predict, as it would depend upon the response of consumers and producers to higher prices. Nonetheless, the white paper suggested that the effect might range between an improvement of £85 million and a deterioration of £255 million.

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20. Ibid., p.26. The size of the increase was subject to some uncertainty. The meaningful comparison was between the theoretical positions of Britain as a member and a non-member of the Community at the end of a transitional period (the later 1970s). It was possible that over a transitional period the gap between world and EEC food prices would narrow, either as a result of Community efforts to curb agricultural surpluses or because of a rise in world food prices.
21. Ibid., p.18.
The chapter on trade and industry dealt with two opposing impacts: on the one hand, a short-term deterioration in the balance of visible trade resulting from tariff changes between Britain and the EC and Britain and the Commonwealth; and on the other, what was termed the ‘dynamic’ (and by implication, cumulative) advantages of free trade within the Community. In reality, the two points could not be separated, as the beneficial effects would themselves alter the visible trade balance. Whitehall, however, had found the ‘dynamic’ benefits to be impossible to quantify, with the result that this aspect was discussed in qualitative terms only. The essence of the white paper’s argument was that the EC should provide Britain with access to a larger and faster growing market. Tougher European competition would force British industry to become more efficient, and the larger population base would facilitate increased economies of scale (thought to be particularly important if British firms were to compete with giant American corporations). Alongside greater inward investment, which it was believed would follow entry to the EC, the effect, it was posited, should be increased exports and higher GDP growth.22

While the dynamic benefits proved impossible to measure, the experience of devaluation did offer a basis upon which to estimate the likely effects of tariff removal under a ‘static’ model – that is to say, one in which no account was taken of gains in scale and efficiency. On such a basis, and allowing for a loss of competitiveness due to higher food prices, the consequence of joining the EC customs union was thought to be a decline in the visible trade

22 Ibid., pp.31-37.
balance (excluding agriculture) of between £125 million and £275 million annually at the end of a transitional period. In internal minutes, Nield worked on the assumption of a £200 million cost – the mid-point of the range. In itself this represented a relatively insignificant sum; if the choice had simply been whether or not to join a customs union of the Six, a balance of payments cost of £200 million would have provided no argument against the perceived long-term benefits of tariff removal. The major difficulty, however, resulted from the aggregate balance of payments cost, that being, the combination of ongoing contributions to the Community budget and a deterioration in the balance of visible trade (both agricultural and industrial).

When the higher and lower estimates in the white paper were added together, the outcome was a potential balance of payments cost, at the end of a transitional period, of between £100 million and £1100 million annually. While the extreme ends of the range were all but discounted (it was ‘inconceivable’, the white paper argued, ‘that all elements in the calculation will work in the same direction, whether favourable or unfavourable’) even the middle point of £600 million would represent a very significant burden. Briefing Wilson in March 1970, Nield suggested the full balance of payments cost would be between £700 and £900 million annually. There were two problems associated with this: first, it would constitute a large drain on British economic resources, as money which could otherwise be used domestically, either for consumption and investment, would be spent outside Britain. As

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23 Ibid., p.28.
24 TNA/PREM13/3201, Nield to Moon, 19 March 1970.
26 TNA/PREM13/3201, Nield to Moon, 19 March 1970.
the white paper explained, ‘a reduction in investment would sooner or later involve a reduction in the growth of g.n.p’. Secondly, if the foreign exchange requirement could not be met, year-on-year, the government would have to employ deflationary policies (and possibly devaluation) in an attempt to strengthen Britain’s trade balance. The effect would again be to depress economic growth. Both scenarios threatened the very economic rationale for joining: to improve Britain’s economic performance.27

Faced with the large balance of payments cost, there was an ever present temptation for the advocates of entry to overstate the economic advantages. The significance of tariff discrimination, for instance, could easily be exaggerated when considered in general terms only. But with the Kennedy Round set to reduce the Common External Tariff to approximately 6% \textit{ad valorem} by 1972, there was a need for caution as well as greater contextualisation on this score.28 This was part of a broader tendency to overstate the extra growth potential offered by EEC membership. While the government did not give an official estimate for this, at various times hypothetical growth increases were discussed to demonstrate the resource benefits (in terms of additions to national income) that they would give rise to. The white paper mentioned a 1% increase and, in his speech during the

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28 S. Young, \textit{Terms of Entry: Britain’s Negotiations with the European Community, 1970-72} (London: Heinemann, 1973), p.108. Even on the assumption that tariffs did have an important effect, the effects would not all be favourable. While Britain would gain free access to the markets of the Six, it would lose tariff advantages in Commonwealth and EFTA markets. It could be anticipated that the remaining EFTA members might reach a trade arrangement with the enlarged Community, but Britain would then be competing on equal terms with other EEC members, primarily Germany. Given that the Commonwealth and EFTA jointly comprised 37% of British exports there might also be adjustment problems such as unemployment.
House of Commons debate that followed, Jenkins referred to a 0.5% increase. 29 Even the lower number would have been a considerable gain owing to the removal of quite limited tariffs. In addition, by stressing the higher rates of growth achieved by the Six, the impression could be created that such levels were realistic for Britain. But this, too, was to ignore important contrary evidence. First, it was not only the Community countries that were enjoying such favourable economic performance. Between 1958 and 1967 the majority of EFTA countries recorded growth rates close to, or better than, the EEC average. 30 Secondly, during the period 1950-73, Britain recorded the lowest rate of GNP per capita growth of any west European country. Indeed it was the only nation to average less than 3% per annum. 31 This suggested that there was more to the inferior performance of the UK economy, relative to its major European competitors, than tariff discrimination alone. The white paper partially acknowledged this when it pointed to other possible explanations for the better economic performance witnessed on the continent: ‘more workers now leaving agriculture for industry; the advantages of post-war rebuilding of major industries with new machinery and the latest technologies; and generally a significantly lower proportion of g.n.p. expended on defence’. 32 Even with this proviso, however, the paper went on to argue that ‘if British industry responded vigorously’, the dynamic effects ‘would be considerable and highly advantageous’. 33

33 Ibid., p.37.
Had the costs deriving from agriculture been removed from the equation, the economic case could easily have rested on the argument that EC membership represented the most advantageous trading framework available to Britain, and that this would help to optimise British economic performance over the long term. Even a very small increase in the rate of growth would accumulate over time to make a meaningful difference to total national income. Faced with the balance of payments and food price consequences of the CAP, however, the prospect for the 1970s threatened to be detrimental. Given that public opinion could be expected to be less impressed with arguments about political benefits, the economic case needed to seem defensible in its own right. The consequence was that the proponents of EC membership were prone to placing more weight upon the ‘dynamic’ advantages than was empirically justified.34

The politics of equivocation: Wilson and the House of Commons debate

On 24 February, the House of Commons convened for a two-day debate on a motion to take note of the white paper. The focus of speeches spanned much wider than just the economics of entry, and engaged with issues of national sovereignty, European political unity, and the democratic control of Community institutions. The diversity of opinion was symbolised by the personalities themselves, from committed marketeers such as Jenkins and Heath, to fierce opponents like Enoch Powell and Douglas Jay. For the

government, the debate was opened by Stewart, with Wilson assuming responsibility for the close.\textsuperscript{35} After two days of often impassioned argument, the prime minister’s low-key and at times technocratic treatment of the subject was highly anti-climactic. Following a cursory consideration of the political case, the greater part of the speech was devoted to a dry analysis of the findings contained in the white paper, during which only a passing reference was made to the hoped for dynamic benefits. The muted tone was only interrupted towards the end when Wilson diverted into what seemed a gratuitous flurry of party polemics, accusing the Conservatives of wanting to pay the price of entry (by increasing the price of food), whether or not Britain actually joined, through its proposal to introduce an agricultural levy system.\textsuperscript{36} In Ziegler’s judgement, this performance saw Wilson ‘distancing himself from his more partisan European supporters’, but it is possible to read the prime minister’s comments differently.\textsuperscript{37} His deliberately equivocal stance was in fact motivated by short-term tactical considerations: to mollify anti-market opinion both within and outside government, with a view to safeguarding Labour’s electoral position and protecting the application from an early and precipitate increase in domestic controversy. Three factors are vital to understanding this approach: the reaction of Cabinet to the figures contained in the white paper, the shift in public opinion against EEC membership, and the imminence of a general election.

\textsuperscript{35}Hansard, \textit{HCD}, 24 and 25 February 1970, 5\textsuperscript{th} Series, vol.796, cols.996-1162 and 1213-1338.


\textsuperscript{37}Ziegler, \textit{Wilson}, p.338.
The meeting of Cabinet on 3 February to discuss the draft white paper is illustrative of the internal constraints Wilson faced in his approach to the parliamentary debate. Despite emphasising that a final decision on membership could only be taken in the light of negotiations, the figures contained in the white paper naturally gave impetus to ministers sceptical about British entry. For the estimates in the white paper put a very different complexion on the notion of acceptable terms; it was now plausible to argue that entry would not be feasible on any terms that seemed likely. Castle recorded in her diary the ‘shocked reactions of some of the most devoted adherents of going in’. She was particularly struck by Roy Mason, President of the Board of Trade: ‘I am a pro-European, he said in effect, yet this document would cause me to pause’.

In 1967 the balance of payments cost had been put at £500 million a year at the end of a transitional period. Wilson now suggested that the figure might be £700 million. This, he argued, was ‘similar’ to the 1967 estimate. It was nonetheless a significant burden and ministers could not ignore the possibility that the figure might be even higher. Moreover, in 1967 it had been the declared intention of the government to enter the Community in time to participate in the negotiations on a definitive mechanism for financing the CAP. This held out the possibility that Britain could still limit its contributions under the permanent regulation. As a result of The Hague summit, the fundamentals of the finance regulation had been fixed, making it much more difficult to envisage a satisfactory outcome to this problem. Even the paper’s use of comparative growth rates, which had been intended to support the arguments about the dynamic advantages of joining,

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39 TNA/CAB128/45, CC(70)5\textsuperscript{th}, 3 February 1970.
gave sustenance to the doubters. A table on page 30 of the draft placed EFTA growth rates alongside those of the Community and used the average of each to show that the EEC grew faster than EFTA between 1958 and 1967.\textsuperscript{40} The EFTA average, however, was strongly dragged down by the poor performance of the UK economy. Otherwise, the majority of EFTA had experienced growth rates similar to, or better than, the Community. This was seized upon in Cabinet:

The key to the cost of membership would be the outcome of the negotiations on agriculture and whether or not we could afford this cost depended upon the effect of membership on the United Kingdom growth rate. In this connection the table on page 30 of the draft was rather discouraging: the United Kingdom growth rate had been low for many years not only in relation to existing member States of the EEC but also other countries in Western Europe which were not members. It could well be the case that we should not be able to afford the cost which was demanded.\textsuperscript{41}

Privately, Wilson had shown himself to be less disturbed by the estimates than were his ministerial colleagues. The prime minister’s reaction is captured in the record of a meeting with Thomson on 13 January, during which the draft white paper was discussed:

The figures were less alarming than the Prime Minister had expected partly because the figures were for 1977 not 1972. By 1977 Britain’s G.N.P. would be £60 billion. It would be much easier to get 1% of national income into exports over seven years. At least we now had seven years to accomplish what the Communities would have accomplished in twenty.\textsuperscript{42}

\textsuperscript{40} TNA/CAB129/147, C(70)17, 29 January 1970.
\textsuperscript{41} TNA/CAB128/45, CC(70)5\textsuperscript{th}, 3 February 1970. Castle’s diary suggests that this argument was made by Healey. Castle, Diaries, entry for 3 February 1970, p.759.
\textsuperscript{42} TNA/PREM13/3199, Everett [Foreign Affairs Private Secretary to Wilson] to Williams [Private Secretary to Thomson], 14 January 1970.
A point of qualification is necessary when comparing Wilson’s £60 billion figure with the estimates in the white paper; the prime minister would have been referring to current prices (prices adjusted for inflation), whereas the figures contained in the white paper were in constant prices. In constant prices, and assuming a growth rate of 3% per annum, British GDP in 1977 would have been in the region of £48 billion. Relative to the white paper, therefore, Wilson’s preparedness to accept a cost amounting to 1% of national income would have meant a balance of payments cost of close to £500 million annually. The main significance of the document, however, is not the precise monetary sum that Wilson was prepared to countenance, but the fact that his commitment to entry had not been shaken in the face of the estimates produced by officials.

Cabinet concerns about the economic effects nonetheless circumscribed his room for manoeuvre when dealing with the issue in public. In particular, it was now much less feasible to argue, as had been the case in 1967, that the political case was ‘decisive’ in relation to the economic. Ministers decided that a line be removed from the conclusion of the draft stating that: ‘nothing has happened since 1967 to invalidate the judgment then taken that the balance of political advantage transcends the short and long-run economic considerations’. Even more significant was the argument that, in the light of the potential economic cost, ‘It was important ... not to over-emphasise the

43 British GDP in early 1970 was approximately £39 billion. The 3% figure is that used by Nield to forecast British growth outside the Community. TNA/PREM13/3199, Nield to Halls, 30 January 1970.
44 TNA/CAB128/42, CC(67)26th, 30 April 1967
45 TNA/CAB128/45, CC(70)5th, 3 February 1970; TNA/CAB129/147, C(70)17, 29 January 1970.
political and other advantages of membership. The position which the Government took in the Debate in the House on the White Paper needed careful consideration. Wilson was already conscious of the need to avoid appearing to disregard the economic consequences by giving too much attention to the geo-political arguments, hence his decision not to include a detailed recapitulation of these in the white paper. But the formal articulation of this point in Cabinet, can only have made him more conscious of the need to tread carefully in the parliamentary debate.

The second consideration bearing upon Wilson was the stark shift in public opinion against joining the EC. Public attitudes towards entry were often difficult to interpret, and much could depend upon the precise question asked. Nonetheless, a series of survey results, published in February 1970, were highly discomforting for pro-marketeers. Public support for the application had peaked in July 1966 at 71%, and thereafter there had been a steady decline. In April 1967 the numbers approving of the application had still been greater than those disapproving, but during 1968 and 1969 this position reversed. The February 1970 results were even more alarming, with a further significant decline in support (perhaps due in part to the prospect of increased food prices and a general rise in the cost of living). Gallup asked, ‘Do you approve or disapprove of the Government applying for membership of the Common Market?’, and found that just 22% of those

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46 TNA/CAB128/45, CC(70)5th, 3 February 1970.
47 TNA/PREM13/3198, Youde to Nield, 22 December 1969.
surveyed approved, 57% disapproved, and 21% said they didn’t know. A Harris poll revealed similar levels of opposition; the question was simply, ‘Are you for or against Britain joining the European Common Market?’ 19% were for, 63% against, and 18% didn’t know. The most dramatic result, however, was that produced by ORC. To the question, ‘How much are you in favour or against Britain joining the European Common Market?’, 72% responded ‘against’, with 18% in favour and 10% don’t knows.\textsuperscript{50} During the parliamentary debate, both Wilson and Stewart acknowledged the poll data. The foreign secretary referred to the ORC figures showing 72% against entry, but noted that in the same survey 67% of respondents had also said the government should enter negotiations, ‘to see what terms we can get’, while 49%, a majority of those holding an opinion, said that they would be ‘in favour of joining’ were it to become ‘clear that we would be better off in the Common Market’.\textsuperscript{51} Similarly, Wilson accepted that the data showed ‘a strong majority against entry’, but argued that there was also ‘a substantial majority in favour of going on with the negotiations’.\textsuperscript{52} (The implication being that there would be greater support for entry if the government could secure acceptable terms.) If the ambiguity in the polling evidence gave reason to believe that the public could be persuaded to accept EEC membership at a later stage, there were obvious electoral risks involved in appearing to unequivocally favour EC membership at this stage. This was particularly the case given that Wilson was actively considering when to call an election.

\textsuperscript{50} Ibid.
\textsuperscript{51} Hansard, \textit{HCD}, 5\textsuperscript{th} Series, vol.796, 24 February 1970, col.1011. 38% said they would still not be in favour of joining and 13% responded ‘don’t know’. However, the finding was of limited value given the absence of any indication as to what would be required for people to be convinced that Britain would be ‘better off’.
\textsuperscript{52} Hansard, \textit{HCD}, 5\textsuperscript{th} Series, vol.796, 25 February 1970, col.1333.
For the third concern which conditioned Wilson’s speech was that of an impending general election. The Castle and Crossman diaries demonstrate that from the beginning of the year, the prime minister was thinking carefully about the timing of when to go to the country.\(^{53}\) During an ‘inner Cabinet’ meeting on 14 January (also referred to as the Management Committee), he advised his colleagues ‘to take an autumn election as our assumption’, but to be aware that there might be ‘a favourable opportunity earlier’.\(^{54}\) Two months later, Wilson appears to have moved in favour of an earlier date. At a further inner Cabinet on 8 March, he deployed a number of arguments in favour of June. Crossman noted, ‘Harold is anxious for an early election and he intends to have one’.\(^{55}\) Given that the parliamentary debate took place on 24 and 25 February (much closer to the second meeting) it is fair to assume that, at the time of the parliamentary debate, Wilson was contemplating going to the country in the early summer. As a consequence, his sensitivity to the significant shift in public opinion against Britain’s application would have been all the more acute. By taking a cautious approach he could suppress the EC application as an issue of domestic controversy and so limit any potential damage it might cause to Labour’s hopes of re-election. He might also have calculated that by presenting himself as more cautious than Heath, he might secure some electoral advantage. But if this consideration did apply, it was very much secondary to his desire simply to keep the EC


\(^{55}\) Crossman, Diaries, entry for 8 March 1970, p.847. See also, Castle, Diaries, entry for 8 March 1970, p.769.
out of the election. After all, if Wilson was looking to gain points over Heath on this subject, it would have been logical for him to make use of the tactic during the election campaign. In the event, he did not.\textsuperscript{56}

If the overriding tone of Wilson’s speech was one of caution, there were also remarks which demonstrated a desire to protect the pro-market case. He thus countered arguments that the Community was ‘inward looking’ by pointing to the comparatively high levels of aid given to developing countries and its commitment to trade liberalisation through the Kennedy Round.\textsuperscript{57} On the issue of sovereignty, he criticised attempts to portray the choice before Britain in zero sum terms, stating that ‘the whole history of political progress is a history of gradual abandonment of national sovereignty’. Quoting from his 1961 speech on the Macmillan government’s decision to apply, Wilson went on to say: ‘The question is not whether sovereignty remains absolute or not, but in what way one is prepared to sacrifice sovereignty, to whom and for what purpose ... [and] whether any proposed surrender of sovereignty will advance our progress to the kind of world that we want to see’.\textsuperscript{58} Similarly, he expressed a clear view about the need to enter negotiations as soon as they were offered. Given the prevailing economic conditions, one plausible argument was that Britain would be better to defer the start of negotiations until more favourable circumstances arose. Wilson rejected this, insisting

\textsuperscript{56} D. Butler and M. Pinto-Duschinsky, \textit{The British General Election of 1970} (London: Macmillan Press Ltd, 1971), p.159. By way of statistical example, Appendix IV of Butler and Pinto-Duschinsky shows that 3\% of Heath’s words during elections speeches were devoted to Conservative policy towards the EEC, while the corresponding figure for Wilson was not given, indicating that it was less than 1\%, pp.443-444.

\textsuperscript{57} Hansard, \textit{HCD}, 5\textsuperscript{th} Series, vol.796, 25 February 1970, col.1325.

\textsuperscript{58} \textit{Ibid.}, 25 February 1970, col.1326. For his use of this argument in 1961, see Hansard, \textit{HCD}, 5\textsuperscript{th} Series, vol.645, 2 August 1961, col.1667
that, ‘At the very moment when, after years of dispute, the Six are ready to sit down with us, to spurn them now would be to add a very large and significant chapter to the historical record of missed opportunities.’\textsuperscript{59} As cautious as Wilson’s speech may have been, the need to protect the application was never far from his mind.

Stewart appeared a little less cautious than Wilson. The foreign secretary devoted the majority of his speech to economic questions, and only towards the end stepped onto his natural terrain, political affairs. Even then, and with the exception of the argument that European integration should improve the prospects for détente with Eastern Europe, his tone was primarily defensive; stressing that a failure to enlarge the Community would not prevent its further development, and that the world would in future be dominated by the United States, Soviet Union, China and the EC, ‘none of them particularly concerned about the part which this country ... might play’.\textsuperscript{60} Conversely, it was the senior economic minister, Jenkins, that made the most coherent political argument. Sidestepping the conventional emphasis upon the strengthening of British and European influence in the world, the chancellor deployed a more personal analysis: ‘Not having the detailed responsibilities of a Foreign Office Minister, I should like to approach this standing back a little and in the broadest possible way’. This took the form of a critique of British foreign policy since the Second World War, in which he argued that Britain had taken ‘too long ... to accept a European orientation’:

\textsuperscript{60} Hansard, \textit{HCD}, 5\textsuperscript{th} Series, vol.796, 24 February 1970, col.1010-1011.
We continued to believe that it was our duty to police large parts of the world, to defend our former dependencies, and to maintain a network of military commitments barely approached by the super-Powers, let alone by our power equals. In this way, not for unworthy motives, we tried to cling on to our precarious position as the third of the great Powers. Economically we were not in their league. Militarily, we tried to pretend that we were. I do not believe that the attempt worked. It produced 20 years of severe overstrain with grave effects upon our economic performance.  

When placed alongside Wilson’s speech, it could be argued that the prime minister might have shown greater ingenuity in making a political case for entry. Undoubtedly, part of the explanation must be the contrasting personalities of the two men (Wilson calculating and tactical, Jenkins always more ready to state his views plainly), yet the pressures confronting Wilson were also much greater than those with which Jenkins had to grapple.  

From the perspective of public opinion, and with an election in view, the opinion that mattered was that of the prime minister. Moreover, Wilson was responsible for ensuring Cabinet discipline on the European issue; he could not at this stage afford to find himself out-of-step with those more sceptical ministers, and thereby risk fermenting dissent. The time to make a strong case would be at the conclusion of negotiations, when a definite decision was required.

The final aspect of the debate which needs to be explained is Wilson’s deviation into party polemics, accusing the Conservatives of wanting to pay the price of entry – by introducing a levy system for agriculture – whether or

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62 On the contrasting styles of Wilson and Jenkins, see Pimlott, Wilson, pp.583-87; Ziegler, Wilson, p.387.
not Britain joined the EEC. The genesis of this lies in a speech that Wilson made to a Labour Party meeting on 22 February (the Saturday before the parliamentary debate) in which he criticised Conservative economic proposals, including their intention to introduce a levy system in agriculture. Where Labour would only introduce a levy in return for the wider benefits of EC membership, Wilson charged, the Conservatives would do so regardless. But the prime minister quickly regretted having deployed the argument in the way that he did, and the next day sought to correct interpretations that he was shifting from his position on Europe. Wilson called a BBC reporter to Chequers and underlined Labour’s commitment to EEC membership on acceptable terms. Yet he could not resist reiterating his attack on the Tories: ‘What I am concerned with is the strange behaviour of those who want to pay the price when there is no certainty of getting in’. The Times predicted that these ‘events ... have made sure the [white paper] debate will have some rancorous passages’, and so it proved. While Stewart and Maudling both made reference to the controversy, the dispute was escalated most of all by Heath. In the final stages of his speech, the Conservative leader made an extended rebuttal of Labour accusations, before unleashing a personal attack on Wilson’s negotiating resolve through reference to his abandonment of the industrial relations Bill, In Place of Strife. Heath rallied, ‘If the Prime Minister wants to fight the coming election on who should negotiate for Britain, let him come out now and fight it’. Given the length and ferocity of Heath’s attack, it was unsurprising that

64 The Times, 23 February 1970, p.2.
65 Ibid., p.2.
Wilson rejoined the argument in his own speech. His reference to Tory proposals on agricultural levies should not, therefore, be interpreted as an attempt to strike a more ambivalent stance on Europe; it was motivated by entirely separate impulses relating to electoral politics. This is underlined by the fact that he went well beyond subjects even remotely related to the EC application, invoking the mistakes of ‘Selsdon Park’ – a leitmotif of Labour’s 1970 election campaign – including Conservative policies on welfare services and housing.67

The determined marketeer: Wilson, the opening of negotiations, and the management of Cabinet dissent

Wilson’s reservations in parliament were such that it is possible to imagine that he was becoming more circumspect about pressing for EC entry as a result of the increased cost of membership and shifts in public opinion. However, when the prime minister’s management of EC-inspired Cabinet tensions is taken into account, it is clear that his personal determination to advance Britain towards Community membership remained firm.

A first insight into Wilson’s attitude can be gained by returning to the Cabinet meeting of 3 February, focussing upon the specific ways in which he sought to defend the application against the figures presented. Thus, in outlining the contents of the white paper, Wilson used a number of arguments to soften

67 Hansard, HCD, 25 February 1970, col.1335; Selsdon Park was the venue of a meeting of the shadow Cabinet in January 1970 at which Conservative policy ideas were discussed. The meeting received wide publicity and prompted Wilson’s lampooning Heath as ‘Selsdon man’, a phrase designed to evoke connotations of deep conservatism. See Butler and Pinto-Duschinsky, Election of 1970, pp.129-131.
the impact upon ministers. He asserted that ‘the estimates inevitably presented a distorted picture since the size of the adverse effects only had been found capable of estimation’. He also said that he ‘believed that membership would lead to an inflow of capital’, despite the fact that Whitehall investigations had led to the opposite conclusion. Without offering any figures, the draft white paper argued that observing Community directives on capital movements ‘must be expected in a typical year to involve a sizeable cost to the United Kingdom balance of payments’. He also told ministers that Britain could ‘expect ... [to] obtain a longer transitional period than could reasonably have been expected in 1967’, as the Six had extended their own transitional period for implementing the CAP finance mechanism from 1970 to 1977. This was an argument officials were planning on deploying during the accession negotiations (the initial negotiating brief for this item targeted a transition period of as much as fourteen years). This would mean that it would be longer before Britain would have to assume the full financial burden of EEC membership. Yet it remained far from clear that the Community would be receptive to such an argument, and to imply that London could expect a significantly longer period of adjustment was by no means justified.

68 TNA/CAB128/45, CC(70)5th, 3 February 1970.
69 TNA/CAB128/45, CC(70)5th, 3 February 1970.
70 TNA/CAB129/147, C(70)17, 29 January 1970.
71 TNA/CAB128/45, CC(70)5th, 3 February 1970.
72 TNA/CAB134/2809, EURM(N)70(2), 6 May 1970.
73 As will be seen in the next chapter, the official negotiating brief on Community finance at the start of negotiations aimed at a 14 or 15 year transitional period. In the end, London was forced to settle for seven.
The most striking example of Wilson’s benevolent analysis of the evidence is to be found in his argument that the dynamic advantages of membership might prove significant enough, within the space of a transitional period, to outweigh the balance of payments costs of entry. He thus argued that:

He thought it reasonable to assume that this eventual cost might at the end of a transitional period be of the order of £700 million a year. ... It was only necessary to assume a very small increase in the annual rate of growth of gross domestic product (gdp) as a result of entry into an enlarged Community in order to provide the additional resources required to meet the cost of membership over a long transitional period.74

This approach was based upon calculations submitted to Wilson by Nield which projected Britain’s total GDP over 1972-81 on the basis of two different growth paths. The first – supposed to represent the position should Britain remain outside the Communities – was a constant rate of 3% per annum. The second, suggesting what might transpire if Britain were to join the Communities, saw the growth rate accelerate by 0.1% a year over the decade, reaching 4.0% by 1981. On this basis, the addition to national income resulting from Community membership would, by 1977, amount to £982 million – sufficient to offset the £700 million balance of payments cost.75 The latter scenario was, however, highly dubious. The magnitude of the suggested rise in GDP growth was extremely optimistic. If just the fifth year in the range was looked at, the assumption was a 0.5% rise. Such an increase could hardly be described as ‘very small’; it was, on the contrary, a substantial effect ascribed to the removal of relatively limited tariffs. In

74 TNA/CAB128/45, CC(70)5th, 3 February 1970.
75 TNA/PREM13/3199, Nield to Halls, 30 January 1970.
addition, the tariffs themselves would only be reduced gradually during the transitional period, meaning that Britain would not enjoy free access to the Community market for several years after its accession. Finally, even if Wilson’s postulation did materialise, it did not address the major concern: that of whether Britain would be able finance the foreign exchange burden inherent in the balance of payments cost. An increase in the growth rate did not necessarily correspond to an improvement in the balance of payments, and the crucial question was whether Britain would be able to secure sufficient credits on current account, year on year, to offset the claims that would result from Community membership. Wilson would himself make this point in the debate on the principle of joining the Community in October 1971. That was a different time and a different context, however, and as prime minister in early 1970 it was to his advantage to overlook the point.

There is also evidence that Wilson was already thinking about how best to ensure that internal divisions over Europe did not weaken his ability to successfully manage the forthcoming negotiations. While it was not until 15 May that the Community openly stated its preference for a start to be made on 30 June, from the beginning of 1970 Whitehall proceeded on the assumption that negotiations would begin around the middle of the year. In

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76 Speaking on the final day of the October 1971 debate, Wilson skewered the then Chancellor of the Duchy of Lancaster, Geoffrey Rippon, for suggesting that a gain of £2.2 billion in national income would more than offset the balance of payments cost. Thus, Wilson referred to ‘the £2,200 million he [Rippon] postulated from increased production which he assumes would emerge from the magic wand of joining the Market. Even if he were right—and I do not agree that he is right—this has nothing to do with the balance of payments. One cannot subtract from £2,200 million increase in G.N.P. £500 million on the balance of payments and call it a net gain of £1,700 million to the economy’. Hansard, HCD, 5th Series, vol.823, 28 October 1971, cols.2099-2100.

77 TNA/PREM13/3201, Tickell to Moon, 18 May 1970; TNA/CAB134/2826, EURO(70)1st meeting, 26 January 1970.
February EURO began updating the negotiating briefs left dormant since 1967, and on 16 April Wilson set up a ministerial sub-committee ‘to supervise the preparation for the forthcoming negotiations’ and to report to EURM.\(^78\) This would be chaired by Labour’s negotiator designate, George Thomson, and be composed of the President of the Board of Trade, Roy Mason, the Minister for Agriculture, Cledwyn Hughes, the Chief Secretary to the Treasury, John Diamond, and the Paymaster General, Harold Lever. As a group, it had a clear pro-market bias, liable to facilitate the speedy and effective prosecution of negotiations.\(^79\) Wilson’s thinking on this matter is further illuminated by his response to Nield’s suggestion that negotiating briefs should only be presented to Cabinet ‘within a very short space of time’ before they needed to be tabled in Brussels. Such a procedure would, in Nield’s eyes, guard against leaks and ensure that ministers did not have to reconsider papers that had to be altered because of new circumstances.\(^80\) Wilson fully agreed, but offered a further justification of his own: ‘I can think of Ministers who faced with a changed situation ... will play one brief off against another – e.g. sticking on a harder line in the first brief compared with the second – w\[hile\] strongly quoting inconsistencies’.\(^81\) And as will now be seen, Wilson’s sensitivity to potential Cabinet obstacles was by no means

\(^78\) TNA/CAB134/2826, EURO(70)2\(^{\text{nd}}\) meeting, 16 February 1970; TNA/CAB134/2809, EURM(N)(70)1, 16 April 1970.


\(^80\) TNA/PREM13/3201, Nield to Moon, 24 April 1970.

\(^81\) TNA/PREM13/3201, Wilson minute, undated, on Nield to Moon, 24 April 1970.
unwarranted given his experiences in the final months prior to the 1970 general election.

