British Agriculture and the UK Applications to Join the EEC

edited by
Dr Michael Kandiah

CCBH Oral History Programme

British Agriculture and the UK Applications to Join the EEC

CCBH Oral History Programme
Programme Director: Dr Michael D. Kandiah

Published by
Centre for Contemporary British History
Institute of Historical Research
School of Advanced Study
University of London
Malet St
London WC1E 7HU

ISBN: 1-905165-24-2

ISBN-13: 978-1-905165-24-7

British Agriculture and the UK Applications to Join the EEC

Edited by Dr Michael Kandiah

Seminar held 25 November 2004
at the School of Advanced Study, University of London

Organised by the
Centre for Contemporary British History

with support from:

Rabobank

Sponsored by the
Department for Environment
Food and Rural Affairs

defra

TESCO

Contents

Contributors

Chair:

DR N. P. LUDLOW — Senior Lecturer in the International History Department of the London School of Economics. He has published extensively in the area of European integration history and Britain's relationship with the early EEC and is the author of *Dealing With Britain. The Six and the First UK Application to the EEC* (Cambridge: Cambridge University Press, 1997).

Witnesses:

CHARLES CAPSTICK, CB, CMG — Civil servant at the Ministry of Agriculture, Fisheries and Food. Assistant Agricultural Economist, 1961; Principal Agricultural Economist, 1966; Senior Principal Agricultural Economist, 1968.

SIR MICHAEL FRANKLIN, KCB, CMG — Principal, Ministry of Agriculture, Fisheries and Food, 1956. Private Secretary to Minister for AFF, 1961-64. Assistant Secretary, Head of Sugar and Tropical Foodstuffs Division, 1965-68. Under Secretary (EEC Gp), MAFF 1968-73; a Deputy Director General, Directorate General for Agriculture, EEC, 1977-81. Permanent Secretary, MAFF, 1983-87.

D. SCOTT JOHNSTON — Scottish NFU Economic Secretary, 1960s; Assistant General Secretary for SNFU and on COPA Committee of Experts, and International Federation of Agricultural Producers' International Committee, represented SNFU on hill farming in Heath application, 1970s. Chief Executive of SNFU, member of the COPA praesidium and an executive for the Scottish Council for Development in Industry.
He retired from SNFU December 1979, and subsequently worked as consultant in the Bulgarian and Romanian preparations for accession to the EEC.

PROFESSOR SIR JOHN MARSH, CBE — Professor of Agricultural Economic and Management, later of Agricultural and Food Economics, University of Reading, 1984-97.

EDMUND NEVILLE-ROLFE	Author of *Agricultural Marketing and EEC* (London: Hutchinson, 1971).
Rt. Hon. SIR MICHAEL PALLISER, GCMG	Ambassador and Head of UK Delegation to European Communities, Brussels, 1971; Ambassador and UK Permanent Representative to European Communities, 1973-75. Permanent Under-Secretary of State, Foreign and Commonwealth Office and Head of Diplomatic Service, 1975-82.
LORD PLUMB OF COLESHILL, DL	National Farmers Union Council, 1959; Vice-President, 1964, 1965; Deputy President, 1966-9; President, 1975-9; European Parliament: Chairman, Agricultural Committee, 1979-82; Chairman, British Agricultural Council, 1975-79.
PETER POOLEY, CMG	Assistant Principal, MAFF, 1959; seconded to Diplomatic Service and served in Brussels, 1961-3. CSD, 1978-9; Under-Secretary, MAFF, 1979; Fisheries Secretary, MAFF, 1982. Director General for Agriculture, EC, 1983-89; Director General for Development, 1989-95 (Acting Director, 1992-95), EC; Honorary DG, EC, 1996; Interim Secretary-General, COPA/COGECA, 1995-96.
MICHAEL STRAUSS	Commonwealth Economic Committee, 1950-54; NFU Economist and then Director of Policy 1954-96; Member of EC Economic and Social Committee, Brussels, 1984-96; member of Economic and Social Committee of EEC, 1984-96.
DR HELMUT FREIHERR VON VERSCHUER	German member of the Agriculture Directorate General of the Commission from the outset. Assistant to the Director General of DGVI during the first negotiations and senior Commission negotiator for the second.
ROGER BROAD	Formerly at the European Parliament.

Citation Guidance

References to this and other witness seminars should take the following form:

Witness name, in 'Witness Seminar Title', seminar held [date of seminar], (Centre for Contemporary British History, [date of publication], [full internet address of seminar]), page number of reference [use the number given in the header at the top of the page referenced].

For example, Freiherr von Verschuer's comments on the attitudes of the Ministry of Agriculture in Bonn should be footnoted as follows:

Freiherr von Verschuer, in 'British Agriculture and the UK Applications to the EEC', seminar held 25 November 2004 (Centre for Contemporary British History, 2008, http://www.ccbh.ac.uk/witness_seminar.php?article_id=428), p.40.

For Harvard reference style, use (CCBH Witness Seminar, date of publication) in the text, and the following style in the bibliography:

'Witness Seminar Title', held [date of seminar], Centre for Contemporary British History, [date of publication], [full internet address of seminar].

For fuller guidance on the citation of all types of electronic sources, please refer to the H-Net Guide at:

http://www2.h-net.msu.edu/about/citation/general.html

British Agriculture and the UK Applications to Join the EEC

Diana Twining, LSE

NOTE: The Ministry of Agriculture, Fisheries and Food's archives for the process of the 1970 negotiations were not available for research at The National Archives when the witness seminar was held and remained unopened at the time of publication.

Agricultural Issues

The Ministry of Agriculture, Food and Fisheries (MAFF), had always claimed that there were immense technical and economic problems in adapting the British system of agricultural support to the Common Agricultural Policy (CAP) of the European Economic Community (EEC).[1] Contentious issues included cereals, transitional period, annual review, long-term assurance, pig meat, eggs, poultry meat, horticulture, milk and the conflict between the interests of the Commonwealth temperate food producers and British farmers. Following the failure of the first UK application, British ministers Edward Heath and Christopher Soames separately claimed that the agricultural negotiations were near to completion and that agriculture would be no bar to success of negotiations as a whole.[2] At a witness seminar in Cambridge it was agreed that these claims were over-egged for political reasons.[3] The historian George Wilkes has concluded that the exact extent to which the agricultural negotiations were near to completion was difficult to explore because of problems over the validity of the terms of measurement.[4]

> Nevertheless, to what extent were agricultural negotiations near completion in January 1963?
>
> After UK entry to the EEC in 1973, there was a legacy of arguments over inequitable British contributions, agricultural surpluses, and detrimental effects on the agricultural trade of developing countries. One of MAFF's objections to the CAP was the tendency of the CAP to produce such results, particularly in an enlarged Community.[5]
>
> From the agricultural perspective, does the legacy suggest that the UK paid too high a price in the terms of entry in 1973?

Process and Personalities of the Pre-Entry Negotiations

In the months before the announcement that the government was to seek entry to the EEC, Christopher Soames, then Minister of Agriculture, said in a letter to Prime Minister Harold Macmillan that he thought that the UK was making herself unnecessarily difficult in refusing to

---

1 See, for instance, The National Archives [hereafter TNA PRO] MAF 379/88, Soames to Six in Brussels, 22 Feb 1962.

2 John Campbell, *Edward Heath. A Biography*, (London: Jonathan Cape, 1993), p.130, and private information

3 George Wilkes (ed.) *Britain's First Failure to Enter the EEC 1961-3: Crises in European, Atlantic and Commonwealth Relations* (London: Frank Cass, 1997), p.223.

4 Ibid., pp.223-4.

5 TNA PRO MAF 379/146, Report of the Mansholt Committee of Investigation, 14 Jan. 1963, p.9, 28 and 37.

consider changes to the UK system of agricultural support as the price to pay for joining the Six. He argued that he could work with the French to reopen questions on agricultural policy with a view to finding devices that could reconcile UK interests with those of the EEC.[6] At the same time, at official level, Eric Roll's personal friendship with Robert Marjolin (French Commission member) ensured that at official level there was an understanding of what the Six would expect from the UK on agriculture.[7]

Yet the Six appeared to welcome the UK application. Even French President Charles de Gaulle, in June 1961, declared that the UK should be part of the EEC and in September 1961 publicly welcomed the opening of negotiations. There was, at this point no political settlement on the shape of a Common Agricultural Policy (CAP).

