

The Treaties of Rome 1957

The international context

Korean war 1950-1953

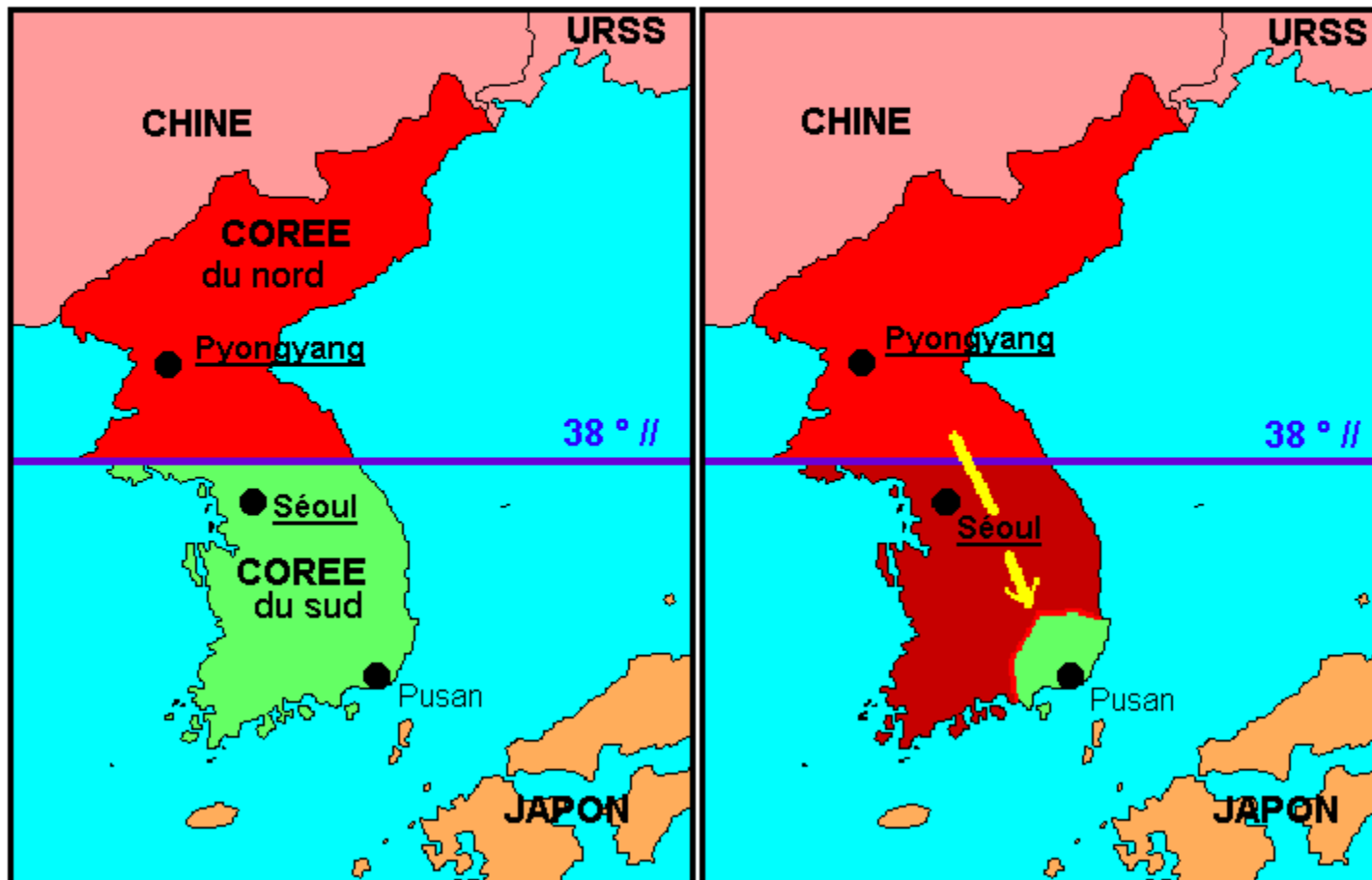
- In the very month that Six began their discussions, war broke out in Korea. In the process of reviewing its global commitments, the United States stressed even more the importance for the free world of a strong West German state.
- **Insofar as this affected the ECSC negotiations, it gave West Germany a far stronger hand and enabled its negotiators to resist some of the French demands, especially those which were aimed at a deconcentration and decartelisation of West Germany's heavy industries, and to pursue more urgently its own point of view on the future of the Saar.**

Europe and the Korean War

LA GUERRE DE COREE 1950 - 1953

Mai 1950

L'offensive nord-coréenne
25/06 au 14/09/50



German re-armament...

