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In the Shadow of the General

De Gaulle and the EEC 1958–1969

Charles de Gaulle is often depicted as an ardent nationalist, a man who used France's unique position within the EEC to put a brake on the process of gradual integration begun by the ECSC and accelerated by the Treaties of Rome. There is, of course, some truth in this picture. Yet de Gaulle's arrival in power was arguably also a necessary condition for the EEC's success. The EEC treaty demanded huge alterations in the economic behavior of the member states. France, with heavily protected manufacturers and a comparatively lavish welfare state, was the nation that needed to make the greatest adjustments of all. Without de Gaulle's personal leadership and the institutional power devolved upon the president by the Constitution of the Fifth Republic in France, it is probable that France would have rescinded from its obligations under the EEC treaty. Hans von der Groeben, the second German nominee to the original Commission and, like Walter Hallstein, an ardent federalist, summarized the point well when he said that the last governments of the Fourth Republic would have been willing to "exhaust the political opportunities of the Treaty of Rome" but would "scarcely have been able" to enforce the "radical domestic reforms" that the EEC treaty stipulated.¹

When de Gaulle came to power at the beginning of June 1958, France was suffering from rapid inflation and a ballooning balance-of-payments deficit. De Gaulle, once his constitutional position had been fortified, acted decisively to prepare France for the first round of tariff reductions envisaged by the EEC treaty. The franc was devalued by 17.5 percent in December 1958, government expenditure was cut sharply back, and taxes were raised.²

De Gaulle, in short, backed the EEC from the first. He merely had a restrictive interpretation of what it was supposed to lead to. De Gaulle wanted to extend the free market to agriculture, liberalize trade in manufactures gradually within the context of the customs union, preserve The Six from "Anglo-Saxon" contamination, and raise The Six's profile in world politics. It was to be a trading bloc, whose geopolitical stand was to be set by the French government. This concept of European unity was simply different (although hardly less ambitious) from that of Jean Monnet, Walter Hallstein, and supporters of a federal Europe. It was one that entrenched national governments, and especially the government of France, as the driving force of the Community. "*Une Europe des patries*" was not a mere slogan for de Gaulle. But his vision of an activist Europe cutting a dash on the world stage alarmed the more timid member states of The Six. Germany, Italy, and the Netherlands did not regard French *gloire* as a substitute for American strategic leadership and became increasingly frustrated with French high-handedness within the Community itself.

THE EEC'S FIRST FOUR YEARS

De Gaulle's first act in defense of a restrictive interpretation of the EEC treaty was to block negotiations for a wider FTA on November 14, 1958. The Commission welcomed de Gaulle's abrupt termination of the FTA talks since it feared that the EEC might dissolve like a lump of sugar in a cup of tea in a wider trade bloc. A useful consequence of de Gaulle's decision was that liberalization within The Six proceeded apace. Quantitative restrictions on intra-Community trade had been entirely suppressed by December 1961. Intra-Community trade barriers were lowered faster than specified by the EEC treaty, and the common external tariff, in part to reassure the United States, whose exports had been affected by growing intra-Six trade after January 1958, was set at a lower level than Britain's for industrial goods. The EEC also agreed to a large number of bilateral tariff reductions with the United States during the so-called Dillon Round of trade talks from 1958 to 1960.

This substantive progress on trade was matched in another area important for France: the relationship between the EEC and the non-European countries and territories that had special relations with Belgium, France, Italy, and the Netherlands. For the most part, these countries were France's African "dependencies" (to use the patronizing phrase then common). Initially at least, the convention with the associated countries was one of the EEC's "signal successes."³ Between 1959 and 1962, most of the EEC's associates became independent, but in a sense this only enhanced the EEC's role. The fact that European aid was nominally being dispensed

by a supranational organization rather than by the former colonial powers directly undoubtedly rendered such funds more acceptable to the African countries' new leaders. In July 1963, the Yaoundé Convention provided for a further \$730 million in aid. An Association Council, composed of ministers from The Six and from the African nations, and a Parliamentary Conference provided the Convention with an institutional framework.⁴

The consolidation of The Six as a cohesive customs union and the successful opening to France's former colonies were chalked up to the EEC's credit in Paris. However, these issues were small beer compared with agriculture. Failure to reach agreement on a Community-wide regime for agriculture would have smashed the EEC as a whole. Yet agriculture was the thorniest of subjects. Producer groups were well organized and politically influential; farmers still constituted a large segment of the electorate (in 1958, agricultural workers constituted 23 percent of the workforce in France, 35 percent in Italy, and 15 percent even in West Germany); and agricultural incomes, depressed by a decade of falling prices, were already very low and were provoking a drift to the towns that was imperiling the rural way of life. The picture was particularly bleak in France, whose rural areas were in deep crisis by 1960. De Gaulle even warned that France would have an "Algeria on our own soil" if the problems of agriculture were not soon resolved.⁵

These factors, taken together, meant that the CAP could not reflect the liberal principles prevailing in the rest of the EEC treaty. The governments of all six countries were determined to keep "farmers on welfare," to quote the title of the most comprehensive book on the agriculture policy of the EEC.⁶ With such a starting point, negotiations on the proposals put forward by the Commission inevitably became fraught. On December 9, 1961, de Gaulle flatly warned the rest of the Community that France would not implement the next round of tariff cuts on manufactured goods if the CAP deadline set by the Treaty of Rome was breached. That deadline was December 31, 1961: in the end, an accord was only reached on January 14, 1962, after The Six "stopped the clock" and carried on bargaining.

The accord specified that a common market in agricultural products would be gradually introduced between August 1, 1962, and December 31, 1969. A common system of tariffs on foreign imports was to be introduced to ensure that prices were not undercut by outside competitors, and an export subsidy regime was to be implemented. The CAP, in other words, although fiendishly complicated in its detail, was simple in conception. The EEC intended to solve the economic and social problems of agriculture within The Six as a whole by guaranteeing high domestic prices and subsidizing exports rather than encouraging cheap food and compelling a shakeout among domestic producers.

The devil, however, was in the details. Agricultural production was divided into three main categories: grains and dairy products; pig meat and eggs; and fruit, vegetables, and wines. The first of these categories was the most sensitive since the price of grain had a knock-on effect throughout the entire agricultural economy. During the seven-year transitional phase, each country would set target prices for wheat and barley production. High-cost countries such as Germany would be entitled to impose levies at their frontiers on grain coming from other EEC members and to grant subsidies to allow their domestic producers to export production elsewhere in The Six. The target prices would gradually be reduced until prices were harmonized throughout the Community at the end of the transitional period. Thereafter target prices would be set at Community level.

To prevent target prices from falling, The Six set up the so-called Guidance and Guarantee Fund to buy surplus production from producers at the so-called support price (about 10 percent less than the target price) and to subsidize exports. No cap was placed on the amount that the Community would buy, and thus producers were potentially handed a blank check to increase harvests at the taxpayers' expense. Nobody knew in 1962 how much the CAP would cost. But it was clear that it would not be cheap. It was agreed in principle during the 1962 negotiation that costs would eventually be paid out of the Community's "own resources," but there was then no agreement on what exactly that phrase meant. In the meantime, until June 1965, the CAP was to be financed by contributions from the member states.