> Did the Six and the Commission initially expect the UK to be allowed to participate in the political discussions of the CAP in 1961, and at what point did this become an unrealistic objective?

Following on from that:

> To what extent did the British misjudge the chances of participation in the CAP discussions?
>
> How over-optimistic was government that it might be possible to negotiate arrangements to suit the UK?

During the Heath application, the MAFF official Freddie Kearns asserted his Department's authority over agricultural policy. In late April 1970, he made it clear that Commonwealth preference must be phased out gradually because the changes would cause a diversion of trade that would have a detrimental impact on Commonwealth, EEC, and UK producers alike.[8] In the first application, MAFF's dogged defence of British agriculture has been described as unhelpful to the negotiations as a whole.[9]

> How were the British objectives seen from the European perspectives?
>
> Did other agricultural ministers, or the Commission, view MAFF's position it as un-*communautaire* (not in keeping with the implementation of the Treaty of Rome) or a reasonable defence of national interests?

The attitude of the National Farmers' Union (NFU) is often characterised by a U-turn, from anti-entry in the first application to pro-entry in the 1970s.[10] Yet in the course of researching for my forthcoming doctorate on agricultural politics during the first application, I have found evidence which suggests that the NFU was not nearly so opposed as MAFF officials and the Minister of Agriculture had portrayed. In addition, by the time of the Heath application the economic conditions may have given farmers and the NFU pause for thought. By then it was considered that the

---

6 TNA PRO PREM 11/3194 Soames to Macmillan, 22 Feb. 1961.

7 Author's interview with Lord Roll of Ipsden.

8 Uwe Kitzinger, *Policy and Persuasion*: *How We Joined the Common Market* (London: Thames and Hudson, 1973), p.101.

9 Anne Deighton. and N. P. Ludlow, 'A Conditional Application: British Management of the First Attempt to Seek Membership of the EEC, 1961-3' in Anne Deighton (ed.), *Building Postwar Europe: National Decision-Makers and European Institutions, 1948-1963* (London: Macmillan, 1995), p.110

10 Lord Plumb of Coleshill, *The Plumb Line* (London: The Recoat Press, 2001), pp.20, 74-5

economic circumstances were worse for farmers because investment by the Community in agriculture made EEC farmers more competitive that they had been in 1962.[11]

> Therefore, the question follows, was there any difference, between the first and second applications, in the NFU's cautious attitude?

Arguably, the attitude of Heath to agriculture in the first application was grounded in political rather than economic considerations. This may be seen in his tendency to give way to Soames only over agriculture if there were political considerations.[12] By the 1970s application Heath, by then Prime Minister, appeared to have built up a mistrust of the Treasury's attitude to the EEC.[13] Therefore any links to the Treasury would hold (but not necessarily lead to advantages) for agriculture. In the commentator Uwe Kitzinger's opinion, agriculture was merely a front – or at best a test or a ritual dance – during the Heath application, behind which the real decisions could be considered.[14]

> Did Heath's attitude, to agriculture and the Treasury, reduce the significance of agricultural issues by the time of the 1970s application?

> Contemporary participants continue to hold the view that UK policy makers' responsibility for shortcomings in the negotiations has been under-rated. However, the Cambridge Conference of eyewitnesses was not specific upon the dynamics in the Delegation with reference to agriculture.[15]

> What was the attitude of the UK Delegations towards agriculture in both applications?

In both negotiations there were international political and economic factors that formed the wider background to agriculture and the pre-entry negotiations. During the negotiations for first application there was the geopolitical nuclear context; during the Heath application, sterling was an important economic aspect.[16] Over both there hung questions about NATO and the Western Alliance. Nevertheless, arguably the key figure, figuratively bestriding both applications, must be Charles de Gaulle. Despite the best attempts of the American writer Andrew Moravscik to ascribe agricultural motives firmly to de Gaulle's thinking, his role continues to remain ambiguous.[17] In June 1962, at the Champs meeting, de Gaulle told Macmillan that agriculture was not as important as other considerations.[18]

> What was the French President's attitude to agriculture?

The Role of MAFF Officials

---

11 TNA PRO MAF 349/9 The Ariel Foundation Study Tour of the EEC, 14 Nov. 1967.

12 See forthcoming University of London (LSE) doctoral thesis.

13 M. D. Kandiah (ed.), 'The Heath Government', *Contemporary Record*, Vol. 9 No.1 (Summer 1993), p.196.

14 Kitzinger, p.75.

15 Wilkes, p.228.

16 Miriam Camps, *Britain and the European Community 1955-63* (Oxford: OUP, 1964), pp.468-9.

17 Andrew Moravcsik, *The Choice for Europe. Social Purpose and State Power From Messina to Maastricht* (Ithaca, NY: Cornell University Press, 1996), pp.176-97.

18 N. P. Ludlow, *Dealing With Britain. The Six and the First UK Application to the EEC*, (Cambridge: Cambridge University Press, 1997), p.120

Heath has criticised MAFF officials in his autobiography, arguing that in his view the department had undermined Soames at every turn.[19]

Archival evidence suggests: first, that in autumn 1962 Heath did take steps to bypass the Common Market Negotiations Committee at official level (CMN[O]) because MAFF officials, in his opinion, were slowing down the decision-making process and were insisting on proposals that he thought would not be negotiable in Brussels.[20]

Secondly, MAFF does appear to have been less than pro-European in its attitude to relations with the EEC in the immediate aftermath of the breakdown in 1963. A MAFF paper recommended that it should not shape Departmental policies to facilitate joining the Community at some future date unless it would be advantageous for other reasons. Neither did it rule out policies that would impede joining, merely noting that there would have to be strong reasons in favour of such policies.[21]

Thirdly, there is evidence that MAFF officials appear to have been in conflict with the Foreign Office in the years 1964-69. For example, conflict between MAFF and the Foreign Office was reflected in a strong letter sent by MAFF's External Relations Division, in which MAFF refuted the accusation that it was overlooking Foreign Office interests and general responsibility for relations with the EEC.[22] Another example of conflict occurred in 1964 when the diplomat Con O'Neill proposed meetings with the Commission to discuss areas of agricultural policy that would need special legislation in the event of British entry. (These areas were technical areas such as plant and animal health and food standards.)

The archives show that the plant health division was not keen to participate in meetings to keep in touch with the Commission and that the animal health division was, and I quote, 'in their usual forthright way opposed to further meetings with the Commission.'[23] On the other hand, Freddie Bishop (head of MAFF's Common Market Steering Group in the first application) commended the solid work achieved at technical level by MAFF officials in contact with the Commission after 1963.[24]

Fourthly, in the preparation of briefs for the negotiations in 1967, which formed the basis for the subsequent Heath application, MAFF was isolated from the rest of Whitehall. For example, MAFF had different views on how it saw the treatment of pigmeat, poultrymeat and eggs in any future application. All other Whitehall departments considered that these issues should not be brought to the pre-entry negotiations. In contrast, MAFF, although allowing that actual details might be left until after accession, argued it would be desirable to have it stated in negotiations that in an enlarged community additional measures should be taken to ensure stability within pig and egg markets.[25] There were also differences over hill farming. MAFF thought it was essential to raise the issue in pre-entry negotiations, whilst the rest of Whitehall considered this would be a tactical error.[26]

---

19 Sir Edward Heath, *Course of My Life* (London, Hodder and Stoughton, 1998), p.212.

20 Forthcoming University of London doctoral thesis, Diana Twining (LSE).

21 TNA PRO MAF 349/15, Brief for the Permanent Secretary on future relations with the EEC, p.1, by External Relations Division III, 13 Mar. 1963.

22 TNA PRO MAFF 349/17 Kelsey to Statham (FO), 21 July 1964.

23 TNA PRO MAF 349/19, A. J. Smith memo 15 August 1969. See also conflicts between histories by FCO and MAFF, in TNA PRO MAF 379/185, 379/186, 379/187.

24 TNA PRO MAF 349/17, Bishop to Nield, 20 July 1964.

25 TNA PRO MAF 349/20/1, negotiating aims for agriculture, DCE(67)15, cover note, 7 June 1967, points 19 and 22.

There are several questions which therefore arise.

> To what extent were MAFF officials, in both applications, isolated within Whitehall?
>
> How far did MAFF press its strategy?
>
> To what degree did MAFF's attitude affect the formation and progress of policy, in agriculture and the negotiations as a whole?
>
> On the other hand, to what extent were MAFF policies unfairly criticised by FO officials with little or no understanding of the complexity of agricultural issues?