In late March, Peter Shore, Minister without Portfolio, made a public speech (in conjunction with a press release) on Europe emphasising the cost of entry and casting doubt upon the sincerity of the government’s application. In the light of an improving economy, Shore argued, ‘whether or not we join the European Economic Community becomes an option which we can take up if it suits us, or leave alone if it does not’. Given that Shore was a close associate of Wilson, there was inevitable speculation that the speech might have been sanctioned by the prime minister. When, in Cabinet, it became clear that he had made no attempt to clear the speech with either the prime minister, the foreign secretary or FCO officials, he received, in Castle’s words, a ‘trouncing’. Crossman thought it ‘an act of total recklessness ... I had absolutely assumed that such a thing could not have occurred’. Where the Cabinet minutes conceal the finer details of the discussion, these are vividly depicted in ministerial diaries. Castle described Wilson as ‘coldly furious. I should think that if there were not an Election coming, Peter’s days would be numbered’. Crossman paraphrased Wilson’s argument that ‘the speech hadn’t given the whole balanced policy, only one aspect of it, and we had all told each other all the time we must be careful to get the balance right, and in particular that we were making a real and serious bid for entry. It

82 The Times, 26 March 1970, p.5.
83 Ibid., p.5; Crossman, Diaries, entry for 26 March 1970, p.875.
86 Castle, Diaries, entry for 26 March 1970, p.782.
was that point which hadn’t come out clearly’.\textsuperscript{87} Stewart and Jenkins also made known their irritation, and even Healey seemed annoyed: the defence secretary observed that others ‘who were not too keen on the idea of entry had usually been careful not to rock the boat’. When Peart tried to defend Shore, by asserting that it was ‘A very popular speech’, Healey snapped back, ‘We could all make popular speeches ... It’s the easiest thing in the world’.\textsuperscript{88} The incident is illuminating for two reasons. First, it highlights the implicit compromise which accommodated different ministerial viewpoints; the commitment to membership would not be challenged on the understanding that a final decision upon entry rested upon the terms. Second, it highlights Wilson’s concern that the membership bid be recognised as genuine. He was no doubt aware of his own reputation for calculation, and wished to avoid any impression of backsliding, but in addition to this, the prime minister had to be conscious of the damage which might be inflicted upon the government’s relations with the Six (so close to negotiations) if it now appeared that he was wavering over entry. He therefore suggested that the Foreign Office re-issue the statement he had made on day the White Paper was published, in which he stressed the sincerity of Britain’s application.\textsuperscript{89} Shore was also pressed to make a corrective statement and, in the House of Commons, Wilson once again underlined that the government was ‘negotiating to get in with determination’.\textsuperscript{90}

\textsuperscript{88} TNA/CAB128/45, CC(70)14\textsuperscript{7}, 26 March 1970; Castle, \textit{Diaries}, entry for 26 March 1970, p.782.
\textsuperscript{89} TNA/PREM13/3201, Wilson minute, undated, on Brussels to FCO, tel.168, 27 March 1970; TNA/PREM13/3201, Moon to Barrington, 6 April 1970.
A more serious threat to the internal compromise came at a meeting of the inner Cabinet on 20 April. On this occasion, Crossman was the minister responsible, urging Wilson to take advantage of public concern about the cost of joining the Community to reinforce Labour’s election campaign. Crossman had been inspired to take action on these lines after a conversation with the anti-Market economist, Nicholas Kaldor, who had recently published a forthright article on the subject in the *New Statesman*. Crossman addressed Wilson by saying: ‘Look, let us discuss the programming of our Common Market attitudes. Would the P.M. tell me something about this? Are we planning to open negotiations or not?’ Crossman’s diary account explains what followed:

It emerged that in July we are to have what Harold described as ‘a Victorian family portrait’. He said, ‘That is what Willy Brandt has called it, a family portrait, with all the members of the E.E.C. and all the applicants coming to record their official positions.’ I said, ‘Marvellous. It would suit us very well to have that in July. But, in that case, Prime Minister, you must appreciate that we are hoping you will be able to use it for electoral purposes because, after all, the only thing wrong with Peter Shore’s speech was that Peter Shore said it. If you said it, from your central position, it would have been O.K. What I am expecting of you is that in July you will be able to make a speech about food prices and the cost of entry and of the C.A.P., and you could suggest that Britain isn’t going to join. With that you could win the election. As we have given up the idea of an election-winning budget, we are left with the E.E.C., where Heath is suspect. We are depending upon you to do it.’

We discussed this for thirty-five minutes and, although Harold continued to say we couldn’t discuss the Common Market without Michael Stewart (the Foreign Secretary is in Turkey at the moment), we were obviously doing so. There was not even a denial by Roy [Jenkins], who might have said that appearing to manoeuvre in this way would be dangerous, and that we shouldn’t exploit the Common Market in the election. Denis [Healey] and Fred Peart also sat silent, merely smiling. Barbara [Castle] and I made it clear that in the summer we would expect the P.M. to make our negotiating posture an election-winning
issue. We reached a general agreement that Michael Stewart had been
wrong to urge members of the Cabinet to do their share of speaking on
the Common Market and that only the inner three [Wilson, Stewart and
Jenkins] should do so. The minority would express their view by
remaining silent and any speaking I were to do would be
misunderstood.91

The description of a ‘general agreement’ was a tacit acknowledgement that
Wilson had withstood the attempt to make electoral capital out of the EEC.
Crossman reflected upon this in his diary: ‘Harold and Michael are ardent
Common Marketeers now, more I would say than Roy who, as Chancellor,
sees the real difficulties and is certainly prepared to postpone if demanding
higher terms would win us the election’. The other ardent Marketeers,
Crossman believed, were Crosland and, somewhat surprisingly, Healey ‘who
certainly wasn’t before but now, I think, feels that he has to be in favour of
entry if he is ever going to become Foreign Secretary’. Crossman and Castle
were ‘willing to try but not on terms that are too high’.92 Given the limitations
of diary evidence, it is important to be guarded when drawing conclusions
from Crossman’s account. In particular, his reading of individual ministers’
attitudes should not be accepted uncritically. His impressions were those of a
minister with little involvement in the detail of European policy. But this
should not obscure the important fact: Wilson’s lone (and successful)
defence against Crossman and Castle. While there can surely be no greater
prize for any prime minister than retention of office, Wilson resisted both the
temptation and the pressure to better his party’s electoral prospects by
playing on public concerns about the EEC. On this point alone, Crossman’s

account offers a vivid counterpoise to the idea that Wilson’s personal attitude to EC entry was anything other than committed.

**Conclusion**

The first half of 1970 bore witness to a domestic situation completely different from that which had prevailed when the second application was launched in May 1967. The increased balance of payments cost gave renewed vigour to sceptics inside and outside of government, as public opinion, for its own reasons, shifted decisively towards opposition. Against this background, Wilson had to proceed carefully; his speech to parliament reflected the need to withdraw the venom from the domestic debate in a way that benefited both Labour’s election prospects and the prosecution of the forthcoming accession negotiations. While it was already possible to discern some of the pressures which resulted in his 1971 decision to oppose entry on Tory terms, Wilson’s actions within government, by attempting to soften the adverse impression of the white paper upon Cabinet, by loading the new EURM committee on negotiations with pro-market ministers, and by resisting internal pressure to strike a more sceptical posture for domestic advantage, demonstrated his continuing determination to bring about the success of the application. All his careful manoeuvring was to be in vain, however, as at

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the General Election of 18 June, Labour was unexpectedly defeated.\textsuperscript{95} Rather than to Wilson, the task of negotiating British entry would fall to the man with perhaps the strongest pro-market credentials of all. With Edward Heath the fate of the application would now rest, and the opportunity to etch a place in history as the prime minister that led Britain into the Community.

\textsuperscript{95} Butler and Pinto-Duschinsky, \textit{British}, pp.177-180.
Chapter 4

The Arrival of Heath:
the Conservative Government and the Second Application

June to December 1970

‘We were returned to office to change the course of history of this nation – nothing less’.¹ Such was the conviction of Edward Heath in his first address to the Conservative party conference following its election victory in June 1970. That result had come as a surprise to many; the opinion polls leading up to the election had strongly indicated a Labour victory.² On 19 June, however, it was Heath that was asked to form the new government of the United Kingdom with the slender but workable majority of 30 MPs. At the centre of the platform upon which the Conservatives were elected was the same theme of economic modernisation which had been the leitmotif of Wilson’s 1964 campaign. But where the Wilsonian vision of a technologically advanced ‘white heat’ Britain promoted economic planning and an interventionist approach to industrial management, for Heath, the touchstones of prosperity were smaller government and incentives for individual enterprise.³ Into this logic, the benefits of a ‘wider’ EC market fitted easily, but against a background of strong public scepticism, the European

² Butler and Pinto-Duschinsky, British, pp.177-180.
issue received only brief attention in the Tory election manifesto. On the
question of whether Britain would actually join, the Conservative platform
was assiduously cautious: like Labour, the final decision would depend upon
the terms: 'Our sole commitment is to negotiate: no more, no less. ... A
Conservative Government would not be prepared to recommend to
Parliament, nor would Members of Parliament approve, a settlement which
was unequal or unfair'. While such caution was inevitable given public
concern about the consequences of entry, it was at odds with the
temperament of the new prime minister. Whether the electorate in general
was conscious of it is unclear, but in Edward Heath, the British people had
chosen a man for whom British membership of the Community was a vital
concern.

This chapter will examine the impact of the incoming Conservative
government upon Britain’s pursuit of EC membership between June and
December 1970. It will begin by focussing on Heath, before broadening the
analysis to the dynamics within the Conservative Cabinet as a whole. The
second section will move on to examine the opening phase of the accession
negotiations, which commenced just twelve days after the General Election,
delineating the issues which would determine their success or failure, and
exploring internal thinking on how a positive outcome was to be attained. In
the final section, the chapter will explore how prospective contributions to the

EC budget, brought to the fore once more by Britain’s opening bid on Community finance, again called into question the economic rationale for British entry, producing tensions at the heart of the Conservative Cabinet.

Heath, the Conservatives and Europe, 1967-1970

As was seen in the Introduction, Heath’s commitment to the objective of ‘Britain in Europe’ is best explained as a product of his experiences as chief negotiator during the first accession negotiations. It was from the mid-1960s, and particularly after his appointment as leader of the Conservative party in July 1965, that the European issue became central to Heath’s political identity. The Conservative election manifesto for 1966 (at which point public support for British entry was nearing its zenith) confidently declared that a Tory government would ‘Work energetically for entry into the European Common Market at the first favourable opportunity’, and in the meantime would ‘Prepare for entry by relating the development of our own policies to those of the Common Market’.\(^8\) When, during the campaign, Heath was lampooned by Chancellor of the Exchequer, James Callaghan, for an approach which would discard British ‘bargaining cards’ before even getting to the negotiating table, Heath hit back: ‘I know more about negotiating than any member of the present Labour government and I know more about Europe than any of them’. Taking aim at the prime minister, who was due to speak about policy towards the Community that evening, Heath rattled: ‘It

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has always been known that Mr Wilson has been anti-European’. In March 1967, Heath enhanced his own European credentials with three lectures at Harvard University, focussing upon the history of the Communities up to that point (including Britain’s relationship with them), their future development in economic and institutional fields, and concluding with an examination of the role that an enlarged Community might play in the world.

If the first application provided the catalyst for Heath’s involvement in European politics, his determination to see Britain join the Community rested upon two distinct but co-existing impulses: first, the need to strengthen British influence in the world; and second, a more sentimental identification with the idea of European unity. When, in 1969, Heath decided to publish the Harvard lectures under the title *Old World, New Horizons*, he argued that the latter constituted ‘not a vague concept, but the habit of working together to reach accepted goals’, and in his speech to the House of Commons during its debate on the February 1970 white paper, he attributed his support for British entry to a belief ‘in closer international co-operation,’ adding that he favoured EC membership ‘because I am an internationalist’. Robert Armstrong (Heath’s Principal Private Secretary between 1970 and 1974) and Ziegler further argue that Heath was motivated by a desire to see Europe organised in a way that would prevent further wars (an objective rooted in his visits to Germany and Spain during the 1930s, as well as serving with the

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British army in north-west Europe during 1944-45). The most prominent feature of his public discourse on Europe prior to June 1970 was his aspiration for the Community to become a unified actor in international affairs, by means of co-ordinating member state foreign policies. It would also be one of the most distinctive features of his European policy in 1972-73 (after the accession negotiations had been successfully concluded), albeit one that falls outside the scope of this study.

In reacting to Labour’s decision to apply for EEC membership in 1967, the tactic of the Conservative leadership was to show support for the principle of entry, but to distance themselves from the government’s diplomatic methods. Crowson explains that the underlying logic was to avoid being ‘tarred with any blame’ should the application fail, and to ‘deflect domestic electoral attention away’ from the European issue. This approach continued during 1968-69: speaking at the 20th anniversary of The Hague Congress in November 1968, Heath was critical of what he saw as the post-veto tactic of seeking to isolate de Gaulle, arguing that, ‘A Europe without France in the long run makes as little sense as a Europe without Britain’. And again, in

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15 Crowson, Conservative, pp.34-35.

16 Ibid, p.35.

17 The quote is taken from Heath, Course, p.364; and is also referred to by Douglas Hurd, who wrote many of Heath’s speeches and was present at The Hague, Hurd, End, p.59.
the introduction to *Old World, New Horizons*, Heath argued that Labour’s diplomacy in 1967 had been predicated upon, ‘a misunderstanding of the nature of the EEC and in particular of the relationship between France and Germany’.18

These criticisms have acquired historiographical significance due to Heath’s role in the eventual success of the application. A prominent strand within British historiography of EC entry, including Heath’s memoirs, suggests that his part in the positive outcome of the negotiations was decisive. According to this view, Heath rejected the tactics of the Wilson government, based upon co-ordination with the Five in order to pressure France, and focussed instead upon overcoming the opposition to enlargement at its source. In his memoirs, Heath also implies that it was he personally that was responsible for this shift in tactics, with Rippon and others in the Foreign Office less convinced.19 The May 1971 Heath-Pompidou summit is thus held up as the moment that Heath persuaded Pompidou to accept British membership – a great personal achievement, which distinguished him from the failure of those that had gone before.20 It is of course correct that between 1968 and early 1969 (above all during the Soames affair) important officials in the FCO

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18 Heath, *Old*, p.3.
were wedded to a policy of isolating France, and that Wilson might have
done more to temper this. However, while it is clear that Heath’s role was
central to Britain’s accession, to suggest that it was singly critical is to
overstate the prime minister’s impact. A more measured account thus
follows.

The Conservative Cabinet of 1970 contained a number of firmly pro-
membership ministers, with little obvious prospect of dissent. At the same
time, Heath’s personal zeal was not replicated among other senior portfolios.
The former Prime Minister, Alec Douglas-Home, returned as foreign
secretary (the same position he had held at the time of the first application).
Home’s support for entry was born of a pragmatic recognition that it was the
only means of preserving British influence among the major western
powers.\footnote{TNA/CAB148/101, DOP(70)13, memorandum by Home, 21 July 1970; TNA/FCO49/317,
Home handwritten minute, undated, on Greenhill to Maitland, 4 March 1971; D. Dutton,
Douglas-Home (London: Haus Publishing, 2006), pp.102-103.} Heath’s first Chancellor, Iain Macleod, was ‘the heaviest
heavyweight’ after the prime minister, and a figurehead for the ‘One Nation’
Conservatives.\footnote{Quote from Francis Pym, Chief Whip in the Heath government in Kandiah, ‘Heath’, p.195.}
There is little evidence regarding his views on Europe – a
possible indication of agnosticism – although as party chairman at the time of
the first application, he had looked to style the Conservatives as ‘the party of
Europe’.\footnote{Crowson, Conservative, p.137. Crowson explains this in terms of electoral considerations,
rather than any particular convictions about EC membership.} He was to die of a heart attack in July 1970, marking a
considerable and early psychological setback for the government as a
whole.\footnote{J. Ramsden, ‘The Prime Minister and the Making of Policy’, in Ball and Seldon, Heath,
pp.33-34; Kandiah, ‘Heath’, pp.192-195.} Macleod’s successor was the man originally charged with leading
the British negotiating team in Brussels, Anthony Barber. Both appointments appear primarily explicable by his good relationship with Heath.\textsuperscript{25} Barber’s views on Europe before 1970 are also unclear. At the Treasury, however, he would be counselled in the economic dangers of early entry, and his attitude quickly became cautious.\textsuperscript{26} Reginald Maudling, Heath’s principal rival in the 1965 leadership contest, was made Home Secretary. Having led the abortive free trade area negotiations in 1957-58, Maudling was by 1970 a clear, if unenthusiastic, supporter of EC membership. He was also critical of a perceived tendency, on both sides of the debate, to dramatise the potential consequences of membership.\textsuperscript{27} Barber’s promotion meant that Geoffrey Rippon became the new Chancellor of the Duchy of Lancaster with responsibility for the EC negotiations. Like Barber, Rippon had little association with European policy prior to 1970, but he was to prove both determined and effective in his prosecution of the accession negotiations. The sensitive post of Minister for Agriculture was given to another of Heath’s allies, James Prior.\textsuperscript{28}

In their memoirs, both Barber and Prior are fulsome in their praise for Heath’s handling of the EC application. Barber argues that, ‘I do not believe we would have joined without Ted’s determination and resolve’, recalling that ‘as the Government’s popularity slumped, some were tempted to take the populist line that the terms were not good enough and that we should

\textsuperscript{25} Ziegler, Heath, pp.257-58; DNB entry for Barber (author: Denis Kavanagh).
\textsuperscript{26} TNA/CAB134/2793, ES(70)7\textsuperscript{th}, 9 December 1970.
\textsuperscript{27} Hasard, HCD, 5\textsuperscript{th} series, 24 February 1970, cols.1013-1014.
withdraw from the negotiations’. The clear implication was that only Heath had the requisite conviction to overcome this barrier.\(^{29}\) Prior, too, recalls that, ‘In Cabinet, Minister after Minister would set out all the difficulties and recount the insoluble problems’, and again insists that: ‘No one other than Ted would have taken Britain into Europe’.\(^{30}\) As far as Cabinet discussions are concerned, the official records do not sustain the picture presented in these accounts. The substance of British negotiating objectives, as opposed to negotiating tactics, was discussed on relatively few occasions. There is just one instance during the negotiations when British entry was called into question during Cabinet discussion: in December 1970, in the context of Britain’s opening bid on Community finance. The only ministerial memoirs to refer specifically to this debate are those of Margaret Thatcher, Secretary of State for Education between 1970 and 1974, and later prime minister, in which she also criticises Heath for his handling of the Community finance issue.\(^{31}\) After this meeting, however, there was little significant controversy. The crucial months were those of May and June 1971, as the negotiations reached their climax, and it was then that Britain had to make the most important concessions. Yet there is no evidence of dissenting voices. Given this, and until the release of the Cabinet Secretary’s notebook, it seems safest to conclude Barber was referring to doubts among MPs, rather than senior ministers, and that Prior too was recalling not Cabinet, but the ministerial committee on the Approach to Europe (now under the simplified acronym ‘AE’), of which he was also a member, and the purpose of which

\(^{29}\) Barber, Taking, p.77.

\(^{30}\) Prior, Balance, p.86.

\(^{31}\) Thatcher, Path, pp.207-208.
was to coordinate the British negotiating position and to find solutions where internal disagreements emerged.\(^{32}\)

The Heath years are sometimes depicted as a period of rare, even unprecedented, emphasis upon Britain’s relations with Europe.\(^{33}\) Hill and Lord have drawn a distinction, however, between ‘early and later Heath’. Up until 1972, they argue, Heath’s approach was a traditional one, centring upon the need to reinforce British influence, but that from 1972 onwards it became more radical: ‘With a more pessimistic view of the constraints on a purely national diplomacy, Heath became increasingly interested in the practicalities of forging a collective diplomacy within the EC’.\(^{34}\) But, as has been seen, Heath’s support for political unity was a consistent feature of his thinking in the 1960s. The chronological distinction Hill and Lord make seems better explained not by attitudinal changes, but more basic structural ones. The crucial change in 1972 being the fact that Britain began to be treated as a \textit{de facto} member of the Community, participating, for instance, in the Paris summit of the Nine (the Six plus Britain, Denmark and Ireland; Norway having rejected EC membership earlier in the year) that October. Britain was also able to accede to the nascent European Political Cooperation (EPC), established by the Davignon Report of October 1970, which resulted in attempts to formulate joint postures on European security and the Middle

\(^{32}\) TNA/CAB134/2596, AE(70)1, 26 June 1970.


\(^{34}\) Hill and Lord, ‘Heath’, pp.286—87.
In 1970-71, however, British foreign policy was necessarily confined to past strictures; the question of whether or not it would actually join the Community being predominant. At a strategic level, the principal characteristic of the Heath government’s first year is continuity with Labour. This is captured in memorandum which Home submitted to the Overseas Policy and Defence Committee in July 1970, the purpose of which was ‘to set out the main objectives of our external policy and to indicate the order of importance to be attached to them’. Europe, as a geographical area, was identified as lying ‘at the centre of our policies’, with Britain’s main objectives listed as being: ‘To maintain the strength and cohesion of NATO’; ‘To obtain membership of the European Communities on acceptable terms and to move on from there towards the creation of a more cohesive Western Europe in the political, defence and economic fields’; ‘To seek better East-West relations’; and ‘To seek improved relations with France with the object of enjoying the same level of relations as we now have with Germany’. There was nothing here to separate Home from the ideas expressed by Brown, Stewart and the Foreign Office between 1968 and 1970.36

Even Heath’s ideas on European political unity were less distinct, by British standards, than is often assumed. From early 1968, the Foreign Office became increasingly wedded to this concept as a means to give Britain a stronger voice in world affairs.37 Thus, in response to the establishment of new procedures for political cooperation in the WEU under the Harmel Plan, a departmental circular by Permanent Under-Secretary Denis Greenhill, explained that: ‘Gradually ... we hope to see the [WEU] Council feeling its way forward from mutual and implicit acceptance of a given line of policy to [a] more explicit practical commitment on the part of member governments’. Greenhill even went so far as to recommend that Britain ‘make this consultation in WEU one of the main features of our foreign policy’38 While the Davignon Report meant that the focus of European political cooperation shifted from the WEU to EPC, successive FCO papers underlined the continuing priority accorded to the concept by officials.39

The principal point of discontinuity between the Wilson and Heath governments with regard to European policy is in the revival of ideas about an Anglo-French nuclear deal.40 Here, Heath’s personal views were paramount. Fresh inter-departmental studies were requested, and, despite

37 TNA/FCO49/13, PMW(68)1, 26 January 1968; TNA/CAB134/283, EURO(68)8 Final, 15 February 1968.
38 TNA/FCO41/513, Greenhill circular, 18 April 1969.
39 TNA/FCO49/254, ‘The Political Case for Joining the European Communities’, attached to Greenhill circular, 9 December 1969; TNA/FCO30/568, ‘What sort of Western Europe do we Want?’, draft memorandum, undated, after Barrington to Statham, 10 September 1970, (this paper needs to be treated cautiously as it was controversial within the department); TNA/PREM15/1560, ‘Anglo-French relations’, memorandum attached to Greenhill to Home, 9 September 1970; TNA/FCO30/569, Statham to Graham, 9 November 1970.
the ongoing reservations of FCO and Ministry of Defence officials, Heath took the initiative by securing Nixon’s blessing to make progress in this area during an Anglo-American summit in December 1970. At this meeting, Heath suggested that an Anglo-French deal could be used as a means to bring France into closer alignment with NATO. This, however, should be interpreted as a means of ‘selling’ it to Washington, rather than as a genuine reflection of Heath’s motivations. His objectives at this stage were established clearly at a meeting with Home and Peter Carrington, the Defence Secretary, the previous month: ‘to establish whether there was any advantage to be gained in introducing the subject’ into the accession negotiations (at ‘heads of government’ level), with a view ‘to the striking of a final bargain on the terms of entry’. For the period June 1970 to June 1971, it was the goal of negotiating British membership of the EC which would dominate Heath’s European policy and no Anglo-French nuclear deal entered the frame. It is upon the negotiations that the remainder of this thesis will focus.

The negotiations commence, June to November 1970

On 30 June, taking up the invitation which had been issued to the Labour government earlier in the month, Home and Barber represented Britain at an opening session of the enlargement negotiations in Luxembourg, alongside

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43 TNA/CAB130/490, GEN25(70)1 st meeting, 18 November 1970.
the three other applicant states, Denmark, Ireland and Norway. In accordance with the views expressed by Cabinet, Barber’s statement adopted a ‘businesslike’ like approach, moving swiftly through the history of Britain’s earlier attempts to join the Community and the reasons which underpinned the present government’s continuing support for that objective, before referring back to George Brown’s speech at the WEU, two years earlier, to highlight the main issues upon which Britain needed to negotiate.

The only subject which Barber discussed in any depth was Community finance; once again reminding the Six of Brown’s July 1967 statement, Barber explained that Britain had then made known its desire to participate in the Community’s negotiations on a definitive regulation:

Had we done so, the resulting agreement would no doubt have made fair provision for us as it has for each of the existing members of the Communities. But we were not party to your agreement. ... And so we have to work together to find a solution to this basic problem which will be fair and sound for the enlarged Community and for all its members. If I appear to labour this point, it is only because, unless such a solution is found, the burden on the United Kingdom could not be sustained and no British government could contemplate joining.

Reflecting the British desire that only the major problems needed to be dealt with before entry (leaving smaller issues to be settled once Britain was a member), Barber expressed his hope that ‘the negotiations can be kept short and confined to essentials’ – an objective which proved impossible to realise. In a final passage, Barber invoked Britain’s most famous champion of European unity, Winston Churchill, before rallying to

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his conclusion: ‘Inspired by goodwill and united by so many aims and
hopes and interests, this time we can succeed’.\textsuperscript{46}

Given the terms on which Community finance was eventually settled,
Barber’s opening statement might appear as tough rhetoric designed for
negotiation, but over stating Britain’s true position. Such a conclusion would,
however, be misplaced. At this stage, Barber’s remarks were consistent with
Whitehall thinking. At the first meeting of the AE committee on 3 July, he
conceded to ministers that acceptance of the definitive financial mechanism
‘without modification’, ‘would clearly impose an intolerable burden’.\textsuperscript{47} Officials
had estimated that Britain’s full contribution at the end of a five year
transitional period would approximate £510 million per annum. With receipts
likely to be in the region of £80 million, London could be confronted with net
payments of £430 million.\textsuperscript{48} Whitehall’s preferred solution would have been a
permanent cap to its contribution or, better still, a renegotiation of the finance
system itself, but it was clear that the Six would reject both and insist upon
ameliorating the problem within existing rules.\textsuperscript{49} Officials therefore advocated
seeking a long transitional period, of as much as fourteen years, during
which payments would increase gradually, enabling London to press for
changes to Community policies in a way that would alleviate the eventual
burden. They also recommended negotiating a review provision that could be
activated if British contributions at any time became too onerous. In such

\begin{footnotesize}
\begin{enumerate}
\item \textsuperscript{46}Hansard, HC Papers, Cmnd.4401, June 1970.
\item \textsuperscript{47}TNA/CAB134/2596, AE(70)\textsuperscript{1}st meeting, 3 July 1970.
\item \textsuperscript{48}TNA/CAB134/2596, AE(70)4, 29 June 1970.
\item \textsuperscript{49}TNA/FCO30/733, Meeting of Heads of Mission, 9-10 March 1970; TNA/CAB134/2596,
AE(70)4, 29 June 1970.
\end{enumerate}
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circumstances, the official negotiating brief argued, ‘we would simply have to insist as a firmly established member, that some modification [to the budgetary rules] be made’.\textsuperscript{50} Ministers made no attempt to define specific British negotiating objectives at this stage; better, it was thought, to await the outcome of exploratory discussions with the Community.\textsuperscript{51} The matter would be returned to in November-December 1970 in the context of Britain’s opening bid.

After Community finance, the two other major subjects were New Zealand dairy products and Commonwealth sugar. By comparison, the solutions to these issues appeared more straightforward.\textsuperscript{52} In both cases, the problem derived from the economic importance of the respective commodity to the producing countries, and Britain’s predominant place as an export market.\textsuperscript{53} In the case of New Zealand, dairy products accounted for approximately 20 per cent of export earnings, with 90 per cent of its butter and close to 80 per cent of its cheese sold in the UK market.\textsuperscript{54} For developing sugar producers, above all in the Caribbean, the situation was even more acute: sugar production was not only pivotal to national income, but also provided large sections of the population with employment.\textsuperscript{55} And in both cases, there was not only a perceived moral imperative, but a political danger too. With significant public and parliamentary sympathy for such smaller (and in the case of sugar producers, poorer) Commonwealth countries, a failure to

\textsuperscript{50} TNA/CAB134/2596, AE(70)4, 29 June 1970.
\textsuperscript{51} TNA/CAB134/2596, AE(70)1\textsuperscript{st} meeting, 3 July 1970.
\textsuperscript{52} TNA/FCO30/732, memorandum attached to Robinson to O’Neill, 17 July 1970.
\textsuperscript{53} Detailed examinations of the nature of both problems can be found in Hannay, Britain’s, pp.99-105 and 139-49, and Young, Terms of Entry, pp.154-55 and 167-68.
\textsuperscript{54} TNA/CAB134/2596, AE(70)3, 29 June 1970.
\textsuperscript{55} TNA/CAB134/2596, AE(70)8, 30 June 1970.
secure satisfactory arrangements would create difficulties in the pursuit of
domestic ratification for British entry. Britain’s opening bids for both
subjects (eventually tabled on 6 November) would be conditioned by these
pressures. For New Zealand, it was suggested that Britain might continue to
import dairy produce at present quantities and present prices for the full
length of the agricultural transitional period (expected to last between 5 and 6
years), with a review provision that would enable the continuation of special
access arrangements for some time thereafter. For sugar, it was proposed
that, from the start of 1975 (when existing Commonwealth arrangements
came to an end), imports from developing producers should continue at
present quantities and reasonable prices, with a similar provision for ‘regular’
reviews. From the outset, Whitehall recognised these bids to be not only
unrealistic, but ‘extravagant’. Their highly ambitious nature was intended to
deflect charges that London had not done enough (or could have done more)
to safeguard the interests of small Commonwealth producers.

For the remainder of this thesis the phrase ‘the three main issues’ will be
used to denote Community finance, New Zealand and sugar. This is a true
reflection of the priority accorded to these subjects by London. It was thus
that when the terms were settled upon all of them (following the agreements
reached on the major French concerns of sterling and agricultural

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56 Hannay, Britain’s, pp.103 and 145-47; Kitzinger, Diplomacy, p.129.
57 TNA/CAB134/337, WGE(70), 31st meeting, 30 October 1970; Hannay, Britain’s, pp.107-
108; Young, Terms of Entry, p.156.
58 TNA/CAB134/337, WGE(70)31st, 30 October 1970.
59 TNA/FCO30/732, paper attached to Robinson to O’Neill, 17 July 1969; TNA/PREM15/062,
memorandum attached to Nield to Robert Armstrong (private secretary to the prime
minister), 23 October 1970. TNA/PREM15/368, Nield to Armstrong, Y0541, 5 March 1971;
TNA/PREM15/370, Rippon to Heath, ‘The Shape of the Final Package in the EEC
Negotiations’, undated, after Armstrong to Heath, 8 April 1971; TNA/CAB134/3357,
AE(71)10, 29 April 1971.
preference) in June 1971, that it became clear that the negotiations were going to succeed.\textsuperscript{60} From the outset, however, it is important to be aware that in the background, a fourth issue, fisheries, was gradually growing in significance.\textsuperscript{61} Formally, the problem only came into being on 30 June, the same day that the enlargement negotiations were opened. That evening, the Council of Ministers agreed the outlines a new Common Fisheries Policy (CFP).\textsuperscript{62} The problem for Britain derived primarily from the provision for common access to the coastal waters of all member states. (Given that the four applicant states had extensive coastlines, the issue was certain to become one of the major themes of the enlargement negotiations as a whole.) Yet it was at first unclear how much of an issue it would prove to be for Britain; fishing was a miniscule economic concern, constituting just 0.1\% of total GDP.\textsuperscript{63} The domestic controversy generated by the issue, with an alleged threat to the livelihoods of Britain’s inshore fishermen, proved much greater. As O’Neill explained in his report: ‘No small stretch of coastline is without a few fishing boats; and like the Home Guard in 1940 every fisherman pictured the combined fleets of the Six sailing up to his coast and sweeping all the fish away’.\textsuperscript{64} London’s initial tactic was to leave the subject until the end of the negotiations, when, with the end in sight, the atmosphere could be expected to be more helpful to the search for a settlement (on this issue, it seemed likely that London would need to abrogate its general

\textsuperscript{60} Hannay, \textit{Britain’s}, p.75.
\textsuperscript{62} Wise, \textit{Common}, p.102-07.
\textsuperscript{63} Hannay, \textit{Britain’s}, p.245.
\textsuperscript{64} \textit{Ibid.}, p.246.
principle of not requesting changes to existing Community regulations). By 1971, however, local dissatisfaction was being translated into national political pressure, with the result that in May Cabinet urged Britain’s negotiators to seek an agreement before parliament was asked to vote on the principle of accession. The British proposal of June 1971 proved unsuccessful, and in the event the main negotiations over fisheries did have to wait until the end of the negotiations, finally being resolved, in tandem with the other applicants, during December 1971 and January 1972.