Markets in pig meat and poultry and in fruit and vegetables were less tightly regulated. The pig meat and poultry sectors were defended from foreign competition by a tariff on imports. There was no Community support price regime, however, in this sector. Fruits and vegetables were to be regulated by quality standards only, and by January 1966 produce was supposed to circulate freely, with member states being entitled to impose border checks to ensure that quality standards were being maintained.⁷

At bottom, the CAP was a bargain between France and Germany. France wielded the potent threat of postponing the EEC's transition to its second stage—which would have been a severe setback for German industry—in order to unload much of the cost of subsidizing French agriculture onto the Community as a whole. France was "largely uncompetitive on the world market, yet competitive within Europe."⁸ The CAP enabled France to dispose of its surpluses within The Six at artificial prices while building up its export trade on the back of Community subsidies. It was a major achievement for de Gaulle, and while Moravcsik arguably exaggerates when he claims that it was less the pursuit of French gran-

deur than the “price of French wheat” that was driving de Gaulle’s EEC policy, the general’s concern for agriculture cannot be disputed.⁹

THE “UNION OF STATES”

De Gaulle’s determination to restore France’s place in the world was shown within weeks of his taking office. In the autumn of 1958, he wrote to Macmillan and Eisenhower proposing that NATO should be put under the joint leadership of a “directory” of the three nuclear (or, in the case of France, which exploded its first atomic bomb in February 1960, soon-to-be nuclear) powers. Both Britain and the United States rejected this proposal as diplomatically as they could.¹⁰ The episode seems to have convinced de Gaulle, however, that France, if it wanted to exercise its rightful role on the world stage, would have to do so as the *de facto* head of a European “Third Force.” But to perform this role, The Six needed institutions capable of making decisions on major questions of foreign policy and military strategy. In the summer of 1959, de Gaulle proposed that The Six’s foreign ministers should meet three times a year to coordinate the EEC’s foreign policy; in September 1960, at one of his frequent policymaking press conferences, he outlined a vision of a committee of The Six’s heads of government making policy in foreign policy, defense, cultural, and economic fields. He also proposed that the plan should be submitted to the peoples of Europe in a Community-wide referendum as a way of giving it greater legitimacy. In short, he was putting forward “a total change in the objectives and methods of European unification.”¹¹

In March 1961, a committee chaired by Christian Fouchet, a French diplomat who had been a “Gaullist of the first hour”—one of the gallant handful of officials and soldiers who had joined de Gaulle in exile in 1940—was given the task of putting flesh onto the bare bones of this statement. The process was pushed along by the heads of government of The Six at a summit meeting at Bad Godesberg on July 18, 1961. The summit’s final communiqué spoke of The Six’s “determination” to press ahead with “the desire for political unification implicit in the EEC treaty” by instituting “regular summits between the Six’s heads of government.”

What the French aspired to achieving is indicated by a draft treaty proposed by Fouchet on November 2, 1961. This document proposed the establishment of an “indissoluble” Union of States. The Union’s aims were to “bring about the adoption of a common foreign policy” and to ensure the “continued development” of the member states’ “common heritage” and the “protection of the values on which their civilization rests.” The Union would contribute to “the defense of human rights, the fundamental

freedoms and democracy” and adopt a common policy for defense “in cooperation with the other free nations.” Under Fouchet’s scheme, the Union was to be provided with three main institutions: the Council, the Parliament, and the Political Commission (PC).

The Council was to be composed of the heads of government of The Six’s member states, who would meet three times a year to “deliberate on all questions whose inclusion on its agenda is requested by one or more of the member states.” Decisions were to be made by unanimity, with member states being granted the possibility of abstention, and were to be binding upon all states that had not abstained. The Council’s president was to be chosen by the member states at each meeting and was to “take up his duties two months before the subsequent meeting and continue to exercise them for two months after the meeting.” The Council was not necessarily to have, therefore, a revolving presidency.

Nominal parliamentary scrutiny of the Council was to be provided by the Assembly of the European Communities. Administratively, the Council was to be served by the PC, which was to consist of “senior officials of the Foreign Affairs departments of each member state.” It was to be based in Paris and was to be presided over by the representative of the member state holding the presidency of the Council.

The French draft envisaged a period of three years in which the Union of States would work in conjunction with the other European Communities. Article 16 foresaw, however, a “general review” whose “main objects” would be “the introduction of a unified foreign policy and the gradual establishment of an organization centralizing, within the Union, the European Communities.” De Gaulle’s idea, seemingly, was to merge the three economic Communities into a single body and have the unified “economic” Commission report to the Council of the Union in the same way as the Political Commission was intended to do. The national governments would have reasserted their primacy over the Communities’ supranational institutions, and France would probably have asserted its primacy over the other governments of The Six.¹²

It is a mistake, however, to think of the Fouchet Plan purely as a ruse to enhance the greater glory of France. It was a genuine attempt to avert the EEC’s degeneration into what Hedley Bull would subsequently call “Civilian Power Europe.”¹³ Stanley Hoffmann provided an insightful contemporary analysis of de Gaulle’s goals for Europe:

The General, a French nationalist, is also a “European nationalist.” His concern for Europe is least understood in the United States, where people tend to assume that only the “Europeans” of Mr. Monnet’s persuasion really care about uniting Europe. Just as he wants to prevent France from being a mere pawn on the international chessboard, the General wants to assure that

Europe—which he sees as being the mother of civilization—can again become one of the principal players after having for more than twenty years been just a stake through the fault of its own divisions.¹⁴

The French plans were audacious, especially when one remembers that they were put forward just weeks after the construction of the Berlin Wall. The East–West conflict had reached its tensest moment since the Berlin airlift. The USSR was building an intercontinental missile force to rival that of the United States, a fact that had set off alarm bells among West European leaders. Would the United States be prepared to use its still superior nuclear forces in defense of Europe, if it risked a devastating Soviet counterattack? Newly elected President John Kennedy’s doctrine of “flexible response,” which in substance proposed that the NATO countries in Europe should build up their conventional forces to deter the USSR and leave a monopoly on nuclear arms to the United States, had not soothed the Europeans’ worries.¹⁵

De Gaulle did not trust the Americans. On May 10, 1961, he had announced his intention to build a French *force de frappe*. The French leader saw two main advantages in having independent nuclear forces. First, as he had explained to President Eisenhower in 1959, even a small nuclear force had a deterrent effect—an enemy’s power to kill you ten times over lost all force if he himself had been obliterated once.¹⁶ Second, by threatening to go nuclear, France would have the leverage to ensure that the United States maintained its European commitments.

When they met at Bad Godesberg, therefore, in July 1961, the other members of The Six knew perfectly well that moves toward European political union might mean signing up to a much more self-reliant vision of Western European security.