- In 1950, a few weeks after the outbreak of the Korean War, the United States ordered France to accept the rapid rearmament of the Federal Republic of Germany (FRG), because they were increasingly afraid that the Soviet Union, which had had nuclear capability since late 1949, would launch an offensive military campaign in Western Europe.

Re-armament

- **American request** : The Americans asked the European members of Nato to authorise West Germany to rearm.
- West Germany should be brought into the Western defensive alliance with its own military forces.
- Adenauer & the Americans → in favour a German system of defence
- France (& others) strongly against the rebirth of a “Wehrmacht”, a German army.
- Why not to create a European army? → Churchill’s speech in favour of a European Army (August 1950)

Jean Monnet's Method : Pléven Plan October 1950

- The French government “proposes the creation, for our common defence, of a European army under the political institutions of a united Europe.”
- Taking European Coal & Steel Community as an example, it suggested a pooling of military resources, a European army:
- **The European Defence Community.**
- **Reactions**
 - Great-Britain & the Scandinavian countries : NO.
 - The Six agreed to sign a treaty on 27 May 1952, establishing the European Defence Community.
 - But the treaty was **rejected by French National Assembly in 1954.**

The European Defence Community

- The Pleven Plan was to bring together battalions from different European countries, including Germany.
- The European army, though run by a European Minister of Defense and provided with a common budget, would be placed under the supreme command of the North Atlantic Treaty Organisation (NATO).

- On 27 May 1952, the treaty of the European Defence Community is signed. This form of integrated defence implied a common foreign policy and, in the long term, full political integration.
- But the whole system collapsed, because on 30 August 1954 the French parliament refused to ratify the European Defence Community.

European crisis

- In order to restore the European movement, the ECSC re-launched the Beyen Plan, introduced in 1952-1953 by the Dutch Minister of Foreign Affairs Johan W. Beyen, to promote the economic unification of Europe.

- The Benelux countries employed the following reasoning. In the short term political integration was no longer feasible. Economic integration, however, was feasible, and this might pave the way for political integration later on.
- During a meeting at Messina in June 1955, the Council of Ministers of the Community accepted the Beyen Plan and nominated a committee of experts under the chairmanship of Paul-Henri Spaak to prepare concrete proposals. Britain was invited to participate but withdrew in November 1955.

The international context: Suez

- Colonel Gamal Abdel Nasser was looking to unify the Arab world around Egypt, of which he became President in June 1956. In order to stimulate the economic and agricultural transformation of the country, he planned the construction of a huge dam at Aswan, but the United States, which otherwise saw Nasser as a preferable alternative to Communism, refused to contribute to the enormous building costs.

Suez

- on 26 July 1956, Nasser announced his intention to nationalise the Suez Canal Company. The majority of shareholders in this watercourse of great international importance were French and British, and their concession was not due to expire until 1968. For Nasser, the revenue from operating the canal would quite simply allow Egypt to finance the building of the Aswan Dam.

- France and Britain, which wanted to maintain its control over the strategically important Suez passage, decided to launch concerted military action with a view to regaining control over the administration of the canal. To achieve this they had the military support of Israel at their disposal

- On 29 October 1956, Israeli forces took Sinai, a vital area for the protection of the Jewish state. One week later, Anglo-French troops disembarked in Port Said. The operation was entirely successful – the Egyptian army was defeated in a few days, even though Nasser had ordered the sinking of about forty ships in order to block the Suez Canal completely.

- But the world powers did not appreciate France and Great Britain's actions : opposition of the USSR, but also of the United States, despite being the traditional allies of the European powers
- → neo-colonial gunboat diplomacy
- United Nations : the Anglo-French force had to withdraw despite its military success. Israel also evacuated Sinai.
- The UN took up the task of repairing the Suez Canal, which was reopened to navigation in April 1957. In the meantime, because Nasser had ordered the destruction of several oil pipelines, Western European countries faced their first fuel restrictions.