Links Between The Two Negotiations

Archival evidence suggests that following the 1963 rejection MAFF began to look at how policy might develop. For example, as early as March 1963, Bishop asked Andrews to prepare a brief for Sir John Winnifrith (Permanent Secretary) and MAFF divisions were asked to comment on what was needed to do to bring British views to the attention of the Commission and the Six before decisions were taken in Brussels.[27] There was also a special group set up in the later 1960s to examine technical and economic issues.[28]

> What was the level of contact and involvement over agriculture between MAFF, the Commission and the Six in the years, 1963-9?
>
> Personalities in the first application were often present in the later Heath application. The primary example, of course, is Edward Heath himself. But there were others such as Con O'Neill and John Robinson who were junior officials in the Delegation in 1961-3 and senior participants in the Heath application. At MAFF, Basil Engholm had been one of the Department's officials in the first application and had risen to Permanent Secretary by the late 1960s, whilst Michael Franklin was in and out of MAFF and Brussels agricultural appointments from the late 1950s onwards.
>
> Did the presence of personalities mean that lessons learned in the first application were used to good effect in the Heath years?

In the years 1963-9 the EEC was moving the Community's agricultural 'train' forwards.[29] In the last months of the first application, Soames and Heath decided that alterations to UK agriculture should steer the UK towards the EEC system. Soames made some preparations in his last annual review before, leaving office.

> To what extent was this maintained when the Conservatives were no longer the government and how far did this help the pre-entry negotiations in the first phase 1970-1, when the Conservatives were back in office?

Maurice Couve de Murville (French Foreign Minister in the first application and until 1968) saw the key to the breakdown of the early application in the problems of the technical negotiations.[30]

> Did the agricultural issue in the two negotiations have an effect on the development of

26 Ibid. point 27.

27 TNA PRO MAF 349/15, Bishop to Kelsey, 13 Mar. 1963.

28 Private information.

29 Wilkes, p.221.

30 Wilkes, p.226.

the EEC, so that the British applications in the years 1961-74 might be said to have pushed forward agricultural arrangements between the Six and the Commission?

The Transitional Period

A general transitional period for agriculture was still on the British negotiating agenda in 1970. Was this realistic when it appeared that for UK domestic agriculture only hill farmers, pigmeat, and egg producers would suffer unduly upon entry to the EEC?

Were legitimate concerns about domestic agriculture used by the UK government, to strengthen the demand for a transitional period which would mainly benefit UK consumers, industry, and the UK balance of payments?

In hindsight, was it on political or economic grounds, that the Commission would justify its paper in October 1970, arguing that the proportion of agricultural expenditure in the EEC was certain to diminish?

The Second Application: Negotiating Processes

From the agricultural perspective, did the decision not to allow the Commission to take charge of the first phase of negotiations in 1970, have any impact on the development of strategy and tactics?

Did the bi-lateral basis of the ministerial sessions of the second application benefit or disadvantage agriculture? To what extent was this compensated for through informal contacts between meetings and the EEC's use of the Commission to provide a link between the Council of Ministers and the UK Delegation?

From an agricultural perspective, was it the significant amount of informal behind-scenes discussions that lead to the reasonably quick settlement of agricultural issues in phase one in 1970?

Chronology

1957	5 MAR	Treaty of Rome: Articles 38-47 govern agriculture.
1958	AUG	Stresa Conference of EEC dealing with interpretation of Articles 30-47 of Treaty of Rome.
1961	28 JAN	Prime Minister Harold Macmillan and President Charles de Gaulle meet at Rambouillet.
	FEB	French and British experts discuss UK relations with the Six.
	FEB-MAR	Agriculture Minister Christopher Soames's secret visits to Henri Rochereau and Olivier Wormser in Paris.
	2 MAR	French Foreign Minister Couve de Murville at Council of EEC suggests UK and Denmark, Ireland, and Norway enter the EEC.
	MAR	The Lord Privy Seal, Edward Heath, asks the US Under Secretary of State for Economic and Agriculture Affairs George Ball what American reaction would be to a British application to EEC.
	4 APR	Macmillan visits the USA.
	3 MAY	US President Kennedy visits France and the UK.
	JUN	De Gaulle (Metz) declares Britain should enter the Common Market.
	25 JUL	Council of Ministers of EEC decides that applications should not impede progress of Community.
	27-29 JUN	London Declaration about EFTA entry becomes a condition of any UK negotiations with the EEC.
	JUN-JUL	British ministers tour Commonwealth capitals.
	31 JUL	Macmillan announces British intention to open negotiations on terms for possible membership of EEC.
	10 AUG	The UK applies to open negotiations under Article 237 of Treaty of Rome.
	5 SEP	De Gaulle publicly welcomes the British application.
	OCT	Consultation process between MAFF and NFU begins.
	10 OCT	Heath reveals British opening position to EEC foreign ministers in Paris.
	NOV	Soames's attempts to be part of CAP negotiations rebuffed after meetings with Edgar Pisani, French Agriculture Minister (1961-66).
	8 NOV	Negotiations begin. Heath's difference of opinion over where to start in negotiations – EEC want to begin with Common External Tariffs (CET), Heath with Commonwealth.

	24 -25 NOV	De Gaulle meets Macmillan at Prime Minister's country home in Sussex, Birch Grove.
	NOV	Harold Woolley of the NFU meets German farming representatives in London.
1962	14 JAN	CAP negotiations successfully concluded.
	1 FEB	In Cabinet Heath says that never accepted that CAP finally settled until UK agriculture discussed.
	22 FEB	Soames and Heath speak on domestic agriculture for the first time in a ministerial meeting.
	FEB	The result of the Annual Review – an imposed settlement.
	9-10 MAY	Clappier Report (Deputies) on progress of negotiations, including domestic agriculture, discussed by ministers.
	MAR	Baumgartner Plan proposed at GATT meeting.
	MAY	Woolley (NFU) in France to meet French farming representatives and International Federation of Agricultural Producers.
	11-12 MAY	British idea of a residual assurance discussed at ministerial level in Brussels.
	6 JUN	Full debate on the EEC in House of Commons. Soames speaks.
	9 JUL	Woolley meets Soames and Macmillan after a letter critical of government agricultural policy in *Farmers' Weekly*.
	20 JUL	9th ministerial meeting – decision to have Annual Review at EEC level + Soames gives way to Delegation on the terms of the Residual Assurance. At the same time British proposal that standard of living for farmers should be linked to the general trend of national incomes was rejected by EEC.
	25-27 JUL	Intense behind scenes discussions (between 9th and 10th ministerial meetings) to reach a compromise on Commonwealth temperate food imports to the UK based on the Colombo Plan.
	25 -27 JUL	10th ministerial meeting, 1st Part: UK drops claim for 'comparable outlets' for Commonwealth temperate products.
	1 AUG	The EEC in deadlock over Commonwealth temperate food imports.
	3 AUG	UK presents 21 new amendments to the Colombo Plan.
	5 AUG	10th ministerial meeting, 2nd Part: A provisional proposal adopted for agreement on Commonwealth temperate zone imports. Failure to reach agreement on the financial regulation presented in early hours of morning by French. No agreement on British horticulture.

	10 AUG	Macmillan in Common Market Negotiating Committee described British position as a defensible arrangement for discussion with the Commonwealth on temperate zone products.
	21 AUG	Cabinet Secretary Norman Brook minuted Macmillan that there was now no reason to hold back over domestic agriculture after Commonwealth Conference. Negotiations adjourn for vacation.
	22 AUG	Long Cabinet meeting to discuss EEC negotiations.
	SEP	NFU publication of *The Farm and Food Plan*.
	SEP	Deputies' meetings resume in Brussels.
	10-19 SEP	Commonwealth Conference.
	Late SEP	Liberal Party Conference.
	Early OCT	Labour Party Conference.
	Mid OCT	Conservative Party Conference.
	25-27 OCT	Brussels negotiations resume at 12th ministerial meeting. Deadlock over UK domestic agriculture – transitional period, deficiency payments, level of cereal prices, modifications to CAP.
	OCT	Woolley in Rome to meet Italian farming representatives.
	15-17 NOV	Ministerial meeting discuss report on agriculture finance.
	18-25 NOV	De Gaulle's success in referendum.
	22 NOV	Gaullists' victories in French election.
	NOV	Heath speaks to farmers at The Farmers' Club.
	10-11 DEC	14th ministerial meeting discuss domestic agriculture for the first time since the end of October deadlock. Mansholt Committee of Investigation into Agriculture formed to examine cereals, pigmeat, eggs, poultry meat, transitional period.
1963	7 JAN	Couve de Murville tells Heath the French will not veto if the negotiations succeed.
	14 JAN	De Gaulle announces opposition to UK entry. Report of the Mansholt Committee. Soames and Heath claim agricultural negotiations now close to completion.
	28-29 JAN	The final session of the first application.
1964		Con O'Neill proposes contacts between MAFF and the Commission over technical matters.
1965	AUG	Heath elected leader of the Conservative Party.