The course of the negotiations as a whole was broadly consistent with British thinking at the outset. At the core London’s strategy was the objective of ‘breaking the back of the negotiations’ – in other words, reaching agreement on the main problems – by the summer holiday of 1971. The aim would then be to produce and sign an accession treaty by the end of the year, leaving all of 1972 for the necessary domestic legislation to be navigated through parliament, with the aim of British accession in January 1973. And, from the start, there was no doubt in British minds that success or failure would be primarily contingent upon the attitude of France. For London, the predominant fear was that Paris would adopt such a rigid posture over the major problems that a successful outcome would be made impossible. Different tactics were envisaged in order to deal with this danger. In a minute to O’Neill on 17 July, John Robinson, now promoted to assistant under-

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65 See Almlid, ‘Negotiating’, pp.141-44.
66 TNA/CAB128/48, CM(71)24, 6 May 1971
67 TNA/PREM15/889, Moon to Heath, 12 December 1971; Hannay, Britain’s, pp.278-279.
68 TNA/FCO30/732, paper attached to Robinson to O’Neill, 17 July 1969; TNA/PREM15/062, memorandum attached to Nield to Robert Armstrong (private secretary to the prime minister), 23 October 1970.
69 TNA/PREM15/062, Rippon to Heath, 30 October 1970.
secretary in the FCO, envisaged a multilateral summit in the spring of 1971. This would confront Pompidou with the collective pressure of Britain and the Five in order to induce the necessary concessions (Robinson was less accurate in predicting that the main obstacle to agreement would be Community finance – as will be seen, in May-June 1971, New Zealand was an equal, if not greater, concern). In October, a review of negotiating strategy by Nield suggested using bilateral summits with Brandt and Pompidou in the spring of 1971 to create the political conditions that would facilitate agreement at ministerial level in May or June 1971. The similarity between this and the way in which events subsequently developed should not, however, be taken to suggest that Britain was in any sense able to control the process. On the contrary, the development of the negotiations in the crucial six months of January to June 1971 was determined above all by Paris, with the Britain playing a primarily reactive role.

The first ministerial meeting between Britain and the Community took place in Brussels on 21 July. It focussed mainly upon procedural matters, agreeing that there should be two ministerial meetings per quarter, as well as bi-monthly meetings of deputies (for Britain, this was O'Neill, and for the Six, the permanent representatives to the Community). It also began what was known as the ‘fact-finding’ stage of the negotiations (information sharing and analysis of the various problems). Iain Macleod’s death on 20 July led soon after to Barber’s appointment as Chancellor, with Rippon taking over

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71 TNA/PREM15/062, memorandum attached to Nield to Robert Armstrong (private secretary to the prime minister), 23 October 1970.
72 TNA/CAB128/47, CM(70)8th, 23 July 1970; Hannay, Britain’s, p.66.
responsibility for the accession negotiations. Rippon spent much of the autumn touring Europe and the Commonwealth, with visits to Germany on 7 September, Hong Kong, Australia and New Zealand in the middle the month, followed by talks with the Belgian government and the Commission on 13-14 October, the second ministerial meeting between Britain and the Community at the end of the month, and culminating with meetings in Paris on 9 November. The 27 October meeting formally brought the ‘fact finding’ stage to an end, but negotiations on the major issues was still some way off.

Britain was now into the process of tabling its opening bids. Those on New Zealand and sugar were presented simultaneously on 6 November, but, for reasons which will be explained shortly, that for Community finance had to wait until mid-December. Before this, the third ministerial meeting between Britain and the Community took place on 8 December, principally notable for the British proposal that there should be a general five year transitional period for both industry and agriculture.

During his exchanges with the Six and the Commission, Rippon started to make known the British desire to see the back of the negotiations broken by

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75 TNA/CAB128/47, CM(70)34th, 29 October 1970; TNA/PREM15/062, Rippon to Heath, 30 October 1970; Hannay, Britain’s, pp.67-68.
76 Hannay, Britain’s, pp.107-108; Young, Terms, p.46.
77 Hannay, Britain’s, p.69.
the summer of 1971. In general, this appeared an uncontroversial proposition, but the target proved an early point of friction between London and Paris, evidencing above all the ongoing mistrust in Anglo-French relations. The objective was particularly relevant to Paris, as France was due to assume the presidency of the Council of Ministers in the first six months of 1971, and would therefore act as chair of the enlargement negotiations. In conversation with Schumann on the morning of 9 November, Rippon said that he was ‘much looking forward’ to the foreign minister’s chairmanship, and hoped that ‘the essentials of the negotiations could be decided by the end of this period’. Schumann’s response was assiduously equivocal: ‘The French willed the end, but the means of achieving it were far from easy. ...[I]n preparing the negotiations the Six had to choose between a bargaining position and a realistic position. They had chosen the realistic position but this left them with little room for manoeuvre’. At the end of their afternoon meeting, Rippon delivered a thinly veiled warning about what would happen if the negotiations were to fail: ‘there would certainly be a period of very sour relations between Britain and members of the Community’, but the question would not simply disappear, Britain ‘would have to take things up again’. The suspicion inherent in Rippon’s remark appeared to work both ways; when Pompidou talked to Soames two weeks later, he made clear that France would not be bullied into reaching agreement by a specific date. When Soames raised the matter, Pompidou ‘leant forward on to his desk and spoke with great vigour. He said we realised of course that M. Schumann

78 TNA/FCO30/808, RoC Rippon and Deniau, 14 October 1970; RoC Rippon and Luns, 16 October 1970.
79 TNA/FCO30/771, RoC Rippon and Maurice Schumann, 9 November 1970, 10am.
80 TNA/FCO30/771, RoC Rippon and Schumann, 9 November, 3pm.
was going to be in the chair for the next six months and one thing he was
determined should not happen was for the negotiations to become a battle
between Britain and France. He said he thought it would be a great mistake
to allow the end of June to grow into a fixed target date: maybe the
negotiations would be concluded at the end of May or at the end of July.’ In a
clear reference to the continuing absence of an opening bid on Community
finance, Pompidou put the onus squarely upon London: ‘If we [the British]
were anxious to get on with them – and he understood this and wanted to
assure me that the last thing France wanted was to drag her feet – we
should tackle some of the major topics before the end of December and
therefore before France was in the Chair’.

There were also two meetings between Heath and Pompidou during 1970.
Both were relatively brief, but both were notable for Pompidou’s Delphic
intimations regarding the Anglo-American ‘special relationship’ – an
inevitably sensitive topic given de Gaulle’s opposition to British membership
for this very reason. The first meeting took place in May 1970, while Heath
was still leader of the opposition. After expressing some general reservations
about Britain’s ‘tendency to remain too closely attached to United States
policies’, Pompidou warned that the policies of an enlarged Community could
provoke ‘hostile reactions’ from other major powers (not just the United
States: the USSR, Japan and Latin America as well):

The important thing he wanted to satisfy himself about was what
Britain’s position would be within Europe when faced with these
difficulties from outside. This he hoped to find out during the course of

the next two years. It was not enough just to have European sentiments: we would have to be prepared to defend to the hilt European interests in the face of likely economic and political onslaughts from outside.\textsuperscript{82}

The second Heath-Pompidou meeting took place in November 1970, on the occasion of de Gaulle’s funeral. For this reason, the discussion was relatively brief, and a significant part of the discussion was focussed upon Heath’s domestic policies. Towards the end, however, Pompidou produced from his desk a copy of that day’s \textit{Le Monde}, and opened it to show Heath an advertisement by the state-owned British airline BOAC. The caption read: ‘America begins in London on board a VC 10 of BOAC’. Heath did not respond directly, and as he prepared to leave remarked simply that he looked forward to a further meeting when Pompidou considered the time to be ‘appropriate’.\textsuperscript{83} Overall, Heath’s impression of the meeting was a favourable one: he reported to London that ‘there was none of the scepticism I had noticed when we ... met in the spring’ and that at one point Pompidou ‘acknowledged the European orientation of our policies’. It may be that Heath overlooked the connection between the BOAC advert and Pompidou’s remarks about Anglo-American relations the previous May, but it was certain that FCO officials would be sensitive to it. In briefing Heath for his visit to Paris the following spring, the Foreign Office recalled the two

\textsuperscript{82} TNA/CAB133/422, PMVP71(1), 14 May 1971 (annex II). For the French record of this conversation, see Roussel, \textit{Pompidou}, pp.389-90. This records Pompidou as saying: ‘Nous aurons tout le monde contre nous. Il ne suffit pas simplement d’accepter le Marché commun, il faut être prêt pratiquement à partir en guerre pour la Communauté!’ To which Heath replied: ‘Cela n’ira sans doute pas jusqu’à-là’\textsuperscript{83} TNA/PREM15/370, Paris to FCO, tel.1142, 12 November 1970.
incidents, and furnished him with detailed counter-arguments in case Pompidou should raise the Anglo-American theme again.\textsuperscript{84}

\textbf{Cabinet qualms over Community finance, November to December 1970}

The delay, to which Pompidou had referred, in the tabling of an opening bid on Community finance was a result of the need to take account of both attitudes within the Community whilst also giving sufficient time for ministerial consideration. The eventual bid, tabled by the British delegation on 16 December, was to represent a significant retreat from the ideas of a 13 or 14 year transitional period contained in the June negotiating brief.\textsuperscript{85} The reactions of the Community, and the European Commission in particular, to the statistical material submitted by London during the fact-finding stage made clear that any such terms would be impossible to negotiate. London had initially tabled a paper suggesting that Britain’s net contribution at the end of a transitional period might be close to £470 million.\textsuperscript{86} The Commission then responded with a report challenging the British figures and the assumptions upon which they were based.\textsuperscript{87} It argued that by the end of the transitional period, agriculture would form a significantly smaller proportion of the overall budget than it did in 1970, and that larger sums would then be devoted to areas such as regional and industrial policy, both of which should operate to Britain’s advantage. It also asserted that the stimulus to British economic growth resulting from entry to the EEC should reduce the size of

\textsuperscript{84} TNA/CAB133/422, PMVP71(1), 14 May 1971.
\textsuperscript{85} TNA/CAB134/2596, AE(70)4, 29 June 1970.
\textsuperscript{86} TNA/CAB134/2597, AE(70)15 (Revise), 17 July 1970.
\textsuperscript{87} TNA/CAB134/2598, AE(70)42, 1 December 1970. See also: Hannay, \textit{Britain's Entry}, pp.176-177; and Young, \textit{Terms of Entry}, pp.41-42.
the contribution as a proportion of GNP. The only positive aspect of the Commission’s report from the British point of view was its statement that, ‘if in the present Community or an enlarged Community unacceptable situations were to appear, the very life of the Community would require that the Institutions find equitable solutions to them’. Later, when the negotiations on this issue had been concluded, London would present this to parliament as a *de facto* assurance that the Community was bound to re-open the finance question if future British budgetary payments presented serious difficulties. For the present, however, the Commission’s scepticism towards British claims of inequity was further manifested in its *vue d’ensemble* of 16 November. This advanced two possible transitional arrangements for finance: the first involved a contribution of 21.5% in 1973, followed by four years of correctives that would prevent British payments rising above 22.4% of the overall budget; the second envisaged that, upon entry, Britain should automatically become liable for 90% of levy receipts as well as an increasing proportion of customs duties. Given that it was a principal British objective to secure a low contribution in the initial years of membership, both suggestions led to consternation within Whitehall. Nield dismissed the first as ‘clearly worthless’, but the second was little better; even under that arrangement officials estimated that Britain’s net contribution in the first year would be close to £220 million.

Yet confronted with these views, as well as the need to make progress in the negotiations and so stay on course to meet their own timetable, British

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88 Simon Young’s translation, *Terms of Entry*, p.41.
90 TNA/PREM15/062, Nield to Heath, Y0429, 20 November 1970.
officials were forced to contemplate terms much less favourable than those envisaged just a few months earlier. By December, officials had come to accept that Britain would be unable to obtain better than a five year transitional period, with an additional two to three corrective years.\textsuperscript{91} Within such a framework, the precise figures for Britain’s contributions assumed even greater importance, and officials now concluded that Britain would be unable to secure better than a 17-18% contribution (of the overall budget) at the end of five years. When added to the other balance of payments costs deriving from higher food prices and a short-term deterioration in the balance of trade, the total foreign exchange burden by the late 1970s seemed likely to be in the region of £500 million a year.\textsuperscript{92} As was seen in Chapter 3, the argument that Labour pro-marketeers had used to defend this cost (and even, perhaps, a greater one) was that it would require only a small increase in the rate of British economic growth, indeed as little as 0.25% per annum, to offset it. This, however, was a controversial proposition given that it was far from clear that such a dynamic effect would materialise. In December, the annual report of the National Institute of Economic and Social Research (NIESR) strongly warned against banking upon a noticeable stimulus to growth, arguing that ‘to accept a heavy burden of ‘impact effects’ as the price of entry, in the belief that the dynamic effects are likely to be even bigger, would ... represent a triumph of hope over experience’.\textsuperscript{93} The Treasury assiduously avoided a dogmatic posture on whether EC entry would result in any short-term boost to the rate of growth. Its principal concern was the more certain, and measurable, problem of whether Britain would be in a position to

\textsuperscript{91} TNA/CAB134/2598, AE(70)42, 1 December 1970.
\textsuperscript{92} Ib.\textit{id.}
\textsuperscript{93} \textit{The Times}, ‘Doubt on EEC ‘dynamic force’", 2 December 1970, p.5.
meet the year on year burden in terms of foreign exchange. Its starting position was that EC entry would inevitably involve devaluation. Connected to this was the danger that currency markets would anticipate such a move and speculate against sterling. In a minute to the chancellor’s office in November 1970, Frank Figgures warned that devaluation might therefore need to be carried out pre-emptively, perhaps as early as September 1972. As in 1967/68, devaluation would compel the government to adopt restrictive economic policies so as to ensure financial stability – policies that would have a negative effect upon the rate of economic growth (and employment). Such an analysis was not intended to lead ineluctably to the conclusion that Britain should not join; rather, Treasury officials were anxious that the economic implications of entry in present circumstances should be more fully understood by ministers before negotiations advanced too far. The opportunity to make clear these economic consequences was to arrive in December 1970 as part of the ministerial consideration of the opening bid on Community finance, and detailed briefing material was sent to Barber for this purpose.

The first stage in the ministerial consideration of the opening bid took place at the AE committee on 7 December. The meeting was chaired by Home, with Barber, Whitelaw (Lord President of the Council), Jellicoe (Lord Privy
Seal), Prior, Davies (Secretary of State for Trade and Industry) and Rippon all present. Rippon opened the meeting by summarising the contents of an official memorandum on Community finance, which set out the best terms that officials believed it would be possible to negotiate: a gradual build up (over 5 years) to a ‘key’ contribution of 17 per cent; three further years of correctives, and a review provision ‘which we could invoke at any time if the burden of our net contributions to the budget threatened to become intolerable’. Rippon acknowledged that acceptance of a 17 per cent key would ‘mean that by 1978 our net contributions to the budget would have become substantial; and that the other impact effects of our entry into the Community were also likely to have adverse consequences for the balance of payments’, but followed this by insisting that ‘the dynamic benefits of entry should enable us to sustain a significantly higher economic growth rate as members than if we remained outside’. In this context, the memorandum included a table (similar to that shown to Labour ministers in February 1970), demonstrating the gains to national income which would accrue should the growth rate accelerate from 3% to 3.25% over a five year period. The figures indicated that, if such a ‘dynamic’ was realised, the addition to national income by the end of the transitional period would outweigh the balance of payments cost. During the discussion, it was pointed out (the minutes do not specify by whom, but potentially by Barber) that ‘the generation of additional domestic resources would not in itself solve the balance of payments deficit likely to result from entry and that difficult problems of economic management had to be faced’. It was not spelt out what these

100 TNA/CAB134/2598, AE(70)42, 1 December 1970.
101 TNA/CAB134/2596, AE(70)8th meeting, 7 December 1970.
102 TNA/CAB134/2598, AE(70)42, 1 December 1970.
'difficult problems' would be, but the implication could only be that deflation and/or devaluation would be necessary. This was followed, however, by an insistence that 'the assessment by officials certainly did not suggest that the Government should now conclude that entry would not be in our long-term economic interests, particularly when account was taken of the undoubted difficulties we would face if we remained outside the Community'. Now, the contrary suggestion seemed to be that Community membership would provide an opportunity for economic expansion that could not be realised independently. On the surface, it might be judged that such an argument was advanced either disingenuously – to defend a policy which was primarily motivated by political considerations – or that it reflected blind faith in the potential for Community membership to reinvigorate the British economy. For those who were strongly committed to Community membership on political grounds, there was undoubtedly a tendency to overlook the weaknesses in the economic arguments. Yet it was also argued that, once inside the Community, Britain could insist that a reduction to its contribution be made. At this stage, the primary concern should therefore be to secure terms that were saleable domestically and which would keep British contributions in the early years of membership to a minimum. The longer-term situation could be addressed as a member. The committee finally approved the official memorandum, and agreed that it should be submitted to Cabinet with a view to a decision on the tactics of the opening bid.\(^\text{103}\)

\(^{103}\) TNA/CAB134/2596, AE(70)8\(^{th}\) meeting, 7 December 1970.
In advance of the Cabinet discussion, Nield furnished Heath with a detailed brief on the finance problem. Conscious of Treasury concerns about the balance of payments cost, Nield warned that:

The Chancellor of the Exchequer may argue that our prospects of maintaining a £500 million annual surplus are not good, even if we do not have to shoulder the additional cost burden of entry to the EEC: that it follows that no significant economic extra burdens ought to be assumed: and therefore that no terms of entry we can foreseeably negotiate could be borne without consequential devaluation and/or deflation.\(^{104}\)

For Nield, such an analysis provoked three additional questions:

a. if our economy is in fact in such a state that we cannot afford to enter, can we with such a weak economy afford to stay out and endure increasing American, European, Japanese and other competition?

b. given the need to restore stability and growth in the United Kingdom economy, does membership of the EEC, or alternatively non-membership, provide the better context for achieving these essential economic objectives, i.e. can our known economic problems be solved more easily inside than outside the EEC. If the answer is “stay out”, then:

c. how do we extricate ourselves from the negotiations (which are on the way to success if we follow the line in CP(70)115 ... without charges of bad faith in starting the negotiations and suspicions of economic weakness in stopping them)?\(^{105}\)

He went on to argue that, in fact, the present meetings were not the occasion for deciding whether or not the cost was an acceptable one; rather, their purpose should be to determine whether the opening bid was ‘realistic and sensible’. Perhaps recollecting the tactics which had been used so effectively

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\(^{104}\) TNA/PREM15/62, Nield to Heath, Y0446, 8 December 1970.

\(^{105}\) Ibid.
by Wilson on same issue, Nield advised that judgments about whether the
cost of entry was tolerable should be deferred until it was clear what the final
terms would be.\(^{106}\)

At Cabinet on 10 December, a clear difference of view emerged over the
potential economic consequences of accepting the terms which officials
considered to be the best that Britain could negotiate. Rippon began by
outlining what the terms were (as per the AE meeting three days earlier), and
made known his proposed \textit{tactical} opening bid for a 13 to 15 per cent
contribution at the end of five years, which was designed to secure the 17
per cent key which officials thought to be the lowest that Britain could hope
for. After explaining what the percentage contributions would mean in
financial terms (a total balance of payments of cost in the fifth year of
membership of approximately £460 million), Rippon again stressed that the
costs needed to be viewed against a possible increase in the rate of
economic growth. He initially referred to the scenario envisaged by Jenkins
in the February 1970 debate on the white paper, ‘that if the United Kingdom
growth rate increased as a result of entry by \(\frac{1}{2}\) per cent a year we should
have an extra £1,100 million a year of real income at the end of five years
and an extra £2,700 million a year at the end of 10 years from which the
balance of payments costs could be met’, but went on to explain that ‘even if
they [the dynamic effects] were only half as much as Mr. Roy Jenkins had
suggested’, that is to say, even if there was only a quarter per cent increase
in the rate of growth, this ‘would still provide sufficient real resources to meet

\(^{106}\) \textit{Ibid.}
the estimated costs’. This, again, was a less than complete answer to the problem: with or without an increase in the rate of economic growth, Rippon did not tackle the question of whether the exchequer would be able to sustain the annual foreign exchange burden. Instead, his answer to the problem of excessive budgetary payments focussed upon the negotiation of a review provision, through which Britain could secure changes to the financial mechanism from inside the Community. Indeed he went further, arguing that, ‘whether there was a formal review clause or not we should no doubt follow the Community precedent and demand special reimbursements or, in the last resort, refuse to pay’.  

In response to this, however, the contrary case was, for the first time, put before Cabinet. The minutes do not reveal who made the intervention, but there is good reason to conclude that it was Barber. During a meeting of the Economic Strategy committee the previous day, Barber had addressed the issue of budgetary contributions by explaining that:

He had been advised that if gross domestic product ... were to grow at the faster rate indicated [in the memorandum by officials] ... as a result of our entry, it was not possible to say whether this increase in gdp in the circumstances would of itself – and without special measures by the Government – lead to an improvement in the balance of payments which could be offset against the costs of entry or whether it would actually worsen the balance of payments. In any event he was not clear why it was necessary to make our opening bid on Community finance by the end of this year.\footnote{\textit{TNA/CAB128/47, CM(70)45\textsuperscript{th}, 10 December 1970.}}
This convoluted form of expression perhaps reflected his nervousness in making such a challenge, not only to Rippon, but in effect to the prime minister as well. Now, in Cabinet, it was argued that:

Even if substantially faster economic growth were achieved ... the Government would probably still find it necessary to take severe measures in order to bring about the switch of resources required to meet the balance of payments cost. Indeed, if the balance of payments costs built up too rapidly in the early years of our membership, the measures of economic restraint that would have to be taken might largely offset the stimulus to faster growth created by our entry.\(^{109}\)

While these analyses are by no means identical, the first shows that the chancellor was ready to contradict the flawed economic analysis being offered by Rippon. The riposte, however, was not long in coming: it centred once more upon the review provision: ‘if we found that a difficult balance of payments situation was developing as a result of the burden of our net contributions to the Community budget, it would be open to us at any time to request a review of the Community’s financial arrangements’.\(^{110}\)

As noted earlier in the chapter, this is also the Cabinet meeting which Margaret Thatcher discusses in some detail in her memoirs. Her account (which accords so closely with the official records that it is inconceivable that it was not based upon access to the relevant files) was evidently written with a view to explaining her subsequent travails with the Community over the British contribution to the Community budget.\(^{111}\) She is critical of Heath and

\(^{109}\) TNA/CAB128/47, CM(70)45\(^{th}\), 10 December 1970.

\(^{110}\) Ibid.

\(^{111}\) In the early 1980s, as prime minister, Thatcher became embroiled in a protracted dispute with her Community partners over the ‘the British budgetary question’. This culminated in June 1984 with the Fontainebleau agreement, under which Britain was granted a rebate on
Rippon’s handling of the matter, arguing that the latter ‘seemed to attach little significance’ to the review provision on the assumption ‘that we could reopen the question’ even without one. She goes on to say that ‘this whole question should have been considered more carefully. It came to dominate Britain’s relations with the EEC for more than a decade, and it did not prove so easy to reopen’. While it may be true that officials underestimated the difficulty Britain would encounter in securing what it believed to be a fair contribution, Thatcher’s analysis simplifies the situation confronting the government at the time. It was far from clear that Britain would be able to negotiate a review provision, for the reason that the Community members would themselves recognise that this portended a British intention to alter the budgetary mechanism at a later date. Thatcher’s analysis would therefore imply that a review provision should have been made a ‘make or break’ issue, or, in other words, one upon which the government should have been prepared to see the negotiations fail. From the perspective of December 1970, and whatever the future difficulties it might create, this could hardly have appeared a better strategy than Rippon’s logic of seeking to negotiate changes from inside the Community.

To return to the 10 December Cabinet meeting itself, it now fell to Heath to sum-up the discussion and to propose a way of dealing with the difference of view. Adopting a similar line to that recommended by Nield, Heath deferred further consideration of the matter until an unidentified point in the future:


112 Thatcher, Path, p.208.
it was not necessary for the Cabinet to reach a final decision at this stage on the question of whether we should be prepared in the last resort to accept the terms which the official assessment suggested were the most favourable we were likely to obtain from the Six in any settlement of the Community finance issue. A more detailed examination of all the relevant factors would be required before it could be decided whether the balance of payments burden implied by such terms would or would not be a tolerable one. It was not, however, suggested that the burden would so clearly be intolerable that no useful purpose would be served by continuing the negotiations.\(^{113}\)

By ending the discussion in this way, Heath implicitly acknowledged that there were grounds for doubt about whether the economic cost of Community membership was tolerable, and offered an assurance of further examination at a later stage. It is a pledge that acquires greater significance in the light of the way in which Cabinet finally endorsed the terms on Community finance the following summer. For the present, however, ministers accepted Heath’s *modus vivendi* and agreed to the tactical bid recommended by Rippon. The last of Britain’s three main opening proposals was finally tabled in Brussels on 16 December.\(^{114}\)

**Conclusion**

The Conservative election victory of June 1970 brought to power a man with unique credentials to lead the British application for membership of the European Community. His experience as Britain’s negotiator in 1961-63 gave him an affinity with issues that his peers could not match, and his championing of European unity in the 1960s meant that the Community itself

\(^{113}\) TNA/CAB128/47, CM(70)45\(^{\text{th}}\), 10 December 1970.

\(^{114}\) See Young, *Terms*, p.46.
could be in little doubt about the sincerity of the British desire to join.\textsuperscript{115} But Heath also inherited an application that had considerable momentum behind it, and a Whitehall team already prepared for the process of negotiation. The twin challenges which confronted the application also remained unchanged: the uncertainty surrounding France’s attitude to British membership, and the need to secure acceptable terms for Community finance had dominated Whitehall thinking for the past year. The less divided nature of the Conservative Cabinet promised to be an asset in the latter regard, but the debate of 10 December showed that the scale of prospective British budgetary contributions could still bring into question the case for British entry.\textsuperscript{116} With the tabling of Britain’s opening bids, the test of French intentions would now come to the fore. In a minute to Heath shortly after the October ministerial meeting, Rippon explained that:

\begin{quote}
For the next stages we should have no illusions about the difficulties. The French may sometimes misjudge their interests, and play the diplomatic game for its own sake. ... But they will fight hard and effectively for what they judge their interests to be and none of the Five or the Commission seem able to stand up to them in the end. The vital question for us is what political price they attach to the consequences of success or failure. Either could be costly for them as it could be for us.\textsuperscript{117}
\end{quote}

The early months of 1971 would pose this question even more pointedly.

\textsuperscript{115} Hannay, \textit{Britain’s}, p.342.  
\textsuperscript{116} TNA/CAB128/47, CM(70)45\textsuperscript{th}, 10 December 1970.  
\textsuperscript{117} TNA/PREM15/069, Rippon to Heath, 30 October 1970.
The period from January to May 1971 saw questions about France’s attitude towards British EC membership crystallise, and then receive a definitive answer. The first three months of the year witnessed rising tension, as the French adopted an uncompromising stance over the terms on which Britain could join the Community.¹ As the Community could only operate on the basis of unanimity, the impasse between France, taking a hard line, and the Five, adopting more moderate positions, left the Community unable to respond to Britain’s opening offers on the major issues. Successive ministerial meetings in February and March passed without significant progress, and were accompanied by France’s decision to propel sterling to the forefront of negotiations – the same subject upon which de Gaulle had predicated his 1967 veto. This development led to questions about French intentions. Did these actions reflect a desire to frustrate enlargement by insisting upon terms that Paris knew the British government could not accept? Or was it rather a case of testing British nerves with a view to securing the greatest possible concessions for French interests? These

¹ Kitzinger, Diplomacy, pp.97-104; Hannay, Britain’s, p.65.
questions filled the Community atmosphere in spring 1971. Yet unbeknown to all but a handful of individuals in the Élysée and Whitehall, conversations had already started between Christopher Soames and the Secretary General at the Élysée, Michel Jobert, which were to culminate in a summit meeting between Heath and Pompidou in the latter part of May. Just three days before foreign ministers were due to reconvene in Brussels for the May ministerial meeting, Heath’s forthcoming visit to Paris was announced. The ministerial meeting then produced the first breakthroughs on major subjects, including sugar and Community finance. But significant uncertainties remained, especially on sterling and New Zealand. The eyes of Europe now turned to the Élysée, where on 20 and 21 May, Heath and Pompidou spent more than ten hours in private, tête-à-tête talks. On the evening of 21 May, they emerged to face a European press corps gathered in the regal Salle des Fêtes, the room in which de Gaulle had twice before declared vetoes of British applications. It was to be a moment of no less drama: with Heath sitting alongside him, Pompidou explained what their talks had been about, and where agreement had been found. To the captivated audience, he then revealed it to be their shared conviction that the remaining problems of the accession negotiations could be solved by the end of June. During two ministerial meetings in Luxembourg the following month, sugar, sterling, New

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3 TNA/PREM15/369, Soames to Greenhill, 10 March 1971; TNA/PREM15/370, Paris to FCO, tel.374, 27 March 1971; Hannay, Britain’s, pp.329-30 & 333-34.
4 TNA/PREM15/371, FCO to Bonn, tel.364, 8 May 1971
5 Hannay, Britain’s, pp.73-74.
6 The Times, 22 May 1971, p.1; TNA/FCO30/1156, Soames to Home, 9 June 1971; Kitzinger, Diplomacy, p.121.
Zealand and Community finance were all settled. In the early hours of 23 June, at the conclusion of the second meeting, emotions ran high: nearly a decade on from Britain’s first application to join, the diplomatic path to Community membership was reaching its conclusion.\(^7\)

The question of why the negotiations took this course, and how they were finally resolved, has elicited contrasting interpretations from those that have written about them. The debate centres upon the elusive and enigmatic figure of Georges Pompidou. In his classic study of Britain’s entry to the European Community, Kitzinger delineates two ‘rival theories’, which, he argues, constitute the parameters within which an explanation of French behaviour is to be found. The ‘hard’ theory posits that, up until the spring of 1971, Pompidou continued to hope that British entry could be frustrated, but that under pressure from the German Chancellor, Willy Brandt, and the Italian Prime Minister, Emilio Colombo, he was brought to realise the damage which would be inflicted upon French interests should the negotiations fail, and be seen to fail because of French intransigence.\(^8\) The ‘soft’ theory, by contrast, begins with the premise that Pompidou was reconciled to the prospect of British accession from the moment of his election in June 1969, but that he chose to strike an ambiguous posture for some time thereafter in order that the reversal of de Gaulle’s veto policy

\(^7\) TNA/FCO30/1108, Enlargement negotiations: meeting of ministers, 21-22 and 23 June; Hannay, Britain’s, pp.74-75.

\(^8\) Kitzinger, Diplomacy, p.36. The memoirs of Michel Jobert, Pompidou’s Chef de Cabinet, present Pompidou as gradually coming to accept the case for British entry during the course of 1971, but do not specify a point at which the decision was reached. M. Jobert, Mémoirs d’Avenir (Paris: Bernard Grasset, 1974), pp.182-184.
should not seem too sudden. There is, however, a different variant of the hard theory, which has attracted considerable support in British historiography. According to this, Pompidou was persuaded to permit enlargement only after the summit meeting with Heath had convinced him that Britain would not undermine the Community from within. One of the earliest exponents of this interpretation was Heath’s political secretary, Douglas Hurd, himself a participant in the preparations for the summit, as well as being present in Paris when the crucial meeting took place. With minor nuances by different authors, including Heath’s memoirs, this narrative of the accession negotiations has appeared time and again in the secondary literature. Conversely, strong support for the 'soft' theory, or variants thereof, has been provided by the retrospective account of Pompidou’s principal foreign affairs adviser, Jean-René Bernard. It has also found favour in Ludlow's recent analysis of the French president's contribution to The Hague Summit of December 1969; as a result of The Hague deal, Ludlow argues, ‘Pompidou was ... committed to permitting the widening of the EEC in a way which made any thought of future vetoes all but inconceivable’. This view leaves open the question of the relationship between the Heath-Pompidou summit and the success of the accession

9 Kitzinger, *Diplomacy*, pp.35-36.
10 Hurd, *End*, pp.60-64.
13 Ludlow, *European*, p.197. O’Neill also judged that Pompidou ‘took ... the decision which admitted us to the Community’ at The Hague summit: Hannay, *Britain’s*, p.325.
negotiations. Rücker emphasises the role of sterling, arguing that French demands on this issue represented a ‘test of confidence’ in Anglo-French relations in the context of British entry to the Community.