The Hungarian uprising

- Meanwhile the French & the British were embarked into the Suez crisis, the Red Army reduced the Hungarian uprising by force.
- In late October 1956, following the news of the Polish rebellion against Soviet hegemony, Hungary's political opposition also demonstrated its discontent by marching peacefully through the streets of Budapest before organising armed conflict.

The Hungarian uprising

- Imre Nagy, supported the rebels. It called for the withdrawal of Soviet troops and abolished the one-party system before announcing Hungary's unilateral withdrawal from the Warsaw Pact and proclaiming the country's neutrality.

- On 1 November 1956, the Red Army seemed to be withdrawing. In reality, however, it continued to keep an eye on the country, which was foundering in a 'counter-revolution'.
- Between 4-8 November 1956, Nikita S. Khrushchev ordered the Red Army to put down the Hungarian uprising by force. Soviet troops attacked en masse and abolished the independent national government. Janos Kadar, First Secretary of the Communist Party, became Hungary's new head of government and restored a strict regime, which was not, however, opposed to certain economic reforms.

Relaunching the European integration...

- Messina meeting took place in June 1955 and the idea of a European Common Market became more and more attractive amongst the representatives of the member states of the European Coal & Steel Community.
- The Messina Resolution evokes “a fresh advance towards the building of Europe” and the intention of the Six to create “a European market, free from all customs duties and all quantitative restrictions”.

Messina Declaration June 1955: the establishment of a tariff-free European market.

- The moment has come to go a step further towards the construction of Europe. In their opinion (the Six) this step should **first of all be taken in the economic field**.
- They consider that the further progress must be towards **the setting up of a united Europe** by the development of common institutions, the gradual merging of national economies, the creation of a **common market**, and the gradual harmonization of their social policies.
- Source: Harryvan Anjo G ed., Harst Jan van der ed., *Documents on European Union*, p. 92.

Counter-proposal from UK: the Grand Design - December 1955.

- Two basic ideas:
 - to stop the proliferation of European institutions
→ single European assembly (intergovernmental institution)
 - to set up a comprehensive free trade area covering the whole of Western Europe
 - **European Free Trade Association (EFTA)** - November 1959
 - “seven outsiders”: Great-Britain, Austria, Denmark, Norway, Portugal, Sweden and Switzerland.

The Treaties of Rome

March 1957

- The new initiative developed from a speech made by the Dutch Foreign Minister, Johan Beyen, in April 1955, in which he expressed the view that the time was ripe for comprehensive economic integration amongst those countries willing to accept supra-national organization and provided measures were included to protect members against unfavourable economic and social repercussions.

- In December 1952, the Foreign minister of the Netherlands, Beyen launched his Plan for Economic Integration.
- The Beyen Plan proposed to establish first an **European Customs Union** and also emphasised the importance of **European agriculture**.

- At the beginning of 1955 the process of European integration not only stopped but the existence of the European Coal & Steel Community seemed to be in danger.
- In this context of pessimism, a meeting of the six foreign ministers of the ECSC has been scheduled for **June 1955 at Messina** (Sicily).

- **Spaak Commitment**
- Indeed, at Messina, the members of the Benelux—Beyen and above all Belgian Paul-Henri Spaak—were requested to go ahead with the proposal to create “a common market”. Moreover the Italians asked for more than that: they were in favour of a general integration of the whole social and economic life in a European Economic Community.

- General agreement was reached on the broad aim of taking a further step towards European unity by means of economic integration including the creation of the appropriate common institutions, the co-ordination of social policies and the gradual fusion of national economies. Integration was to be pursued in the energy and transport sectors as well as through the introduction of a common market in stages.

- It was agreed that further study should be given to the problems of the pace at which obstacles to free trade might be eliminated, the harmonization of financial, economic and social policies, a safeguard system, the gradual establishment of the free movement of labour, the rules of competition, the institutional requirements of a common market, the creation of a European investment fund, the co-ordination of monetary policy and the setting-up of a readaptation fund.

- In the social field it was considered necessary to study the progressive harmonization of rules concerning hours of work, overtime and holiday pay. The resolution therefore closely followed the Benelux memorandum.