1966		House of Commons Select Committee on Agriculture: examines case for entry to EEC.
1967	10 MAY	British Labour Government's application to join the EEC.
	4 JUL	White Paper *The UK and the European Communities* Cmnd. 3345: main areas that should be dealt with in any future negotiations with the EEC, including annual review, milk, support arrangement for pig meat and eggs, finance of CAP funds (FEOGA), sugar, New Zealand, hill farming, transitional period.
	18 NOV	Devaluation of sterling.
	27 DEC	De Gaulle expresses continued opposition to British entry, this time couched in terms of economics objections (balance of payments, capital movements, sterling).
	18-19 DEC	EEC Council of Ministers – French opposition prevents negotiations with Britain.
1969	FEB	The Soames Affair.
	28 APR	De Gaulle resigns after defeat in referendum.
	15 JUN	Georges Pompidou elected President of France.
	10 AUG	French franc devalues.
	28 SEP	Social Democrat coalition in Germany.
	29 SEP	German mark floated.
	1 OCT	EEC reviews membership application.
	26 OCT	German mark revalued.
	1-2 DEC	The Hague Summit.
	23 DEC	Committee of EEC agrees in principle on agricultural finance (*resources propres*).
	31 DEC	End of transitional period of the Treaty of Rome.
1970	1 JAN	Belgian Presidency of the Council of Ministers.
	7 FEB	Council of Ministers' final agreement on *resources propres.*
	10 FEB	Labour Government's White Paper on *Implications of Membership* (Cmnd.4289).
	8-9 & 16-17 JUN	Talks with New Zealand officials in London.
	22 APR	The Six sign treaty establishing definitive budgetary system.
	18-19 JUN	Conservatives win General Election and Heath becomes Prime Minister.
	30 JUN	Entry negotiations open. Fisheries policy decided by EC Council of Ministers (Agriculture).

	JUL	German Presidency begins.
	2 JUL	1st ministerial meeting establishes a programme of fact finding working parties, at Deputy level, to deal with pig meat, eggs, annual review and milk (particularly the role of the Milk Marketing Board).
	28 JUL	Geoffrey Rippon succeeds Anthony Barber as Chancellor of the Duchy of Lancaster.
	8 OCT	Werner Report on European Monetary Union.
	27 OCT	2nd ministerial meeting: agreement on milk, eggs, pig meat, annual review.
	9-11 NOV	De Gaulle dies.
	12 NOV	Heath and Pompidou meet at de Gaulle's funeral.
	8 DEC	3rd ministerial meeting: Rippon agrees to 5 year transitional period for both agriculture and industry.
	16 DEC	First British proposals for contributions to EC budget.
1971	1 JAN	French Presidency. Treaty comes into force modifying the budgetary provisions of the Treaty of Rome.
	9 FEB	EC Council of Ministers agree on establishment by stages of EMU.
	18 MAR	France asks for EC position on sterling.
	APR	Kearns (MAFF) says the UK cannot move forward in negotiations without some kind of transitional period agreement.
	March to MAY	Secret talks between Soames and Jobert.
	5 MAY	German and Dutch currencies floated.
	5-6 MAY	German Chancellor Willy Brandt visits London.
	8 MAY	Announcement that Heath and Pompidou are to meet.
	11-13 MAY	6th ministerial meeting agrees on Commonwealth sugar and transitional period for UK financial contributions to EC (linked to Commonwealth preferential agreement). Final agreement by Six to 5 year transitional period for agriculture and industry. Dutch give way on tomatoes and horticulture.
	20-21 MAY	Pompidou and Heath meet in Paris. (Later in the year two other meetings in Paris and two at Chequers).
	2-3 JUN	Lancaster House Conference of UK and Commonwealth sugar producing countries. Commonwealth persuaded to accept what was on offer from EC.
	7 JUN	Agreement from Lancaster House read to ministers at 7th ministerial meeting. At 7th ministerial meeting EC and UK agreement on sterling.

	22-23 JUN	At 8th ministerial meeting agreement on community budget, New Zealand, and hill farming.
	JUL	Italian Presidency begins.
	7 JUL	White Paper *The UK and the EC: Terms of Entry* (Cmnd. 4715).
	21 SEP	First discussion of fisheries issue.
	28 OCT	House of Commons debate on terms of entry: 356 to 244 for government.
	8 and 29 November.	Ministerial negotiations on fisheries. 12th ministerial meeting ends in deadlock over fisheries policy.
	11 DEC	Agreement on animal health. Con O'Neill believed that this might well prove insufficient.
	11-12 DEC	13th ministerial meeting reaches agreement on fisheries policy (unacceptable to Norway).
	17 DEC	At Stockholm, the UK gives notice to fellow ETFA members of her withdrawal at the end of 1972.
1972	13 JAN	Publication in London (in 42 volumes) of the pre-accession series of secondary legislation of the Communities as of 10 November 1971.
	14-15 JAN	Final agreement on fisheries policy reached in meeting at Deputies level with Norway.
	22 JAN	Signing of the Treaty of Accession in Brussels (Cmnd. 5179).
	25 JAN	Presentation of the EC Bill to the House of Commons and first reading.
	17 FEB	EEC Bill second reading: 309-301 for government.
	23 JUN	Sterling is floated.
	13 JUN	EEC Bill third reading: 301-284 for government.
	17-18 OCT	Royal assent and ratification of EEC Bill (Irish and Danish successful/ Norwegian unsuccessful ratifications).
1973	1 JAN	The UK joins EEC.

Maurice Barthélemy's testimony
24 November 2004

(Received and circulated in advance of the witness seminar)

Je n'ai pas participé aux négociations de 1963 par contre lors de celles de 1970 j'ai été responsable de la partie des discussions relatives aux adaptations à apporter au droit dérivé agricole. Peut-être les conséquences de l'échec des premières négociations avaient-elles été tirées, en tous cas, les discussions ont été menées dans une atmosphère très positive. Elles ont été conduites au sein d'un groupe comprenant les quatre délégations des pays candidats et la Commission. On passait en revue l'ensemble de la législation agricole pour établir les adaptations techniques indispensables dans le cadre de l'adhésion. L'attitude de la plupart des délégations était entièrement tournée vers le succès des négociations et on ressentait une volonté politique ferme. En même temps, la préparation approfondie des dossiers par la délégation britannique facilitait le travail, même pour les autres délégations.

Certaines mesures transitoires prévues dans les domaines techniques, justifiées par des différences objectives, se limitaient à la période de transition, en renvoyant la solution de la problème à des décisions communautaires ultérieures, ce qui s'est révélé efficace. Deux exemples : en matière vétérinaire, il existait une divergence importante entre la vaccination contre la fièvre aphteuse pratiquée sur le continent et l'interdiction de la vaccination dans les nouveaux États membres. La période de transition a permis une évolution des esprits et finalement, en 1990, la vaccination a été interdite dans toute la Communauté. Une évolution identique s'est produite en ce qui concerne l'utilisation des antibiotiques comme facteurs de croissance dans l'alimentation animale. Une mesure transitoire a été prévue permettant aux nouveaux États membres de maintenir leur interdiction. A l'issue de cette période, les antibiotiques ont été progressivement retirés de la liste communautaire des additifs pour être réservées à l'usage thérapeutique.

Translation

I didn't take part in the 1963 negotiations but I was by contrast involved with those of 1970, in the course of which I was responsible for the discussions that centred on the task of adapting secondary agricultural legislation. Perhaps because of an awareness of the consequences of the failure of the first negotiations, the discussions took place in a very positive atmosphere. They were held between a group made up of the four delegations of the candidate countries and the Commission. We went through all the national agricultural legislation so as to establish what technical adaptations would be necessary as a consequence of Community membership. The attitude of most of the delegations was wholeheartedly directed towards the success of the negotiations and a firm political will to succeed was very evident. At the same time, the detailed preparation of each dossier by the British delegation made the work easier for all involved.