Over the next two chapters, the events of January to June 1971 will be re-examined, primarily from a British perspective, but also with French presidential sources used to explain the Élysée’s actions and motivations at key stages. This chapter will take the story to mid-May, immediately prior to Heath’s meeting with Pompidou. It argues that the hard-line positions adopted by French negotiators in early 1971 formed part of an Élysée strategy which had its core two objectives: the first, to strengthen France’s bargaining hand in pursuit of its own negotiating priorities; and, second, to demonstrate the need for an Anglo-French summit as a precursor to the resolution of the major issues at Brussels. It will go on to show how the summit meeting was arranged and prepared, with particular emphasis upon the Soames-Jobert talks that continued throughout the spring. Finally, the chapter will examine the May ministerial meeting, at which the first significant advances of the negotiations were made, explaining the implications of the meeting for the forthcoming talks between Heath and Pompidou. The

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14 Bernard is unclear on this point, and Ludlow’s analysis does not extend beyond December 1969. Kitzinger and Roussel present the summit in general terms, as being to discuss political questions raised by the prospect of enlargement: Kitzinger, Diplomacy, p.113; Roussel, Pompidou, pp.438-439; Berstein and Rioux, Pompidou, pp.25-26, and Young, Blessed, pp.236-38, present the purpose of the summit as being to overcome technical difficulties relating to the major negotiating issues. John Young is cautious in defining the precise relationship between the summit and the success of the negotiations, but says that ‘Much relied on the personal reaction of Pompidou’ to Heath. Young, ‘Heath’, p.272.

question of what occurred at the summit, and how it paved the way for the climax of the negotiations in June, will be the subject of the next chapter.

**L’impasse préméditée: Pompidou takes command, January-April 1971**

Following Britain’s opening bids at the end of 1970, the first quarter of 1971 saw tension progressively increase as the negotiations struggled to advance. The main reason for this was the decision by France to adopt a series of hard-line postures on the major negotiating subjects. The year began with Pompidou’s much publicised remarks at a press conference on 21 January. In what appeared to be a thinly veiled reference to Britain’s opening bid on Community finance, Pompidou explained that ‘We have often had occasion to say that France wanted, and believed in, Britain’s entry to the Common Market. That is still my position, but of course it depends in the first place on the British. One must admit that the British have three qualities amongst others: humour, tenacity and realism. I have the feeling that we are still slightly in the humorous stage’.  

At the ministerial meeting in Brussels on 2 February, the Six were unable to respond to any of Britain’s three main proposals (sugar, New Zealand and Community finance), but agreements on lesser issues (policy towards Asian Commonwealth countries, and the procedure for industrial tariff changes during the transitional period), enabled a veneer of momentum to be maintained. On 18 February, there followed a desultory meeting of the Six’s permanent representatives, during which

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16 The Times, 22 January 1971, p.6; TNA/FCO30/1120, Paris to FCO, tel.84, 22 January 1971
17 TNA/FCO30/1088, Codel Brussels to FCO, tel.68, 2 February 1971; TNA/CAB128/49, CM(71)80, 4 February 1971; Hannay, Britain’s, pp.70-71.
France’s Jean-Marc Boegner reacted sharply to the thinking of his partners on Britain’s budgetary contribution during the transitional period. The dispute centred upon a Belgian proposal, approved by all except France, which envisaged a British starting contribution of between 7.5% and 9% per cent, increasing over five years to between 17.5% and 19.5%, with three further years of correctives that would limit London’s payments to 22%, 24% and 26% respectively. While it was no great surprise that France wanted the Community to begin with a tougher proposal (and so prevent London using whatever negotiating time remained to whittle down the percentages), it was the nature and tone of Boegner’s reaction which gave cause for concern. He explained that he had received instructions from Paris ‘not to continue the attempt to define a Community position until the UK had changed its proposals’. In France’s view, the British bid was neither ‘appropriate nor decent’, and the ‘Belgian proposals represented neither a basis for discussion nor reflection’.18 It was in March that France emerged clearly as the main obstacle to Britain obtaining satisfactory terms. At a fractious meeting of the Council of Ministers on 15 March, there was an unbridgeable gap between the French Foreign Minister, Robert Schumann, and the Five on each of the major subjects.19 A further restricted session was held that evening with a view to finding a measure of agreement (particularly on sugar, where France appeared to have few interests to defend) but this again proved desultory.20 As a result, the March ministerial meeting, which began the following day, was unable to record any advance.21 It was another two

18 TNA/PREM15/368, Codel Brussels to FCO, tel.108, 18 February 1971.
19 TNA/PREM15/369, Codel Brussels to FCO, tel.179, 16 March 1971.
20 Ibid.
21 TNA/CAB128/49, CM(71)15th, 18 March 1971; Hannay, Britain’s, p.72.
months until the next such meeting in May, and speculation about French motives inevitably followed.\textsuperscript{22}

The situation was compounded on 18 March, when France brought sterling to the foreground of the negotiations.\textsuperscript{23} Hitherto, the British had proceeded on the line, never formally agreed to by the Six, that sterling was a matter for discussion and investigation, but not negotiation.\textsuperscript{24} However, in a statement to his fellow permanent representatives, which leaked immediately, Boegner declared that France wanted the Council meeting on 30 March to be used to co-ordinate a Community position on sterling.\textsuperscript{25} Such a procedure, while not necessarily malicious, at least appeared to suggest a more determined French approach to the matter. Boegner insisted that there was an incompatibility between the reserve role of sterling and the movement towards economic and monetary union within the Community. It was the desire of his government to see an orderly run-down of the sterling balances (sterling reserves belonging to other governments, but held in London) in parallel with British entry.\textsuperscript{26}

French actions in March 1971 have elicited differing interpretations from historians. Some accept French positions at face value, presenting the impasse as a genuine stand-off over the terms of entry.\textsuperscript{27} Others, however,

\begin{footnotesize}
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\item[\textsuperscript{22}]Hansard, HCD, vol.813, 18 March 1971, cc.1665-1666.
\item[\textsuperscript{23}]TNA/PREM15/369, Rippon to Heath, 17 March 1971; TNA/CAB128/49, CM(71)15\textsuperscript{th}, 18 March 1971; Kitzinger, Diplomacy, p.104.
\item[\textsuperscript{24}]TNA/CAB134/2596, AE(70)7\textsuperscript{th} meeting, 21 October 1970; Young, Terms, pp.195-196.
\item[\textsuperscript{25}]TNA/PREM15/369, translation of Codel Brussels 195, 18 March 1971; Young, Terms, p.199.
\item[\textsuperscript{26}]\textit{ibid.}
\item[\textsuperscript{27}]Almlid, ‘Negotiating’, p.102; Gowland, Turner and Wright, Britain, p.73; Young, Blessed, p.236.
\end{itemize}
\end{footnotesize}
argue that the subsequent French retreat from these demands show them to be essentially tactical, with Pompidou permitting a softening of the French stance only in the context of a bilateral meeting between himself and Heath. Both Kitzinger and O’Neill conclude thus, with the former arguing that: ‘It was not until the deadlock had crystallized at the multilateral level, not in other words until France had made clear that it was in her power to insist on conditions which no British government was likely to be willing to accept, that Georges Pompidou could reckon to obtain the maximum advantage from a direct approach by Edward Heath. A great deal of the bargaining manoeuvres in the early part of 1971 could thus in a sense be construed as signals to come up and see me some time’.\(^28\) The argument in the first part of this chapter accords closely with Kitzinger’s interpretation. The impasse was directed by Pompidou in order to exert pressure upon Britain and the Five, the purpose being to strengthen France’s bargaining position, but also to demonstrate publicly the need for a summit meeting between himself and Heath.\(^29\)

The thinking behind French tactics is illuminated by the record of a meeting between Pompidou and senior French ministers on 16 February. In addition to Schumann, the Prime Minister, Jacques Chaban-Delmas, Finance Minister, Valery Giscard d’Estaing, and Defence Minister, Michel Debré, were all present. On the principle of British entry, Pompidou’s attitude

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remained ambiguous: he agreed with Giscard’s proposition that France should favour British membership as a way to prevent the Community developing in a federal direction, but conditioned this with some remarks about Anglo-American relations. This, he felt, was the basic difficulty relating to Britain’s general policies. Pompidou’s impression, while perhaps only an impression, was that the Heath government had recently been moving closer to Washington. He pointed, in particular, to its stance on Laos and the Middle East.  

Regarding the conduct of the negotiations, however, Pompidou was more straightforward. He made clear that, for the moment, he did not want to engage in a discussion of figures for Community finance (hence Boegner’s hard-line stance at the meeting of permanent representatives just two days later). Pompidou was conscious that Britain’s bargaining position was stronger than that of France, and stressed that the Six must be unanimous in their approach to the vital issues. These he specified as being: British acceptance of the definitive finance regulation in full; the method by which London would move towards implementation of the regulation over a transitional period; and the application by Britain of Community preference (preference in agricultural trade) from the moment of accession. The linked problems of Britain’s balance of payments difficulties and the sterling balances were also discussed in a general way, but without any clear conclusion. Most important of all from the perspective of this chapter, is the president’s summary of the discussion, in which he made clear his desire...
that France should adopt an uncompromising negotiating stance in the coming weeks: ‘In relation to Great Britain, it is necessary, for the moment, for the Minister of Foreign Affairs to be very firm and even malicious’.  

Even before the March ministerial meeting, however, bilateral conversations had been initiated between Christopher Soames and Michel Jobert, which were to culminate three months later in Heath’s visit to Paris for talks with Pompidou. The possibility of a summit was initially referred to during a conversation between Soames and Jobert in mid-February. Shortly afterwards, on 25 February, Soames also saw Pompidou to discuss the negotiations. Nothing was said about the possibility of a meeting with Heath, but the conversation provided a useful clarification of the president’s priorities in Brussels. On Community finance, Pompidou explained that he wanted London’s contributions at the end of a five year transitional period to be approaching the figure which it would be required to pay when the finance mechanism operated without restriction. On agriculture, he wanted Britain to apply Community preference from the moment of accession. His attitude to Britain’s starting contribution for finance was more relaxed. Striking a very different tone to that used by Boegner at the meeting of permanent representatives just a week earlier, Pompidou said that the Commission’s


\[32\] While there is no formal record of this conversation, it can be gathered from a number of British sources that Jobert referred to the possibility of a summit meeting, without going so far as to propose one: TNA/PREM15/368, Note for the Record, meeting between Heath and Soames, 1 March; 1971; TNA/FCO30/1095, draft paper, attached to O’Neill to Nield, 3 March 1971; TNA/PREM15/368, Nield to Armstrong, personal, 5 March 1971; TNA/FCO30/1156, Soames to Home, 9 June 1971 (this is Soames’s report on the Heath-Pompidou summit, reproduced in Hannay, Britain’s, pp.402-408).
suggestion of more than 21% in the first year ‘was too much’ but, equally, Britain’s opening proposal of 3% ‘was too little’.\textsuperscript{33} Soames returned to London at the beginning of March, and at a meeting with Heath, expanded further on the impression he had formed of Pompidou’s thinking. In response, Heath asked Soames whether he thought the best means of resolving the major issues would be a multilateral summit of the Ten ‘which had been carefully prepared in advance’, or whether ‘the right course was for him to have bilateral talks with M. Pompidou, and leave the negotiations to be concluded thereafter at Ministerial level at Brussels’. Soames was in no doubt that the latter was the right course of action: ‘He thought that M. Pompidou would want to settle these matters himself with the Prime Minister’. In line with the ambassador’s advice, Heath authorised Soames to tell Jobert that he felt ‘an understanding between himself and M. Pompidou would be an important element in the negotiations’, and that that the timing of any meeting between them was important in view of the need to avoid the Brussels negotiations turning sour’.\textsuperscript{34}

In his memoirs, Heath implies that this decision distinguished him from the FCO (‘there were still some officials in the Foreign Office who wanted to isolate the French by working with the Five against them’), and that Rippon felt qualms about the procedure.\textsuperscript{35} While the tactic of encouraging the Five to apply pressure to France in pursuit of better terms of entry was an important part of FCO strategy, it does not follow that this also made it averse to a

\textsuperscript{33} TNA/FCO30/1120, Paris to FCO, tel.238, 25 February 1971.
\textsuperscript{34} TNA/PREM15/368, Note for the Record, meeting between Heath and Soames, 1 March 1971.
\textsuperscript{35} Heath, \textit{Course}, pp.364-366.
bilateral meeting with Pompidou.\textsuperscript{36} On the contrary, immediately after Soames's visit to London, the Foreign Office began to advocate an Anglo-French summit.\textsuperscript{37} In a paper sent to the Cabinet Office on 3 March, and subsequently transmitted to Downing Street under Nield's name, the FCO recommended that such a meeting should take place in the second half of April, the purpose being to 'lay the foundations' for a decisive ministerial meeting in Brussels the following month.\textsuperscript{38} Alongside a meeting with Pompidou, Heath had also expressed an interest in a multilateral summit of the Ten as a way to bring the negotiations to a successful climax. The FCO, however, was sceptical; the only circumstances in which it could see an argument for this was if the negotiations reached deadlock during May or June. But a summit of this nature 'would ... be a meeting of last resort' rather than 'part of a deliberate plan'. Alternatively, one could be used symbolically, 'to crown the success of the negotiations ... once this was assured'.\textsuperscript{39} The prime minister, however, continued to hesitate over a decision: it would not be until after his talks with Brandt on 5 and 6 April that he finally settled his mind in favour of a bilateral summit and made a formal approach to Pompidou.\textsuperscript{40}

Meanwhile, on 6 March, Soames met Jobert again. He conveyed the prime minister's interest in a visit to Paris, and enquired about its potential timing. When viewed alongside Pompidou's remarks at the meeting with senior

\textsuperscript{36} TNA/FCO30/732, Robinson to O'Neill, 17 July 1970.
\textsuperscript{37} TNA/FCO30/1095, O'Neill to Nield, 3 March 1971; TNA/PREM15/368, Robison to Tickell, 3 March 1971; TNA/FCO30/1095, O'Neill to Tickell, 12 March 1971.
\textsuperscript{38} TNA/FCO30/1095, O'Neill to Nield, 3 March 1971.
\textsuperscript{39} \textit{Ibid}.
\textsuperscript{40} TNA/PREM15/369, Moon to Graham, 15 March 1971; TNA/PREM15/369, Moon to Tickell, 23 March 1971; TNA/PREM15/370, Moon to McDonnell, 31 March 1971.
French ministers on 16 February, Jobert’s comments to Soames now provide a further insight into the Élysée’s negotiating tactics and the reasons for its uncompromising stance in March. Jobert explained that a summit:

would clearly have to be either before the Ministerial negotiating meeting in May or before the Ministerial meeting in June. A point for consideration was how much of a crisis atmosphere was desirable for the holding of the Prime Minister/President meeting. Jobert tended to think that the best situation would be one that was short of a crisis, but where there was a sufficient degree of impasse for people to appreciate the need for a meeting.

Jobert suggested that he and Soames meet again after the March ministerial to review the situation. He also stressed the importance of keeping their talks secret: for France, he was to ‘pilot’ any summit preparations, and if the Quai d’Orsay learnt of the plans, ‘it would create many difficulties’. While a diplomatic exchange of this sort would not normally provide a strong foundation upon which to interpret French motivations, the fact that Jobert acted as Pompidou’s principal conduit in communicating with London before and after the summit, makes this an invaluable means of gauging the Élysée’s intentions and objectives. The particular importance here being Jobert’s stress upon the desirability of a negotiating impasse, which accords with Pompidou’s remarks to French ministers, but adds a further motivation: to demonstrate the importance of a summit meeting with Heath as a precursor to a successful denouement of the negotiations in Brussels.42

41 TNA/PREM15/369, Soames to Greenhill, 10 March 1971.
42 Ibid.; Kitzinger, p.114.
In London, these early conversations between Soames and Jobert had an important impact upon Foreign Office attitudes towards French negotiating tactics: where Schumann’s actions at the March ministerial meeting inevitably fostered suspicions among outside observers, Jobert’s remarks to Soames meant that senior figures within the FCO remained relatively unmoved.\textsuperscript{43} At the ministerial meeting itself, Rippon responded firmly to the absence of progress, but in his report to parliament on 18 March he recited a banal statement of his recent activities, revealing no hint of concern about events in Brussels.\textsuperscript{44} This prompted the following question from the shadow foreign secretary, Denis Healey:

Is the right hon. and learned Gentleman aware that many of us understand that his inability to give the House any news results in large part from the refusal of the French Government to allow the Six to adopt a negotiating position on the major issues, and that the behaviour of the French Government in paralysing these negotiations is leading many objective observers to the conclusion that they wish to prevent our application from succeeding for the third time?\textsuperscript{45}

In his reply, Rippon refused to lay blame at the door of the French, but made clear his view that ‘we are entitled now to expect the Community to put forward reasonable proposals on the main issues which have now been before it for some time’.\textsuperscript{46} This was an exercise in public relations. In a personal minute to Heath, Rippon expounded his thinking more candidly:

People are, of course, asking themselves why the French isolated themselves so unreasonably. Some of the French delegation were not happy with their position on sugar. But, even if Schumann handled his

\textsuperscript{43} TNA/FCO30/1095, O’Neill to Tickell, 12 March 1971; TNA/PREM15/369, Rippon to Heath, 17 March 1971.
\textsuperscript{44} Hannay, Britain’s, p.72; Hansard, \textit{HCD}, 5\textsuperscript{th} series, 18 March 1971, cols.1659-1662.
\textsuperscript{45} Hansard, \textit{HCD}, 5\textsuperscript{th} series, 18 March 1971, col.1665.
\textsuperscript{46} \textit{Ibid}, col.1665.
position insensitively, it is obviously part of a deliberate strategy. I believe that the French are now constructing the best negotiating position for themselves in preparation for the crunch here, and also no doubt for any bilateral meeting with us. ... The French fear that if they make concessions to their partners here before the crunch, they will have to pay a second time when the crunch comes with us. And they are right. They also want to demonstrate to us the ineffectiveness of the Five in order to strengthen their position in talking to us.47

The March ministerial meeting was followed shortly afterwards by Boegner’s statement to EEC permanent representatives on sterling, leading to further speculation about malicious French intent.48 Qualms about the reserve role of sterling had been a consistent feature of the French attitude towards British EC entry since the first enlargement negotiations, and had been accorded particular importance in de Gaulle’s November 1967 press conference, which presaged the formal French veto of the second application the following month.49 As has been seen, the critical element in the France’s 1971 demands was for a commitment to run down the sterling balances after accession.50 In Whitehall, the principle of doing this was uncontroversial; the difficulty was how to do so without precipitating potentially damaging financial instability. The accession negotiations, it was maintained, offered insufficient time to find a solution to such an intractable problem.51

50 TNA/PREM15/369, translation of Codel Brussels 195, 18 March 1971; Young, Terms, p.199.
51 As Schenk explains: ‘On the British side ... there was a growing consensus by the early 1970s that reducing the use of sterling as a reserve asset was desirable. On this question, therefore, there was scope for agreement so long as a firm commitment could be delayed until after accession’. Schenk, Decline, p.140. See also: TNA/CAB134/2598, AE(70)36, 13...
London also had difficulty in discerning precisely what it was about sterling’s role that worried the French – a consequence of the inconsistent way in which France defined and conceptualised the problem during the negotiations.\textsuperscript{52} The ambiguity in French pronouncements at the time has carried through into the subsequent historiography. Confessing to his own bemusement at French reasons for pressing the issue, O’Neill speculated about a number of possible motivations, the most notable being that it was kept in-hand as a possible justification for a veto should Pompidou ‘in the last resort’ decide that this was necessary.\textsuperscript{53} Bernard argues that it was ‘natural’ that France should want to discuss the problem, which had the potential to destabilise the economic and monetary policy of an enlarged Community.\textsuperscript{54} Rücker, by contrast, contends that it amounted to a ‘test of confidence’ in Britain, which Heath was required to, and ultimately did, pass at the May 1971 summit.\textsuperscript{55} Schenk offers yet another interpretation by suggesting that Pompidou wanted to ensure that following British entry sterling did not become a \textit{de facto} European reserve currency, leading to increased tension between the enlarged Community and the United States.\textsuperscript{56} The argument of this thesis accords most closely with that of Bernard. The French emphasis upon sterling should be understood as reflecting a general concern that the

\textsuperscript{53} Hannay, \textit{Britain’s}, p.126.
\textsuperscript{54} Bernard, ‘L’élargissement’, p.248.
\textsuperscript{55} Rücker, ‘triangle’, pp.419-423 and 454-459.
\textsuperscript{56} Schenk, \textit{Decline}, pp.140-41.
structural weakness of the British balance of payments (a product of the sterling balances), could be a source of instability for the enlarged Community – particularly one moving towards closer economic and monetary coordination. If Britain were to experience balance of payments difficulties inside the Community (a prospect which could not be discounted given the budgetary costs) other member states might be called upon to provide financial assistance under Articles 108 and 109 of the Treaty of Rome. In these circumstances, the Community would effectively be helping to underwrite the sterling balances. This conception of the problem is well captured in a conversation between Bernard and the Minister for European Economic Affairs in the Paris Embassy, John Galsworthy, in April 1971. Bernard explained that French ideas ‘were anything but cut and dried’; they ‘had no wish whatever to make sterling a stumbling block and no desire to cause us embarrassment. At the same time they were simply not prepared ... to take over our balances’. Given that Pompidou was himself a former banker, with a clear grasp of monetary matters, it is understandable that he should have wanted to examine ways of discarding this long-standing French concern in parallel with British accession.

The Foreign Office and Treasury were again less disturbed by Boegner’s 18 March statement than outside observers. In a minute to O’Neill, the head of the European Integration Department, Norman Statham, observed that the alarmist nature of some press reactions had been ‘off beam’. Officials had known for some time that France had concerns in this area, and the statement could even be seen as a useful clarification. Heath was less sure. His concern stemmed less from the substance of Boegner’s action, than from its form. An added sense of intrigue resulted from the fact that Raymond Barre, Vice President of the European Commission, and the commissioner responsible for financial and monetary questions, had on the same day tabled a paper reviewing Britain’s responses to a Community questionnaire on economic and financial matters, which concluded that further exchanges with the candidates were necessary. As a member of the Commission, Barre was of course formally independent of the French government, but the fact of his French nationality, alongside the coincidence of timing between with Boegner’s statement, inevitably gave rise to speculation that he had acted under influence of the Élysée. At a meeting between Heath, Home and Rippon on 23 March, ‘the latest French move on sterling’ was discussed. Heath felt ‘it was difficult not to see this as a deliberately unhelpful step’. The following day, Barber wrote to Heath to give his view that neither Boegner nor Barre’s statements seemed ‘unreasonable’ or ‘particularly hostile’. Heath, however, was unconvinced,

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60 TNA/FCO30/1138, Robinson to O’Neill, 23 March 1971.
62 Hannay, Britain’s, p.132.
63 TNA/PREM15/369, translation of Codel Brussels 199, 19 March 1971; Young, Terms, pp.198-199.
64 TNA/PREM15/369, Robinson to O’Neill, 24 March 1971.
65 TNA/PREM15/369, Moon to Tickell, 23 March 1971.
commenting that ‘it is the way the French have done this and the forum in which they chose to raise the question which almost makes it a hostile act’. Following up on Barber’s letter, Rippon also wrote to Heath to endorse the Treasury view. Again, the influence of Jobert’s comments to Soames was apparent:

We can only guess at the French motives but, at this stage, it would seem right to keep an open mind. It may be that President Pompidou’s decision to raise the question of sterling in this way is consistent with the view that he has realised that the negotiations are reaching their crucial phase, and that the French have to make their position on sterling clear now if they are to do it all.

Heath agreed to Rippon’s recommendation that London should stick to its position that sterling was not subject to formal negotiation and should be ‘discussed separately and discreetly’, but as if to make clear that keeping an open mind also meant entertaining the possibility of malicious intent, he further commented: ‘But we cannot be certain about French motives’.

Against this background, a further meeting between Soames and Jobert took place at the end of the month. Soames began by commenting upon the lack of progress at the March ministerial meeting, only to be met by Jobert’s phlegmatic response: “Well, we did not expect it to, did we?”. ‘The vital meeting would be the talk between the President and the Prime Minister’. On timing, Pompidou’s preference would be for a date in late May, but Jobert

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68 TNA/PREM15/369, Heath handwritten minute, 28 March 1971, on Rippon to Heath, 26 March 1971; and communicated to Rippon’s office by Moon (private secretary to the prime minister), TNA/FCO30/1138, Moon to Tickell, 29 March 1971.
emphasised that this must remain a secret. He went on to say that, in Pompidou’s view, ‘all the main subjects were now pretty well ripe for discussion ... and it was important not to remove too many leaves of the artichoke before their talk took place’. The implication was that the Élysée wanted to preserve the impasse until the summit was held. Soames enquired about the possibility of an April meeting, hitherto the preference of the Foreign Office, but Jobert was reluctant to envisage timing of this sort: ‘If the prime minister and the president met as early as April, there would be two months left during which officials would try to re-open matters which had been decided in Paris and this was a danger which should not be run’. ‘The best solution was to have a meeting as late as possible’, and Jobert ‘took it as read’ that once Heath and Pompidou met ‘they were “condemned to succeed”’.  

At the start of April, Heath visited Bonn for talks with Brandt. While he had been moving towards such a decision for the past month, it was to be the German chancellor’s remarks which finally convinced Heath to organise a bilateral summit with Pompidou. The importance of waiting until his Bonn visit, however, was that Brandt’s attitude might yet be pivotal; if the negotiations were to reach deadlock, or if a summit meeting with Pompidou were to fail, pressure from the Five, and in particular Germany, would be Britain’s best hope of averting yet another failed entry bid. The negotiations were discussed early on the first day of the talks. Brandt began by explaining that he did not favour ‘using pressure’, but Germany had made plain to

France that if the negotiations were to fail, it would ‘poison’ the Community, just as de Gaulle’s veto had done in 1968 and 1969. He remained optimistic: ‘Nothing has changed my view and even my conviction that President Pompidou wants the negotiations to succeed’. Heath agreed that it was wrong to try and pressure France, but warned that France’s tough negotiating tactics ‘may go too far so that the negotiations cannot succeed regardless of whether the French want them to or not’. Brandt pointedly asked Heath whether he had any plans to visit Pompidou. Given Jobert’s insistence upon the need for secrecy, Heath could only respond vaguely: he had no ‘specific plans’, but he had let Pompidou know that he would be ‘glad to visit’. Brandt then offered his own support for Heath going to Paris. The chancellor was also ready to do so himself, should ‘the Brussels talks seemed to make this necessary’. He was also contemplating calling for a summit of the Six, ‘if the situation in June turns critical’. Brandt had mentioned the idea to Pompidou, as well as the possibility of a further summit of the Seven at some point during the summer.71 With Brandt’s clear support for a Heath-Pompidou meeting, and his readiness to intervene personally if the negotiations ran into crisis, the case for an Agnlo-French summit now appeared compelling. Even if the meeting were to fail, there would still be hope of German intervention rescuing the situation. The Easter recess would provide Heath with time to think through his tactics, but shortly thereafter, the approach to Pompidou would be made.

71 TNA/PREM15/608, RoM, Heath and Brandt, 5 April 1971, 10.15am.
The path to Paris: the Soames-Jobert talks and the organisation of a summit

The last week in April and the first in May gave rise to an intensive period of activity, culminating, on 8 May, with the announcement of Heath’s visit to Paris. On 23 April, 4 and 5 May meetings were held in Downing Street to coordinate the British stance on a summit meeting. In the intervening period, Soames and Jobert met twice to relay the views of their respective governments. While Heath, Rippon and senior FCO officials all supported a summit meeting, there remained considerable uncertainty about Pompidou’s intentions. In advance of the first Downing Street meeting, this question was addressed in a paper by the Paris embassy. In October 1969, prior to The Hague summit, Michael Palliser, the most senior embassy figure after Soames, had written to John Robinson to assuage FCO concerns about Pompidou’s intentions, recording his and Soames’s view that France fully intended to lift the veto on enlargement negotiations. Now, it was the Paris embassy again which was most confident that Pompidou intended the Brussels talks to succeed. Substantiating this view, the paper explained that:

The president continues to state categorically in private conversations – and not only with British visitors – that he genuinely wants the negotiations to succeed. The French Government says the same thing in its public ministerial speeches. In both cases the statements are invariably qualified by the reservation that Britain must accept all the

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72 TNA/PREM15/371, Note of a meeting, Downing Street, 23 April 1971; TNA/FCO30/1151, Paris to FCO, tel.469, 27 April 1971; TNA/PREM15/371, Paris to FCO, tel.496, 4 May 1971; TNA/PREM15/371, Note of a meeting, Downing Street, 4 May 1971; TNA/PREM15/371, Note of a meeting, Downing Street, 5 May 1971. The meeting on 23 April was attended by Heath, Home, Rippon, Greenhill, O’Neill, Soames and Jackling (ambassador in Bonn); those on 4 and 5 May by the same ministers, plus Greenhill, Soames and Robinson.
73 TNA/FCO30/447, Palliser to Robinson, 29 October 1969.
rules and regulations and not expect any special treatment extending beyond a strictly defined transitional period. These professions of good will may, of course, be no more than dust thrown in the eyes of the outside world. But their effect on public and political opinion in France (where 64% of those canvassed in the most recent public opinion poll expressed themselves in favour of British accession) has been such that the French Government would be discredited if it now placed itself in the position of opposing Britain’s entry other than in clear defence of some vital national interest. Public opinion is not expecting another French veto and the present French Government does not give any impression of having any stomach for one.  

The paper was prefaced by a letter from Soames to the FCO PUS, Denis Greenhill, in which the ambassador set out his own, more idiosyncratic, reasons for reaching the same conclusion:

Pompidou has never been – and is not now – enthusiastic about our entry. (Enthusiasm is anyway not part of his make-up.) He probably does not believe that the present Community will disintegrate if we do not join it. He is not scared of German pressure and believes that Italians always have their price. He would no doubt admit that, in the event of failure, the Community would stagnate for a time. But so what? Pompidou is no European visionary panting for political unification. He is a cautious, hard-bargaining, reticent Auvergnat with limited imagination and no talent for grandeur. He has got the all-important finance agreement under his belt and has reached agreement with Brandt on the beginnings of an economic and monetary union ... without having had to pay for it in terms of commitment to supranationalism. Nevertheless I remain convinced, for the reasons given in the enclosed paper, that he accepts that on balance it is right and necessary that we should come in: and he foresees a very unpleasant time ahead for him and for France if he can be blamed for keeping us out.

In addition to the inevitable speculation about Pompidou’s attitude, London’s attitude towards a summit was marked by two principal concerns. The first

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74 TNA/FCO30/1151, paper under Soames to Greenhill, 21 April 1971. For the more cautious attitude of the FCO see TNA/PREM15/370, paper under Barrington to Armstrong, 21 April 1971.
75 TNA/FCO30/1151, Soames to Greenhill, 21 April 1971. In his report on the negotiations, O’Neill paid tribute to Soames’s accuracy in assessing Pompidou’s intentions, commenting ‘As so often, the sun shone clearest at the top’. Hannay, Britain’s, p.326.
focussed upon the relationship between the ministerial meeting in Brussels, due to take place on 11 and 12 May, and the Heath-Pompidou meeting which would follow. The Foreign Office, in particular, argued strongly that there should be some important advances at the ministerial meeting in order to prevent the summit taking place in an atmosphere of crisis. During his conversation with Jobert on 27 April, Soames ‘rubbed in hard’ need for ‘manifest progress’, which Jobert, in Soames’s words, ‘professed to accept’ (hinting in particular at the possibility of an advance on Community finance, albeit in terms of ‘principles’ rather than figures). The second British concern related to the proposed summit agenda. In London, it seemed natural to assume that one of the chief purposes of the summit would be to discuss the principal problems of the accession negotiations. It came as a considerable surprise, therefore, that the French draft agenda, handed to Soames by Jobert on 4 May following a meeting with Bernard and Pompidou, contained no reference to the main British negotiating concerns.

The French draft was split into two parts: the first containing the subjects to which Pompidou accorded ‘greatest importance’ – the functioning of Community institutions, sterling, Community preference, the future use of French within the Community, and the safeguarding of the rights of African states presently associated with the Community under the Yaoundé Convention. The second part was comprised of two ‘lesser’ issues – Britain’s views on the consequences of enlargement for the west European countries.