- It was the Spaak report which laid the basis for the twin projects of the European Economic Community (EEC) and the European Atomic Energy Community (Euratom).

- The major theme of the Spaak report was that of the economic advantages of the larger market, notably the bigger productive base and the increased division of labour it would bring. The resulting increase in economic strength would enable Europe to acquire a political and economic stature comparable with that of the United States and the **USSR**.

- The report believed that a common market would constitute a more effective way of achieving this end than a free trade organization based on the principle of international co-operation and that its aim should be to establish an area with a broadly common economic policy, strong enough to ensure economic expansion, increased stability, a rapid rise in the standard of living and the development of harmonious relations between members.

- The creation of a common market would require a number of collective measures, an end of restrictive practices and a degree of co-operation between states to ensure monetary stability, economic expansion and social progress

- Three major questions were identified as requiring convergent action. Firstly, the abolition of obstacles to free trade; secondly, the establishment of agreed rules of competition including joint action to deal with balance of payments difficulties, monopoly control and the effects of state competition;

- thirdly, the means of developing Europe's resources through helping regional development, productive reconversion of industry and manpower and the free movement of capital and labour. Firms, labour and regions would require help in adapting themselves to the changes progress demanded.

- Through the co-ordination of economic policies, basic investment in underdeveloped regions and the absorption of mass unemployment...

- European customs union
- common market in stages and the reduction of tariffs. This constituted the most clearly developed aspect of the report and later of the treaty itself. It was accepted that this would require a long period of development during which a convergence of monetary and social policies would gradually occur.
- A definite transition period and safeguard clauses should be incorporated.

- The common market would require the elimination of customs barriers and quotas, the establishment of a common external tariff and should be applied to agriculture and to the supply of services.

- The Spaak report was devoted to the development and full utilization of European resources:
 - an investment fund able to help large-scale projects, the modernization and reconversion of firms, particularly infrastructure projects, and would be particularly active in areas of labour surplus. To provide better employment facilities on the spot was the more efficient and humane way of helping workers in such regions. → European investment Bank

- The second fund (Social Fund) would be concerned directly with aid to workers, aiming to help them become more mobile and thus maintain their employment stability through taking advantage of new job opportunities. Changes in employment would be a real factor in increasing productivity and in raising living standards.

- The Spaak report was not concerned primarily with the creation of a supra-national institution but with a common market based upon a system of controlled competition as the first move towards a more fully integrated economy.
- Social policy did not figure as a major element but, in the first instance, as a factor in costs affecting competition.

- The creation of the Common Market was to be attained in three successive stages :
 - First a real fusion of the six national markets must create a full customs union which implied not only the abolition of all customs duties among the six countries but also the lifting of all quantitative restrictions and other non-tariff barriers to trade within the group.

- In the second stage a common policy would be developed on agriculture and transport, and legislation on all other matters would be harmonized.
- In the third stage the free movement of labour, capital, and services within the Six would be instituted.

Treaties of Rome 1957

- After difficult discussions amongst the Six, on **25 March 1957**, the **Treaties of Rome** were signed, according to which a **European Economic Community (EEC)** and a **European Community for Atomic Energy (Euratom)** came into being from **1st January 1958**.

The EEC

- The first priority of European Economic Community was to establish a Common Market and to harmonise progressively the national economies and the economic policies of Member States.
- The idea was that the existence of the common market will promote economic growth, economic and social stability, and will increase the general standard of living of the populations.

- the EEC was more than a customs union. The EEC was committed to:
 - free movement of labour
 - Free movement of capital,
 - Free movement of services
 - Free movement of goods
- The first test of the Treaty of Rome came in January 1959, when the preliminary stage of tariff reductions was due to go into operation.

The introduction of common policies

- the introduction of a common agricultural policy (CAP) was to take place gradually.

- A major difference between the Treaties of Paris and Rome is to be found in the financial arrangements.
- The Commission was given no levy-raising power. General financing was on the basis of a fixed percentage scale but it was foreseen that the Community would command its own resources, notably from the imposition of a common customs tariff.

- This enabled the Community to turn progressively to a position in which it would have its own finances derived from import levies, customs duties and the proceeds of national value-added taxes so that it would become effectively financially autonomous by 1975 and completely so by 1978.