It was for this reason that the plan foundered. In the fall of 1961 and in January 1962, intergovernmental talks on political union stalled, with the Dutch arguing that it was pointless to go ahead with political union until Britain’s application to join the EEC (Britain had applied on July 31, 1961) had been decided. France’s ambitious ideas were watered down to ensure that the proposed union was subordinate in military matters to NATO and to underline the independence of the institutions of the three European communities. This resolute opposition caused de Gaulle’s patience to snap. On January 18, 1962, flushed with his victory in the agriculture negotiations, de Gaulle introduced a new draft treaty that struck out all mentions of NATO and incorporated trade and industry (the chief prerogatives of the EEC) into the Union’s responsibilities. The Five “were filled with consternation” at the French government’s “blunt way of issuing ultimatums.”¹⁷

American diplomacy chose this moment to make its case. On January 25, 1962, President Kennedy asked Congress for authorization to conclude a wide-ranging free trade agreement with Western Europe. The United States needed such an agreement because the creation of The Six had led to a substantial fall in American exports to the EEC, but the primary motive was political. The “Grand Design,” as Kennedy called it, was predicated upon free trade, British membership of the EEC, and American leadership in defense matters. Its most famous evocation came on July 4, 1962, when Kennedy made at Philadelphia what was described as the “declaration of interdependence”:

We believe that a united Europe will be capable of playing a greater role in the common defense, of responding more generously to the needs of the poorer nations, of joining the United States and others in lowering trade barriers, resolving problems of commerce, commodities and currency, and developing coordinated policies in all economic, political and diplomatic areas. We see in such a Europe a partner with whom we can deal on a basis of full equality in all the great and burdensome tasks of building and defending a community of free nations.¹⁸

Long before the Philadelphia speech, however, American diplomats were spreading the message that the future of The Six was with the United States. The choice, the Kennedy administration argued, was between an “Atlantic Community” protected by NATO, in which the United States and The Six collaborated on equal terms, and a precarious new venture into geopolitics with de Gaulle at the helm.¹⁹

The smaller nations of the EEC obviously preferred the American option. Between February and April 1962, the Italian premier Amintore Fanfani, a committed Atlanticist not least because he needed U.S. approval of his integration of the still-Marxist Italian Socialist Party (PSI) into his government, strove to find common ground between what the French foreign minister called the “proverbial obstinacy of the Dutch” and the general, whose own obstinacy was of course a thing of legend. It is no small tribute to Fanfani’s negotiating skills, honed in the Machiavellian world of domestic Italian politics, that he persuaded de Gaulle to soften the French position considerably, although the backing of Chancellor Konrad Adenauer for de Gaulle’s position strengthened France’s hand. Thanks to Fanfani’s efforts, in April France seemingly began to envisage the Union of States as a coordinating, not commanding institution that would work with the EEC and NATO rather than against it. De Gaulle nevertheless remained trenchant—and, in the long-term, prophetic—about the prospect of supranational government for Europe. At a summit in Turin on April 4, 1962, the general, in good

world-historical form, told Fanfani that the ideal of a common European government and parliament was “touching” but merely a “dream.” The “states alone were real,” he asserted. It is a point of view that has lost none of its relevance in the interim.

The French concessions, however, did not win over the Dutch and the Belgians. To begin with, they resented the fact that *les grands* had been negotiating among themselves without their involvement: a “Franco-Italo-German front” was, for them, an ominous harbinger of the way that the EEC itself might be run in the future. The Netherlands, though its internal debates on the issue of political union were sharp and its cabinet was divided, broadly wanted Britain in the EEC precisely because it believed that the British would be a useful ally against French hegemony. France, moreover, had still not given cast iron guarantees that the Union of States would work within the framework of the NATO alliance and would not supersede the EEC. Since 1959, Dutch Foreign Minister Joseph Luns had regarded building a European political bloc in opposition to the Netherlands’ “Anglo-Saxon allies” as “insane,” and he remained as stubborn in this conviction as ever in April 1962.²⁰

The Dutch eventually pulled the plug on the Fouchet negotiations at a summit of The Six on April 17, 1962, when it became clear that France would not go along with the supranational dimensions of the European Union proposed by the Netherlands and would not delay the implementation of the treaty until after Britain had joined the EEC.

De Gaulle’s response was given, as usual, at a press conference. On May 15, 1962, he warned darkly that Europe was far too dependent upon the United States and dismissed the idea that Europe could be governed through supranational institutions as a fantasy worthy of the “thousand and one nights.”²¹ He was to dedicate the next four years to proving himself right.

THE FIRST BRITISH NEGOTIATION FOR ENTRY

The British decision to apply for entry to the EEC had partly been provoked by its poor economic performance relative to The Six. Between 1950 and 1958, Britain’s economy grew at an annual rate of 2.7 percent per year: good by the standards of the 1970s and 1980s, but far behind West Germany (7.8 percent), Italy (5.8 percent), and France (4.6 percent). Even more significantly, the former “workshop of the world” was losing prominence as an exporter of manufactured goods. Britain’s export trade grew by just 1.8 percent a year in this period; Germany’s by 15 percent. In 1958, Germany’s economy overtook Britain in size, and her share of world export trade also exceeded Britain’s.²²

Geopolitical considerations were nevertheless decisive. When Britain applied for membership, the policy of decolonization inaugurated by Prime Minister Harold Macmillan in his February 1960 "Winds of Change" speech was ending Britain's role as an imperial power. Suez had also taught Britain that the "special relationship" with the United States was a somewhat one-sided affair. The Six loomed in the minds of British diplomats as a potential vehicle for the German domination of Europe, or else as a "Napoleonic" bloc, against which Britain was bound to organize her diplomatic efforts. According to de Gaulle, Macmillan told him in the summer of 1958 that the common market was "the continental system all over again." Macmillan somewhat hysterically remarked that "Britain cannot accept it. I beg you to give it up. Otherwise we shall be embarking on a war which will doubtless be economic at first but which runs the risk of gradually spreading into other fields [*sic*]." ²³

In December 1960, Macmillan spent the Christmas holidays drafting a "Grand Design" for the future of British foreign and economic policy. Its key passage stated that exclusion from the "strongest economic group in the civilized world must injure us." Exclusion was "primarily a political problem" that had to be "dealt with" by making a "supreme effort to reach a settlement" while de Gaulle was in power in France. From then on, Macmillan was unequivocally committed to pressing for outright membership of the Community.²⁴ Britain formally applied for membership in August 1961, along with Denmark. Ireland had anticipated both by a handful of days. Norway followed suit on April 30, 1962. From the start, it was clear that British entry would mean a significant enlargement of "little Europe," as The Six was often called.

Edward Heath, the chief British negotiator, made the thinking behind Britain's position clear in his opening speech at the negotiations on October 10, 1961. Britain, Heath said, recognized that the decision to seek entry to the EEC was "a turning point in our history." Three considerations had been important in persuading Britain to take such a drastic step. First, according to Heath, was Britain's "strong desire to play a full part in the development of European institutions." The "second consideration" propelling Britain's application for membership, according to Heath, was the "increasing realization" that "a larger European unity had become essential" in a world where "political and economic power is becoming concentrated to such a great extent." The "third factor" influencing Britain's decision was the "remarkable success of your Community." Heath stated that Britain wished to "unite our efforts with yours; and to join in promoting, through the EEC, the fullest possible measure of European unity."²⁵

Heath's remarks provided an impressive rhetorical garnish for the clear-cut pragmatic bargain that he subsequently offered The Six. Heath stated that the British were willing to "subscribe fully" to articles 2 and