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76 TNA/PREM15/370, paper under Barrington to Armstrong, 21 April 1971
77 TNA/PREM15/370, paper under Barrington to Armstrong, 21 April 1971; TNA/PREM15/371, Note of a meeting, Downing Street, 23 April 1971
78 TNA//FCO30/1151, Paris to FCO, tel.469, 27 April 1971.
79 TNA/PREM15/370, paper under Barrington to Armstrong, 21 April 1971.
80 TNA/PREM15/371, Paris to FCO, tels.496-497, 4 May 1971.
that had not applied for Community membership (for example, Sweden and Switzerland) and Community policies on overseas investment.\textsuperscript{81} When Soames enquired about the absence of Community finance, sugar and New Zealand, Jobert explained that, ‘Pompidou’s view was that if he and Mr. Heath could reach an understanding on the points in the [French] paper, all the rest would follow’. Soames redoubled his point, underlining that Heath would expect to talk about the British priorities as well. To this Jobert replied that, ‘he was certain the president would be prepared to talk about them if Mr. Heath wished: and they would see in the course of their conversation to what extent it was advisable to reach final agreement between themselves, or how much should be left for the subsequent meeting in Brussels’.\textsuperscript{82}

The draft Élysée agenda, and Jobert’s remarks to Soames provide the first insight into Pompidou’s objectives at a summit meeting. As will be argued in the next chapter, the president’s purpose would be to obtain a number of British concessions on political questions raised by enlargement, but not in all cases pertinent to the Brussels negotiations. These concerns were highlighted in the French agenda. At the time, however, the Élysée draft provoked more confusion than clarity, and was received in London with considerable uncertainty. Home in particular expressed strong misgivings:

bilateral discussions restricted to the items which the French President had suggested could be dangerous. The Prime Minister would be pressed to make concessions on sterling and agricultural community preference which the French could make public, and find himself unable to secure any precise agreement on matters of concern to the

\textsuperscript{81} TNA/PREM15/371, Paris to FCO, tel.497, 4 May 1971.
\textsuperscript{82} TNA/PREM15/371, Paris to FCO, tel.496, 4 May 1971.
UK which we might be told should be handled à Six at Brussels. It was therefore necessary to devise some means of ensuring, so far as we could, that at such talks progress was made on issues of concern to us such as New Zealand, Community finance and sugar, as well as on the issues which M Pompidou had raised.  

A revised agenda was drawn up by the FCO which included all of Pompidou’s proposals, but made two British additions. The first was: ‘How do the President and Prime Minister see the Role of the Enlarged Community in the World’. This was placed at the start of the agenda, with the aim of moving the talks beyond ‘restricted French interests’, as well as offering Heath the opportunity to underline the benefits of enlargement, and also, perhaps, ‘the consequences of failure’. The second addition grouped the main British negotiating concerns together under the single heading: ‘The Decisions necessary to ensure the early success of the negotiations for enlargement of the European Communities’. Issuing new instructions to Soames, Heath said that the revised agenda should now be given to Jobert with the message that, ‘it was the Prime Minister’s intention ... to reach clear and sufficient understandings to facilitate the resolution of the main outstanding problems in the negotiations by June’, and that ‘unless the French President considered that it would be possible to achieve this the Prime Minister would not consider that his visit should take place’.  

On 6 May, Soames and Jobert met for what would prove to be one of their most significant conversations. Soames passed Jobert the revised agenda

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83 TNA/PREM15/371, Note of a meeting held at 10 Downing Street, 4 May 1971.  
84 TNA/PREM15/371, Annex A to Note of a meeting, 10 Downing Street, 5 May 1971; TNA/PREM15/371, Note of a meeting held at 10 Downing Street, 4 May 1971.  
85 TNA/PREM15/371, Annex A to Note of a meeting, 10 Downing Street, 5 May 1971.  
86 TNA/PREM15/371, Note of a meeting, 10 Downing Street, 5 May 1971.
and delivered Heath’s message about the need to tackle ‘the important issues remaining to be negotiated’. Jobert reminded Soames of what he had said at their last meeting, ‘that if M. Pompidou and the Prime Minister could reach agreement on the points set out in the French agenda, ‘the rest would follow’. Soames, however, made clear that Heath expected more than this: he would want ‘to seek agreement with the President during his visit on the main outstanding issues and not to leave it to chance that agreement might emerge at the later meeting in Brussels’. Under pressure, Jobert now conceded.87 Britain’s principal negotiating concerns would be formally incorporated on the summit agenda. On 8 May, simultaneous press announcements were made in London and Paris. There was little detail. It was simply stated that: ‘The President of the French Republic and the Prime Minister consider that a meeting to discuss matters of common interest would now be useful’. Pompidou had therefore invited Heath to Paris on 20-21, and this had been ‘accepted ... with pleasure’.88 An hour before the announcement, Rippon met with diplomatic representatives of the Five to inform them of what was afoot. Conscious of the danger that their governments might now expect the impasse to be broken bilaterally, and desirous that progress should be made at the May ministerial meeting as a positive atmospheric precursor to the Heath-Pompidou meeting, Rippon underlined that the announcement of the summit ‘in no way diminished the importance of the ... meeting in Brussels next week’.89

87 TNA/FCO30/1151, Paris to FCO, tel.,521, 6 May 1971.
88 TNA/FCO30/1151, FCO to Bonn, tels.366-367, 8 May 1971.
89 TNA/FCO30/1106, FCO to Bonn, tel.344, 3 May 1971; TNA/FCO30/1151, Tickell to O’Neill, 8 May 1971.
The ‘first breakthrough’: the May ministerial meeting

The British negotiating stance for the May ministerial meeting was discussed in Cabinet on 6 May. At an earlier meeting of the AE committee, each of the major issues had been examined in detail, and Rippon now informed the full Cabinet of what had been agreed. With Britain’s contribution to the budget still a potentially divisive issue internally, Rippon was reluctant to discuss figures until it was absolutely necessary to do so. As such, he requested and received only very limited authority to respond to an offer that the Community might make. This was that if the Six should ‘put forward proposals pointing to a gradual increase in our contributions from less than 10 per cent of the budget in the first year to a level of up to 20 per cent in the fifth year’, he could respond by saying that Britain regarded this as ‘a basis for negotiation’. At a more fundamental level, it was now four months since the 10 December Cabinet meeting had recorded a clear difference of view over whether the financial cost represented a worthwhile price for membership. Heath had ended that meeting by saying that the question would be returned to, but still no attempt had been made to do so. When the negotiations did start to gather momentum, this was to have important consequences; presented with a potentially historic success for the government, the atmosphere became much less conducive to expressions of unease about budgetary costs.

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90 The Times, 13 May 1971, p.1; Hannay, Britain’s, p.60; Kitzinger, Diplomacy, p.127.
91 TNA/CAB128/49, CM(71)24th, 6 May 1971.
92 TNA/CAB134/3357, AE(71)4th meeting, 3 May 1971.
93 TNA/CAB134/3357, AE(70)10, Rippon memorandum, 29 April 1971; TNA/CAB134/3357, AE(71)4th meeting, 3 May 1971.
94 TNA/CAB128/47, CM(70)45th, 10 December 1970.
By early May, New Zealand was acquiring a status alongside Community finance as one of Britain’s two premier negotiating concerns.\textsuperscript{95} While it was freely recognised in Whitehall that Britain’s opening bid on this subject was unrealistic (London had proposed that the present quantity of New Zealand dairy exports to Britain should be maintained, at present prices, for the full length of the transitional period, with a review provision to extend access arrangements thereafter), attitudes within the Community gave considerable cause for worry.\textsuperscript{96} The Five and the Commission had shown a readiness to guarantee between 45\% and 62\% of New Zealand dairy exports by the fifth year of a transitional period (implying a readiness to preserve a special access regime for some time thereafter), but, without any compensating price increase, this seemed likely to fall well short of Auckland’s expectations. France had thus far adopted the extreme stance that New Zealand dairy exports should come to an end completely at the end of five years.\textsuperscript{97} The New Zealand government had similarly adopted an uncompromising stance, and when the Prime Minister, Keith Holyoake, wrote to Rippon in April, reviewing once again the difficulties of his country’s position, Home, who had taken a particular interest in this issue, revealed his mounting apprehension: ‘This is going to be very difficult. I have always felt in my bones that Parliament might reject the whole on the N.Z. question and

\textsuperscript{95} TNA/CAB134/3357, AE(71)4-th meeting, 3 May 1971; TNA/CAB128/49, CM(71)24-th, 6 May 1971.
\textsuperscript{96} TNA/CAB134/337, WGE(70), 31-st meeting, 30 October 1970; Young, Terms, p.169.
\textsuperscript{97} TNA/FCO30/911, Codel Brussels to FCO, tel.126, 26 February 1971; TNA/FCO30/911, Codel Brussels to FCO, 12 March 1971; TNA/PREM15/369, Codel Brussels, tel.369, 16 March 1971; TNA/CAB134/3357, AE(70)10, Rippon memorandum, 29 April 1971.
the French know it’. Similar, if less acute, problems were created by sugar, where Britain needed to satisfy the Commonwealth governments concerned. On both issues, the AE committee had declined Rippon his requested negotiating authority, insisting that before Britain moved from its opening proposals (in the case of New Zealand) or agreed to a potential Community proposal (in the case of sugar), further consultations should be held with the governments concerned. In Cabinet, it was underlined that, ‘Both issues were of great political sensitivity’, and that ‘We must make every effort to carry the Governments of New Zealand and of the developing Commonwealth sugar-producing countries with us in seeking compromise solutions’.

The meeting also saw the first expressions of ministerial concern regarding the Common Fisheries Policy. At the start of the negotiations, Whitehall had planned to leave this issue until the later stages of the negotiation, when, with success in sight, a more positive atmosphere should facilitate a satisfactory solution. Yet as domestic pressure grew during the first months of 1971, the government was forced into rethinking this strategy. No attempt would be made to deal with the issue at the May ministerial meeting, but in Cabinet it was now argued to be ‘essential that we should obtain

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98 TNA/FCO30/914, RoC Rippon and Holyoake, 14 April 1971; TNA/CAB134/3357, AE(71)4th meeting, 3 May 1971; Hannay, Britain’s, p.159; TNA/FCO30/915, Home handwritten minute, undated, on Holyoake to Rippon, 28 April 1971.


100 TNA/CAB128/49, CM(71)24th, 6 May 1971.

101 For detailed accounts see Almlid, Negotiating, pp.145-150; and Hannay, Britain’s, pp.257-266.
satisfaction on the fisheries regulations before Parliament was asked to approve any accession agreement’.\footnote{102}{TNA/CAB128/49, CM(71)24\textsuperscript{th}, 6 May 1971.}

On 11 May, Britain and the Six assembled in Brussels for the first day of what would prove to be a dramatic meeting – perceived subsequently as ‘the first breakthrough’ of the negotiations.\footnote{103}{The Times, 13 May 1971, p.1; Hannay, \textit{Britain’s}, p.60; Kitzinger, \textit{Diplomacy}, p.127.} The political backdrop to the meeting was unlike any other: Heath’s imminent visit to Paris had been announced just three days earlier; then, on 10 May, Bonn floated the deutschmark (a response to a surge in currency flows into Germany) throwing the Community’s plans for economic and monetary union into flux.\footnote{104}{The Times, 10 May 1971, p.1; H. James, \textit{International Monetary Cooperation since Bretton Woods} (Oxford: Oxford University Press, 1996), pp.215-216; Kitzinger, \textit{Diplomacy}, pp.126-127.} No agreement, however, was recorded until the second, and final, day of the meeting. The portents at the start were positive, with a self-proclaimed French advance resulting in a Community proposal on sugar. But the positive tone did not last long.\footnote{105}{The Times, 11 May 1971, p.1.} The Community’s offer was to extend the offer of association arrangements to developing Commonwealth countries in the Caribbean and Pacific, thus allowing the specific details for sugar producers to be settled in 1974, when the present Yaoundé convention fell due for renewal.\footnote{106}{Young, \textit{Terms}, pp.157-159.} In theory, this was an advantageous proposal both for Britain and the Caribbean countries most affected, as it would enable London to negotiate from a stronger position inside the Community. But the absence of any specific reference to sugar in the proposal seemed likely to render it unacceptable to the governments concerned. Rippon thus responded in
strong terms, insisting upon the need for a clearer assurance on sugar, he declared that the present offer ‘would not be regarded as an assurance of any kind’. He went on to make wider criticisms about the general lack of progress – pointing to Community finance in particular, Rippon declared that ‘The dialogue of the deaf must end’.\footnote{\textit{TNA/FCO30/1107, Enlargement Negotiations: Ministerial meeting, 11, 12 and 13 May.}}

The confrontational tone of Rippon’s statement created ripples of anxiety in both London and Paris. On 12 May, after an ‘urgent’ request for a meeting, Jobert implored Soames to represent to London the constructive intent which underlay the French offer of association. With an eye upon Heath’s forthcoming visit to Paris, Jobert emphasised that he and Soames had:

\begin{quote}
not without some difficulty, done the preliminary work to set up a meeting of the greatest importance to our two countries. This could only have been achieved on the basis of total mutual trust between each other. We both had a responsibility now to see that nothing was done to damage the chances of this vital meeting being successful ... It was his earnest hope not only that the French initiative should be accepted by us as designed to be helpful but also that it should be seen publicly that this was our view.\footnote{\textit{TNA/FCO30/1123, Paris to FCO, tel.566, 12 May 1971.}}
\end{quote}

From London, news also reached Rippon that Heath was worried by the tone of his statement.\footnote{\textit{TNA/PREM15/372, Codel Brussels to FCO, tel.353, 12 May 1971.}} If no further progress could be made, it was vital that the ministerial meeting should not end in acrimony; the most important thing was to ensure a positive atmosphere leading up to his meeting with Pompidou.\footnote{\textit{TNA/PREM15/372, FCO to Codel Brussels, tel.54, 12 May 1971.}}
On the second day, events were to take an altogether different course. Resuming at 7pm (after talks within the Six), and in a fashion akin to the fabled Community ‘marathon’, the negotiations continued into the early hours 13 May.\textsuperscript{111} As O’Neill recalled in his report, the meeting ‘acquired a character and atmosphere completely different from that of its predecessors’, as ‘matters were resolved in hours which, on previous form, could have occupied months’.\textsuperscript{112} At just after 1am a form of words was found on sugar that satisfied both parties. The offer of association now included a clause stipulating that ‘the enlarged Community will have at heart the safeguarding of the interests’ of those countries ‘whose economies depend to a considerable extent on the exporting of basic products and notably sugar’.\textsuperscript{113} Given the limits which had been placed upon his negotiating authority by the AE committee, and to Schumann’s evident disappointment, Rippon was unable to agree the Community proposal there and then. Rather, he welcomed the offer but made clear that he could not make a formal response until he had consulted the countries affected.\textsuperscript{114} Nonetheless, it was a first important advance, and it was paralleled by a British agreement to apply Community preference in agriculture as soon as it entered the Community. It had long been known that this was one of the main French priorities, and it was also one of the five subjects to which Pompidou had accorded ‘greatest importance’ in the Élysée’s original agenda for the summit meeting with

\textsuperscript{111} TNA/FCO30/1107, Enlargement Negotiations: Ministerial meeting, 11, 12 and 13 May 1971.
\textsuperscript{112} Hannay, \textit{Britain’s}, p.73.
\textsuperscript{113} Young, \textit{Terms}, p.160. Kitzinger explains France’s reluctance to offer a sugar-specific assurance at an earlier stage in terms of a desire to see equal treatment for former British and French colonies. Kitzinger, \textit{Diplomacy}, pp.133-34.
\textsuperscript{114} TNA/FCO30/1107, Enlargement Negotiations: Ministerial meeting, 11, 12 and 13 May.
Heath. The AE committee had permitted Rippon to make the concession, which he did as part of a wider package of transitional arrangements for industry and agriculture. More was to follow: contributing further to the sense of momentum, at nearly 4am the Community tabled a French-inspired outline proposal on Community finance.

The complex nature of the Community’s May finance proposal has meant that its full significance has often been either overlooked or not properly understood. Despite the absence of figures, it brought Britain and the Community much closer to agreement on this fundamental issue, and for that reason it is crucial to understanding the political context leading into the Heath-Pompidou summit. It established a set of principles under which each applicant state would be assigned a base ‘key’, equivalent to its share of total Community GNP. During a five year transitional period, the key could rise or fall depending upon whether, under the normal operation of Community rules, the relevant country’s contribution would been larger or smaller than the percentage figure indicated by the key. Year-on-year movements would be restricted, however, to 1% between 1973 and 1974, and 2% for the remainder of the transitional period. To calculate the applicant countries’ precise contribution in each of the five transitional years, they would be granted a series of progressively diminishing abatements from the key. The abatement figures would therefore be the critical point for negotiation, but the

117 TNA/FCO30/1107, Enlargement Negotiations: Ministerial meeting, 11, 12 and 13 May; TNA/FCO30/1092, Codel Brussels to FCO, 6 May 1971; Young, Terms, p.48.
Community did not yet make proposals for this aspect. From the British perspective, it was significant that the key was related to GNP, as this would ensure that its contribution in the fifth year would be capped some way below what its contribution would be under the normal operation of budgetary rules. With this in mind, the Community had also left open the possibility of additional ‘corrective’ years; these would prevent sharp increases in the applicant countries’ contributions in the immediate post-transitional years. With these two points appearing to point towards a satisfactory solution, the critical remaining variable would be Britain’s starting contribution, and it was upon this point that Heath and Pompidou would concentrate upon when discussing Community finance at the summit.

Headlines on the morning of 13 May were dedicated to the progress in the Brussels negotiations. Within Whitehall, however, attention immediately shifted to the preparations for Heath’s Paris visit. These are now indelibly stamped with Douglas Hurd’s depiction of Heath sitting under a tree in the Downing Street garden, ‘dunking biscuits in tea’, while ‘experts on cane sugar and New Zealand butter and the sterling balances ... had their session under the tree’ and ‘ducks from the park waddled amorously across the lawn’. On the diplomatic front, a discreet preparatory mission travelled to Paris on 15 May for discussions with an Élysée team composed of Jobert, Bernard, and another of Pompidou’s technical advisers, Jean-Barnard Raimond. The head of the British mission was Robert Armstrong, Principal

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118 Hannay, Britain’s, p.185; TNA/CAB133/422, PMVP(71)8(ii) (Revise), 18 May 1971.
120 The Times, 13 May, p.1.
121 Hurd, End, p.62. For the official briefs see: CAB133/422, PMVP(71), various memoranda.
Private Secretary to the prime minister, and he was flanked by Peter Thornton, the Cabinet Office technical expert, Palliser and Hurd. The shape, but not the specifics of a deal now started to become clear.\textsuperscript{122} The French emphasised the need for firm undertakings on sterling and the functioning of Community institutions. On the former, France had no desire to ‘embarrass’ the British, but Jobert stressed that the matter required ‘une certain précision’. On Community institutions, Pompidou would again need a clear statement from Heath about the British stance on majority voting, with particular reference to the French view that if any member state believed its ‘vital interests’ to be affected, unanimity must apply. On the Yaoundé Convention, the president would look for mechanisms to ensure that the influx of new Commonwealth associates did not undermine the benefits that accrued to existing Yaoundé members. And on the role of French within the Community, Pompidou would ‘welcome’ any means that Heath might be able to suggest for protecting its role as a working language. For their part, the British stressed the ‘critical importance’ for public opinion of satisfactory terms for New Zealand. Acceptable figures were also needed for Britain’s budgetary contribution during the transitional period, and a solution to the fisheries question was also required. Jobert evinced a sympathetic attitude: on the issues of concern to public opinion, France could be flexible; they were working on proposals with a view to an overall settlement by the end of June. The French understood the importance of this timing to Britain.\textsuperscript{123} Combined with the progress made at the May ministerial meeting, this

\textsuperscript{122} TNA/PREM15/372, Summary of a meeting at the Élysée, 15 May; TNA/CAB133/422, PMVP(71)8 (i) (Revise), 18 May 1971.

\textsuperscript{123} TNA/PREM15/372, Summary of a meeting at the Élysée, 15 May; AN, 86AJ/115, Compte rendu d’un entretien ayant pour but de preparer la visite de M. Heath à Paris, 15 Mai 1971.
apparently constructive French approach during the preparatory talks started to put the prospects for a successful outcome in a very different light. Reviewing the likely content of the forthcoming summit talks in Cabinet on 18 May, Heath said that he ‘believed that M. Pompidou genuinely wished the negotiations to succeed. He had now interested himself personally in the issues involved in a way which suggested that he intended to work for a successful outcome’. The accuracy of this judgement would soon be revealed.

**Conclusion**

It had always been anticipated that the success or failure of the accession negotiations would be primarily contingent upon the attitude adopted by France. In the first months of 1971, France heightened the uncertainty surrounding its intentions by adopting a rigid position on London’s three main negotiating concerns, and placed sterling at the forefront of the Brussels talks through Boegner’s statement to the Council of Ministers. In 1973, Kitzinger argued that the impasse in the negotiations had been engineered by Paris with a view to creating advantageous conditions for a subsequent summit meeting with Heath. This chapter has reached a similar conclusion, but provides a clearer explanation for Pompidou’s premeditated impasse: quite simply, to strengthen France’s bargaining position at Brussels level, and to demonstrate publicly the need for a summit meeting with

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125 Kitzinger, *Diplomacy*, p.114.
Heath. Throughout the spring, the talks between Soames and Jobert had continued, establishing the agenda which would form the backbone of the summit talks. Then, at the May ministerial meeting, the negotiations began to move. Community preference was settled, and important advances were made on sugar and Community finance. But significant problems still remained; the question of sterling was still unresolved, and the French position on New Zealand remained far from what London seemed likely to need to satisfy parliament. Insistence upon a high starting contribution could also present problems for London should Pompidou wish to do so. Yet French actions in May, both at the ministerial meeting and the preparatory talks in Paris, augured against too negative an assessment of French intentions. On the contrary, and as Heath himself suggested to Cabinet, the signs were that the Élysée was now adopting a more helpful line. It was thus in a mood of cautious confidence that the prime minister departed for Paris.

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127 TNA/FCO30/1151, Paris to FCO, tel.521, 6 May 1971; TNA/PREM15/2241, Annotated agenda, undated, after RoC Heath and Pompidou, 20 May 1971, 10am.
128 TNA/FCO30/914, RoC Rippon and Holyoake, 14 April 1971; TNA/CAB134/3357, AE(71)4th meeting, 3 May 1971; Hannay, Britain's, p.159; TNA/FCO30/915, Home handwritten minute, undated, on Holyoake to Rippon, 28 April 1971.
A ‘great hope for all Europeans’: this was the sentiment of French Prime Minister, Jacques Chaban-Delmas, as he greeted Edward Heath at Orly airport in Paris on the afternoon of 19 May 1971. In a short statement, Chaban-Delmas went on to welcome Heath as the leader of one of Europe’s ‘oldest, strongest and most glorious’ states, invoking the unbreakable bonds of friendship forged between Britain and France during the past century.¹ Rich in sentiment, Chaban-Delmas’s remarks help to capture the dual significance which the Heath-Pompidou meeting appeared to hold: first, a successful meeting might all but guarantee a positive outcome to the accession negotiations; and second, this was an important moment in Anglo-French relations, providing an opportunity to dispel the mutual suspicion and antagonism of the past decade, and perhaps to begin a new and more constructive chapter in their history.

¹ A full text of Chaban-Delmas’s speech can be found at: TNA/FCO30/1156, Soames to Home, 9 June 1971, Annex C.
In nearly all accounts of Britain’s entry to the European Community, the Heath-Pompidou summit is accorded central importance. Yet the explanations for its function have hitherto been less than clear. For Kitzinger, the purpose was to examine ‘political ‘gut issues’” – issues of particular concern to France that were raised by the prospect of British entry to the Community – ‘as the vital preliminary to the bread-and-butter quantitative topics of the Brussels wrangling’. In Kitzinger’s view, it was ‘axiomatic’ that ‘once Pompidou had agreed to meet Heath, he did not do so to become personally involved in a failure’. The president had already experienced a major foreign policy reversal as a result of the Algerian government’s decision to nationalise French-owned oil companies, and the enlargement of the Community now provided an opportunity to ‘score a personal success’. While O’Neill does not discuss the summit in any detail, he argues that ‘It was by far the most significant meeting that took place in the whole course of the negotiations’, and that ‘it was successful beyond our best expectations’. While he summarises its primary ‘achievements’ (‘broad understandings about the main outstanding issues of the negotiations in Brussels’, agreement on the future functioning of Community institutions, and dealing head-on with French concerns about the role of the French language in the

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3 Kitzinger, Diplomacy, p.113.

4 Ibid., p.118.
Community, should Britain join), O’Neill is unable to place these topics within an explanatory framework for the success of the negotiations.\(^5\)

In many accounts, the summit has been seen as the moment at which Heath persuaded Pompidou to accept the principle of British entry to the EC.\(^6\) In this view, Pompidou continued to feel uncertain about whether Britain was fully committed to the Community, and the summit was the moment when Heath convinced him that such concerns were unnecessary. A final explanation is that the purpose of the summit was to overcome the technical impasse in the accession negotiations.\(^7\) Yet those who advance this argument imply that the impasse was genuine. As has been seen, it was in fact deliberately engineered by Pompidou, in part to demonstrate the need for a summit meeting. Rücker places sterling at the forefront of her summit interpretation, arguing that this constituted a ‘test of confidence’ in Anglo-French relations in the context of enlargement, which Heath passed at the summit.\(^8\) But the way in which the matter was eventually settled points against this conclusion.

While sharing elements of Kitzinger’s and O’Neill’s analyses, this chapter will advance a new interpretation of the Heath-Pompidou summit and its part in

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\(^5\) Hannay, *Britain’s*, p.336-37. It seems very likely that O’Neill did not have access to the summit record, which was not sent to the Foreign Office (his account is based upon FCO sources (p.4)). Rather, Downing Street sent a brief résumé of the understandings reached on the issues pertinent to the accession negotiations. TNA/PREM15/2241, Armstrong to Tickell, 1 June 1971. For the FCO files pertaining to the summit see: TNA/FCO30/1151-1156.


\(^7\) For example: Berstein and Rioux, *Pompidou*, p.26; and Young, *Blessed*, p.236.

\(^8\) Rücker, ‘triangle’, p.459.
the success of the second application. At a public level, the summit was designed to demonstrate an Anglo-French reconciliation after the events of the 1960s. At a substantive level, Pompidou’s purpose was not, as proponents of the ‘persuasion’ thesis suggest, to obtain assurances from Heath about the strength of British commitment to the Community, rather, it was to secure concessions principally on four specific French political concerns: the use of majority voting within the Council of Ministers, the running down of the sterling balances after entry, protection for the benefits accruing to existing Yaoundé associates, and ways of maintaining the role of French as a working language in an enlarged Community. These, along with Community preference (which had been settled at the May ministerial meeting), were the issues accorded ‘greatest importance’ in the original Élysée agenda, and had been emphasised by the French team during the preparatory talks on 15 May. In seeking British concessions, Pompidou was able to trade upon London’s need for French flexibility on its two principal negotiating worries: Community finance and New Zealand. The summit thus took the form of a bilateral package deal, with Pompidou moderating the French stance on British negotiating concerns in return for undertakings by Heath on the four French points.

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10 TNA/PREM15/2241, RoC Heath and Pompidou, 20-21 May (4 sessions); AN, 5AG2/108, Séjour à Paris de M. Heath, 20-21 Mai.
12 TNA/PREM15/2241, RoC Heath and Pompidou, 20-21 May (4 sessions); AN, 5AG2/108, Séjour à Paris de M. Heath, 20-21 Mai.
This chapter will begin by examining a number of presentational and political aspects of the summit, as well as the contextual background to the respective priorities of Heath and Pompidou. The middle of the chapter will then focus upon the summit meeting itself, showing how the talks developed over the two days, and how satisfactory understandings were reached on the major issues. The final section of the chapter will then analyse the two ministerial meetings in Luxembourg in June – which progressively resolved sugar, sterling, New Zealand and Community finance – and thus conjointly marked the climax of the negotiations. It will also explain how the British Cabinet then took the decision to approve these agreements and to recommend to parliament British entry to the Community on the terms negotiated.

**Pieces in a package: presentation and politics**

It was in Pompidou’s public presentation of the summit three days before it began that the roots of the persuasion thesis are to be found. In an interview for the BBC television programme *Panorama* on 17 May, Pompidou presented his view of the summit’s purpose:

> Generally speaking ... one should not believe that the problem of Britain’s entry into the Common Market consists of solving questions such as sugar from the Commonwealth. This kind of thing can always be solved, and the proof is that a solution has been found. The crux of the matter is that there is a European conception or idea, and the question to be ascertained is whether the United Kingdom’s conception
is indeed European. That will be the aim of my meeting with Mr. Heath.\footnote{The Times, 18 May 1971, p.1; this is the main piece of evidence which Campbell uses to support his argument, see Campbell, Heath, p.358}

Then, for French television on 24 June – the day after the second June ministerial meeting, which was seen to mark the success of the negotiations – Pompidou delineated four questions which he claimed to have put before Heath during the summit talks. The first three related to Community preference, the functioning of Community institutions, and the role of sterling. The fourth, ‘and probably the most important’, according to Pompidou, was whether ‘Britain had really decided to become European. Whether Britain, which is an island, had decided to moor itself to the continent and if she was therefore ready to come in from the wide seas which had always drawn her’. As with the three previous issues, Heath had delivered the desired answer: ‘[his] views are similar to France’s conception of the future of Europe, and are consistent with what he has been saying publicly for the past twenty years’.\footnote{TNA/PREM15/376, Paris to FCO, tel.37, 25 June 1971.} As Heath’s answer was indeed so predictable given his affinity with the European issue throughout the 1960s, the informed listener might have wondered whether it was really as important a question as Pompidou was suggesting. More substantively, the fact that Pompidou included Community preference as one of his four questions should be cause for caution in using Pompidou’s public utterances as a means to interpret his actions at the summit. As has been seen, this item had been settled at the May ministerial meeting, and, as agreed at the preparatory talks, it remained on the summit agenda simply in order for the two men to record their mutual satisfaction at
its resolution.\textsuperscript{15} His reference to the subject should rather be seen as a means to present himself domestically as a defender of French agricultural interests in the context of enlargement. Crucially, the proposition that he explicitly asked Heath to confirm the strength of Britain’s European outlook is, as will be seen, not borne out by the summit record. To be sure, Pompidou did, on two occasions, intimate that he felt some continuing reservations about the depth of Britain’s commitment to the Community, and each time Heath responded with reassuring words.\textsuperscript{16} But when viewed in the context of the summit talks as a whole, this provides no basis upon which to sustain the view that Pompidou was in need of persuasion about Britain’s commitment to Europe.

How, then, is his emphasis upon this point to be explained? As with Community preference, Pompidou was primarily appealing to a domestic constituency. While public opinion in France appeared broadly in favour of British entry, opposition could still be found on the Gaullist right.\textsuperscript{17} As recently as 5 May, the former Minister for Social Affairs, Jean-Marcel Jeanneney, published a long article in the French newspaper \textit{Le Monde} entitled, ‘Three reasons to oppose British accession to the EEC’. Jeanneney’s specific objections focussed upon the threat enlargement would pose to European economic and political independence, and the danger that English would

\textsuperscript{15} TNA/PREM15/372, Summary of a meeting at the Élysée, 15 May.
\textsuperscript{16} TNA/PREM15/2241, RoC Heath and Pompidou, 20 May 1971, 10am; AN, 5AG2/108, Premier tête-à-tête entre Pompidou et Heath, 20 Mai 1971, 10h.
become the dominant language of the Community. The common theme which united both concerns was the need to build a European entity that was distinct from, and free from undue influence by, the United States. One way for Pompidou to defend against criticism of this sort, and to appear consistent with the thinking of de Gaulle, was to imply that the decision to permit British entry had only been taken when the British themselves had demonstrated that they were truly European. Pompidou’s desire to appear in keeping with Gaullist tradition was a feature of his 24 June interview: he recalled that in 1958 the General had expressed concern that the EEC would lead to tension between Britain and France, and, in a pointed reference to the Soames affair, reminded his audience that the General ‘in the last months of his Presidency made an approach towards Britain which failed because of the British Government of the time’. At a diplomatic level, Pompidou’s presentation of the summit in this way was also less likely to create friction with the Five than would a frank admission of his real objective: to secure undertakings from Heath on issues that could be seen as relevant to the whole Community, not simply France.

The first subject upon which Pompidou would seek a commitment from Heath was majority voting. During the ‘empty chair crisis’ of 1965-66, France had boycotted EEC institutions in a move partially motivated by its objection to the planned introduction of majority voting to the Council of Ministers in

18 See Kitzinger, Diplomacy, pp.66-67.
The crisis was eventually brought to an end in January 1966 on the basis of the so-called ‘Luxembourg compromise’. One aspect of this was ‘an agreement to disagree’ between France and the Five over the application of majority voting rules. The French position was that if any member state believed a vital national interest to be at stake, the Council must operate on the basis of unanimity, thus ensuring a continuing right of veto. At an Élysée press conference in January 1971, Pompidou had made clear that this interpretation of majority voting rules remained, for him, a cardinal principle. One purpose at the summit was therefore to secure a commitment from Heath that the British would accept the French view.