Some of the unavoidable transitional measures used in technical areas were limited to the transitional period, with the long-term solution of the problem being left to subsequent Community decisions – an approach that proved effective. Two examples of this: in the veterinary field, there was a real difference of approach between the vaccination against foot and mouth disease used on the continent and the ban on such vaccinations in the new member states. The transitional period permitted attitudes to evolve on this and finally, in 1990, the vaccination was forbidden across the Community. An identical evolution occurred over the use of antibiotics as growth stimulants in animal feed. A transitional measure was put in place allowing the new member states to retain their ban. At the end of the transitional period, antibiotics were progressively phased out as additives and restricted to therapeutic uses.

Editor's Note

The transcript has been redacted for publication. Each participant has agreed that the published version accurately reflects what he or she said on the occasion. Minor stylistic alterations may have been made to the utterances to help them make better sense. Deletions may have been made if stipulated by the participant.

British Agriculture and the UK Applications to Join the EEC

The Centre for Contemporary British History held a seminar on 'British Agriculture and the UK Applications to Join the EEC' at the School of Advanced Study, Senate House, University of London on 25 November 2004. The seminar was chaired by Dr N.P. Ludlow and the introductory paper was given by Diana Twining. The witnesses and contributors were: Charles Capstick, Sir Michael Franklin, D. Scott Johnston, Professor Sir John Marsh, Edmund Neville-Rolfe, the Rt Hon Sir Michael Palliser, Lord Plumb of Coleshill, Peter Pooley, Michael Strauss, Dr Helmut Freiherr von Verschuer and Roger Broad.

Session One

N. P. LUDLOW

Can I welcome you on behalf of the Centre of Contemporary British History and also on behalf of the Institute of Historical Research, of which the CCBH is a research department. I have to thank several organisations for their sponsorship of this event. One of them is the Department of Environment, Food and Rural Affairs; our second sponsors are Rabobank and thirdly Tesco. We are very grateful to their generosity in helping fund this event.

This witness seminar is, as some of you may have spotted on the tables in front of you, being recorded and the recordings will be transcribed by the CCBH and we should ask that nobody else try to do a personal version. There will be an official and accurate record, so anyone with Walkmans and MP3 players or whatever in their pockets, please turn them off.

We will try to take some questions from the floor if time permits, but the idea of this session is very much to get the distinguished panel witnesses that we have here talking about what they remember from the time. So questions from the audience may well occur, but they are somewhat of an optional extra if timing permits.

I should also remind witnesses that they need to sign the consent form, which I think was at the back of the package of information that was sent to you. This is simply to allow the CCBH to make use

of everything you say, otherwise your pearls of wisdom couldn't be used because of copyright. The plan is that a draft manuscript will be produced and it will be sent to each contributor, those around the table but also anybody who intervenes from the floor. Every contributor will therefore have an opportunity to amend or correct what they said. Then a fully edited transcript of the seminar will be published in due course. Therefore this is not a session under Chatham House rules: everything you say *will* be attributed.

We are dividing our talks into two sessions with a half-hour refreshment break between 3.45 and 4.15, so we should have plenty of time to cover the field but there is a break in between. Finally, there is a reception to follow the witness seminar, which is going to be held in the School of Advanced Study's common room.

I do not want to take much longer, but I think it is perhaps useful to briefly say what a witness seminar is, because some of you may be veterans of many, others may not have encountered this particular format before. It is an exercise in oral history and is perhaps best thought of as a group interview. What we are looking at today is the whole issue of British agriculture and the course of the UK's applications to join the EEC. There is obviously an extensive documentary trail on that in the multiple archives of the applicants and the Community member states and Community institutions themselves. However, documents don't record everything. There are a number of points and aspects to the negotiations that in a sense only those who participated are able to recall. And it is therefore immensely useful for historians like myself, who work on this period and who are trying to piece together the history of the Community in its formative stages, to have reminiscences and recollections from those of you who were actually present. So I am turning up to learn much more than to chair and I hope very much that everybody can really contribute to that. This is one in a long series of CCBH witness seminars. The institution was founded in 1986 and in those 18 years or so has organised nearly 80 seminars

from an impressive list, from the 1949 devaluation right up to much more recent events such as the trade unions and the fall of the Heath government, or non-political events like the first ascent of Mount Kanchenjunga.

That is probably more or less all that I need to say, except to say that we now, to kick us off intellectually, have one of my doctoral students, Diana Twining, who is preparing a doctorate on M[inistry of] A[rigculture] F[isheries and] F[ood], the N[ational] F[armers] U[nion] and the first British application. She has kindly agreed to start the ball rolling with a few thoughts and observations. She also put together the list of questions that was distributed to you.

DIANA TWINING

'Swallow the lot and swallow it now' – that was the European Community, the EEC, prescription for the way in which Britain should handle the EEC's decisions that had been taken before British membership. In the first application Monet, a founding father of the European integration movement, had advised the British Foreign Office that it would be best to join with the minimum of negotiating terms and fight its corner once a full member of the EEC. By the time of the second application a leading figure on the official side, Con O'Neill,* was well aware of the lost opportunities of the 1950s and 1960s. He concluded that, unpalatable though it might be, Britain could only negotiate on the basis that it accepted the bulk of the EEC legislation. When it came to agriculture, it was the terms in which the EEC interpreted the Treaty of Rome* that caused the British negotiators many problems.

Sir Con O'Neill (1912-88), diplomat. Leader at official level of British delegation to negotiate entry to EEC, 1969-72.

The 1957 Treaty of Rome established the European Economic Community (EEC) and was signed by Belgium, France, Italy, Luxembourg, the Netherlands and the Federal Republic of Germany.

The nature of agriculture, trade and support was addressed in Stresa in 1958,* but it was not until the end of the fourth negotiations, January 1962, that the shape of the Common Agricultural Policy was decided at ministerial level. From then on Britain had to come to some kind of terms with the progress the Six made towards a common agricultural policy, the CAP. Difficulties arose because of the huge differences between British and European sys-

The Stresa Conference was held between 3 and 12 July 1958.

tems of agricultural support and relations between different domestic agriculture and manufacturing industry.

By the time of the second application the EEC's transitional period was complete and the CAP was just a mass of directives and regulations that the Six intended the British should accept, either upon accession or after a short transitional period. This meant that uncertainties about agricultural policy present in the first application had all but disappeared by the second, but this did not necessarily make it any easier for the British to absorb.

With hindsight agriculture appears a stumbling block in the first application, with agricultural problems disrupting the conduct of the negotiating process in a series of fruitless discussions. For example, the CAP, with its harmonised prices and own EEC funding, was emblematic of the Six's achievement since the Treaty of Rome. This made the Six reluctant to tamper with past decisions, even where individual members of the EEC agreed with the British over specific objections to the CAP. After the second application agriculture left a legacy of contradictions and unresolved issues, that even today still cause rifts within the European Union. For example, the CAP was linked to wider questions about the emerging character of the EEC and the inward-looking nature of the CAP presented fundamental problems for Britain over its traditional relations with the Commonwealth, the USA and other countries. Many of these difficulties were postponed until after the British accession, but these swallowed issues resurfaced to mar the first twenty years of British membership.

Today we are going to look at the two British applications together. There is a serious historical intent behind this arrangement. It is generally accepted that the British turn to Europe was one of the most significant episodes of the last century, in both European and British terms. Therefore during the period in which the British and existing EEC members haggled over the terms upon which Britain might join European moves towards further integration is an

important area of historical study. This witness seminar has chosen to focus on the years 1961 to 1973, because it was in this period that the British applications moved of course from failure to success. Contrasting the two applications, with reference to intervening years if necessary, will enable historians to see if different negotiating strategies changed the fate of the British applications: whether the second try succeeded because of lessons learned in the first and whether the terms that were eventually agreed for agriculture were the best that could be obtained from the British perspective.

But first of all there are gaps in knowledge. For example, there have been attempts to link the economic, commercial and political aspects of agricultural policy in the first application, but there still remains a need for accounts to place these factors within a broad European context. In addition we still need to study the second application with the use of European documents, and no attempt has been made to compare the two applications as yet. In addition there are unresolved differences. Some argue that the negotiations were unimportant in comparison with defence considerations. On the other hand, many consider that the negotiations were vital because of economic factors.