3 of the EEC treaty and accept a common tariff, the abolition of internal tariffs, a common commercial policy, and a common agricultural policy if The Six were prepared to meet Britain halfway over "three major problems." These problems were Commonwealth trade, UK agriculture, and "the arrangements which could be made for our partners in EFTA." The third of these problems was largely pro forma. The concerns of the other EFTA nations would never have dissuaded Britain from concluding an agreement with the EEC that was in Britain's national economic interest. The first two, however, were not. Heath warned that he would be misleading his listeners if he "failed to say" how deeply the British people felt about the Commonwealth. He further stated that it would be a "tragedy" if British entry into the EEC "forced other members of the Commonwealth to change their whole pattern of their trade and perhaps their political orientation." Britain, Heath warned, could not "join the EEC under conditions in which this trade connection was cut with grave loss and even ruin for some of the Commonwealth countries."²⁶

Heath further pointed out that Britain's system of agricultural protection provided the highly satisfactory result of cheap food for consumers and guaranteed incomes for farmers. Britain placed low tariffs on agricultural products and none at all upon those coming from the Commonwealth. Prices in the shops were therefore low. The British farming community was maintained by income support payments that amounted to a large slice of the industry's net income. Britain, in other words, paid a relatively small number of people to till the land and maintain the rural community in exchange for the benefits of world market food prices for the consumers: benefits that the subsequent CAP agreement in January 1962 explicitly renounced. Heath insisted that price rises in foodstuffs would have to be introduced "gradually" and hinted that The Six might contemplate a CAP that incorporated British practices, rather than the reverse: "I am sure that the pooling of ideas and experience will have fruitful results; indeed, some features of our agricultural arrangements may prove attractive to you."²⁷

Heath had to insist upon these conditions. Conservative Party opinion objected to harming the interests of the Commonwealth countries, especially Australia, New Zealand, and Canada, the so-called white dominions. Farmers were one of the Conservative Party's key backers. Yet the two key British conditions were bound to tread on de Gaulle's corns. Unlike France and Belgium's former colonies, Commonwealth nations such as India, Pakistan, and Hong Kong were potential competitors in politically sensitive industries such as textiles, while Australia, Canada, and New Zealand were highly competitive agricultural exporters. If the Commonwealth countries had been given the same sort of access to the domestic market of The Six granted to France's former colonies, Dutch

and French agriculture would have been subjected to fierce competition; if the dominions' access to the common market was restricted, however, Dutch and French exporters could expect to gain market share in Britain. Since Britain was the biggest importer of foodstuffs in the world at this time, this was a welcome prospect.

Altering the CAP to take British practices into account, or even to allow the UK a lengthy period of adjustment, was also a nonstarter. As we have seen, the CAP negotiations were coming to a close in the fall of 1961, and all The Six were acutely aware that the agriculture issue was capable of disrupting the whole European project. The UK could hardly be granted privileges that were being denied to the farmers or shoppers of the existing member states. Maurice Couve de Murville, the French foreign minister, dryly remarked that he could not see that adaptation to the CAP would be "significantly more uncomfortable in the British case than elsewhere."²⁸

For these reasons, The Six, in general, and the French, in particular, were insistent that Britain should adapt her domestic agriculture to the same regime as The Six and enter the CAP fully in 1970, and the British, who were under intense pressure from the Commonwealth countries, felt obliged to honor Heath's pledge not to harm trade with the former empire. The two sides' negotiating positions "were too distant for real negotiation to be possible."²⁹ A summit meeting between Macmillan and de Gaulle on June 2–3, 1962, at Château de Champs failed to break the deadlock. Although Macmillan warmly asserted that Britain's imperial mission was being substituted by a growing European vocation, especially among the young, de Gaulle remained unconvinced. British attitudes, he thought, still had to "evolve further" to be compatible with The Six.³⁰

Britain showed by deeds, not words, that it was serious about joining the EEC by significantly softening its negotiating stance in the summer of 1962, which led to real progress being made on some of the less controversial topics (it was agreed, for instance, that the common external tariff on tea would be reduced to zero, which would save Ceylon's main export industry). But progress on "temperate zone foodstuffs," i.e., agricultural exports from Australia, Canada, and New Zealand, were a different matter. The Six, especially France, were unwilling to be generous to such relatively wealthy countries.³¹

The failure to get a deal meant that a Commonwealth summit in London in September 1962 was a public relations disaster for Macmillan as the prime ministers of Australia, Canada, and New Zealand openly accused him of neglecting their interests. A few weeks later, the opposition Labour Party's leader, Hugh Gaitskell, made political capital out of the Conservatives' difficulties by clearly stating that Labour was opposed to any deal that harmed the Commonwealth trade. Gaitskell, moreover,

also raised the thorny issue of membership's constitutional implications. Shocking many of his own closest supporters, notably a future president of the European Commission, Roy Jenkins, Gaitskell claimed that British membership of the EEC would threaten "a thousand years of history."³²

The British membership bid was thus already in deep trouble by October 1962. France, but not only France, considered that Britain would disrupt the economic arrangements agreed by The Six; the UK was constrained by its historical ties to the Commonwealth and by domestic politics. Nevertheless, the way in which negotiations were brought to an end came as a bolt from the blue for everybody concerned. On January 14, 1963, de Gaulle held a damning press conference on the subject of British entry and, without ever pronouncing the word *non*, made clear his rejection of Macmillan's entry bid. The French president's move has become something of an academic mystery story, with historians queuing to decipher his motives.

The still standard interpretation is the so-called Trojan Horse theory. This links de Gaulle's action to the so-called Nassau agreement between Britain and the Kennedy administration on December 21, 1962. The Nassau agreement was a U.S.-British deal to modernize Britain's independent nuclear deterrent. Britain, after failing to make her own nuclear delivery system in the 1950s, had been relying on Skybolt missiles purchased from the United States for the delivery of British-made warheads. Early in December 1962, the Kennedy administration abruptly told the British government that it would be canceling Skybolt for technical and financial reasons. Macmillan was determined to get submarine-launched Polaris missiles in Skybolt's place, but there was strong resistance within the Kennedy administration to making a deal, since many high officials believed that any special treatment for Britain would weaken the prospects for the "multilateral force" (MLF) that was the strategic dimension to Kennedy's Grand Design for an Atlantic Community.

At Nassau, Kennedy and Macmillan's good personal relationship, which had been strengthened during the October 1962 Cuban missile crisis, led the president to override his advisers. Kennedy agreed that Britain should have Polaris, and while Britain's nuclear submarine fleet should be assigned to NATO, Britain would retain the right, when the highest British interests were at stake, to use its deterrent independently.³³ The two countries invited de Gaulle to participate in the multilateral force under similar conditions—although as France was still unable to make her own warheads, and the United States was not prepared to provide France with the know-how—the offer was much less evenhanded than it seemed.