- The treaty recognized special needs requiring positive policies, as in the sphere of regional, sectional and labour problems, and insisted that members consult with each other and with the Commission on economic policies.

- The creation of a single market consists, however, of more than the removal of existing barriers, achieved in 1968.

- In the preamble, the signatories of the Treaty declare that:
- "- determined to lay the foundations of an ever closer union among the peoples of Europe, resolved to ensure the economic and social progress of their countries by common action to eliminate the barriers which divide Europe, affirming as the essential objective of their efforts the constant improvements of the living and working conditions of their peoples,

- - recognising that the removal of existing obstacles calls for concerted action in order to guarantee steady expansion, balanced trade and fair competition;
- anxious to strengthen the unity of their economies and to ensure their harmonious development by reducing the differences existing between the various regions and the backwardness of the less-favoured regions;

- - desiring to contribute, by means of a common commercial policy, to the progressive abolition of restrictions on international trade;
- intending to confirm the solidarity which binds Europe and the overseas countries and desiring to ensure the development of their prosperity, in accordance with the principles of the Charter of the United Nations;

http://europa.eu/legislation_summaries/institutional_affairs/treaties/treaties_eec_en.htm

- resolved by thus pooling their resources to preserve and strengthen peace and liberty, and calling upon the other peoples of Europe who share their ideal to join in their efforts...".

- The EEC Treaty provided for the establishment of a common market, a customs union and common policies. Articles 2 and 3 of the Treaty directly address these three issues. They state that the Community's primary mission is to create a common market and specify the measures that it must undertake to achieve this objective.

- Article 2
- The Community shall have as its task, by establishing a common market and an economic and monetary union and by implementing the common policies or activities [...],

- to promote throughout the Community a harmonious and balanced development of economic activities, sustainable and non inflationary growth respecting the environment, a high degree of convergence of economic performance, a high level of employment and of social protection, the raising of the standard of living and quality of life, and economic and social cohesion and solidarity among Member States.

- This common market is founded on the "four freedoms": the free movement of persons, services, goods and capital.
- It creates a single economic area establishing free competition between undertakings. It lays the basis for approximating the conditions governing trade in products and services over and above those already covered by the other treaties (ECSC and Euratom).

The establishment of a customs union

- The EEC Treaty abolishes quotas and customs duties between the Member States. It establishes a common external tariff, a sort of external frontier for Member States' products, replacing the preceding tariffs of the different states. This customs union is accompanied by a common trade policy.

- This policy, managed at Community level and no longer at state level, totally dissociates the customs union from a mere free-trade association.
The effects of dismantling customs barriers and eliminating quantitative restrictions to trade during the transitional period were very positive, allowing intra-Community trade and trade between the EEC and third countries to develop rapidly.

The development of common policies

- Certain policies are formally enshrined in the Treaty, such as the common agricultural policy (Articles 38 to 47), common trade policy (Articles 110 to 116) and transport policy (Articles 74 to 84).
- Others may be launched depending on needs,

- The development of these policies was accompanied by the creation of a European Social Fund whose aim is to improve job opportunities for workers and to raise their standard of living as well as to establish a European Investment Bank in order to facilitate the Community's economic expansion by creating new resources.

STRUCTURE

- The EEC Treaty consists of 240 articles in six separate parts, preceded by a preamble.
 - the first part is devoted to the principles which underline the establishment of the EC via the common market, the customs union and the common policies;
 - the second part concerns the foundations of the Community. It comprises four titles devoted respectively to the free movement of goods; agriculture; the free movement of persons, services and capital; and finally transport;

- the third part concerns Community policy and includes four titles relating to common rules, economic policy, social policy and the European Investment Bank;
- the fourth part is devoted to the association of overseas countries and territories;

- the fifth part is devoted to the Community institutions, with one title on the institutional provisions and another on the financial provisions; the final part of the Treaty concerns general and final provisions.

INSTITUTIONS

- The EEC Treaty establishes institutions and decision-making mechanisms which make it possible to express both national interests and a Community vision. The institutional balance is based on a triangle consisting of the Council, the Commission and the European Parliament, all three of which are called upon to work together.

- The Council prepares the standards, the Commission drafts the proposals and the Parliament plays an advisory role. Another body is also involved in the decision-making procedure in an advisory capacity, namely the Economic and Social Committee.