It is argued, from this point of view, that the EEC inaugurated a new kind of international negotiation, characterised by a rapid expansion of multilateral diplomacy, with discussions more likely to focus on the details of agriculture or trade policy than on grand strategy. In this type of negotiation far-reaching international implications would be clearly visible, yet they were subject to decisions and compromises based on considerations of more domestic policy. From this perspective, technical issues occupied a previously unparalleled importance at international level.

Differences also emerged in relation to agriculture and the conduct of the pre-entry negotiations. Some see the haggling over agriculture as little more than a front, a public exercise, behind which

personal diplomacy was more significant, whilst others argue that negotiating acceptable terms was the only way the British government could hope to persuade the House of Commons and the wider general public to accept British entry to the EEC.

The most up-to-date idea of the position of agriculture in the first application is interesting, because it is worth pushing it on to an analysis of the second. Professor Milward* argues that in the first application agriculture was initially little of a problem for the British government, but that once negotiations were underway it quickly turned into an issue with serious economic implications. Well, concerns over economic aspects of agricultural policy were very real in both negotiations. As Professor Millward points out, in the first application agricultural policy was significant because the CAP presented a probable threat to the British cost of living and a certain threat to the balance of payments.

Alan Milward, academic. The official historian of the UK's EEC applications.

By the time of the second application the economic implications of the EEC's agricultural policy undoubtedly remained the main source of unease for the British government. On the one hand, with the more purely agricultural issues, British negotiators took care to make sure that the proposals they made at the outset were consistent with how they saw the eventual outcome. Pig meat, meal cakes, the annual review, were swept away in the first phase, with only hill farming left to a later stage. In contrast, where agriculture was likely to increase the costs to the national economy – sugar, New Zealand and the financing of the CAP – British negotiators took a much more robust line. At stake here were costs that would accrue to Britain from the disposal of surplus production and rises in common prices, leading to a rise in the general cost of living. But these two considerations were dwarfed by a third factor. This was the impact of the CAP in causing a widening of the gap between Community and world prices, which would result in Britain paying larger levy payments on non-Community imports and larger subsidies on the EEC exports. The British government could, and did,

hope that an increase in domestic agricultural production would help the balance of payments, but this might turn into a waste of national resources if food could have been purchased more cheaply on the world market.

In addition there were the links between agricultural policy and sterling. The agricultural unit of account that settled common prices across the EEC was subject to fluctuations in currency values. With sterling also subject to the pressures of a reserve currency, British price levels, and of course the external EEC levy and the British balance of payments, could all be affected by the value of sterling versus the agricultural unit of account. As it turned out in 1973, alterations in currency exchange rates meant that there would be no devaluation of sterling in terms of EEC units of account and there was no automatic increase in EEC common prices when applied in the UK. But this was not anticipated at the opening of the application.

On this evidence the idea that agriculture was the most significant of the international economic issues seems to hold from the first to the second application. British concern with agriculture was because the CAP as it stood would mean a serious economic and financial commitment from the British exchequer to European agriculture, with a considerable price to pay for entry to the EEC. However, there were political considerations that followed the agricultural issue from the first to the second and they may be equally as important as economic matters. Firstly, there remained political dimensions to the negotiations over sugar and New Zealand, for example in managing perceived public opinion on the Commonwealth or the treaty commitments under the Commonwealth Sugar Agreement. Secondly, Heath faced difficulties in pushing any terms of entry through the House of Commons. He needed terms that could be presented as a political success.

In addition there is still a case to be made that the political aspects of agriculture in the first application were not eclipsed at all by eco-

nomic factors. My own research has found that right to the bitter end of negotiations in 1963 there continued to be strong political aspects to the agricultural issue. This very brief description illustrates I hope that there remains much to be discussed over the balance between economic and political factors.

So in conclusion, the way in which the CAP was framed was responsible for huge discrepancies between Britain and the EEC. In the first application this called into question the type of enlarged community Britain thought it was seeking to enter. By the second application the CAP was well established and the terms the Six might require the British to digest were much clearer. However, the costs, both economic and political, of absorbing the bulk of the CAP legislation remained. How the CAP was swallowed, how this was considered justifiable and what contribution changes in the intervening years made, form the basis of this seminar.

Finally, what we hope to do today is to gather some testimony about how the agriculture question appeared to those who were involved in the two applications and to those working both in London and within the original Community. In order to give some shape to our discussions and to revive memories we have circulated in advance a number of fairly specific questions. But while we do hope of course that some answers to these will begin to emerge today, the interest and value of the topic extends beyond the merely individual questions that were posed. Participants wishing to address other important factors that appear not to have been listed by the organisers should therefore feel very free to raise them for more general discussion.

LUDLOW Thank you. To help all of us work out the dynamics of discussion it would be helpful if those sitting round the table could briefly identify themselves and recall what position they held or what their role was in one or both applications on which we will be focusing today.

SIR MICHAEL PALLISER

I really had no part at all in the first negotiation, during most of which I was serving in West Africa, beyond an extreme degree of interest and hope that it would succeed. But I did have quite a substantial part in the run-up to and the conduct of the second negotiation. In the run-up to it I was in the British Embassy in Paris as number two to the then Sir Christopher Soames,* who was basically assigned the task of persuading President Pompidou* that we were suitable people to allow into the Community. I think he was pretty successful. From there I went to be our Ambassador to the European Community and then became our first Permanent Representative, and I was involved in the closing stages of the second set of negotiations.

Sir Christopher Soames (Lord Soames, 1920-87), Conservative politician. Minister of Agriculture, Fisheries and Food, 1960-4; Ambassador to France, 1968-72.

Georges Pompidou (1911–74), French politician. President 1969-74.

PETER POOLEY

I had hardly anything to do with the second round of negotiations, but in the first round of 1961-63 I was the second secretary in the chancery of the negotiating delegation in Brussels, on secondment from the Ministry of Agriculture. I was the sort of office manager and amanuensis to Eric Roll,* a very unimportant position. I just sat in the corner and took a note of the meeting and did various jobs for Eric, but it did mean that I saw everything that went on in Brussels – very little in London – and knew everybody and it was a very exciting and interesting time.

Sir Eric Roll (Lord Roll of Ispden, 1907-2005), civil servant. Deputy Leader, UK Delegation for negotiations with the European Economic Community, 1961-3.

SIR JOHN MARSH

I took no part in either of the negotiations. As a newly recruited Lecturer in Agricultural Economics I was interested in policy and one of the few people in the department who at that time had a close interest in agricultural policy in Europe. I was at that time invited to Brussels, as something of a 'fly on the wall' at discussions that took place as the CAP was developed. The application of the UK to become a member sparked a marked upsurge in interest, not only among academies but within the farming sector and the wider community. As a result in 1962 I did about 19 talks to a diversity of groups around the country about what the 'Common Market' was and what was emerging as its policy for agriculture.

I have continued to pursue that interest and as the CAP took shape and its implications for real income distribution could be assessed, became concerned both about the substantial net income transfer it implied from the UK to the rest of the Community and about the inefficiency of the policy as an instrument if raising the incomes of poor farmers. The impact of the policy on trade, as it first insulated farming in the Union from the rest of the world and then led to the subsidised disposal of surpluses, was a cause of growing concern. As a result I become interested in alternative models of agricultural policy and critical of approaches that refused to consider other ways of achieving the Community's goals that would be more efficient and less damaging to third countries. Interestingly, many of the reforms now being introduced mirror the sort of thinking that was embodied in some of the reform proposal we advanced.

SIR MICHAEL FRANKLIN

During the first negotiations I was Sir Christopher Soames's private secretary, so like Peter Pooley I was a fly on the wall and I did observe all the struggles, including the struggles between Soames and Heath. I saw it right through to 1963, then I did other things in the Ministry of Agriculture and became the head of our external relations department. By the time of the second negotiations I was sidekick to Freddie Kearns,* who was the chief Ministry of Agriculture negotiator. He and Louis Rabot* were the two principals and Helmut von Verschuer and myself were the two sidekicks, who of course did all the work! The other contribution I might mention to this particular exercise is that when I came back eventually to be the Permanent Secretary of the Ministry of Agriculture I thought it was quite a good idea that the Ministry of Agriculture should itself have some kind of official record. The Foreign Office wrote two official records. So I asked Edmund Neville-Rolfe, who is fortunately here this afternoon, if he would write up the first negotiations and I am happy to say that particular report is in the public domain now in the Public Record Office. The second one was written up by J. H.