De Gaulle, who had met Macmillan at Rambouillet just a few days before Nassau and who may have understood from Macmillan's elliptical

French that Britain intended to develop nuclear missile technology together with France, was convinced that the deal was evidence that Britain was a privileged partner of the United States. This, according to the “Trojan Horse” theory, led him to conclude that he had to keep Britain out of the EEC. As Stanley Hoffmann put it: “Slamming the door on the British . . . seemed to him less damaging to his policy [of building a strong and independent Europe] than the disaster represented by the entry of England, the Trojan Horse of the United States, into the Common Market and by the formation of a loose Atlantic Community directed by and dependent upon the United States.”³⁴

The standard interpretation has been challenged by the American political scientist Andrew Moravcsik, who contends, in keeping with his economics-driven theory of the development of European integration more generally, that de Gaulle’s decision was motivated primarily by fears for the future of French agriculture if Britain were to be admitted. Geopolitical considerations, in Moravcsik’s view, were much less important for the general’s decision. Moravcsik’s work has given rise to a *historikerstreit* that it is unnecessary to discuss here but that has undeniably provoked some intriguing questions about the utility (and pitfalls) of political science theory when applied to historical data.³⁵

Actually, this interpretative battle seems otiose. De Gaulle was frank about his motivations during the January 14, 1963, press conference. Both agriculture and geopolitics mattered greatly. The French president began by asserting that he could not “conceive of a Common Market in which French agriculture would not find outlets commensurate with its production.” The “entry of agriculture into the Common Market” had been a “formal condition” for French participation. Britain, however, from the beginning “had requested membership, but on its own conditions.” This was especially true of Britain’s agricultural regime, which de Gaulle termed “obviously incompatible with the system that the Six have set up for themselves.” The question, de Gaulle suggested (and this, in fact, was the nearest he came to expressing an outright *non*), was whether Britain could place itself “within a tariff that is truly common, giving up all preference with regard to the Commonwealth.” De Gaulle concluded, “One could not say” that this problem had been resolved. Would it ever be? Only Britain, de Gaulle averred, could answer that question.

On the other hand, de Gaulle also unquestionably believed that British entry would prevent the EEC from growing into a geopolitical force independent of American tutelage. He argued, repeating comments that he had made to Macmillan in their December meeting, that Britain’s entry would be followed by the applications of other states. An influx of new members would “completely change the series of adjustments, agreements, compensations and regulations already established between

the Six." In de Gaulle's view, the "eleven-member, then thirteen-member and then perhaps eighteen-member Common Market that would be built would, without any doubt, hardly resemble the one the Six have built." He went on:

Moreover, this Community, growing in this way, would be confronted with all the problems of its economic relations with a crowd of other states, and first of all with the U.S. It is foreseeable that the cohesion of all its members . . . would not hold for long and that in the end there would appear a colossal Atlantic Community under American dependence and leadership which would soon swallow up the European Community. This is an assumption that can be perfectly justified in the eyes of some, but it is not at all what France wanted, and what France is doing, which is a strictly European construction.³⁶

De Gaulle also spent part of the press conference giving a "disdainful rejection of . . . the Nassau accords," but the Nassau agreement was more a symptom of Britain's extraneousness from the French vision of the Community's purpose, not a primary cause for rejection.³⁷ In his memoirs, de Gaulle in fact says that he and Macmillan spent many hours together "either alone or accompanied by our ministers" discussing the "great subject" of British membership. De Gaulle says that these conversations convinced him that Britain was not yet ready to "moor herself to the Continent." Later, he adds, "a certain special agreement concerning the provision of American rockets and underlining the submission of Britain's nuclear means, concluded separately at Nassau with John Kennedy, was to justify my circumspection."³⁸ The overall thrust of the press conference, and the tone of de Gaulle's comments on American strategic policy toward Europe, leave no doubt that the general's central preoccupation in 1963—along with agriculture—was that the countries of the EEC might lose their independence and become satellites of the United States both economically and militarily. British entrance into the Community could only strengthen this possibility.

De Gaulle nevertheless would not have been able to stand out against British membership, which was desired by all the other member states of the EEC, had he lacked the support of Chancellor Konrad Adenauer, who had become convinced in the early summer of 1962 that Britain would be an uncomfortable partner within the EEC.³⁹ As Adenauer's biographer says:

Those who spoke to Adenauer during these weeks [May 1962] gained the impression that he had made up his mind: a definite turning towards France, reserved relations with the United States, a scarcely concealed "no" to Britain's participation in political union and—this was also important—intensive efforts to achieve a *modus vivendi* with the Soviet Union.⁴⁰

What drove “the Old Man” to take the decisive step of backing de Gaulle? De Gaulle’s cultivation of Adenauer (between November 1958 and January 1963, the two men met on fifteen occasions, had one hundred hours of talks, and wrote to each other over forty times) was certainly one reason.⁴¹ When Adenauer made a state visit to France in July 1962, he was hailed by de Gaulle as “a great German, a great European, a great man who is a great friend of France.”⁴² Flattery on this scale must have been hard to ignore. When de Gaulle made a return visit to Germany in September 1962, moreover, he aroused popular approval by declaring his admiration for the “great German people.” In a droll aside, he added: “If they weren’t still a great people, they wouldn’t be applauding me.”⁴³ Nobody had spoken to the Germans in these tones since 1945. Adenauer also doubted that Britain would bring economic benefits to the Community and was less than impressed by the Kennedy White House. The prolonged Berlin crisis in 1961 had left Adenauer with the conviction that Kennedy was “a weak president surrounded by inexperienced advisors from the professorial class.”⁴⁴

Adenauer, in short, had concluded that France should be the keystone of his foreign policy. Backing de Gaulle was nonetheless a very bold decision to take. Adenauer gave his foreign policy a French orientation against the advice of his economics minister (Ludwig Erhard), his foreign minister (Gerhard Schröder), and most of the rest of his government. Adenauer’s support for the French government was given, moreover, in the most explicit manner possible—by the signature of the Franco-German Treaty of Friendship on January 22, 1963, just a week after de Gaulle’s shock press conference. Although the contents of the treaty had been under discussion for some months, the German foreign ministry staffers were so unprepared to formalize relations that they had not brought any official treaty paper with them, nor did they have the appropriate leather folder. An official was dispatched at the last moment to buy something suitable in rue Faubourg St. Honoré.⁴⁵ As a leading German scholar has commented: “It is almost certain that if there had been someone else heading the Federal Government the treaty would not have been signed.”⁴⁶

The treaty established close military, diplomatic, and cultural ties between the two countries. The heads of government were to meet each other twice a year; the foreign ministers of the two nations were to meet every three months; “high officials” within the foreign ministry were to meet every month to “survey current problems and to prepare the ministers’ meeting.” Similar regular contacts were to be initiated in the fields of defense, education, and youth (a particular preoccupation of Adenauer’s). In foreign policy, the two countries committed themselves to “consult each other, prior to any decision, on all important questions of foreign policy . . . with a view to arriving, in so far as possible, at a

similar position." Such consultation would specifically deal with EEC, NATO, and East-West matters, although the German parliament, upon ratification, insisted upon writing into the preamble of the treaty a commitment that such consultation would not lead to decisions incompatible with West Germany's obligations under the EEC and NATO treaties. In defense, the high commands of the two countries were to "harmonize" strategy and tactics, and the governments were to "endeavor" to organize military procurement projects on a joint basis. In the field of education and youth, every effort was to be made to increase the number of young French people learning German and young Germans learning French. In terms reminiscent of the 1948 Congress of Europe, the two governments called for the institution of exchanges between "pupils, students, young artists and workers" and for cooperation in scientific research.

The Franco-German treaty was Adenauer's last major act as a statesman. Erhard, under strong American pressure, broke into open revolt against his leader, and after intense party infighting, substituted Adenauer as leader of the CDU in September 1963. But from the British viewpoint the damage was done. On January 29, the French foreign minister, Couve de Murville, brought negotiations for British entry to a close. The Benelux governments and press squawked but were unable to go beyond merely voicing their dissent. Macmillan was left to tell the British people in a broadcast: "What happened at Brussels yesterday was bad; bad for us, bad for Europe, and bad for the whole Free World."⁴⁷ But not bad for de Gaulle, who had revenged the defeat of the Fouchet negotiations and had asserted his primacy within The Six.