- The Commission, an independent college of the governments of the Member States; appointed by common agreement, represents the common interest. It has a monopoly on initiating legislation and proposes Community acts to the Council of Ministers.

- As guardian of the treaties, it monitors the implementation of the treaties and secondary law. In this connection it has a wide assortment of measures to police the Member States and the business community. In the framework of its mission the Commission has the executive power to implement Community policies.

- The Council of Ministers is made up of representatives of the governments of the Member States and is vested with decision-making powers. It is assisted by the Committee of Permanent Representatives (COREPER), which prepares the Council's work and carries out the tasks conferred on it by the Council.

- The Parliamentary Assembly originally had only an advisory role and its members were not yet elected by direct universal suffrage. The Treaty also provides for the creation of the Court of Justice.

- http://europa.eu/legislation_summaries/institutional_affairs/treaties/treaties_eec_en.htm

Step 1. Establishment of a common market

- → reached in 1968
- The first step was thus the establishment of a customs union accompanied by an initial harmonisation of economic policies and the free movement of labour, services, and capital

- The customs union will be the basis of the Common Market. In a long term perspective, this is the Common Market which appears to be the most significant innovation and the most important step towards European integration.

- By July 1968 a complete customs union was realised that is to say the complete removal of internal customs barriers within the Six and the erection of a common external tariff.

Step 2. Full economic integration

- → Single European Act of December 1986
- The second step deals with the full economic integration, that is to say to move from a customs union space towards a single economic space.

- One of the major difficult point was the common agricultural policy. The common agricultural policy was considered in the framework of the Treaty of Rome as the cornerstone on which the whole integration movement rested. The common agricultural policy started to operate in 1967 and continues to progress.

- But the full economic integration was only achieved in January 1993, when the European Community internal single market comes into existence, thanks to the Single European Act of December 1986.

Step 3. The political integration

- → Treaty on European Union (Maastricht) which entered into force on 1 November 1993.

Euratom

- http://europa.eu/legislation_summaries/institutional_affairs/treaties/treaties_euratom_en.htm
- The general objective of the Treaty is to contribute to the formation and development of Europe's nuclear industries, so that all the Member States can benefit from the development of atomic energy, and to ensure security of supply.

- At the same time, the Treaty guarantees high safety standards for the public and prevents nuclear materials intended principally for civilian use from being diverted to military use. It is important to note that Euratom's powers are limited to peaceful civil uses of nuclear energy.

Reactions to the Treaties of Rome

- **United States**

- The US government supported the European Economic Community and the efforts towards a European integration.
- Of course, some important aspects preoccupy the US Government but since the six countries are also participants in the **General Agreement on Tariffs and Trade** (GATT), the Americans are quite confident.

- **Soviet policy on European Integration 1957**

- Moscow reacted on 16 March 1957, thus a week before the signature of the Treaty of Rome (25 March 1957).
- Moscow was deeply worried by the creation of Euratom and the Common Market because the member-states of Euratom and the Common Market are members of the military NATO grouping.

Moscow, 16 March 1957

Statement to the press by the Soviet Foreign Ministry concerning
the European Common Market and Euratom

- “Economic cooperation on a European basis would help to re-establish the disrupted traditional trade and scientific and technical connections, and to overcome the artificial barriers and restrictions in trade and other economic relations, and would bring the European countries closer to one another, strengthening their sense of security and confidence in the future”.

- “However, the plans for creating Euratom and the Common Market are in manifest contradiction with these aims. The first thing that strikes the eye is that all those taking part in Euratom and the Common Market are members of the military NATO grouping. It is obvious that the activities of Euratom and the Common Market will be subjugated to NATO aims, the aggressive character of which is widely known”.

- “Under the circumstances the creation of Euratom and the Common Market would inevitably lead to a further widening of the rift in Europe, to an aggravation of tension in Europe, would complicate the establishment of economic and political cooperation on a European basis and give rise to fresh difficulties in the solution of the problem of European security”.
- “New and grave obstacles would also arise on the road to re-establishing the national unity of the German people since Western Germany will be increasingly drawn into the system of exclusive military blocs of Western powers opposed to other European states”.