Sir Frederick Kearns (1921-83), civil servant. UK Delegation for EEC Negotiations, 1970-72; Second Permanent Secretary, MAFF, 1973-8.

Louis Georges Rabot. Director General of Agriculture, Brussels.

V. Davies,* who was a retired official in the Ministry of Agriculture, a somewhat more acerbic character I may say. Perhaps that is why that report is not yet in the public domain, in spite of the pressure I have put on my successor as Permanent Secretary of what is now Defra!*

J. H. V. Davies (1921-94), civil servant. Entered Ministry of Agriculture and Fisheries as Asst Principal, 1947; Principal, 1951; Asst Secretary, 1964; Under Secretary, 1970.

After the Ministry of Agriculture, Fisheries and Food was deemed to have mishandled an outbreak of foot and mouth disease, the Department for Environment, Food and Rural Affairs was formed in Jun. 2001.

LORD PLUMB OF COLESHILL

At the time of the second negotiation I was the President of the National Farmers Union. In 1964 I was elected Vice-President, so in the preceding years, 1961-62, I was on the council of the Farmers Union, listening to a great leader of the NFU at that time who was rabidly anti us joining the Common Market. Even though all I was hearing – and he was very convincing in his arguments – was anti. I had a lot of reservations because I saw the system that we had at the time of guarantees and deficiency payments creaking at the seams and I thought this isn't going to last and one day we have got to change anyway. So I began to see things perhaps more in a wider sense. Many who are here today, and it is marvellous that we are able to get together, are people I had to look at across the table eyeball to eyeball, as a farmers' representative. My job was to negotiate on their behalf, so it is interesting that at long last we sit round the same table!

There are two things that I might perhaps just mention, which will then lead us into the discussion later on, which concerned me. I kept hearing that the structure of British farming was so much better than it was anywhere on the Continent, we were bigger farms and so on. One learned after a while that that was a load of codswallop – there are bigger farms in France than there are in Britain. Across Northern France are many big arable farms, which led the way to the larger farms that we now have in this country. So in my view it was quite misleading, that because we were better we didn't need the same sort of systems. If I take the period between the 1960s and the 1970s, it was during that period, that COPA* – all

Committee of Professional Agricultural Organisations (COPA) was established in Dec. 1962.

the farm organisations in Europe – were getting together and therefore there was a better appreciation in the early 1970s than there was in the 1960s. The other thing which we will come back to, and which I think is rather important, is the whole question of our relationship with other countries, not least with the Commonwealth and not least over the issue, which is very much with us today, of sugar.

D. SCOTT JOHNSTON I was involved at the time of both negotiations as a member of the staff of the Scottish NFU. The possibility of Common Market membership had just begun to command attention when I arrived at the Union in my twenties. It was discovered that I had acquired a grasp of the difference between the European Free Trade Association and the then EEC so, during the first round of negotiations, I found myself accompanying my masters in a series of sorties around various European capitals.

We talked extensively to other farm organisation to brief ourselves about the CAP, and to brief them about Scottish agriculture. The pattern of interdependence between hill and upland agriculture, linked through the store markets for cattle and sheep, was scarcely reflected anywhere else in Continental Europe. We would not be deflected from discussing the need for the circumstances to be taken fully into account in a CAP for an enlarged Common Market, and the need for a Less Favoured Areas policy. We persisted in this whether it bored our listeners to death or not. At lest they grasped that we were in deadly earnest.

We worked very closely with our colleagues in the English NFU. My recollection is that in 1962 they seemed to us rather in principle to be opposed to entry. But there were many ambiguities and shifting attitudes. As an organisation the Scottish NFU was emphatically not opposed in principle to entry, but I suppose when people examined our reservations, misgivings, and conditions on

the agricultural policy front, it must have looked very much outright opposition.

I'd like to take the opportunity to record the nature of our relationship with the English NFU, particularly as the Common Market issue developed. This called for increase expertise, knowledge and staff resources on a scale which the Scottish NFU could not posses -but the English NFU did. And they were very generous with their expertise, even when our judgements or priorities differed. Both NFU's were at the time led by big men, who conducted this somewhat unequal relationship with considerable good will and sophistication, and ultimately we opened a joint UK Farmer's Union Office in Brussels in 1972. We in the Scottish NFU benefited greatly from our relationship with the English NFU I think they benefited too. We would often use our access to Scottish Ministers as part of a joint UK Union approach to Government, and Scotland was never a distraction for Agriculture House, as the Welsh undoubtedly could be!

During the Common Market negotiations we also developed and refined our relationship with the Scottish Office. That was immensely important to us. Our Minister of Agriculture was of course the Secretary of Stated for Scotland; in his own right ca Cabinet Minister of considerably seniority. That gave us our own access to Government at the highest levels, and we learned hoe to exploit the opportunities that offered. There were often allegations in London that something of a conspiracy was afoot north of the Border between the Union and the Scottish Department of Agriculture. I would call it more of a tendency to share perception, perhaps not surprising in a small country. But the sort of understanding could be a fragile thing and there were real and very public disagreements on policy issues in Scotland too.

EDMUND NEVILLE-ROLFE My name has already been mentioned. I wasn't involved in either negotiation, because I wasn't a civil servant, and I wasn't even in

Brussels, although I spent about 15 years there subsequently as a consultant after we went in. As Michael Franklin said, he asked me to write up the first negotiations from the MAFF files, which I enjoyed doing very much. I think the origin of this meeting was perhaps when Michael and I had lunch together and I had said that I wanted to write up the history of the negotiations and firmly intended to, but in fact I was far too idle and it has now been taken on by somebody much more competent to do so. Anyway, we had this lunch, which was actually on 9/11,* so it was some time ago, and I think that was the seed of this meeting.

On 11 Sept. 2001 two commercial aircraft were crashed into the World Trade Centre in New York. This event is often referred to as 9/11.

FREIHERR VON VERSCHUER

I am the only non-British person, I realise, in this European discussion. For me the history of British agriculture in a European context began in 1952, in the Green Pool* negotiations. This lasted until spring 1954. At this time Louis Rabot, who later was the first Director General of Agriculture in Brussels, was the chairman of the interim committee of this ministerial conference, which lasted nearly two years. I was impressed by the strong influence the United Kingdom was able to exercise on the course of this ministerial conference, so I decided to go and have a look at this country. In 1954 I came to the island for the first time and had the chance, because some relatives had connections with people in Britain, to be received with my wife by different families. And as a matter of fact I went up to Scotland and got my first impression of hill farming, which had some impact on my thinking.

Following an initiative from the French Agriculture Minister Pierre Pflimlin, a series of conference held in Paris between 1952 and 1954 to discuss the future of European agriculture. Fifteen countries participated including the UK.

Perhaps I should add – and that is of some relevance to our subject – that in the Ministry of Agriculture in Bonn the views were deeply divided. There was the Minister, Heinrich Lübke,* in favour of the supranational approach of integrating the Six. The permanent secretary, the ministerial director and my head of division, all three of them, were against this, mainly because they believe, that western European supranational integration will make German reunification more difficult if not impossible. I was under the influence of

Heinrich Lübke (1892-1972). President of the Federal Republic, 1959-69.

Albrecht von Kessel, German diplomat.

my master in political affairs, Albrecht von Kessel,* who some of you may have met because he was the leader of the permanent delegation for the negotiation on the European Defence Community in Paris. He came from East Germany and he was of the school of those who said that the only way to get East and West reconciled is to create a strong Western European community. That would be attractive enough to one day overcome German division and East-West European division. That was a very strong argument and this naturally included the perspective of having Britain one day within this European community. The reality went otherwise and we regretted that it meant Britain was absent.

And now I am coming finally to the subject – during the first accession negotiation I was assistant to Louis Rabot, the Director General, and had the opportunity to follow it to some extent, although I was absorbed much more at this time by the American relations, because I spent a longer time in the United States in the first half of 1962. But I think it is fair to say that because of this history since the beginning of the 1950s Louis Rabot too was of the opinion that British membership was an objective to be realised. I came into the game really then in the next negotiation in the early 1970s and I am very pleased that once again I have my opposite number Michael Franklin at the table, because since the end of these negotiations we have not been opposite numbers but sit one beside the other.