THE "EMPTY CHAIR" CRISIS AND THE LUXEMBOURG COMPROMISE

The paradox of de Gaulle's rejection of the British application is that he might well have found the UK a welcome ally during the so-called Empty Chair Crisis. If the Fouchet crisis was about the supranational Dutch battling to stop the French domination of The Six, and the 1963 crisis about de Gaulle's opposition to the EEC's Atlanticization, the infighting that rocked the Community between June 1965 and January 1966 was characterized by de Gaulle's desire to keep decision making out of the hands of the Commission and Assembly and in the hands of the member states. Britain would likely have sided with the general on this issue.

The crisis arose directly out of a major success for greater integration. The EEC had spent most of the period between January 1962 and December 1964 wrangling over the small print of the CAP. West Germany, in particular, had defended the interests of her farmers tenaciously against

the Commission's desire to accelerate trade in cereals by harmonizing wheat prices throughout the EEC.

In the autumn of 1964, France, the likely main beneficiary of freer intra-Community trade in agriculture, lost patience and set a deadline of December 15, 1964, for reductions in West German wheat prices. Caught between these external pressures and internal resistance in an election year from farmers' groups who feared French competition, the German government eventually agreed to reduce its target price for cereals to 425 DM per metric ton. It was further agreed that the harmonized wheat price would be introduced on July 1, 1967, not in 1966 as the Commission wanted. The 425 DM price was 60 percent over the world market price, and by enabling "all but the most inefficient farmers to go on producing," it ensured that the CAP would be an expensive commitment for The Six.⁴⁸

These decisions opened the way for a completion of the common market. In January 1965, the Commission proposed that July 1, 1967, should become the deadline for the final removal of all intra-Community tariffs and the final harmonization of the common external tariff. Economic union, it seemed, would be realized three years ahead of schedule. Almost simultaneously, The Six, recognizing that the EEC had outgrown Euratom and the ECSC, agreed to unify the three Communities into a single body. The so-called Merger Treaty was signed in April 1965. This move was not an unmixed blessing: "The amalgamation of functions and the doubling of staff necessitated large-scale reorganization . . . as a consequence of which the Commission lost valuable time which could have been spent on its real tasks."⁴⁹

The agreements to complete the common market and unify the Communities turned the Commission, potentially, into a major force. Its president, Walter Hallstein, was determined to give the Commission a higher profile. At the end of December 1964, at Chatham House in London, he gave a forthright speech that reminded his listeners that from January 1966, the Council of Ministers would vote by a qualified majority and, in accordance with article 149 of the EEC treaty, unanimity would be needed among the member states to amend a Commission proposal. These two key "constitutional" powers, Hallstein insisted, would make the Commission the "mediator" of the EEC and end forever any prospect of a single country—read France—dominating the EEC's proceedings.

Hallstein posed the question of whether this fact implied a reduction in national sovereignty. He responded that it did not. The concept of state sovereignty was a myth, at any rate for the relatively small powers of the EEC. Europe had to learn to speak with a single voice if it was to count on the world stage. To this end, the member states would be forced to

recognize that economic union was not enough. More integration was needed at the political level, and Hallstein made clear that he regarded the Commission as the agent that would promote integration in the political sphere. What would the foreign policy orientation of this new Europe be? Hallstein underlined that the EEC's link with the United States was fundamental to its future. He scathingly attacked, though not by name, supporters of power politics, arguing that a vision of international politics that reasoned in such categories was "mistaken" and "immoral."⁵⁰

Hallstein's Chatham House speech has been summarized at some length because it illustrates the old adage that it takes two to make a fight. Hallstein, conscious of the fact that de Gaulle had a presidential election within a year and hence was unlikely to wish to seem anti-Community, had decided that the moment was ripe to strengthen the Community's supranational institutions at the expense of the member states. Nevertheless, most historical accounts of the major crisis that paralyzed the EEC in 1965 have cast de Gaulle as the villain of the piece—a role that he admittedly played with relish.⁵¹

The issue that sparked a conflict between the French government and the Commission was the sensitive one of CAP financing. The January 1962 accord had specified that the CAP would be paid for by national contributions until June 30, 1965. After the December 15, 1964, agreement, the Council invited the Commission to submit proposals by April 1, 1965, specifying how agriculture would be financed from July 1, 1965, until the CAP entered into operation. Hallstein and Agriculture Commissioner Sicco Mansholt drew up the three-point plan that they subsequently submitted to the Council in "utmost secrecy." The other members of the Commission were apparently kept "carefully out of the picture" while the proposals were being drafted.⁵²

"Hallstein's gamble" was simple. From July 1, 1967, he proposed that the EEC's running costs would be paid out of the EEC's "own resources." These would derive from the levies imposed upon non-Community agricultural imports and by the proceeds deriving from the common external tariff on industrial goods. Since collecting fees on this scale would produce resources far in excess of what the Community was already spending, the Commission's second proposal was to phase in the amount raised by industrial tariffs—a popular proposal with the Netherlands, which otherwise stood to lose the income from duty on goods imported via Rotterdam and then reexported to the rest of The Six. Nevertheless, by January 1, 1972, the Commission would have been in control of all revenues deriving from the common external tariff.⁵³

The Commission also proposed that the Assembly should have a greater say in deciding the Community's budget. The Commission's

scheme was that the existing system (by unanimous vote in the Council of Ministers, after the opinion of the Assembly had been heard) should be replaced by a new procedure. The Commission would send a draft budget to the Council of Ministers, which would amend it and send it to the Assembly. The Assembly was empowered to make amendments by a simple majority vote and to send the budget back to the drawing board—the Commission. The Commission could accept or reject the amendments. If the Commission accepted the amendments of the Assembly, the Council could only overturn the decision if five out of six countries voted against on a “one country, one vote” basis. In the event of the Commission disagreeing with the Assembly on a specific point, the support of four countries out of six was needed by the Commission in the Council of Ministers. If a blocking majority of four could not be raised, the Assembly’s version was automatically accepted.⁵⁴

This scheme, in short, gave the Assembly much more power and made the Commission, in budgetary matters, a “kind of government of the Community,” to quote Marjolin. The Commission would, with the assistance of a mere two states (the profederalist Netherlands and Luxembourg, say), have been in a position to drive through its expenditure plans even if Italy, Germany, and France had been opposed. Robert Marjolin regarded this as an “absurdity” and told his colleagues so.⁵⁵ Jean Monnet’s Action Committee nevertheless welcomed the Commission’s proposals at the beginning of May 1965.

The Commission’s plans, however, did not go far enough for the Assembly. On May 12, it adopted a resolution by seventy-six votes to zero, with ten Gaullists abstaining, which would have increased its role in the budget process still further: indeed, it would have made the Assembly the final arbiter of the budget’s size.⁵⁶

The issue was thus a fundamental one. From July 1, 1967, the EEC was set to become an institution with substantial resources of its own. Who would decide how the resources would be spent? The Commission and the Assembly were suggesting that the member states should cede control of the EEC’s financial future to its supranational institutions. It was a challenge that de Gaulle could not ignore.