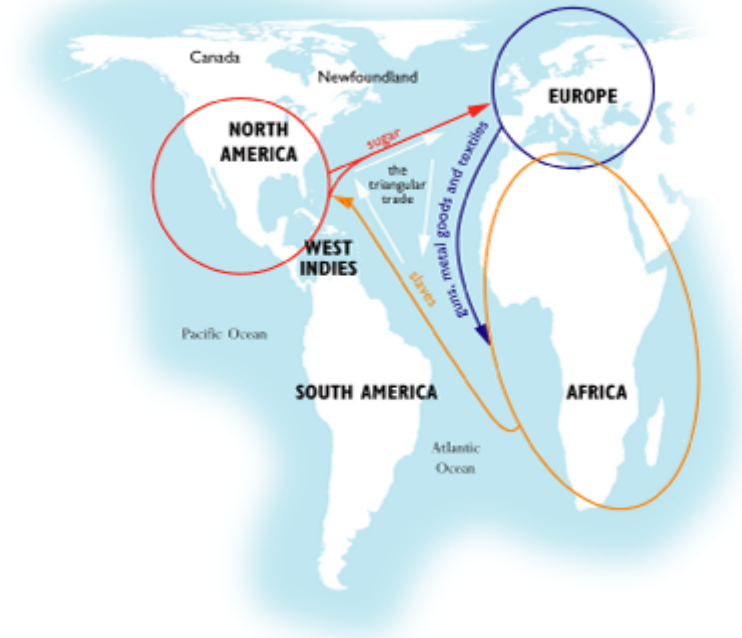
UK's reaction

- British policy on the EEC was hesitant.
- Great Britain intended to protect first the links with the Commonwealth links
- Against european supranationality and political integration.

The Commonwealth

- The modern Commonwealth has its roots in the 19th century. In 1867, Canada became the first colony to be transformed into a self-governing 'Dominion'; a status which came to imply equality with Britain.
- 1884 : British empire = “Commonwealth of Nations”.

The origin of the Commonwealth



Commonwealth

- British Empire → Commonwealth in 1949
- As a source of power and prestige, it compensated for and also masked Britain's weaknesses.
- London was the centre of a Commonwealth network of political, economic, commercial and financial ties that incorporated the white self-governing Dominions of Australia, Canada, New Zealand, South Africa and the Irish Free State (until 1948), the newly independent countries of India and Pakistan (1947) and Ceylon (1948) and a host of colonies in Africa, Asia, the Caribbean and the Mediterranean still under direct control.

- WWII and its aftermath changed the face of the modern world forever. It also changed the nature of the British Commonwealth, marking its transition to a multiracial association of sovereign and equal states. That process began with India and Pakistan's independence in 1947.

Commonwealth Countries



Map not to Scale
Copyright © 2006 Compare Infobase Limited

EFTA

THE EUROPE OF THE SEVEN

- As soon as the British had withdrawn from the Spaak Committee in November 1955, they had looked at a less binding form of co-operation.
- The Stockholm Convention of 4 January 1960 was signed by The United Kingdom, Norway, Sweden, Denmark, Austria, Switzerland and Portugal. The 7 countries established the European Free Trade Association (EFTA).

- EFTA was conceived in very pragmatic terms, involving only industrial goods among the Seven. Apart from a few exceptions all agricultural goods were excluded from the agreement.
- Members could consequently import agricultural goods from the rest of the world, for example from Commonwealth countries, at low prices, but were not allowed to re-export them to the other members at these prices.

- In contrast to the institutional structure of the European Economic Community, that of the European Free Trade Association remained extremely limited to the Council of Ministers.
- Although the reduction of mutual tariffs between the United Kingdom and its partners took place very rapidly and some countries, including Finland, Iceland, Liechtenstein, Greenland, and the Faroe Islands, joined as associate members, EFTA was still not a great success.

Yaoundé/Lomé Convention

- The Treaty of Rome also allowed for the possibility that non-European countries, by means of an association, would form a loose connection with the Community. The terms of the associate membership of overseas territories required that the arrangement be reviewed every five years. By this means the EEC could take into account possible changes in the political situation and economic structure of the countries involved.