It was Pompidou’s second objective, an undertaking to run down the sterling balances, which promised to be the most challenging issue of the summit talks. As was seen in the last chapter, sterling’s functions as a reserve currency, and the structural weakness in Britain’s balance of payments which this created, presented a general concern for France about the problems sterling might create within an enlarged Community. One aspect which particularly worried the French was that if Britain was to experience balance

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21 See Ludlow, European, pp.100-103.
22 The Times, ‘M. Pompidou’s attitude to European Unity’, 23 January 1971, p.12; TNA/CAB133/422, PMVP(71)1, 14 May 1971, Annex A.
of payments difficulties as a member of the Community, it could request financial assistance from the other member-states under articles 108 and 109 of the Treaty of Rome. This might lead to a situation in which the Community was helping to underwrite the sterling balances. At the same time, the Élysée was conscious that British negotiators inevitably held an advantage in exchanges on this subject due to the concentration of technical expertise within Whitehall. Thus, rather than engage in detailed examination of the problems the sterling balances posed, Pompidou would seek to treat it as an issue of principle: that sterling’s current position was incompatible with membership of the Community.

The British position had hitherto been that it was willing to accept the principle that the sterling balances should be run down, whilst maintaining that there was insufficient time during the accession negotiations to find a realistic and secure means of doing this. At a meeting with Treasury and Cabinet Office officials on 4 May, it was suggested to Heath that one possible mechanism would be to create an alternative asset into which sterling holders could move, such as the IMF system of Special Drawing Rights (SDRs). This was to be Heath’s first proposition to Pompidou on this issue during the summit talks. Whatever the nature of the understanding,

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28 AN, 5AG2/108, Deuxième tête-à-tête entre M. Pompidou et M. Heath, 20 Mai 1971, 15h 30; AN, 5AG2/108, Troisième tête-à-tête entre Pompidou et Heath, 21 May, 10h.
30 TNA/PREM15/371, RoM Heath, Allen, Nield, 4 May 1971; this solution is also referred to in the summit briefs: TNA/CAB133/422, PMVP(71)3, 13 May 1971.
31 TNA/PREM15/2241, RoC Heath and Pompidou, 20 May, 15.30.
the critical objective was to ensure that the problem could be disposed of as a continuing concern in the Brussels negotiations.

There remained two other issues to which Pompidou would attach particular importance in his discussions with Heath. The first was his concern that the accession of African Commonwealth countries to the Yaoundé Convention would dilute the benefits, above all in terms of development aid, derived by existing associates, many of which were former French colonies. Pompidou was particularly worried about the case of Nigeria, a country which was both larger and wealthier than many of Francophone associates, but which, if aid was distributed in per capita terms, might significantly reduce the funds available for countries with greater need. Pompidou had raised the specific problem posed by Nigeria during his talks with Brandt in January 1971, describing it as ‘une question très sérieuse’. The president’s fourth and final concern was the role of French within an enlarged Community. French had hitherto been the working language of the EC, but the accession of Britain and three other northern European states (Denmark, Ireland and Norway), for all of whom English would be the preferred language, would challenge this. In an enlarged Community, both Germany and the Netherlands might also see English as the more natural language in which to conduct business. In his report on the negotiations, O’Neill commented upon his own impression, derived during his time as head of the British delegation to the Community in the mid-1960s. He noted that this question ‘had been, and was

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becoming increasingly, a major reason for our exclusion’. It was also the third of Jeanneney’s reasons for opposing British accession in his *Le Monde* article of 5 May, reflecting, perhaps, a wider Gaullist concern on this point. During the summit preparatory talks, the French delegation had stated only that Pompidou would ‘welcome’ proposals from Heath on this issue; there did not appear to be any expectation of specific commitments. The Foreign Office, however, had a British concession prepared: that in future all British officials deployed to Community institutions would be capable of working in French. It was a political gesture, and one unlikely to have a major effect, but it was hoped that it would go some way towards alleviating French concern.

London had stipulated just two items for inclusion on the summit agenda. The first, ‘How do the President and the Prime Minister see the Role of the Enlarged Community in the World’, had been seen as a way for Heath to impress upon Pompidou the potential benefits of enlargement, and also, if deemed necessary, the consequences of failure. Following the preparatory talks, this heading had been expanded to read: ‘The need and scope not only for enlarging and deepening but also for developing a distinctively European personality in world affairs with distinctively European policies which recognise and give expression to the common interests of Europe in economic and monetary affairs, in political affairs, in defence, and in relation

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35 Hannay, *Britain’s*, p.337.
36 TNA/PREM15/372, Summary of a meeting at the Élysée, 15 May 1971.
37 TNA/CAB133/422, PMVP(71)4, 14 May 1971.
38 TNA/PREM15/371, Annex A to Note of a meeting, 10 Downing Street, 5 May 1971; TNA/PREM15/371, Note of a meeting held at 10 Downing Street, 4 May 1971; TNA/FCO30/1151, Paris to FCO, tel.,521, 6 May 1971.
to the developing countries’. It is this item, therefore, which is most relevant to the persuasion thesis, with its emphasis upon general conceptions of Europe. The second heading requested by London was: ‘The Decisions necessary to ensure the early success of the negotiations for enlargement of the European Communities’. Three subjects were encompassed by it: Community finance, New Zealand and fisheries.

On Community finance, the French inspired outline proposal had done much to prescribe the final area of agreement, and Heath’s principal concern at the summit would be to secure the lowest possible starting contribution. The aim was to minimise British payments in the early years of membership (at which time London would also be paying off international debt accrued during the sterling crises of the 1960s). During the eleven months of negotiation, there had been a gradual shift in Whitehall attitudes towards what an acceptable starting contribution would be. In December, Cabinet had agreed upon an opening bid of 3% (of the overall budget), and still in mid-February Con O’Neill was arguing that, ‘I do not believe there is any reason why we should move, at least more than marginally, from 3% (unless, much later on, we wish to pay something more for [better terms on] New

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40 TNA/PREM15/371, Annex A to Note of a meeting, 10 Downing Street, 5 May 1971; TNA/FCO30/1151, Paris to FCO, tel.521, 6 May 1971.
41 TNA/PREM15/372, Summary of a meeting at the Élysée, 15 May; AN, 86AJ/115, Compte rendu d’un entretien ayant pour but de préparer la visite de M. Heath à Paris, 15 Mai 1971.
42 TNA/CAB133/422, PMVP(71)8(i) (Revise), 18 May 1971; TNA/CAB134/3357, AE(71)14, 27 May 1971; TNA/PREM15/2241, RoC Heath and Pompidou, 20 May 1971, 3.30pm; TNA/PREM/2241, RoC Heath and Pompidou, 21 May, 4pm.
Zealand).\textsuperscript{44} By mid-April, however, with British and Community attitudes still some distance apart, Rippon suggested to Heath that the figure might be in the order of 6%.\textsuperscript{45} Following the Heath-Pompidou summit, and with the success of the negotiations in sight, the AE committee would give Rippon authority to accept a starting contribution as high as 9.5%. Even then, it did not rule out the possibility of accepting something higher.\textsuperscript{46} Heath’s negotiating brief did not propose an upper limit, and the task for the summit was essentially simple: to negotiate the lowest possible figure. London also wanted three corrective years, to follow the basic five year transitional period, but its attitude on the precise number was again flexible.\textsuperscript{47}

Britain’s negotiating objectives on Community finance by mid-May reflect a broader psychological shift in Whitehall attitudes to this subject since the start of negotiations. At that stage, the target had been to try and protect future British interests within the accession agreement itself. Officials had thus advocated a long transitional period, perhaps as much as thirteen years, culminating in a review.\textsuperscript{48} Progressively, however, British tactics had come to focus upon the need only for acceptable transitional arrangements. Rather than seek to protect long-term British interests on this issue during the accession negotiations, the analysis was now that this could be left to future governments, negotiating from a stronger position within the Community.\textsuperscript{49}

\begin{itemize}
\item \textsuperscript{44} TNA/CAB128/47, CM(70)45\textsuperscript{th}, 10 December 1970; TNA/FCO30/1089, O’Neill to Tickell, 12 February 1971.
\item \textsuperscript{45} TNA/PREM15/370, ‘Shape of the final package in the EEC negotiations’, memorandum under Rippon to Heath, undated, after Tickell to Moon, 14 April 1971.
\item \textsuperscript{46} TNA/CAB134/3357, AE(71)6\textsuperscript{th} meeting, 3 June 1971.
\item \textsuperscript{47} TNA/CAB133/422, PMVP(71)8(i) (Revise), 18 May 1971.
\item \textsuperscript{48} TNA/CAB134/2596, AE(70)4, 29 June 1970.
\item \textsuperscript{49} TNA/CAB134/2596, AE(70)8\textsuperscript{th} meeting, 7 December 1970; TNA/CAB128/47, CM(70)45\textsuperscript{th}, 10 December 1970; TNA/CAB133/422, PMVP(71)8(i) (Revise), 18 May 1971.
\end{itemize}
This is reflected above all in its attitude towards a review provision, which had been an important component of London’s opening bid. The Community had shown no willingness to concede such a provision, and in the briefs for the Paris summit officials argued that the objective should now be dropped: ‘to continue to press a formal review provision will simply increase suspicions that we have no intention of paying the scale of contributions on which we eventually settle’. Yet, as officials went on to make clear, this did not mean abandoning hope of changes to the financial mechanism, on the contrary: ‘we shall in practice be able as a member to call for a review at any time’.

By the middle of May, New Zealand appeared to pose the greatest danger to the success of the accession negotiations. This was in part because the French outline proposal on Community finance, tabled at the May ministerial meeting, had marked a significant step forward on that issue, but more particularly because there remained a considerable gap between Britain and France over the terms. In order to satisfy Auckland, and therefore public opinion at home, London believed that it would be necessary to secure a guarantee for at least 70% of current New Zealand dairy imports by the end of a five year transitional period, as well as a review provision that would enable special arrangements to be continued for a further period thereafter.

According to British reports, the Five and the Commission were prepared to

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51 TNA/CAB133/422, PMVP(71)8(i) (Revise), 18 May 1971.
52 TNA/CAB128/49, CM(71)24th, 6 May 1971; TNA/PREM15/372, Summary of a meeting at the Élysée, 15 May.
53 TNA/CAB134/3357, AE(71)4th meeting, 3 May 1971; TNA/CAB133/422, PMVP(71)8(ii), 18 May 1971.
guarantee between 45 and 62% of current imports in the fifth (and final) year of a transitional period. This was itself a source of concern, but France had adopted a much tougher posture, maintaining that guarantees should cease altogether after five years, with a correspondingly low figure in the fifth year (perhaps just 17% of present quantities).54 Heath’s briefs for the summit recommended that he try to secure a ‘record of understanding with Pompidou’, which would go as far as possible to meeting New Zealand’s requirements.55

The Quai d’Orsay’s thinking on both Community finance and New Zealand was spelt out in a letter to Pompidou from Foreign Minister, Maurice Schumann on 17 May. Looking ahead to the June ministerial meetings, Schumann explained that, on Britain’s starting contribution, he intended to begin by proposing a figure of 11.5%, and then to move, during the course of the negotiation, to 9.5%. On the guarantee to be offered to New Zealand, Schumann’s ideas continued to leave Britain and France a considerable distance apart. He objected to the willingness of the Five to permit a guarantee of around 50%, as this would make it impossible to apply normal Community rules thereafter (in other words, the Community would be bound offer New Zealand a further period of special treatment). He did, however, envisage an extension of the transitional period from five to seven years, but the guarantee in the final year should be in the region of 20%.56

54 TNA/FCO30/911, Codel Brussels to FCO, tel.126, 26 February 1971; TNA/FCO30/911, Codel Brussels to FCO, 12 March 1971; TNA/PREM15/369, Codel Brussls, tel.369, 16 March 1971; TNA/CAB134/3357, AE(70)10, Rippon memorandum, 29 April 1971.
55 TNA/CAB133/422, PMVP(71)8(ii), 18 May 1971.
The summit would see very little discussion between Heath and Pompidou on fisheries. Heath’s objective was straightforward enough: to win Pompidou’s backing for the principle that the CFP could be adapted so that British interests could be accommodated.\(^{57}\) To facilitate an understanding, a statement to this effect was included on the annotated agenda.\(^{58}\) Heath’s task was to get Pompidou to agree to it.\(^{59}\)

Four other items were to be discussed, but none of which played an important role in the meeting, and which will therefore not feature substantively in the analysis of the summit meeting which follows. The first was Community preference, which, as has already been seen, remained on the agenda in order that Heath and Pompidou could record their satisfaction at the settlement recorded in Brussels.\(^{60}\) The three others concerned the creation of Community-wide companies, the co-ordination of investment practices among member states, and the arrangements to be offered to EFTA countries which were not applicants for membership of the Community, such as Sweden and Switzerland.\(^{61}\)

\(^{57}\) TNA/CAB133/422, PMVP(71)8(v) (Second Revise), 18 May 1971.

\(^{58}\) TNA/PREM15/2241, Annotated agenda, undated, after RoC Heath and Pompidou, 20 May 1971, 10am.

\(^{59}\) TNA/PREM15/2241, RoC Heath and Pompidou, 20 May, 15.30.

\(^{60}\) TNA/PREM15/2241, Annotated agenda, undated, after RoC Heath and Pompidou, 20 May 1971, 10am; TNA/PREM15/372, Summary of a meeting at the Élysée, 15 May.

\(^{61}\) TNA/PREM15/2241, Annotated agenda, undated, after RoC Heath and Pompidou, 20 May 1971, 10am.
The summit meetings – 20 May

Heath arrived at the Élysée on the morning of 20 May. He was met there by
Jobert, who accompanied him to the president’s office. For all but a brief
period during the discussion on sterling, when Chaban-Delmas attended, the
summit talks were conducted tête-à-tête, with only interpreters present.

After welcoming Heath, Pompidou explained that, ‘It was no exaggeration to
describe their meeting as of great importance for their two countries and for
Europe. He himself greatly hoped that they would reach a satisfactory
conclusion and that, as a result, they could subsequently work closely
together’. Warming to his theme, Pompidou continued:

If the two of them could reach a genuine and sincere understanding all
hopes would be permissible. Speaking frankly, and without wishing to
appear to place the onus on the Prime Minister, the President felt he
could say honestly that what was involved was a historic change in the
attitude of Britain from the outset. If Britain was really decided to make
this change France, in his person, would greatly welcome it.

This was the first of the two occasions that Pompidou indicated a degree of
reservation about the strength of Britain’s commitment to the Community. In
itself, however, this is an insufficient basis upon which to argue that the
summit’s outcome depended upon Heath’s ability to persuade Pompidou of

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63 Heath’s interpreter was Michael Palliser. TNA/PREM15/2241, RoC Heath and Pompidou,
20-21 May 1971 (4 sessions); AN, 5AG2/108, Tête-à-tête entre Pompidou et Heath, 20-21
Mai (4 sessions).
64 TNA/PREM15/2241, RoC Heath and Pompidou, 20 May 1971, 10am. To make this
analysis accessible to the widest possible readership, whilst ensuring accuracy, preference
has been given to quotations from the British summit record (written by Michael Palliser),
rather than quotations/translations from the French. For the most important quotations from
Pompidou, however, the corresponding passages from the French record are included in the
footnote. There is one exception to this rule, where a substantive difference appears
between the British and French records. In this instance, both records are quoted.
London’s European convictions. Indeed, in the light of what was to follow, the statement appears better understood as a negotiating tactic: to make sure that Heath did not believe the success of the summit to be guaranteed, and therefore to make him more willing to provide undertakings on the specific issues of concern to Pompidou – above all, sterling.\textsuperscript{66} Given Pompidou’s comments on \textit{Panorama}, however, Heath was ready to respond to any hint of reservation with a firm reassertion of Britain’s European credentials.\textsuperscript{67}

After thanking the president for the warm reception, and appealing to his sense of personal leadership by linking their meeting with Pompidou’s earlier ‘initiative’ in proposing The Hague summit, Heath explained that ‘throughout his own student days and during the 30’s the British had always regarded themselves as European. Of course, they had Imperial connections as indeed had France’, but ‘Historically, Britain had always been part of Europe. It was only during the past 25 years that it had come to seem as if our natural connection might be with the United States’. This emphasis upon Britain’s European outlook was to be used repeatedly by Heath: he would return to the point when outlining his vision of the role an enlarged Community could play in the world, as well as during the exchanges on majority voting, Community preference and Community finance.\textsuperscript{68}

\textsuperscript{66} During the preparatory talks, the British team had insisted that they could not give ‘engagements chiffres’ (a commitment in figures) on the run-down of the sterling balances. As will be seen, on the first day of the summit, this was exactly what Pompidou would suggest: TNA/PREM15/372, Summary of a meeting at the Élysée, 15 May; TNA/PREM15/2241, RoC Heath and Pompidou, 20 May 1971, 10am; AN, 5AG2/108, Deuxième tête-a-tête entre Pompidou et Heath, 21 Mai 1971, 15h 30.

\textsuperscript{67} TNA/CAB133/422, PMVP(71)1, 14 May 1971; TNA/PREM15/2241, RoC Heath and Pompidou, 20 May 1971, 10am and 15.30; \textit{The Times}, 18 May 1971, p.1.

\textsuperscript{68} TNA/PREM15/2241, RoC Heath and Pompidou, 20 May 1971, 10am and 3.30pm.
With these opening remarks completed, Heath and Pompidou turned to the summit agenda. The first item, as the British had requested, was ‘The need and scope not only for enlarging and deepening but also for developing a distinctively European personality in world affairs.’ With its focus upon general conceptions of Europe, it is this heading which is most relevant to the persuasion thesis. In directing Heath towards the subject, however, Pompidou gave no indication that it would be a vital area of discussion. According to the British record, Pompidou ‘invited the Prime Minister to open on “the first and widest ranging” point, since this had been included at British suggestion’. 

The French record is slightly at variance, but again with no stress from Pompidou such as to suggest the forthcoming passage of discussion would be pivotal: ‘You then have to talk about your conception of Europe. I will afterwards make some remarks on this subject’.

At this prompt, Heath embarked upon a sustained tour d’horizon of his vision for an enlarged Community and the role it could play in international affairs. ‘The countries of Europe’, he began:

represented the most important civilization in the world and the one with the most world influence. Until thirty years previously, only Europe had counted. Now they were living in a world of two great Super Powers ... Within this world, individual European countries could not hope to exert influence. But through an enlarged Community which would enable the countries of Europe to work constructively together, this influence could be achieved.

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69 TNA/PREM15/2241, Annotated agenda, undated, after RoC Heath and Pompidou, 20 May 1971, 10am.
70 TNA/PREM15/2241, RoC Heath and Pompidou, 20 May 1971, 10am.
72 TNA/PREM15/2241, RoC Heath and Pompidou, 20 May 1971, 10am.
In briefing Heath for this item, the Foreign Office had recalled Pompidou’s invocation of Anglo-American ties during their meetings in May and November 1970, and suggested a number of ways for dealing with the point should he raise it again. Heath, however, did not wait for his interlocutor, and tackled the subject at an early stage:

It was sometimes said that Britain only sought partnership with the United States. His frank reply was that there could be no satisfactory partnership, even if Britain wanted it, between two powers one of which was barely a quarter the size of the other. In Europe, on the other hand, such a partnership was possible with countries of the same size and within a European Community applying the same rules and working to the same principles.

Heath then gently alluded to the changing balance of power on the continent, emphasising the importance of his ideas ‘from the view point of the German commitment to Europe’. On the possibility of a bilateral nuclear arrangement, the Whitehall studies initiated by Heath in November 1970 had not yet progressed far enough for him to make specific proposals, but he hinted at it as a future possibility: ‘The President and he both recognised the importance of the American “nuclear umbrella”. But they also realised the weight of constant pressures that were brought to bear, in the field of European policy, upon successive United States Presidents’. The British government was ‘think[ing] in terms of the development of Europe for the long-term future’.

Reaching the peroration of his statement, Heath pointed to the contribution

73 TNA/CAB133/422, PMVP(71)1, 14 May 1971.
74 TNA/PREM15/2241, RoC Heath and Pompidou, 20 May 1971, 10am.
75 TNA/CAB130/490, GEN25(70)14, 18 November 1970; TNA/PREM15/370, paper under Barrington to Armstrong, 21 April 1971; TNA/CAB133/422, PMVP(71)14, 14 May 1971; TNA/PREM15/2241, RoC Heath and Pompidou, 20 May 1971, 10am.
that Britain could make to the Community through its ‘social stability’, ‘parliamentary and diplomatic experience’, and the ‘general British outlook towards the world’, before concluding with some reflections on the potential for future Anglo-French cooperation in helping ‘the developing countries’ of Africa and Asia.\textsuperscript{76}

Pompidou then responded. His remarks at this stage render implausible the view that the summit hinged upon Heath’s ability to convince him of Britain’s ‘European’ attitudes. The president explained that ‘his own thoughts on Europe reflected the same concern as those of the Prime Minister’; ‘there was a sense of nostalgia for the role that our countries had played in the past and a conviction that they could not find a worthy place for themselves in Europe except through unity’. He had not missed Heath’s hint regarding cooperation in the nuclear field, but he had little interest in pursuing the matter. While Britain had developed its deterrent with US support, ‘and had no doubt derived substantial advantages from this’, France had done so on its own, with the consequence that it ‘naturally felt free to take a more independent attitude’. ‘Thus, speculation about some kind of Anglo-French nuclear entente was not for the present’. On transatlantic relations more generally, Pompidou observed that in “making Europe”, the Community was ‘bound to create difficulties with the United States’, to which enlargement would add, but he did not ask for any assurances from Heath about the stance Britain would take in this regard. The question that had so vexed de Gaulle turned out not to be a decisive concern for his successor. Pompidou

\textsuperscript{76} TNA/PREM15/2241, RoC Heath and Pompidou, 20 May 1971, 10am.
even spoke warmly about the positive contribution Britain could make to the EC: ‘If the political and intellectual prestige and authority of Britain were added to those of Europe, this would greatly enrich the Community’.\textsuperscript{77} It is, however, the final passage in Pompidou’s single contribution under this heading which goes furthest to dispel the persuasion thesis. The reason is that at this point he did cast a modicum of doubt upon the depth of Britain’s commitment to the Community by invoking its historic relationship with the continent, but the way in which he concluded the point makes clear that he was not calling into question the principle of British entry:

The President apologised for speaking at some length, but he wished to speak also with absolute frankness. Although Britain, as the prime minister had said, had always been in Europe there was a feeling on the continent that her purpose had always been to divide Europe. This was understandable. Britain had tried to prevent any one power from uniting the continent to Britain’s own disadvantage. They had done this against France at the time of Napoleon and with her against Charles V and Hitler. Now the task was not to divide but to unite. He approached this task with confident hope.\textsuperscript{78}

While Heath intervened once more to ‘assure the President that he need have no anxiety about the part that Britain would play within the Community’, it was evidently not necessary for him to do so. Pompidou’s comment had signalled that he was not making the question of Britain’s commitment to Europe a pivotal issue in the summit. It was approximately half way through the first of four sessions of talks, and the discussion under this first agenda

\textsuperscript{77} TNA/PREM15/2241, RoC Heath and Pompidou, 20 May 1971, 10am; AN, 5AG2/108, Premier tête-à-tête entre M. Pompidou et M. Heath, 20 Mai 1971, 10h.

item had come to an end. One of the earliest proponents of the persuasion thesis, Hurd, posits that, ‘The agenda items provided the material of the discussion, but its essence was different. Mr Heath showed President Pompidou that the time had come to reverse the veto pronounced by President de Gaulle’. Yet it is precisely the reverse which is true. As Pompidou’s remarks under the first item demonstrate, de Gaulle’s veto, in terms of a principled objection to British membership, no longer applied. And as will now be seen, the essence of the summit lay in the detailed discussions on the many specific French and British interests which remained to be examined.

The next four items to be tackled were the French priorities: majority voting, sterling, Yaoundé, and the role of French within the Community. Pompidou’s language now became distinctly more assertive, as he looked to obtain British concessions. Turning first to majority voting, which came under the broader heading of Community institutions, Pompidou remarked that the Five, ‘sometimes regarded ... [the French] as “obsessed” with the subject’. ‘This was because they believed profoundly in the light of their past history that there could be no normal progress in Europe without regard for national feelings and vital national interests’. Turning specifically to the question of majority voting and the Luxembourg compromise, Pompidou explained that, ‘France had made clear the very firm interpretation she placed on the text agreed in Luxembourg and he had incorporated it in the Annotated Agenda

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79 Hurd, *End*, p.64.
in the hope of obtaining the Prime Minister’s complete agreement to it’.\(^{80}\) The French view, Pompidou believed, would ‘conform to the British “genius”’, as well as ‘to the Prime Minister’s own thinking’.\(^{81}\) As leader of the opposition, Heath had openly acknowledged the importance of the principle that a Community decision should not be applied against a country believing its vital interests to be at stake.\(^{82}\) An obvious point of difficulty, however, was that this appeared to contradict his broader emphasis upon Britain’s Communaute outlook. To deal with the tension, Heath hit upon an innovative solution: he recalled a conversation with Jean Monnet – the architect of the original European Coal and Steel Community – in September 1960, in which Monnet had said that if a majority vote were ever applied against the vital interests of another member state, the Community itself would collapse. Thus placing himself in harmony with one of the Community’s founding fathers (not to mention a French one), Heath could assent to the French view whilst appearing true to the EC’s original principles. Britain, he said, had accepted the Treaty of Rome, its regulations, institutions and voting system, ‘but they had always recognised that the protection of vital national interests was part of the facts of life’. Heath ‘felt confident that he and the President could agree on this’.\(^{83}\) The record of this exchange – to avoid subsequent misunderstandings – would thus make explicit Heath’s assent to the French interpretation of majority voting rules.\(^{84}\)

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80 TNA/PREM15/2241, RoC Heath and Pompidou, 20 May 1971, 10am; AN, 5AG2/108, Premier tête-à-tête entre M. Pompidou et M. Heath, 20 Mai 1971, 10h.

81 TNA/PREM15/2241, RoC Heath and Pompidou, 20 May 1971, 10am.


83 TNA/PREM15/2241, RoC Heath and Pompidou, 20 May 1971, 10am.

84 TNA/PREM15/2241, Agreed English text of record of conclusions, Heath-Pompidou meetings, 20-21 May 1971.
The next subject, sterling, would prove altogether more contentious. As has been seen, the Élysée was conscious that Heath would hold the advantage in technical discussions due to London’s better appreciation of how the sterling balances worked. Pompidou would thus present the issue as a matter of principle. In line with this, he also sought to argue that it was a matter concern to the whole Community, not just France.85 Pompidou thus delineated two points which made sterling’s reserve functions unacceptable. The first was that the currencies of all member states should enjoy equal status: ‘no currency should have advantages, whether technical or juridical, over the others’. The second, linked issue was that the exceptional position of sterling was made possible only by ‘artificial machinery’, namely the Basle facility. This was an international agreement in 1968 which gave the principal holders of sterling balances a 90% dollar guarantee, by ensuring that an emergency source of funds was available from other Western governments.86 Maintaining that ‘These concerns were not simply nationalistic French ones’, Pompidou said that the Community as a whole ‘firmly desired that Britain should give undertakings, first, to stabilize the official sterling balances ... and then progressively and gradually to run down these balances’.87 The faster this could be achieved, ‘the better’, but without creating ‘excessive difficulties for Britain’; this was ‘no part of their purpose’.

Adopting the standard line that Britain was ready to examine the problem in a Community context, but that it was not possible to find a solution within the

85 TNA/PREM15/2241, RoC Heath and Pompidou, 20 May 1971, 10am.
86 Schenk, Decline, pp.273-74.
87 TNA/PREM15/2241, RoC Heath and Pompidou, 20 May 1971, 10am; AN, 5AG2/108, Premier tête-à-tête entre M. Pompidou et M. Heath, 20 Mai 1971, 10h.
timeframe of the accession negotiations, Heath raised the potential use of SDRs, which had been suggested by officials. Pompidou, however, was unconvinced: ‘even if they thought in terms of such a global solution, there was no need to exaggerate the extent of the problem’. With the official sterling balances totalling approximately 2.2 billion, Pompidou felt that Britain could certainly take action to stabilise them, and then, through its own devices, to begin the process of running them down. He suggested that a reduction of 5%, or 100 million, in 1973 would not present excessive difficulties. Heath conceded that it should be possible to take measures aimed at stabilising the balances in advance of entry, but argued that it was not possible to approach the question of reductions in the way that Pompidou proposed. London already had significant financial obligations for the repayment of international debts, and this would be added to, should Britain join the Community, by contributions to the Community budget. Reductions could thus only be envisaged if it was clear that the balance of payments as a whole could support the additional burden.88

With the end of the first session of talks approaching, Pompidou began to draw this opening exchange of views to a close. He asked Heath to confirm that he understood his stance correctly: that while he could accept the principle of stabilising the balances, he ‘needed to take a global view of his balance of payments problem’. When Heath assented, Pompidou offered a reciprocal gesture of goodwill: if he and Heath ‘could satisfy each other on the sterling problem’, France, which had previously not participated, would

88 TNA/PREM15/2241, RoC Heath and Pompidou, 20 May 1971, 10am; AN, 5AG2/108, Premier tête-à-tête entre M. Pompidou et M. Heath, 20 Mai 1971, 10h.
be prepared to join the Basle facility. The meeting then adjourned for lunch, with the discussions on sterling suspended until the following day.\textsuperscript{89} Compromise would be needed, if an understanding was to be found.

At the beginning of the afternoon session, the role of French within an enlarged Community and the arrangements for Yaoundé associates were discussed successively. On both issues, Heath’s concessions in this passage of discussion would in the end prove satisfactory to Pompidou, but the president chose not to make this clear until the second day.\textsuperscript{90} Taking the future role of French first, Pompidou underlined ‘the importance that he attached to this matter for intellectual, national and even European reasons’, but went on to concede that ‘it was not a fundamental problem’, and that ‘they could not solve it’.\textsuperscript{91} However, if Heath ‘had something to say’, Pompidou ‘would be happy to listen’. Heath thus took up the FCO proposal, and pledged that the British government ‘would always send to Brussels officials qualified to conduct business in French’.\textsuperscript{92} On Yaoundé, Pompidou outlined the difficulties as he saw them, pointing in particular to the dilution of Community development funds if Nigeria were to be treated, like other members, on a per capita basis. Heath at first gave only a general assurance about the importance of ‘protect[ing] the existing associates’, but Pompidou returned to the specific case of Nigeria, stressing the ‘problem of imbalance it would create’. At this point, Heath acknowledged that Nigeria might soon

\textsuperscript{89} Ibid.\textsuperscript{90} TNA/PREM15/2241, RoC Heath and Pompidou, 21 May 1971, 10am.\textsuperscript{91} Ibid. AN, 5AG2/108, Deuxième tête-à-tête entre M. Pompidou et M. Heath, 20 Mai 1971, 15h 30.\textsuperscript{92} TNA/PREM15/2241, RoC Heath and Pompidou, 15.30, 20 May; TNA/CAB133/422, PMVP(71)4, 14 May 1971.
‘derive [a] substantially higher income from oil revenues’, and suggested that it could be treated separately for aid purposes: rather than relying upon monetary transfers, Britain could continue with its existing practice of providing technical support and training.\textsuperscript{93}

With all four French priorities now having been examined at least once, Heath and Pompidou turned to the principal British concerns: Community finance and New Zealand. On Community finance, they initially reviewed the basic principles of the proposal tabled at the May ministerial meeting, and quickly reached an understanding on two of the remaining variables: Pompidou acknowledged that there should be ‘one or two’ corrective years, and Heath assented to Pompidou’s preference that British contributions should increase in equal steps during the five year transitional period (rather than in a curve). From this point onwards, the talks on this issue would focus solely upon the question of Britain’s starting contribution. For the first day, the discussion of this aspect would be based upon the technical formula of percentage abatements from a nominal ‘key’ contribution. Using this method, Heath’s opening proposal amounted to a British contribution in the first year of between 6 and 6.5%. Pompidou, however, said that he ‘could not conceal that the Prime Minister and he were not wholly on the same wavelength’. Given British receipts from the budget, and the current healthy position of the British balance of payments, such a figure ‘seemed singularly disproportionate’. ‘With a broad grin’, Pompidou explained that he was thinking in terms of an abatement equivalent to an 11-11.5% contribution (the

\textsuperscript{93} TNA/PREM15/2241, RoC Heath and Pompidou, 15.30, 20 May.
same figure that Schumann had envisaged as an initial negotiating position at the June ministerial meetings). This was to be as far as the discussion could progress on the first day; a query from Heath about the figures Pompidou had quoted for British budgetary receipts led to the question being remitted to officials for clarification. And thus, as with sterling, the crucial exchanges would await the second day.