Nor did he. The Commission’s proposals were debated in the Council of Ministers on June 13–15, 1965. At this meeting, the French simply suggested that the member states should disregard the July 1, 1967, date and continue to fund the Community until January 1, 1970. When the Council met again on June 28, faced with the specific task of deciding how to finance the EEC’s agricultural spending before the June 30 deadline, France’s partners, prompted behind the scenes by Hallstein, linked approval of the agricultural finance mechanism to the broader question of

financing the Community.⁵⁷ In effect, they argued that they would only keep their promise to fund the CAP if France struck a deal to give the supranational institutions of the EEC a greater budgetary role.⁵⁸ Italy, whose agricultural trade deficit had grown from \$203 million in 1961 to \$805 million in 1965 (and would reach \$1,236 million by 1969, when a single market for agricultural products had been established), was particularly insistent: "The most implacable of de Gaulle's antagonists was to be his sorely tried partner to the South."⁵⁹

In short, France's partners had decided to give the French a taste of their own negotiating medicine: "There was a sense of settling old scores."⁶⁰ The first rule of international politics, however, is to pick your fights carefully. The gauntlet having been thrown down, France proceeded to slap the Community in the face with it. On July 6, 1965, the French government withdrew its permanent representative from Brussels and announced that it would not be taking part in the Community's specialized policy committees. The "empty chair" policy had begun. The Five and the Commission soon threw in the towel. At the end of July 1965, the Commission drew up an extremely complicated plan that blurred the agricultural financing issue and shelved the notion of the Assembly's role in determining the budget. This new proposal "gave the French full satisfaction."⁶¹

De Gaulle, however, decided to up the ante. Hallstein's behavior had convinced him that the Commission "had shown a bias which is in keeping neither with its mission nor with ordinary decency." Hallstein and Mansholt, in particular, had, in de Gaulle's view, "disqualified themselves as neutral senior officials" and had to be "sent packing."⁶² On September 9, 1965, press conference diplomacy resumed with a vengeance. De Gaulle spoke his mind about federalists like Hallstein and their plans. France, he said, wanted a "reasonable" Community. That did not mean one "ruled by some technocratic body of elders, stateless and irresponsible." The general emphasized that France had only agreed to the implementation of the second stage of the EEC treaty in 1962 because her partners had finally agreed to "settle the agricultural problem" by June 30, 1965. They had not fulfilled that undertaking and had colluded with the Commission's attempts to make itself "a great independent financial power." This fact, de Gaulle argued, had allowed the French government "more clearly to assess in what position our country risks finding itself if some of the provisions initially laid down in the Rome treaty were actually enforced." Meetings in the Council of Ministers would, from January 1, 1966, be by a qualified majority. Decisions would be made on economic policy or even agricultural policy "without France's let or leave." Altering the Commission's proposals would be impossible "unless by some extraordinary chance, the six states were unanimous in formulating

an amendment." The Constitution of the Fifth Republic did not permit "such a subordinate position," de Gaulle averred. Delphically, de Gaulle concluded that the Community would no doubt get under way "after a period of time the length of which nobody can foresee."⁶³

The Five vehemently insisted that France should return to the table but took few specific actions to entice her back. They backed off, however, from dragging France before the European Court of Justice for having breached article 5 of the EEC treaty, which states that "[member-states] shall abstain from any measure which could jeopardize the attainment of the objectives of this treaty." Any such decision would surely have prompted de Gaulle to break with the Community permanently.

At this point, however, Hallstein's confidence that de Gaulle could not break too openly with the EEC was verified. In the December 1965 presidential elections, all four of de Gaulle's opponents, especially the Socialist François Mitterrand, overtly campaigned on a pro-European platform and advocated restarting negotiations with The Five. French farmers' associations urged their members to vote against de Gaulle. As a result, Mitterrand, who was endorsed by Jean Monnet, forced de Gaulle into a second ballot that the general only narrowly won.

The week after Christmas 1965, the French government said it would attend a meeting of foreign ministers to discuss the crisis on January 17–18, 1966, in Luxembourg. At this encounter, foreign minister Couve de Murville took a strong line. The French government asked, among other things, that the member states be given a preventive veto over the submission of Commission proposals to the Council, that a rotating presidency of the Commission be introduced, and that a de facto veto over legislation be introduced by giving member states the right, on questions of declared vital national interest, to vote by unanimity on whether or not a policy vote (to be decided by QMV) should be held.

The meeting was adjourned until January 28. Before the renewal of talks, however, an accord was reached on a set of points clarifying the relationship between the Council and the Commission. The question of the retention of the veto proved more intractable. Negotiations continued until late in the evening on January 29, 1966. The ministers finally agreed to differ. The compromise they arrived at—the "Luxembourg compromise"—is worth quoting in full, if only as testimony to the fertility of the negotiators' imagination:

1. When issues very important to one or more member countries are at stake, the members of the Council will try, within a reasonable time, to reach solutions which can be adopted by all members of the Council, while respecting their mutual interests, and those of the Community, in accordance with Article 2 of the treaty.

2. The French delegation considers that, when very important issues are at stake, discussion must be continued until unanimous agreement is reached.
3. The six delegations note that there is a divergence of views on what should be done in the event of a failure to reach complete agreement.
4. However, they consider that this divergence does not prevent the Community's work being resumed in accordance with the normal procedure.⁶⁴

France, in other words, reserved the right to repeat the obstructive actions of the previous six months if she were to be outvoted on an issue of major importance for her national interests. The other member states did not consent to France's right to do so but acknowledged that she would. Marjolin adds in a sardonic aside that the other governments "did not want the majority vote any more than the French government did and they sacrificed it to the French with no great pain, and some even with secret relief."⁶⁵ As Ludlow has argued, "The gap between federalist rhetoric and the realities of cooperation in Brussels had been decisively exposed . . . none of the member states shared the belief in a rapid movement towards federation characteristic of Hallstein, the vast majority of Members of the European Parliament, and a vociferous body of opinion within the Dutch, German, Italian and Belgian assemblies."⁶⁶

As the French wanted, moreover, agriculture was to be financed until 1970 through national contributions, and the decision on the Commission's "own resources" was postponed until that date. A free market in foodstuffs, it was agreed, would come into force on July 1, 1968, at the same time as the last stage of tariff cuts on manufactured goods. France had been forced back to the negotiating table by domestic public opinion, but de Gaulle had made his point. Henceforth, the Commission should regard itself as a civil service, not a proto-government of Europe, and big questions were to be decided by unanimity, whatever the EEC treaty might say. This remains the case today.

A CERTAIN VISION OF EUROPE

The Luxembourg compromise left de Gaulle as the arbiter of the Community's development. France opposed Hallstein's renewal as president of the Commission in 1966, and the German was replaced by Belgium's Jean Rey from July 1, 1967. De Gaulle dismissed the second British attempt to gain membership—during the premiership of the Labour leader Harold Wilson in 1967—almost contemptuously. In May 1967, de Gaulle warned of "destructive upheaval" if Britain succeeded in entering the EEC. A

visit from Wilson in June 1967, at which the British prime minister bumpily told de Gaulle that Britain would not “take no for an answer,” was to little avail.⁶⁷ In November 1967, de Gaulle expressed his absolute opposition to British entry.