- Such a review took place at the first Yaounde Conference in 1964. When the United Kingdom joined the EEC in 1972 a further review of the association of overseas areas was necessary. To this end, at the Lomé Conference in 1976, the number of associate members rose from eighteen to forty-six.

British application to the EEC

- On 31 July 1961 Macmillan announced in the Commons that preliminary talks were to be held with the Six on British entry to the EEC.
- At a meeting of Commonwealth heads in 1961, Macmillan explained that this application was necessary to preserve the power and strength of Britain & the Commonwealth in the world.
- Shortly after, Denmark, Ireland and Norway declared an interest in following the British lead.
- The British application was warmly welcomed by the smaller EEC members, who saw British participation as a counterbalance to the French-German axis.

British Application to EEC

- The British Prime Minister, Harold Macmillan, decided on 31 July 1961 that the United Kingdom had to apply for full membership in the EEC. The Republic of Ireland, Denmark, and Norway followed its example. Austria, Sweden, Switzerland, and Portugal requested some sort of association with the Six.

- The negotiations collapsed. In January 1963 President de Gaulle at a press conference finally declared a veto on the U K entry. As a consequence all negotiations were formally broken off in February 1963.

- According to de Gaulle, the British did not intend to accept the Treaty of Rome as such since they demanded too many changes. Moreover, the French President judged British policy to be too Atlantic and insufficiently European in nature and felt this would disrupt the growth of a coherent European bloc on both an economic and a political level.

- The French believed that the British would function as a Trojan horse for the Americans, who wished to counter the anti-American policy that France had been following within the Community.
- In 1967 a British Labour government, headed by Harold Wilson, renewed the application for membership. De Gaulle issued a second veto.

- During the summit at The Hague (1-2 December 1969) President Georges Pompidou withdrew the French veto on negotiations since the devaluation of sterling at the end of 1967 had improved Britain's financial situation. In 1970 the negotiations were begun by the new Conservative government led by Edward Heath.

- On 22 January 1972, the United Kingdom, the Republic of Ireland, Denmark, joined the EEC. Denmark and the United Kingdom withdrew from EFTA. Thus the Europe of the Six now was the Europe of the Nine.

Statement by Macmillan, on the first British application for membership of the European Economic Community, House of Commons - London, 31 July 1961

- The future relations between the European Economic Community, the United Kingdom, the Commonwealth and the rest of Europe are clearly matters of capital importance in the life of our country and, indeed, of all the countries of the free world.
- This is a political as well as an economic issue. Although the Treaty of Rome is concerned with economic matters it has an important political objective, namely, to promote unity and stability in Europe, which is so essential a factor in the struggle for freedom and progress throughout the world.

- I believe that it is both our duty and our interest to contribute towards that strength by securing the closest possible unity within Europe. At the same time if a closer relationship between the United Kingdom and the countries of the European Economic Community were to disrupt the long-standing and historic ties between the United Kingdom and the other nations of the Commonwealth the loss would be greater than the gain.

- On the economic side, a community comprising, as members or in association, the countries of free Europe, could have a very rapidly expanding economy supplying, as eventually it would, a single market of approaching 300 million people. This rapidly expanding economy could, in turn, lead to an increased demand for products from other parts of the world and so help to expand world trade and improve the prospects of the less developed areas of the world.

- No British Government could join the European Economic Community without prior negotiation with a view to meeting the needs of the Commonwealth countries, of our European Free Trade Association partners, and of British agriculture consistently with the broad principles and purpose which have inspired the concept of European unity and which are embodied in the Rome Treaty.
- I believe that the great majority in the House and in the country will feel that they cannot fairly judge whether it is possible for the United Kingdom to join the European Economic Community until there is a clearer picture before them of the conditions on which we could join and the extent to which these could meet our special needs.

Why this change of attitude?

- the Commonwealth had lost much of its importance as a base for British power in the world. The Commonwealth was no longer a source of power sufficient in itself to prevent British involvement in Europe.
- There was also a growing recognition that the Commonwealth market was no longer sufficient for British exports and that the British market could not absorb the rising tide of Commonwealth food imports.

- Another reason was the closer and closer relationship between the European Economic Community and the United States and thus a real danger of isolation for Great-Britain.
- EFTA seems unable to compete with the Common Market because EFTA is formed by countries geographically dispersed and the free trade area itself has limited ambitions.