New Zealand was the final subject addressed on the first day of talks. As with Community finance, Pompidou began by making some general remarks about the subject. He then asked Heath ‘two practical questions’ relating to the principles on which an agreement should be reached. The first was whether butter and cheese, the two dairy products concerned, could be separated for the purposes of negotiation; and second, whether the British government intended to make New Zealand a ‘permanent’ exception – in Pompidou’s view, this would be the logical consequence of a review clause – or whether it would be prepared to accept a transitional period of more than five years, but at the end of which guarantees would fall to zero. In response to the first question, Heath said that he thought it should be possible to make such a separation (indeed Whitehall had long since thought in such terms); on the second, he explained that, in relation to butter at least, the British would need a review provision. Heath concluded by insisting that,

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95 TNA/PREM15/2241, RoC Heath and Pompidou, 20 May 1971, 15.30.
in comparison to the size of an enlarged Community, the scale of the problem was small and ‘it should be possible to solve it’.  

With the second session reaching its close, Pompidou now moved to summarise the state of their talks at the end of the first day and to suggest how they might proceed on the second. In so doing, he made a striking proposition in relation to New Zealand. Three lesser items (the arrangements to be offered to EFTA non-applicants, the promotion of Europe-wide companies, and co-ordination of investment practices within the Community) remained to be examined, as well as fisheries, ‘but’, Pompidou explained, ‘they had considered all the controversial issues’:

... the following morning they should review these again and consider what could be said in a Communiqué. They would wish to re-examine the Finance Regulation in the light of what their advisers reported and also the New Zealand question. But he could tell the Prime Minister frankly that if, as he believed, they could arrive on all these matters at something that satisfied them both, he did not intend to allow Europe to fail over the issue of New Zealand.  

What this appeared to mean was a *quid pro quo*: Pompidou would be willing to meet British requirements over New Zealand in return for concessions by Heath on the major French concerns. As Heath looked ahead to the second

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98 Ibid. In the French record: ‘Nous avons examiné à peu près tous les problèmes essentiels, mais nous avons certes d’autres questions intéressantes à voir. Demain matin, nous pourrions faire le point et décider en particulier ce que nous pourrions dire à l’extérieur, notamment sur toutes les questions dont nous avons discuté. Il nous faudra revoir le règlement financier et aussi les questions relatives à la Nouvelle Zélande ... Je puis vous dire franchement que si, comme je le crois, nous allons parvenir à quelque chose de satisfaisant pour nous deux sur toutes les questions que nous avons évoquées, je ne ferai pas capoter l’Europe à propos de la Nouvelle Zélande.’ AN, 5AG2/108, Deuxième tête-à-tête entre M. Pompidou et M. Heath, 20 Mai 1971, 15h 30-17h 30.
day, therefore, one issue above all would have stood out as the obstacle to a satisfactory agreement on New Zealand: the continuing stand-off over sterling.

The summit meetings – 21 May

The talks on 21 May began with fisheries. Pompidou had made brief reference to this subject on the previous afternoon, explaining that Britain ‘would not have difficulties’ with France in this area. Their ‘fishing industry was ‘extremely backward’, and ‘It was the Dutch who were well organised on a highly industrialised basis’. The annotated agenda stated that: ‘The French Government is ready to consider an adaptation of the Fishery Regulation to [meet] the needs of an enlarged Community’.

In brief discussion at the start of 21 May, Heath requested that this also be included in the agreed record of conclusions. Pompidou assented, and they moved on to examine the three secondary items which had not been considered on the previous day. This amounted to no more than an exchange of views. Heath and Pompidou then examined what could be said, on the basis of their talks so far, in the agreed record of conclusions. It was at this point that Pompidou made clear that he was satisfied with the undertakings Heath had already made on Yaoundé associates and the role of French, observing that ‘this left three main questions’.

The remainder of the summit would thus be consumed with the three subjects for which agreement was still outstanding.

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99 TNA/PREM15/2241, RoC Heath and Pompidou, 21 May 1971, 10am.
100 TNA/PREM15/2241, RoC Heath and Pompidou, 20 May 1971, 3.30pm.
101 TNA/PREM15/2241, Annotated agenda, undated, after RoC Heath and Pompidou, 20 May 1971, 10am.
102 TNA/PREM15/2241, RoC Heath and Pompidou, 20 May 1971, 3.30pm.
and the three issues which above all define the summit package deal: sterling, Community finance, and New Zealand.

Pompidou began this final phase of talks by recapitulating his stance on each of item. For sterling, he redoubled his emphasis upon the points of principle: ‘The fact that Britain genuinely and unreservedly accepted that the reserve status of sterling was incompatible with the ... concept of the equality of Community currencies both in the perspective of monetary union, but also at the present time [of global monetary instability], was of capital importance to the French government’. After their discussion on the previous day, he understood that Heath was prepared to see the sterling balances stabilised, and even reduced. This was good as far as it went, but Pompidou wanted a clear statement of intention from Heath. While Pompidou had himself mentioned a reduction of £100 million in 1973, he was now prepared to relinquish this position: he ‘was not wedded to the concept of figures ... what mattered was the question of principle’.

The Prime Minister should understand that he had no intention whatever of disturbing the British balance of payments, nor did he claim any right to direct the British Government’s financial policy. But he was profoundly convinced that the pound as a reserve currency was a relic of the British Empire of an earlier era and was incompatible with the British decision to become a member of the European Community. Words must be found to express their purposes, but he wished to be clear in his mind on British intentions and on their ‘fundamental choice’.

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103 Ibid. AN, 5AG2/108, Troisième tête-à-tête entre Pompidou et Heath, 21 May 1971, 10h.
He again pointed to the problem of the ‘dollar guarantee’ extended to Britain through the Basle arrangements. This, for him, was what distinguished it from other Community currencies and produced its ‘abnormal character’.

On Community finance, the investigation by officials had found against the French estimate for British receipts in 1973. At first, however, this seemed only to make Pompidou more defensive. He produced new figures which suggested that unless Britain’s opening contribution was ‘at least 7½ per cent’, existing member states would have to make larger contributions in Britain’s first year of membership than if the Community remained at Six. ‘He was saying this as an indication of the problem and not as implying that it represented a solution’. While they could, ‘if the Prime Minister wished, continue to discuss this question … it might be difficult to take the discussion too far since he had no mandate to negotiate’ on behalf the Community.

Turning to New Zealand, Pompidou reminded Heath of his pledge on the previous day, ‘that at the end of their talks, if the outcome in other respects had been favourable, the French would try to be helpful … taking account of the moral, sentimental and political aspects of the problem as much as the economic ones’.

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104 TNA/PREM15/2241, Heath and Pompidou, 21 May, 10am.
105 Ibid. The French record is marginally different here as it does not include the caveat ‘if the outcome in other respects … [is] favorable’: ‘Quant à la Nouvelle Zélande, à la suite de notre franc débat, je puis vous dire que nous essaierons de vous faciliter la tâche en comprenant les aspects moral, sentimental, politique et commercial du problème’. AN, 5AG2/108, Troisième tête-à-tête entre Pompidou et Heath, 21 May. The British record has been preferred as it is more consistent with Pompidou’s remarks on New Zealand at the end of the first day, where he explicitly created a link between New Zealand and the outcome on other issues. AN, 5AG2/108, Deuxième tête-à-tête entre M. Pompidou et M. Heath, 20 Mai 1971, 15h 30-17h 30; TNA/PREM15/2241, RoC Heath and Pompidou, 20 May 1971, 15.30.
Heath then responded to Pompidou’s points in the same order. Given the manifest importance which the president attached to a commitment to run down the sterling balances, Heath could do little other than offer the sort of categorical assurance that the president was looking for. Before doing so, however, he was determined to secure a reciprocal promise regarding the equality of currencies principle. Heath thus asked for confirmation that if the deutschmark – which some considered to be ‘becoming a reserve currency’ – or the franc were ever in a comparable position to sterling, the same rules which Pompidou was applying to Britain would also be applied to them. In this context, Heath stressed the temporal nature of the dollar guarantee through the Basle facility: ‘he and most of his colleagues wished that this had never happened and had no desire to retain it’. If the British economy was strengthened as a result of joining the Community, Heath hoped that the Basle mechanism could be left to expire.106 The implication of these remarks was that if Britain could maintain the value of the pound by its own means, and other countries still chose to use sterling as a reserve asset, its position would be little different to that of the deutschmark. Recognising the validity of Heath’s hypothetical proposition, Pompidou intervened to defend his earlier arguments. In doing so, he made a significant but unwitting concession. There was, Pompidou insisted, a clear difference between sterling and the deutschmark:

There was no mechanical arrangement that encouraged people to hold marks. Clearly, there could be no objection to a currency being strong because the economy of its country was strong. The problem with sterling was that the special machinery that had been set up gave it a

106 TNA/PREM15/2241, Heath and Pompidou, 21 May 1971, 10am.
special character. The position would be quite different if money were attracted to Britain because of a new-found strength in the British economy ... France had no desire to diminish the value of a currency but sought simply to have the same machinery for all the members of the Community. They accepted that it would take time if existing sterling area machinery were to be dismantled. But, if the British economy developed rapidly after entry into the Community, it was probably that anything said now would prove unrealistic, since there would no longer be a requirement for special machinery.

On this basis, Pompidou’s earlier stress upon the need for equality of status between European currencies appeared unsustainable; the problem was simply the dollar defence of sterling – an advantage which was not available to other member states. Capitalising upon the inadvertent shift, Heath made sure to press the point to its logical conclusion. The following passage describes what occurred:

The Prime Minister thanked M. Pompidou for a particularly interesting and important contribution. He would seek to resume the President’s thought as follows. If sterling were standing on its own feet and viable solely because of the strength of the British economy, and if in consequence there were no Basle Agreements and thus no dollar connection, was he correct in assuming that at that point the President would not consider that there was any sterling problem? President Pompidou said that he wished to reflect: this was a very important question. After a pause of about twenty seconds, he replied “I see none”.

While a victory for Heath on the equality of currencies principle, the fact remained that for the foreseeable future, London would remain very much dependent upon the Basle facility. As such, Heath agreed to Pompidou’s request for an undertaking to run down the sterling balances after entry. Yet by making a commitment in principle only, without reference to either timing or quantities, the obligation (set out in the agreed record of conclusions) was

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107 Ibid.
far from an onerous one for Britain. How is Pompidou’s readiness to accept an agreement of this nature to be explained? It clearly points against Rücker’s conclusion that sterling represented a ‘test of confidence’ in Anglo-French relations, which Heath passed at the summit. Rather, Pompidou wanted the summit to succeed, and recognising the force of Heath’s arguments against a commitment in terms of figures, was content to accept an understanding in general terms.

There was little time to discuss Community finance and New Zealand before lunch, and the important, final exchanges on these subjects had to wait until the afternoon session. This began at 4pm and was to last for nearly two and a half hours. The result was a delay in the scheduled 6pm press conference, and with a large assembly of journalists awaiting news of the outcome, the sense of drama grew with each extra minute that passed. The principal characteristic of the last session of talks was a sustained application of pressure by Heath over Community finance. To recap the position reached at the end of the first day, Heath had proposed a formula for the first year of membership which corresponded to a British contribution of between 6% and 6.5% of the total budget. Pompidou then responded with a proposal equating...
to a contribution of between 11 and 11.5%.\textsuperscript{112} For the final session, the
convoluted and technical method of calculating in terms of abatements from
a British ‘key’ was abandoned. Instead, there would be a simple negotiation
over percentages. Heath impressed upon Pompidou that Britain had already
gone far to meet French requirements through its acceptance of the financial
regulation and the mechanism by which it should adapt to it during the
transitional period. He was now looking for some leniency on the starting
figure; this was necessary to ensure that the British balance of payments
was not threatened in the early years of membership, as well as ‘to create a
feeling of general confidence in Parliament and British public opinion’. He
could accept that the figure might be larger than the one he had suggested
on the previous day, ‘but it could not be much larger’. Heath ‘hoped it would
be possible to come to a satisfactory understanding’. Pompidou replied that
‘he too greatly desired that’, but he demurred once more over how far they
should go in specifying the final area of settlement. ‘He wondered ... whether
they could or should try to agree on a figure for the British contribution. This
would make the Brussels talks seem meaningless’.\textsuperscript{113} At this point, however,
Pompidou made the concession previewed in Schumann’s letter to him of 17
May: he ‘was prepared to reveal that the French would be ready to go down
to slightly below 10 per cent for the initial British contribution. He wished to
underline the extent of the change this represented in the French position’. Until this moment, ‘they had always stuck firmly to the principle of an initial
British contribution in double figures’.\textsuperscript{114}

\textsuperscript{112} TNA/PREM15/2241, RoC Heath and Pompidou, 20 May 1971, 15.30
\textsuperscript{113} TNA/PREM/2241, RoC Heath and Pompidou, 21 May 1971, 4pm.
\textsuperscript{114} TNA/PREM15/2241, RoC Heath and Pompidou, 21 May 1971, 4pm; AN, 86AJ/115,
Schumann to Pompidou, 17 Mai 1971; In the French record: ‘Il résulte de ce que je dis là
Whilst it appeared very difficult to induce further concessions from Pompidou in the present context (he evidently wanted to leave the matter for the negotiations), Heath made a final plea on the importance of a low starting contribution:

He wished to say to M. Pompidou that, during the past two days, they had had very frank and sincere exchanges about the future they both wished to see for Europe. They both agreed in feeling that some great achievements lay ahead of them. The President could claim a large measure of responsibility for this through the initiative he had taken at The Hague Conference. And it now seemed that the process would be completed under French leadership. It was important to ensure that the discussions at Brussels should not become embittered and that their negotiators should not become involved in excessive argument. ... If we were now to be expected, as the President had suggested, to make an initial payment of around 10 per cent we should in fact be contributing in the first year nearly half of our total contribution over the whole transitional period ... This was a very a very big step for Britain to be expected to take.

Pompidou replied that ‘in this matter, his purpose was not to erect barriers to British entry and particularly not financial barriers’:

He agreed that they would not want the discussions [in Brussels] ... to take place in an unsatisfactory atmosphere. But he did not feel qualified, or indeed inclined, to reach agreement now on a common figure. They were in a Community: from the outset, though dealing with partners who were so anxious to see Britain in the Community that they were prepared to regard discussion as unnecessary, they [France] had consistently sought to maintain the unity of the Six. He felt that M. Schumann could not possibly go to Brussels and say, in effect, that there was no need to do anything more since everything had been done in Paris.

qu’en fait le montant de la contribution britannique descendre un peu au-dessous de 10%. Cela représente un changement notable de la position française, car nous avions toujours affirmé ne pouvoir descendre au-dessous de “deux chiffres”. AN, 5AG2/108, Quatrième tête-à-tête entre Pompidou et Heath, 21 Mai 1971, 16h.
But Pompidou did not leave the matter quite there. Conscious, perhaps, of the desirability of concluding the summit in a positive bilateral atmosphere, he offered Heath a political assurance of French moderation when the negotiations resumed in June. He said that, ‘the French Government would seek, with their partners, to rally to the British viewpoint to the extent necessary to ensure that the cost to Britain of the first year of membership should not be such as to endanger the British balance of payments’. And upon this understanding, Pompidou ‘greatly hoped’ that the matter could be left. Heath assented: ‘It was a mark of the confidence that had been established between them that he fully accepted what M. Pompidou had said about his intentions and what he and the French government would do to achieve a settlement in the negotiations’.

And thus, the talks were left to conclude on New Zealand. Having reached satisfactory understandings on all other subjects, Pompidou now pledged to make good his promise from the previous afternoon: that ‘he would not allow Europe to fail’ on this issue. He ‘said that he knew there would be a flood of protest on this subject from the French producers of butter and cheese’. In line with Heath’s requirements, Pompidou accepted that there should be a five year transitional period culminating in a review, but he did not seek to specify a percentage figure for the level of the guarantee. Even more than

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115 TNA/PREM15/2241, RoC Heath and Pompidou, 21 May 1971, 4pm; In the French record: ‘Je souhaite que vous soyez satisfait de ma déclaration: … nous Français, nous cherchons lors des réunions de juin avec nos partenaires à rejoindre les vues britanniques autant qu’il sera nécessaire afin que votre charge la première année ne représente pas pour votre balance des paiements un péril quelconque. Nous nous y efforcerons. AN, 5AG2/108, Quatrième tête-à-tête entre Pompidou et Heath, 21 May 1871, 16h.

116 TNA/PREM15/2241, RoC Heath and Pompidou, 21 May 1971, 4pm.

117 See the discussion on New Zealand on the first day of the summit: TNA/PREM15/2241, RoC Heath and Pompidou, 20 May 1971, 15.30.
with Community finance, the summit talks were to leave this issue on the
basis of a personal assurance from the French president, rather than a
specific agreement. Pompidou suggested that, ‘The matter could be left to
the negotiators, on the understanding that while it might be difficult for
political reasons for the Government of France to accept something, he (the
President) could accept it if it resulted from a Community decision’. Heath
attempted to inject a little more specificity into the accord, referring to a ‘low
final figure’ for cheese, but only a ‘slight degression’ for butter, but this left
plenty of room for subsequent interpretation. To focus too much upon the
precise nature of the understanding would, however, be to obscure the
crucial point; the reason that Heath was prepared to leave Paris without a
firm commitment from Pompidou on figures, was because of the confidence
established between the two men during the summit talks as a whole. By the
end of the second day, Heath trusted in the sincerity of Pompidou’s pledges
regarding French moderation on the two main issues, and it was thus that he
returned to London in little doubt that final agreements on these subjects was
attainable in June. Hitherto, the doubts about the success of the
negotiations had always hinged upon the attitude of France. The Heath-
Pompidou summit made clear that there was now no longer reason to
suspect malicious French intent, and that Paris would now work
constructively to facilitate British membership.

118 TNA/PREM15/2241, RoC Heath and Pompidou, 21 May 1971, 4pm; In the French
record: ‘Ce pourcentage sera discuté à Bruxelles, étant entendu que pour une raison
politique aussi il est difficile pour moi, en tant que gouvernement français, de proposer ce à
quoi je pourrais consentir comme décision de la Communauté’. AN, SAG2/108, Quatrième
tête-à-tête entre Pompidou et Heath, 21 May 1971, 16h.
119 The Times, 22 May 1971, p.3; TNA/CAB128/49, CM(71)27th, 24 May 1971; Hansard, HC
At approximately 7pm, Heath and Pompidou emerged into the Salle des Fêtes, and sat either side of a small drinks table in front of 300 journalists eagerly anticipating the summit verdict. Pompidou spoke first: he explained that he and the prime minister ‘had been working very hard’; they had talked for more than ten hours, and had given very thorough consideration to all the subjects in front of them. Throughout the enlargement negotiations, France had held to the position that it was ‘for the Community that we are negotiating’. For this reason, he and Heath had not solved every problem – they were not qualified to do so. But they had discussed everything and ‘compared views’, they had examined the respective interests of both countries, and on this basis he felt that ‘it would be unreasonable now to believe that an agreement is not possible during the conference in Brussels in June’. Then, in the passage which has come to define this press conference, Pompidou explained that:

There were many people who believed that Great Britain was not European and did not wish to become European, and that Britain wanted to enter into the Community only to destroy it. Many people also thought France was prepared to use all kinds of means and pretexts to propose a new veto to the entry of Great Britain into the Community. Well, ladies and gentlemen, you see tonight before you two men who are convinced to the contrary.

Heath followed and, in typically stilted fashion, affirmed it to be their mutual conviction that the path was now clear to agreement in June.

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121 *The Times*, 22 May 1971, p.1

122 *The Times*, 22 May 1971, p.3
In the days that followed, the new spirit of Anglo-French bonhomie was almost as significant a point of comment as the shared belief in the prospect of success in the negotiations. On 22 May, the lead editorial in *The Times* asserted that: ‘President Pompidou and Mr. Heath have recast relations between Britain and France and thereby profoundly affected the future of Europe’. And on 24 May, *Le Monde*, after suggesting that Pompidou’s decision should not necessarily be seen as a ‘reversal’ of Gaullist ‘doctrine’ – pointing in particular to the former president’s approach to Soames in February 1969 – argued that: ‘There is always a time when events come to a head and guards are lowered. Sooner or later, the continent’s two oldest nations were bound to settle their differences and put an end to friction that has brought nothing but vexation to them and the rest of Europe’. In his report on the summit to Home, Soames too was exuberant about a new period of warmth between London and Paris – the aim which had underpinned his appointment as ambassador in 1968:

It is a truism to say that, since the withdrawal from power of general de Gaulle and perhaps even before, there has been an improvement in Anglo-French relations from the nadir of December 1967. This, grudging at first and almost fatally undermined by the “Soames affair”, has since acquired an encouraging momentum as the months have passed. ... Now that this process of *rapprochement* has received the seal of approval at the highest level we can again talk about the *entente cordiale* without embarrassment.

For all the poignancy of the moment, there remained much work to do before any celebrations could begin. In his statements to Cabinet and the House of

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125 TNA/FCO30/1156, Soames to Home (annex C), 9 June 1971.
Commons on 24 May, Heath said that the political will was now in place which should carry the negotiations to a successful conclusion. But the specifics of agreement still had to be settled, and it is to how the June ministerial meetings formally resolved the major negotiating problems that the final part of this chapter will turn.

The climax of the negotiations: the June ministerial meetings

The two ministerial meetings which took place in June were held in Luxembourg. The first, a one day meeting, formally recorded agreement on the Community’s sugar proposal, which had been tabled at the May ministerial meeting, but was only welcomed by Rippon pending consultations with the sugar producing countries. It also, in highly unusual circumstances, disposed of sterling as a problem of relevance to the enlargement conference. The climax of the negotiations then came at a two-day ministerial meeting, commencing on 21 June, at which the terms for Community finance and New Zealand were formally settled, and, as a result, the main diplomatic obstacles to British accession were seen to be overcome. As will be seen, it was to be recognised as an historic day for Western Europe.

The decisive moment in British efforts to induce acceptance of the Community’s proposal came at a tense conference at Lancaster House in

127 TNA/FCO30/1108, Enlargement negotiations: meeting of ministers, 21-22 and 23 June 1971; TNA/PREM15/375, FCO to Luxembourg, tel.32, 23 June 1971; The Times, 24 June, p.1; Hannay, Britain’s, p.75.
London on 2-3 June. Rippon did secure approval of the Community’s offer, but only by agreeing to a joint communiqué stating that Britain and the Commonwealth governments ‘regard the offer as a firm assurance of a secure and continuing market in the enlarged Community ... for the quantities covered by the [present] Commonwealth Sugar Agreement’.\(^{128}\) At the ministerial meeting on 7 June, Rippon formally accepted the proposal, and at the same time circulated the communiqué agreed with the Commonwealth governments. Such a procedure held no legal basis, and Schumann made clear that it only committed Britain, but it solved a political problem for London and enabled the sugar issue to be laid to rest.\(^{129}\)

If this appeared a convoluted means of dealing with a delicate political issue, the procedure adopted for resolving sterling was more simple, and underlined the extent to which this had always been an Anglo-French, rather than an Anglo-Six concern.\(^{130}\) While Heath had met Pompidou’s desire for a British commitment on the run-down of the sterling balances, they had not agreed on how the matter was to be resolved at a Community level. Thus, at a meeting of the Six’s permanent representatives on 27 May, Boegner tabled a paper restating the French position _ex ante_.\(^{131}\) In conversation with Soames the following day, Jobert explained that if France had suddenly withdrawn its previous demands, ‘they would have been faced with all sorts of questions from the Five’, which, given the need to treat the Heath-Pompidou agreement confidentially, ‘they would have found impossible to

\(^{128}\) _The Times_, 4 June 1971, p.1; Kitzinger, pp.134-36.
\(^{129}\) TNA/FCO30/992, Luxembourg to FCO, tel.75, 7 June 1971.
\(^{130}\) TNA/FCO30/1108, Enlargement negotiations: Ministerial meeting, 7 June 1971.
answer’. To dispose of the matter, a plan was pieced together between Armstrong and Jobert, using Soames as an intermediary, which was then put into effect at the ministerial meeting on 7 June. Schumann invited Rippon to make a statement, at which point Rippon read out an anodyne text regarding London’s intentions before and after its entry to the Community. The British government, he said, were ‘prepared to envisage an orderly and gradual run-down of official sterling balances after our accession’. They were ‘ready to discuss after our accession ... what measures might be appropriate to achieve a progressive alignment of the external characteristics and practices ... [of] sterling with those of other currencies in the Community in the context of progress towards economic and monetary union’. And, prior to accession, London would manage its ‘policies with a view to stabilising the official sterling balances’. Rippon then withdrew, leaving the Six to consider the content of the statement. At this point, the French Finance Minister, Valéry Giscard d’Estaing, quickly made clear that he was content with what Rippon had said. For the Five, there can have been little doubt that this was anything other than a bilaterally orchestrated method of dealing with a problem that had been resolved at the Heath-Pompidou summit. Apparently happy, however, simply to see the matter disappear, the other delegations

132 TNA/PREM15/373, Paris to FCO, tel.672, 28 May 1971.
133 TNA/PREM15/373, FCO to Paris, tel.400, 29 May 1971; TNA/PREM15/373, Paris to FCO, 1 June 1971; TNA/PREM15/373, FCO to Paris, tel.404, 3 June 1971; TNA/PREM15/373, Paris to FCO, tels.690 & 692, 4 June 1971; TNA/PREM15/373, FCO to Paris, tel.409, 4 June 1971; TNA/PREM15/373, FCO to Paris, tel.699, 5 June 1971; TNA/PREM15/373, Armstrong to Tickell, 5 June 1971; TNA/PREM15/374, Luxembourg to FCO, tel.73, 7 June 1971.
135 TNA/PREM15/374, Luxembourg to FCO, tel.73, 7 June 1971, my italics.
136 TNA/PREM15/374, Codel Brussels to FCO, tel.461, 8 June 1971; Kitzinger, *Diplomacy*, p.140.
followed Giscard’s lead and accepted the British statement, leaving just Raymond Barre, the European Commissioner responsible for financial questions, to lament a commitment to ‘zero plus zero plus zero’.  

Within Whitehall, attention now shifted to what was hoped would be the most important ministerial meeting of the negotiations on 21 and 22 June. Given the ease with which sterling had been disposed of, the FCO felt it necessary to make representations to the Five, impressing upon them that agreements on Community finance and New Zealand had not been prepared in advance and that Britain still needed them to show moderation over the terms for both issues. The AE committee had agreed Rippon’s negotiating authority for the ministerial meeting on 3 June, but it was not discussed in Cabinet for another fortnight. Rippon’s statement on the latter occasion was clearly intended to inform, rather than consult, other ministers. On New Zealand, Rippon underlined that ‘the critical requirement in any arrangements ... was that the New Zealand Government should be prepared to accept them as tolerable’, and that for Community finance, ‘The major issue in dispute was the United Kingdom contribution in the first year of membership’. Rippon said that he thought, ‘The figure finally agreed might be between 7½ per cent and 9 per cent’. In contrast to December 1970, there was no dissent over the terms envisaged for Community finance; in the aftermath of the summit, with the government on the brink of an historic success, the atmosphere militated strongly against any minister resurrecting earlier qualms over the cost of

137 Kitzinger, Diplomacy, p.140; The Times, 8 June 1971, p.1; TNA/PREM15/374, Codel Brussels to FCO, tel.461, 8 June 1971.
membership – a point which will be returned to at the end of the chapter, in
the context of Cabinet's approval of the terms of entry.\textsuperscript{140} Finally, on
fisheries, the aim remained to secure an agreement that the CFP could be
adapted in the context of enlargement in order that such an agreement could
be presented to parliament, along with the other main issues, before MPs
were asked to vote on the principle of British accession in the autumn.

The principal characteristic of the second June ministerial meeting, beyond
its fundamental success, was the link established between the terms for
Community finance and New Zealand respectively.\textsuperscript{141} That the French
intended to create such a link became clear in the final fortnight before the
ministerial, during a series of exchanges between Schumann and
Soames.\textsuperscript{142} The Quai d'Orsay explained it in terms of domestic French
politics: the government could not appear to be conceding to British
demands in all areas.\textsuperscript{143} The consequence for Britain was that Rippon would
be unable to spend two days pressing for concessions on both subjects –
better terms on one would mean less good terms on the other.\textsuperscript{144} In their final
discussion before the ministerial meeting, Schumann proposed to Soames a
deal comprising a guarantee for New Zealand at 63\% of present quantities
after five years, and an opening budgetary contribution of 9\%. Ignoring all
suggestions of linkage, Soames said that London would need ‘better on

\textsuperscript{140} Ibid.
\textsuperscript{141} TNA/FCO30/1108, Enlargement negotiations: meeting of ministers, 21-22 and 23 June,
\textsuperscript{142} TNA/FCO30/1093, Paris to FCO, tel.715, 10 June 1971; TNA/FCO30/1123, Paris to
\textsuperscript{143} TNA/PREM15/375, Paris to FCO, tel.744, 16 June 1971.
\textsuperscript{144} TNA/FCO30/1123, Paris to FCO, tel.732, 15 June 1971.
both’. He pressed for a contribution of 6.5% in 1973 and said that he thought New Zealand would require a guarantee ‘in the seventies’.¹⁴⁵

The Community’s opening offer on New Zealand was to represent an advance on Schumann’s bilateral proposal, but not by much. Tabled in the early hours of 22 June, towards the end of the ministerial meeting’s first day, the Community offered a 66% ‘milk equivalent’ guarantee at the end of five years (75% on butter and 20% on cheese). The New Zealand Deputy Prime Minister, Jack Marshall, was present throughout the meeting, and it was clear that this would not satisfy his government. A further difficulty was created by the specifics of the review provision, which stipulated that guarantee arrangements beyond the initial five year period could only be agreed on the basis of unanimity in the Council of Ministers – thus allowing for a veto.¹⁴⁶ On the afternoon of 22 June, Rippon made a counter-proposal involving a milk equivalent guarantee of 71% (80% for butter and 20% for cheese),¹⁴⁷ and excluded all reference to unanimity in the terms of the review provision.¹⁴⁸ He had also secured a commitment from Marshall that if agreement could be reached on this basis, Marshall would then recommend acceptance of the offer to the New Zealand Cabinet.¹⁴⁹

¹⁴⁵ TNA/FCO30/1124, Paris to FCO, tel.759, 18 June 1971.
¹⁴⁷ Hannay, Britain’s, p.163; for a lively account of the negotiations on New Zealand from a multilateral perspective, see Kitzinger, Diplomacy, pp.140-43.
¹⁴⁸ Ibid.; Hannay, Britain’s, p.163.
¹⁴⁹ Hannay, Britain’s, p.163.
The night of 22-23 June saw settlements on New Zealand and Community finance gradually pieced together. A proposal on finance emerged from the Community at just after 12am. It involved a contribution in the first year of 8.64%, rising to 18.92% in 1977. There would then be two years of correctives, leaving the financial mechanism to operate without limitation from 1980. The offer would eventually be accepted by Rippon, but not without an attempt to secure lower percentages for the basic transitional period. On New Zealand, the Community informed the British delegation that it was willing to accept the 71% guarantee figure contained in its counter-proposal. As regards the review, the Six accepted that the final agreement should not refer to unanimity, but suggested that, in return, the Community spokesperson (Schumann) should be allowed to read into the transcript of the meeting that the decision would be taken unanimously. The compromise was accepted by the British. The final hours thus saw a final effort to lower the percentages for Britain’s transitional contributions for Community finance, but the Community insisted that this was not possible without altering the terms for New Zealand, which was now a political impossibility.

On fisheries, it did not prove possible to secure the Community’s acceptance of Britain’s so-called ‘six-mile proposal’ (that all waters up to six miles from the British coast should be the preserve of British fishermen until such time...
as adequate adaptations to the Common Fisheries Policy were made).\(^\text{153}\) It was agreed that the matter should be considered again in July, at the final ministerial meeting before the summer break.\(^\text{154}\) In the event, concerns that settlement on this basis would result in less satisfactory terms than those being pursued by the three other candidates, led British negotiators to reconsider their tactics.\(^\text{155}\) Agreement was not reached in July, and thereafter the talks on this issue would become increasingly intertwined with those of Denmark, Ireland and Norway.\(^\text{156}\) The Community produced proposals on 9 November, but a disastrous negotiating meeting on 29 November, produced almost no progress.\(^\text{157}\) At this point, concerns began to grow that the delay over fisheries might postpone the timetable for parliamentary ratification of British entry.\(^\text{158}\) Bilateral Anglo-French diplomacy was again employed to facilitate a solution, and at the next ministerial meeting in December, the fundamentals of an agreement were reached.\(^\text{159}\)

In June 1971, the absence of agreement on fisheries was but a small blemish on the record of success. With the settlements on the two premier British negotiating concerns, Community finance and New Zealand, following


\(^{154}\) TNA/PREM15/375, Luxembourg to FCO, tel.106, 23 June 1971.

\(^{155}\) TNA/CAB134/3357, AE(71)\(^{\text{9th}}\) meeting, 8 July 1971; TNA/PREM15/356, Codel Brussels to FCO, tel.620, 12 July 1971.