In fairness, Britain’s parlous economic state turned the general’s veto into a normal act of prudence. The travails of sterling in 1967, which culminated in a substantial forced devaluation just before de Gaulle’s announcement, meant that absorbing Britain into the EEC would have been a major risk for the other participants. Britain was no longer the haughty world power that was too dignified to cooperate with her neighbors across the channel. She was a postimperial power who was retrenching desperately on overseas’ commitments. She was also rapidly becoming a postindustrial power whose manufacturing prowess had been eclipsed by West Germany and was being superseded by the other countries of The Six, notably once-poor Italy. Two generations of high living had left Britain a beggar at Brussels’s door: de Gaulle was not alone in believing that British membership could only weaken the EEC, not strengthen it.

De Gaulle also sat on all attempts to further supranational government within the Community. Plans for a directly elected Parliament, for greater economic integration, and for “political cooperation” were firmly put on the shelf for so long as the general remained in power.

Predictably, this stalemate induced academic analysis to swing from optimism about the inevitability of institutional spillover to pessimism over the prospects for an extension of supranational government within The Six. A seminal article by the Harvard scholar Stanley Hoffmann advanced the thesis that international relations experts had underestimated the extent to which the institutions of the EEC could substitute for nation-states. Touchy, postimperial France was never going to accept the advance of supranationalism once it began to impinge upon sensitive areas: its “historical situation” was more influential, politically, than any spillover mechanism. Hoffmann’s article was a useful corrective to the euphoria of much of the early literature in political science and international relations about the European experiment. The EEC was not a machine automatically fuelled by passive transfers of national sovereignty.⁶⁸

While Hoffmann was right to caution that reports of the death of the nation-state had been greatly exaggerated, the EEC had still proved its worth by the end of its first decade. The EEC’s biggest achievement was undoubtedly trade liberalization. As soon as the national tariff barriers came down, trucks and trains started moving goods to the neighbors. Trade between EEC members increased more than threefold in cash terms between 1958 and 1970, from just under \$7 billion to just over \$24 billion. The biggest beneficiary of trade liberalization was Germany, which was running a trade surplus of over \$1.1 billion by 1970, but in a sense

everyone was a winner. Italy's imports from the rest of the Community expanded from \$687 million in 1958 to \$3,390 million in 1970; its exports, however, surged from \$608 million to \$3,373 million in the same period. Behind these bare statistics lay millions of real people who were able to escape from poverty, buy themselves a fridge and a television, and splash out on a car, even a foreign-made car, instead of a scooter.⁶⁹

Most of this trade was in capital goods and foodstuffs, however, and even in these sectors, "the completion of the single market started to falter by the end of the 1960s."⁷⁰ Trade in services and banking remained at the starting blocks, as did freedom of movement for workers. Regulation 38/64 abolished all discrimination across the EEC against workers with equal qualifications, but who was to say what was equal? Difficulties in obtaining recognition of diplomas, national professional guilds and their arcane rules, lack of transparency in public contracts, and divergent company law all ensured that the labor market was anything but fully integrated.

In an influential article published in 1969, a contemporary analyst of the EEC, the economist John Pinder, called the removal of measures of national preference within the economic space created by the EEC treaty "negative integration." He contrasted such measures to "positive integration," by which he meant, "the formation and application of coordinated and common policies in order to fulfill economic and welfare objectives other than the removal of discrimination."⁷¹ In his view, the experience of the 1960s had shown that it was simply easier to ban discrimination than legislate positively: "A treaty can more easily make effective the 'thou shalt not' commandments than the 'thou shalt' ones."⁷²

This is why the CAP looms so large in the EEC story. It was the single most striking act of "positive integration" achieved during the 1960s. By managing to agree on agriculture, the thorniest of subjects, The Six were able to construct the Community mentality that enabled the process of European integration to consolidate itself. In its first decade, "to a great extent the CAP was the EEC, and the EEC the CAP."⁷³ If one had failed, the other would have, too.

Yet the psychological and institutional gains brought by the CAP came at a price. The CAP might easily have derailed the liberalization of world trade promoted by the Kennedy and Johnson administrations throughout the 1960s. The EEC played a major role during the Kennedy Round trade talks (May 4, 1964–June 30, 1967). Despite the "Empty Chair" crisis, which by paralyzing the EEC held up the Kennedy Round for some months, the Commission, carefully monitored by the Council of Ministers, negotiated on the EEC's behalf and played a significant role in obtaining the substantial reductions in tariffs on industrial goods that were the Kennedy Round's most praised feature.⁷⁴

The EEC was also the chief culprit, however, for the Kennedy Round's dismal failure to liberalize trade in agriculture. The CAP—a policy that was designed to prop up the incomes of an important economic lobby within the Community even if that meant higher prices in the shops and injured relations with important transatlantic trading partners—was called economic nationalism when others did it. Fortunately, U.S. president Lyndon B. Johnson was convinced, like Eisenhower, that the political and economic unification of Western Europe would be an important improvement in the international milieu and was hence in the United States' long-term interests. Historians have agreed that Johnson showed great forbearance in his dealings with The Six, who—like most of the rest of the world—were abusing his policy in Vietnam as well as blocking freer trade.⁷⁵ Johnson's successor, Richard M. Nixon, would prove to be much less benign in his approach to the EEC.

Thanks largely to trade liberalization, the EEC's external trade expanded notably in the EEC's first decade. Imports from the rest of the world, \$16.2 billion in 1958, rose to nearly \$46 billion by 1970. Exports, \$15.9 billion in 1958, reached \$45.2 billion in the same period. The EEC built up a substantial trade surplus with the EFTA nations (over \$4 billion in 1970) but imported \$3 billion a year more from North America than it exported.⁷⁶ This huge increase in trade with the rest of the world led to more and better jobs, higher disposable incomes, and a notable increase in the amount of foreign (mostly American) investment attracted by Europe's economic dynamism.

De Gaulle resigned from the presidency of France on April 28, 1969, after a plan of his to decentralize government was defeated in a national referendum. His authority had, in any case, been weakened by the events of May–June 1968. As soon as the general was out of the way, the governments of The Six, including France, began to look at ways in which they could promote measures of positive integration in regional development, social issues, and monetary policy. They also reopened the question of British EEC membership and explored the possibility of having a common foreign policy.

De Gaulle had clearly been a bottleneck for the integrationist aspirations of The Six. But he was not a purely negative figure. Looking back over the 1960s, one comes to the conclusion that dealing with de Gaulle compelled the other national leaders to recognize that they did not want their governments to wither away and be replaced by a federal government responding to a European Parliament—the dream of Altiero Spinelli and many other leading intellectuals and politicians across The Six. Political union meant something else. It meant that the Community should acquire more competences—that more decisions should be taken at Community level—but not that national governments should renounce sovereignty.

It was not by chance that The Six took their bold decision to press ahead with measures of positive integration at a summit meeting of their national leaders at The Hague, the Netherlands' administrative capital, in December 1969. They had learned from the experience of the 1960s that major Community initiatives would not stick unless they were taken by the national leaders acting in concert. In the 1970s, this insight was institutionalized in the form of the European Council, regular summit meetings of the member states' heads of state and government. De Gaulle's lasting achievement in the context of European integration was that he ensured that the member states kept their central role in the process of supranational decision making.

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