\(^{159}\) TNA/PREM15/889, FCO to Paris, tel.881, 6 December 1971; TNA/PREM15/889, Paris to FCO, tel.1550, 7 December 1971; TNA/PREM15/889, Paris to FCO, tel.1552, 7 December 1971; TNA/PREM15/889, Paris to FCO, tel.1150, 8 December 1971; TNA/PREM15/889, Paris to FCO, tel.1560, 9 December 1971; TNA/PREM15/889, Moon to Heath, 12 December 1971.
on from the agreements on sugar and sterling at the start of the month, 23 June was held to mark the decisive moment in the accession negotiations, and an historic moment in the life of the European Community. The Times reported ‘an atmosphere of elation in Luxembourg’ as the ministerial meeting neared its conclusion.\textsuperscript{160} The final session began at approximately 4.30am to officially record agreement.\textsuperscript{161} As Rippon entered the room, the delegations of the Six broke into impromptu applause.\textsuperscript{162} According to the British record, Schumann declared that the ‘the negotiation had begun on 30 June 1970’ and that ‘it was on 22 June 1971 that it had been completed and completed as the Conference now knew successfully’. While technically inappropriate, the underlying sentiment was appropriate to the occasion.\textsuperscript{163} Rippon responded in kind, ‘the Conference’, he declared, ‘had served the cause of a united Europe’.\textsuperscript{164} Heath sent a telegram from London to congratulate Rippon ‘most warmly on this splendid result’.\textsuperscript{165} Home likewise: ‘You have done famously. This ... is a very historic day’.\textsuperscript{166} The celebrations continued throughout the day. On his return to Bonn, the German Foreign Minister, Walter Scheel, announced that, ‘The enlargement of the EEC could be the decisive political event of this decade in Europe’, and the Italian Prime

\begin{footnotes}
\textsuperscript{160} The Times, 23 June, p.1.
\textsuperscript{161} TNA/PREM15/375, Luxembourg to FCO, tel.106, 23 June 1971; TNA/FCO30/1108, Enlargement negotiations: meeting of ministers, 21-22 and 23 June.
\textsuperscript{163} TNA/FCO30/1108, Enlargement negotiations: meeting of ministers, 21-22 and 23 June.
\textsuperscript{164} ibid.
\textsuperscript{165} TNA/PREM15/375, FCO to Luxembourg, tel.33, 23 June; Time Magazine, ‘Breaking out the Bubbly’, 5 July 1971.
\textsuperscript{166} TNA/PREM15/375, FCO to Luxembourg, tel.32, 23 June.
\end{footnotes}
Minister, Emilio Colombo, hailed the Luxembourg meeting as ‘the crowning achievement in a very constructive period in European history’.\textsuperscript{167}

In Cabinet the next morning, Rippon detailed the agreements reached in Luxembourg. There was only a ‘brief discussion’, during which it was agreed that Rippon ‘had succeeded in negotiating most satisfactory terms’. It was ‘urged that the Government should commend the arrangements as satisfactory and should not take a defensive line’. It was another week, however, before Cabinet was formally asked to approve the terms, at the same time as considering the government’s draft white paper, which would set out the results of the negotiations and recommend to parliament British entry to the Community on that basis. Heath asked whether it was the collective will of Cabinet that the white paper should make such a recommendation, and, again with little discussion, ministers agreed that it should.\textsuperscript{168} The absence of any detailed scrutiny of the terms should not, by this stage, be seen as surprising; they fell comfortably within the negotiating limits given to Rippon by the AE committee on 3 June, and were in accordance with his report to Cabinet on 18 June.\textsuperscript{169} When put in the context of the negotiations as a whole, however, the disappearance of ministerial interest in Community finance must be seen as significant. In December 1970, Cabinet’s discussion of Britain’s opening bid on adaptation to the budgetary mechanism resulted in a clear difference of view about whether

\textsuperscript{168} TNA/CAB128/49, CM(71)36\textsuperscript{th}, 1 July 1971.
\textsuperscript{169} TNA/CAB134/3357, AE(71) 6\textsuperscript{th} meeting, 3 June 1971; TNA/CAB128/49, CM(71)32\textsuperscript{nd}, 17 June 1971.
the cost of membership by the end of the transitional period – that is, when Britain would be paying close to its full contribution – would constitute an acceptable price for the benefits of EC membership. Heath had not sought to resolve the matter on that occasion, but concluded by saying that: ‘A more detailed examination of all the relevant factors would be required before it could be decided whether the balance of payments burden implied by such terms would or would not be a tolerable one’.\(^{170}\) Six months later and no further consideration of the question had occurred. Had Cabinet returned to the matter, there seems a good chance that Heath and Rippon could have won the internal debate by arguing that, as a member of the Community, Britain would be able to insist upon changes to the budgetary mechanism and so alleviate the financial burden.\(^{171}\) After the May ministerial meeting, however, once the negotiations had begun to gather momentum, it became virtually inconceivable that any minister might raise objections on this score, for the reason that they would thereby be calling into question a potentially historic success for the government as a whole – with all that might entail in terms of loss of momentum and future electoral prospects. Yet by not returning to the issue at all, the Heath Cabinet took the decision to recommend to parliament British entry to the Community without having reconciled its own division on this most fundamental aspect of the terms.\(^{172}\)

\(^{170}\) TNA/CAB128/47, CM(70)45\(^{th}\), 10 December 1970.

\(^{171}\) TNA/CAB134/2596, AE(70)8\(^{th}\) meeting, 7 December 1970; TNA/CAB128/47, CM(70)45\(^{th}\), 10 December 1970.

\(^{172}\) TNA/CAB128/49, CM(71)36\(^{th}\), 1 July 1971.
Conclusion

The conclusion of this thesis in June 1971 should not be taken to imply that the story of British EC entry was then complete. The negotiations were not finally concluded until January 1972 and, more crucially, with the publication of the white paper on 7 July, the government initiated a year-long campaign to secure parliamentary ratification for entry on the terms negotiated. On 28 October, a six-day debate culminated with a vote on the principle of membership, resulting in a favourable majority of 112. In January, the European Communities Bill began its passage through parliament, receiving its third reading in the Commons on 13 July, with Royal Assent following in October. Britain thus entered the Community alongside Denmark and Ireland (Norway having rejected membership) on 1 January 1973. The second June ministerial meeting, however, coming on top of the Heath-Pompidou summit the previous month, was the event which made clear that the negotiations, and therefore the application, were going to succeed, and accordingly brings this study to its natural conclusion.

Since the French veto of December 1967, British diplomacy towards the Community had centred upon the need to overcome French opposition to enlargement. And even after the withdrawal of the French veto on negotiations in December 1969, the principal reason to doubt the prospects

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for success rested on the possibility that Paris might adopt negotiating stances that would prevent agreement. The impasse of March-April 1971, alongside Pompidou’s public statements, led many to conclude that the summit in May 1971 was the moment at which Heath convinced Pompidou that his reservations about permitting British entry were unnecessary. Alternatively, it has been seen as the moment which settled technical difficulties relating to the major negotiating issues. This chapter has advanced a new explanation for the Heath-Pompidou meeting and its relationship with the successful ministerial meetings of June 1971. It has shown that explanations of the Heath-Pompidou summit in terms of the persuasion thesis are implausible. Pompidou’s depiction of the meeting in this light was related primarily to domestic interests; a desire to appear consistent with the views of his predecessor. Pompidou’s remarks in the first session of the summit talks demonstrated that he was not seeking reassurances about the principle of admitting Britain to the Community.

Explanations of the summit in terms of the resolution of negotiating difficulties have implied that the impasse in the negotiations was genuine. As was seen in Chapter 5, however, it was, on the contrary, a deliberate move on the part of the Élysée. Rather, the May 1971 summit saw Pompidou trade upon British anxiety about the outcome of the accession negotiations in order to obtain a number of specific concessions on French political concerns. In return, he provided Heath with firm assurances regarding his government’s

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177 TNA/PREM15/2241, RoC Heath and Pompidou, 20 May 1971, 10am; AN, 5AG2/108, Premier tête-à-tête entre Pompidou et Heath, 20 Mai 1971, 10h.
flexibility when the negotiations resumed in June. Pompidou was thereby able to secure some final advantages for France before facilitating the success of the negotiations. At a public level, it also enabled Pompidou to be seen as repairing Anglo-French relations after a decade in which bilateral antagonism had been the norm. The resolution of the major issues in June demonstrates that the political will of member governments had always been the critical determinant in the success of the negotiations. That political will may well have existed in France for some time, but it was only in May, having obtained the advantages which the summit meeting gave to him, that Pompidou chose to reveal it unequivocally. The Heath-Pompidou meeting must therefore continue to be seen as the crucial moment in the success of the second application, but its function in that outcome was both more subtle and more qualified than has previously been recognised.

178 TNA/PREM15/2241, RoC Heath and Pompidou, 21 May 1971, 4pm; AN, 5AG2/108, Quatrième tête-à-tête entre Pompidou et Heath, 21 May 1971, 16h.
Conclusions

This thesis has had two principal objectives: the first to examine and explain the role played by the Wilson and Heath governments respectively in carrying the second EC application to a successful conclusion after the short-term failure of December 1967; and the second to investigate how the case for entry was perceived and debated within government, paying attention to both economic and political aspects.¹ These conclusions are divided into two sections, which reflect the separate lines of analysis.

The revival and success of the second application: Wilson, Heath and pursuit of EC membership

In his memoirs, Edward Heath asserted that ‘The application by Harold Wilson and the Labour government was an abject failure’.² In publishing this view in 1998, Heath was far from being the first writer to discount the contribution of his predecessor to British entry. He applied the narrative, already well established, of his own decisive role in the accession negotiations, persuading Georges Pompidou that Britain was truly committed to a European future.³ This version of events emerged partly as result of apparent French equivocation in the spring of 1971, as manifested in the Brussels impasse, and partly from the emphasis Pompidou himself placed

² Heath, Course, p.358.
³ Ibid., pp.371-72.
upon general conceptions of Europe in his statements immediately before
and after the summit meeting. A clear link was thus created between
Heath’s personal Europeanism and the success of the British membership
bid. While it is the dominant depiction of the accession negotiations within
British historiography, this interpretation was by no means universally
accepted: even before the summit, in April 1971, the Paris embassy
maintained that Pompidou had no intention of wielding a further French
veto. Neither O’Neill nor Kitzinger discussed the persuasion thesis in their
accounts of the negotiations; indeed both postulated the hypothesis that
Pompidou took the crucial decision to permit British membership at The
Hague summit of December 1969, a view which is strengthened by Ludlow’s
recent analysis of intra-Community diplomacy in the latter half of 1969.

Through its detailed examination of the diplomacy leading up to the Heath-
Pompidou summit, and the summit meeting itself, this thesis strongly rejects
Heath’s narrative of the summit and its contribution to British entry. Rather, it
has sought to present a broader and more balanced view of Britain’s part in
the success of the application, in which attention is focussed as much upon
the events leading to the opening of negotiations in June 1970, as those
which culminated in the decisive negotiating meetings of June 1971. It is
accepted that Britain had only limited capability to influence events, and that
the reactions of the Five to the French veto, followed by the resignation of de
Gaulle in April 1969, were critical determinants in the ultimate success of the

4 The Times, 18 May 1971, p.1; Pompidou, Entretiens, pp.126-29.
5 TNA/FCO30/1151, Soames to Greenhill, 21 April 1971.
6 Hannay, Britain’s, p.325; Kitzinger, Diplomacy, pp.35-37; Ludlow, European, pp.174-198.
application, but all the more reason, therefore, for taking a longer view of how membership was secured at a diplomatic level.

In contrast to the Macmillan government’s more passive response to the 1963 veto, in 1968-69 Wilson and the Foreign Office sought to keep the enlargement question alive and maintain the momentum achieved through Britain’s approach to Europe in 1967. Brown’s memorandum to Cabinet in February 1968 aimed both to reduce British ‘isolation’ and to apply continued pressure to France in the hope that this might weaken its will to sustain the veto.\(^7\) Wilson was consistently sceptical about the possibility that de Gaulle might change his views, but nonetheless encouraged Foreign Office tactics with a view to ensuring that any successor would feel strong misgivings about trying to continue the General’s policy of opposition to British membership.\(^8\) It was thus that Britain supported the Harmel Plan and Wilson considered launching his own, more dramatic, initiative in the form of a British Fouchet Plan.\(^9\) To what extent British activism may have helped to sustain the Community’s crisis of 1968-69 is a question beyond the scope of this thesis. The important finding here is firstly that London believed it could influence relations between the Six in this period, and was increasingly confident of its ability to do so: the Foreign Office thus enunciated the logic of the ‘double veto’, suggesting that it could frustrate the internal development

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\(^7\) TNA/CAB129/136, C(68)42, 23 February 1968.
\(^8\) TNA/CAB128/43, CC(68)15\(^{3rd}\), 27 February 1968; TNA/PREM13/2113, Palliser to Maitland, 12 September 1968; TNA/PREM13/2641, Note for the Record, Meeting between Wilson and Soames, 30 July 1968.
\(^9\) TNA/CAB128/43, CC(68)42\(^{nd}\), 17 October 1968. TNA/CAB130/398, MISC224(68)1\(^{st}\) Meeting, 16 October 1968; TNA/PREM13/2627, Wilson to Stewart, 17 December 1968.
of the Community for as long France continued to oppose enlargement.\textsuperscript{10} The persistent thorn in the side of the British approach was the mediatory attitude of Germany under Chancellor Kurt Georg Kiesinger. It was thus that in early 1969 the tactical objective at the centre of Wilson’s visit to Bonn was the aim of prising Kiesinger away from his close relationship with de Gaulle, and into closer co-ordination with Britain, the Benelux countries and Italy.\textsuperscript{11}

It was this thinking, along with a more basic mistrust of de Gaulle, which most influenced Wilson’s response to de Gaulle’s suggestion to Christopher Soames in February 1969 that Britain and France begin talks about the future organisation of Western Europe. This is one among several new insights which this thesis has offered into the events surrounding the Soames affair. It also shows that the way in which internal opinion divided over how to handle the approach reflected a pre-existing, but still formative debate about whether to adopt a more conciliatory attitude towards France. The principal stimulus for these ideas was Soames, but they attracted sympathy from both Chalfont and Palliser, and even Wilson too.\textsuperscript{12} In the week between de Gaulle’s offer on 4 February and his departure for Bonn on 11 February, the prime minister was caught between an innate suspicion of the General’s motives and a genuine desire to pursue conversations.\textsuperscript{13} Once

\textsuperscript{10} TNA/CAB134/2805, EURM68(6), 17 May 1968; TNA/PREM13/2113, Robinson to Hancock; 20 September 1968; TNA/FCO30/395, draft memorandum, following Morgan to Robinson, 3 January 1969.
\textsuperscript{11} TNA/PREM13/2672, Maitland to Palliser, 30 January 1969; TNA/FCO30/396, Robinson to Hood (and Maitland), 31 January 1969; TNA/PREM13/2628, Wilson handwritten minute, on Palliser to Wilson, 1 February 1969.
\textsuperscript{12} TNA/PREM13/2641, Soames to Stewart, 13 November 1968; TNA/FCO30/395, Chalfont to Stewart, 19 December 1968; TNA/PREM13/2641, Wilson on Palliser to Wilson, 23 December 1968.
\textsuperscript{13} TNA/PREM13/2628, Wilson handwritten minute, on Palliser to Wilson, 5 February 1969; TNA/FCO30/414, Bonn to FCO, tel.145, 12 February 1969.
he accepted the FCO analysis, however, and decided to give Kiesinger full information, his goal became more than simply to protect the diplomatic position which London had built up over the previous year. In keeping with the ideas of separating Kiesinger from de Gaulle, Wilson utilised the General’s proposals in a manner designed to contribute to French isolation. There is no basis, therefore, in Wilson’s efforts to exculpate himself of responsibility for the bitter French reaction which followed.

Furthermore, this thesis has shown that the Soames affair catalysed the tensions which already existed over policy towards France, into a major debate about British strategy going forward. Whether it would have been possible to resurrect conversations with de Gaulle can only be a matter of conjecture, but this was increasingly the mood of the prime minister and important figures with the Foreign Office, namely, Chalfont and Greenhill. Stewart, Hancock and Robinson continued to resist the ideas, but Wilson’s request for an up-to-date study of the Munchmeyer Plan and Stewart’s decision to allow a departmental review illustrate that the momentum was now with the revisionists. The prime minister’s shift, in the space of two months, from seeking to isolate de Gaulle to a desire to resuscitate bilateral conversations reflected his irritation with the advice that had been given to him in February, particularly in the light of subsequent evidence that French

14 TNA/PREM13/2675, RoM, Wilson and Kiesinger, 12 February 1969, 4pm.
15 Wilson, Labour, p.611.
16 TNA/PREM13/2641, RoM, Wilson, Stewart, Soames, 26 March 1969; TNA/FCO30/421, Greenhill to Chalfont, 8 April 1969; TNA/FCO40/421, Chalfont to Stewart, 14 April 1969.
thinking might have been undergoing change. While there will be a
temptation to see Wilson’s actions as reflecting a desire to undermine the
EC, this is to misunderstand the nature of the British application for
membership itself. What mattered was less the institutional form that Europe
should take, be it supranational or intergovernmental, but the simple fact of
Britain regaining its place at the heart of European affairs alongside France
and Germany. The aversion of Stewart and Hancock to talks with France
should not be seen to be a consequence of communautaire attitudes, but
rather an antagonistic approach to Anglo-French relations whilst de Gaulle
remained in power. Similarly, Soames and Palliser both favoured talks with
France, despite their strongly pro-Community convictions.

De Gaulle’s resignation, the election of Pompidou and the replacement of
Kiesinger by Brandt all contributed to the much more favourable international
context, resulting in the revival of the second application in the second half of
1969. This was given substantive form through France’s agreement to lift the
veto on enlargement negotiations at The Hague summit in December 1969.
It was also the Labour government’s determination to maintain the
application for membership which meant that, in June 1970, Edward Heath
was able to pick up the reins of a British accession bid that already had
significant momentum behind it. With negotiations commencing just twelve

18 TNA/PREM13/2629, Wilson handwritten minute, on Youde to Wilson, 9 April 1969;
TNA/PREM13/2629, Youde to McIntosh, 16 April 1969; TNA/FCO40/421, Chalfont to
Stewart, 14 April 1969; TNA/FCO30/421, Maitland to Chalfont, 15 April 1969.
19 TNA/FCO30/421, Hancock to Greenhill, 2 April 1969; TNA/FCO30/418, Robinson to
20 CCAC, The Papers of Baron Soames, SOAM49/3, paper under Soames to Maitland, 24
July 1968; Ellison, United, p.63; TNA/PREM13/2628, Palliser to Wilson, 9 February 1969;
days after the election, Heath inherited a Whitehall machine already prepared for the complex and technical task of negotiations, with the major negotiating briefs quickly presented to incoming Conservative ministers. \(^{21}\) The more malign outcome of The Hague summit from the British perspective was its agreement upon a definitive regulation for Community finance. This erected a major new obstacle to British entry and would prove to be the principal battleground of the Brussels negotiations. More than this, it would be a major source of tension between Britain and its Community partners in the decade after 1973. \(^{22}\) *A priori*, it marked a failure of the objective which Britain had openly declared in 1967: to participate in the negotiations leading to a permanent financial mechanism itself. \(^{23}\) By 1969, the potential scale of the problem had increased, both as a result of devaluation and the mushrooming cost of CAP support operations. \(^{24}\) Even in the summer of 1969, the Foreign Office believed that it should still be possible for Britain to participate in negotiations on a definitive regulation, and in the autumn attempts were made to stiffen the Five against conceding an arrangement to France that could not be altered in the context of enlargement. \(^{25}\) The attempts failed and the final regulation further exacerbated British difficulties.

\(^{21}\) Pine also emphasises Wilson’s importance in ensuring that the Heath government was able to begin negotiations in June 1970. Pine, *Harold*, pp.175-182. For the negotiating briefs submitted to Conservative ministers: TNA/CAB134/2596, AE(70) memorandums 2-8, 29 and 30 June 1970.


\(^{23}\) See Brown’s statement to WEU on 4 July 1967, reproduced in Kitzinger, *Second*, pp.189-203.

\(^{24}\) TNA/FCO30/315, McLean to Robinson, 17 June 1969.

by apportioning all customs duties, in addition to agricultural levies, to common funds.\textsuperscript{26}

The potential balance of payments burden confronting Britain was demonstrated by the February 1970 white paper, which estimated a balance of payments cost of between £100 million and £1,100 million per annum by the late 1970s, with internal forecasts putting the figure in the region of £700 million per annum.\textsuperscript{27} With the largest component of this cost, contributions to the Community budget, now given permanent form, The Hague deal provided the opponents of entry with a robust argument to deploy against the application.\textsuperscript{28} Indeed, the balance of payments cost was the point on which Wilson himself principally focussed in opposing entry on Tory terms during the parliamentary battle of 1970-72.\textsuperscript{29} Yet in the early months of 1970, during internal discussions, Wilson himself defended terms for Community finance that were as onerous, if not more so, than the terms negotiated by the Conservatives in 1971.\textsuperscript{30} It is in part for this reason that it is wrong to interpret the white paper and the subsequent parliamentary debate as a sign that Wilson may have been preparing for a possible retreat over Europe.\textsuperscript{31} Wilson’s public equivocation in the first months of 1970 was motivated by the combination of deteriorating public approval for the accession bid and his

\textsuperscript{26} TNA/FCO30/323, O'Neill to Maitland, 12 December 1969; TNA/PREM13/3199, ‘EEC: Agricultural Finance’, under Barrington to Everett, 9 January 1970.
\textsuperscript{27} Hansard, HCP, Cmnd.4289, February 1970.
\textsuperscript{28} As evidenced by the parliamentary debate on the February 1970 white paper. See, for example, Douglas Jay’s contribution: Hansard, HCD, 5th Series, vol.796, cols.1022-1037.
\textsuperscript{29} See, for example, Wilson’s contribution to the debate on the principle of membership on 28 October 1971: Hansard, HCD, 5th series, vol.823, 28 October 1971, cols.2080-2106.
\textsuperscript{30} TNA/PREM13/3199, Everett to Williams, 14 January 1970; TNA/CAB128/45, CC(70)5th, 3 February 1970.
intention to hold a general election later in the year.\textsuperscript{32} His actions within government, and his refusal to take a sceptical line on British entry for electoral advantage, demonstrate a continuing determination to bring the negotiations to a successful conclusion.\textsuperscript{33}

The most important contribution of this study to historical understanding of British entry is in relation to the accession negotiations and how a successful outcome was secured. Even for those who judge that Pompidou took the critical decision on enlargement at The Hague summit, there remains a need to explain why the negotiations reached impasse in March 1971, and the function of the Heath-Pompidou summit in resolving it. Crucially, this study has shown that the impasse in the negotiations was a deliberate move by Pompidou, designed to establish the need for a bilateral meeting with Heath.\textsuperscript{34} In his memoir, Heath asserts that ‘there were still some officials in the Foreign Office who wanted to isolate the French by working with the Five against them’, and distinguishes himself from these alleged FCO tactics by referring to his instruction to Soames on 1 March 1971 that he should ‘explore [with Michel Jobert] the possibility of my meeting President Pompidou’.\textsuperscript{35} Yet the archival record reveals a very different picture. In fact, the Foreign Office, guided by Soames’s conversation with Jobert in mid-February, became convinced of the case for a bilateral meeting at the start of

\textsuperscript{32} See chapter 3.
\textsuperscript{34} AN, 86/AJ/127, Conseil restreint sur la négociation entre la CEE et la Grande Bretagne, 16 février 1971; TNA/PREM15/369, Soames to Greenhill, 10 March 1971.
\textsuperscript{35} Heath, \textit{Course}, pp.364-66.
March. Heath, it is argued here, only decided in favour of such a meeting after his visit to Bonn in early April; with Brandt revealing his readiness to intervene personally in the negotiations should the impasse still prevail in the summer, Heath was able to feel confident that, even if a meeting with Pompidou failed, a potential fall-back position was still available.

Utilising both British and French sources, this thesis is the first study to provide a comprehensive analysis of the Heath-Pompidou summit, and surpasses all previous interpretations in its explanation of the summit’s relationship to the decisive ministerial negotiating meetings in June. While Pompidou’s public statements fostered the view that the outcome hinged upon Heath’s ability to persuade him that Britain was now firmly committed to the Community, this thesis has argued that such statements were motivated principally by a desire to appear consistent with the views of de Gaulle: that Britain could join the EC once it had demonstrated itself to be European.

The summit talks themselves contradict this explanation. Pompidou demonstrated at an early stage that he was not bringing into question the principle of British membership, rather he sought a series of specific concessions to French interests: the use of majority voting in the Council of Ministers, the future of the sterling balances, protection for the benefits former French territories in Africa derived under the Yaoundé Convention,

36 TNA/PREM15/368, Note for the Record, meeting between Heath and Soames, 1 March 1971; TNA/PREM15/368, Robison to Tickell, 3 March 1971; TNA/FCO30/1095, O’Neill to Nield, 3 March 1971; TNA/PREM15/369, Soames to Greenhill, 10 March 1971; TNA/FCO30/1095, O’Neill to Tickell, 12 March 1971.
37 TNA/PREM15/369, Moon to Tickell, 23 March 1971; TNA/PREM15/370, Moon to McDonnell, 31 March 1971; TNA/PREM15/608, RoM, Heath and Brandt, 5 April 1971, 10.15am.
and assistance in preserving the role of French as a working language in the enlarged Community. Pompidou’s ability to secure British concessions on these issues was critically dependent upon Heath’s anxiety about the French negotiating position on Community finance and New Zealand, and it was in the final session of talks, once Heath had given what ground he could to the president’s political concerns, that Pompidou delivered his firmest assurances about French flexibility when the negotiations resumed in June.\(^\text{39}\)

Yet as the substance of the talks demonstrate, Heath’s concessions to Pompidou were far from onerous; the most significant being a commitment in principle to run down the sterling balances, but without any specificity in terms of quantities or timeframe.\(^\text{40}\) There was nothing in the deal that only Heath was capable of delivering. A different prime minister, but one who shared a strong commitment to the objective of British membership, should have been able to do the same. This is not to deny Heath an important role in the success of the application; as has been argued, his determination to carry the negotiations through to a successful conclusion was significant. But it is to dispose of the narrative which has so often dominated accounts of British entry, that of Heath’s decisive personal intervention.

\(^{39}\) TNA/PREM15/2241, RoC Heath and Pompidou, 20-21 May 1971 (4 sessions); AN, 5AG2/108, Tête-à-tête entre Pompidou et Heath, 20-21 Mai (4 sessions).

\(^{40}\) TNA/PREM15/2241, Agreed English text of Record of Conclusions, meetings between Heath and Pompidou, 20-21 May 1971.
The case for Europe: politics, economics and the British budgetary question

In keeping with earlier studies on the decision to apply for membership, this thesis has emphasised the continuing primacy of the political case for membership, resting upon the desire to maintain and strengthen British influence with its principal international partners.\(^{41}\) As Cabinet had concluded in spring 1967, and again in February 1968, there was no alternative international framework which offered Britain equivalent advantages.\(^{42}\) This political analysis included important economic aspects; British leaders desired influence as much in international monetary and trade matters as they did on questions of security. But these should be distinguished from the pure economic arguments relating to the potential of Community membership to improve British economic performance. The main contribution of this thesis to the literature on case for joining the Community relates to this part of the debate. For those sceptical about the economic advantages, it was possible to point to the fact that the Community’s Common External Tariff was to be substantially lowered as a result of the Kennedy Round, whilst the contention that Britain’s inferior economic performance during the 1950s could be attributed to its position outside the EC appeared far from convincing when the February 1970 white paper indicated that other EFTA members had been enjoying economic growth rates similar to those within

\(^{41}\) TNA/CAB129/136, C(68)42, 23 February 1968; TNA/CAB128/43, CC(68)15\(^{th}\), 27 February 1968; TNA/T312/2456, Figgers to Dowler, 10 July 1969; Hansard, HCP, Cmdn.4289, February 1970; TNA/CAB148/101, DOP(70)13, 21 July 1970. On the decision to apply see: Ellison, United, p.201; Parr, Britain’s, pp.129-151; Young, Labour, pp.143-50.

\(^{42}\) Parr, Britain’s, pp.129-151; TNA/CAB129/136, C(68)42, 23 February 1968.
the Six. Nonetheless, when viewed in trade terms alone, it was difficult to argue other than that the Community represented the most advantageous trading framework available to Britain in the long-term. With the increasing cost of membership, however, and against a background of persistent balance of payments difficulties in the 1960s, the short-term economic consequences of entry became even more onerous than they had been in 1967. Indeed, the possibility of devaluation, accompanied by restrictive fiscal measures to ensure financial stability, created a strong argument for postponement in 1969-70.

Official Treasury concerns were represented to both Labour and Conservative chancellors. In the summer of 1969, in the context of the potential revival of the application, Jenkins was advised that it would be better to delay, rather than proceed to early negotiations, but there is no evidence that these representations had any impact. In late 1970, in the context of Britain’s opening bids, Barber was also counselled in the economic dangers, and the painful measures which the government might have to introduce to protect sterling. Whether Barber was responsible for precipitating the Cabinet discord of December 1970 is unclear, but for the first time in the Conservative Cabinet the argument was advanced that ‘severe measures’ might be necessary which could ‘largely offset the

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44 TNA/T312/2456, Figgures to Dowler, 10 July 1969; TNA/T312/2456, Note of a meeting (hereafter NoM) in the Chancellor’s office, 14 July 1969.
45 TNA/T312/2723, Figgures to Ryrie, 6 November 1970; TNA/T312/2725, Figgures to Ryrie, 4 December 1970; TNA/T312/2725, Figgures to Ryrie, 8 December 1970.
stimulus to faster growth created by our entry'. With the principal component of the balance of payments cost being Britain’s contributions to the Community budget, the counter-argument provided was that if the burden at any stage became too onerous, Britain could insist upon the question of budgetary contributions being reopened. The issue was never formally resolved: at the time, Heath deferred it for subsequent consideration, but in the event did not return to it. For both Wilson and Heath, the principal explanation for their determination not to allow the cost of membership to provide an argument for delay is to be found in the extent of their personal commitment to the issue. While this is perhaps uncontroversial for Heath, Wilson too had invested much in the application, and to suspend the pursuit of membership just at the moment that the opportunity of negotiations had finally arisen, would have been difficult to contemplate. It would also have meant a further indefinite period of British exclusion from the Community, in which London would continue to find itself on the margins of European affairs, watching on as the Community continued its development independently.

Any analysis of the cost of membership must also bring to the fore the longer-term implications of the Community finance issue. George has located the budgetary wrangles of the late 1970s and early 1980s within his ‘awkward partner’ narrative of Britain’s relationship with the EC, implying that London’s persistent haggling in this field is indicative of a more pervasive

46 TNA/CAB128/47, CM(70)45th, 10 December 1970
47 Ibid.
lack of commitment to the Community idea. Yet France, too, had acted no less determinedly in its pursuit of a national objective by insisting upon a permanent finance regulation as the price for lifting the veto on negotiations. The question can thus be better located within Milward’s concept of a clash between British and French visions of how the Community should operate, with London, despite its avowed acceptance of the acquis Communautaire, resolving from an early stage that if budgetary payments should became too onerous, it would challenge the system which gave rise to them. As early as October 1969, even before The Hague deal was struck, Con O’Neill wrote of the prospective definitive regulation: ‘We would simply have to undermine it and find a way round it by insisting that, whatever the nature and character of the [Six’s] agreement ... the burdens of the Common Agricultural Policy must, through one device or another, be equitably distributed and not all heaped on us’. It was an approach that would dominate London’s European policy for much of the next fifteen years, ensuring that, while the membership question had been resolved, Britain’s troubled relationship with the Community was set to continue.

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49 For Pompidou’s awareness of the difficulties a definitive regulation would create for Britain see: Rücker, ‘triangle’, p.105.
50 See Milward, United, p.483. Barber’s statement at the opening meeting on the negotiations professed to accept the ‘the Treaties establishing the three European Communities and the decisions which have flowed from them’: Hansard, HC Papers, Cmdnd.4401, June 1970. On Community finance specifically: TNA/FCO30/1120, Paris to FCO, tel.238, 25 February 1971 (recording a conversation with Soames and Pompidou); and TNA/PREM15/2241, RoC Heath and Pompidou, 15.30, 20 May. On British readiness to challenge the system: TNA/CAB128/47, CM(70)45th, 10 December 1970; TNA/CAB133/422, PMVP(71)8(i) (Revise), 18 May 1971.
51 TNA/FCO30/316, O’Neill minute, 27 October 1969.
52 Sharp, Thatcher’s, pp.145-59; Wall, Stranger, pp pp.18-40; Young, Britain and European, pp. pp.130-137.
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