CHARLES CAPSTICK I didn't have anything to do with the 1962 negotiations. But as an economist in MAFF I became involved in doing some number crunching prior to our 1968-72 negotiations. That led to lots of trips to Brussels for a small number of us including Michael Brian Hayes, and others such as Freddie Kearns, who has been mentioned, and that was quite interesting. So one got involved in the White Papers that came out prior to our signing of the Treaty of Rome and the Select Committee enquiry into MAFF's preparation

for our possible entry into the EEC; indeed, EEC on right through the 1970s because of the problems arising from our enormous prospective contributions to the Community budget.

MICHAEL STRAUSS

I was a member of the economics department in the NFU and really I wasn't involved in either set of negotiations, because almost all the NFU's negotiating was done by the president and the chief economic adviser, Professor Asher Winegarten.* But, although Scott Johnston said his organisation was small and ours was large, the NFU wasn't that large and inevitably one talked about it pretty well all the time. I was sent out occasionally to put the case, first, against and, then, for. So I have a fair idea of what went on.

Asher Winegarten (1922-79). Deputy Director-General, NFU, 1970-8; Director General, NFU, 1978-9.

May I just add that one of the tragedies of moving house, and the NFU has moved house twice, is that almost all documents have disappeared. But the two sets of negotiations were written up and reading them – and I didn't write them – they were written up extremely well. One is in a publication called *British Agriculture and the Common Market* in July 1971, with a lovely photograph of Henry [Plumb] looking a little younger, and the first is in *Information service,* volume 16, number 2, in 1961. One of these I have been able to obtain from the British Library and the other one is certainly in Wye College in Kent.

GORDON MYERS

I was also in the MAFF and had a worm's eye view of the first negotiation. I was in meat division, responsible for pig meat, and this involved me in one of those tedious technical negotiations on relative minor issues, which perhaps we should never have got into. In passing I should say that in the meat division, and particularly on pig meat, we were very conscious of the point which Henry [Plumb] made, that already in the early 1960s the signs of impeding disintegration of the deficiency payments system were already apparent. Then in the second round I was involved in the negotiations on sugar, which were politically much more significant.

Subsequently I had five very rewarding years in the Permanent Representation in Brussels, starting off under Michael Palliser.

LUDLOW I think now that everybody has identified themselves and started already recalling and reminiscing about the period, we should launch into the discussion proper. Being an inveterate historian I feel myself instinctively drawn to a chronological approach. Can I therefore suggest that we start off by focusing our memories and discussions on the first application and indeed perhaps even before the first application, because a number of the questions that are proposed in Diana Twining's paper and a number of the questions we need to face deal with Britain as it approached the Common Market, rather than as the negotiations themselves started. So can I perhaps invite you to concentrate initially on this whole question about whether or not the British believed that they should or could be participants in the CAP as it was discussed in the course of 1961 and up until 14 January 1962, so in the period when Britain was approaching the European Community.

PLUMB Fairly briefly, because I wasn't involved in the negotiations in the 1960s, looking back on it now and remembering so well my personal involvement in the 1968-73 period, I regard 1961 from Britain's point of view as a missed opportunity. Had we joined, and Freiherr von Verschuer may like to comment on this, I believe the Common Agricultural Policy would have been of a somewhat different shape. As we joined in 1973 the level of cereal prices, for instance, as we saw it then, compared with the support we were getting under the old guarantee and deficiency payments system, looked extremely high. Livestock prices had to be therefore related to that, as of course the livestock are the consumers of the cereal. So that I think caused somewhat of a rift between the animal producer and the arable farmer in Britain, because of the imbalance it created compared to the balance that we had at the end of our yearly negotiations of the annual price review. The annual price

review was a system where we used to say 'up a bit horn, down a bit corn' and you could redress the balance if it was necessary. Here we went in, even though we got the six steps in five years of moving towards a different system. It was that first period that caused the problem in 1973, although a lot of farmers were quite excited because they had never seen prices like that before. I used to say to them it is going to be good for ten years - and then look out. And I think it was.

LUDLOW Perhaps those who were involved in the 1961-63 negotiations would care to comment on this idea of a missed opportunity?

JOHNSTON I am a bit wary of commenting on that because I'm trying as best I can to recall what it was like then, as far as possible without allowing my recollection to be coloured by hindsight accumulated over four decades- and still being modified.

What I am clear about, as I have already said, is that the Scottish NFU's position was in no way opposed in principle to entry. As Freiherr von Verscheur had said, this was a much bigger thing than agriculture and we were conscious of that. So we saw it as our duty not to stray beyond our remit. Our job was to seek the best deal we could get or our members in their role as farmers. Farmers-like everyone else- could then make up their own minds about what they thought about the totality of issues involved, and these went very fair indeed beyond agriculture. We really were very pure about this. We were not going to hi-jacked by the pro or by the anti lobbies.

In retrospect I think we got hung up on the deficiency payment issue – not surprisingly, really. We could see why it would be impossible to introduce at any rate a full-blooded deficiency payment system in an economy where there was a high degree of food self-sufficiency, the situation that prevailed in the Common Market. A hybrid system might have been conceivable, but that notion got nowhere.

You need to remember that in the 1950s and 1960s many farmers

who had experienced the depression of the 1930s were still active, and had long memories. They saw the deficiency payment system under the 1947 and 1957 Agriculture Acts as the bulwark against any return to these conditions. And they weren't going to give up lightly. That deeply affected membership attitudes during the first round of negotiations. And the Union could demand no less than assurance that if deficiency payments were to be abandoned, equally firm price support guarantees would be introduced. The problem seemed intractable.

FRANKLIN

Harold Macmillan (Earl of Stockton, 1894-1986), Conservative politician. Prime Minister, 1957-63.

I can follow on from that, because I think the most significant document in the ones that Diana Twining got together for us is the letter that Soames wrote to Macmillan* in January 1961, which was saying just that. That was the result of an internal review, with Eric Roll in the chair, inside the MAFF, which looked at the whole thing and came up with a sufficiently positive conclusion that Soames was able in effect to say to Macmillan that, contrary to what certainly would have emerged in the previous years in the Green Pool, etc, was not an insuperable obstacle for the UK joining the EEC. That was a very important piece of intelligence for Macmillan, who was still wavering whether or not to try, but he got from Christopher Soames, who wanted us in, that key assurance. I think that to some extent gives the lie to Christopher Audland* in his book, where he said in effect, 'Everybody in the MAFF was totally opposed to our joining or have anything to do with the Common Market.' That was not true. Eric Roll, who was then the deputy secretary, helped Soames to reach the conclusion that he wanted. And there were other people in the MAFF and lowly people like myself who went along with this positive view.

Sir Christopher Audland, civil servant. UK Delegation to negotiations for British Membership of European Communities, Brussels, 1961-3.

I can understand why people would reach that conclusion and it is certainly possible to argue that the demands we made were excessive. I think that was undoubtedly a failure to appreciate fully how much our ideas were at variance with what the Six thought they

could do. Christopher Audland rightly says that the delegation at the time was reporting back the sort of agreement we could hope for. But we were constrained in the Ministry of Agriculture by the fact that Harold Woolley* was personally opposed and therefore led the NFU – as Henry [Plumb] and I would think, wrongly – into being strongly opposed to it, I mean really strongly opposed. Moreover, he had the backing of Rab Butler,* who was then Deputy Prime Minister, and indeed Hailsham,* who was also very vocally in support of the farmers. So the political background to what Soames was trying to do was knowing that Rab Butler was always there and I am sure there was a direct line between Harold Woolley and Rab Butler to make sure that we didn't go too far. I don't myself share the view which Ted Heath* has since expressed in his autobiography that if we had gone farther and faster we could have got in, but that is a big question which no doubt we can discuss later.

Harold Woolley (Lord Wolley, 1905-86), farmer. NFU President, 1960-6.

R. A. Butler (Lord Butler of Saffron Walden, 1902-82), Conservative politician. Deputy Prime Minister, 1962-3.

Lord Hailsham of St Marylebone (Quintin Hogg (2nd Viscount Hailsham, disclaimed peerage 1963), 1905-2001), Conservative politician. Lord Chancellor, 1970-4; 1979-87.

Sir Edward Heath (1916-2005) Conservative politician. Prime Minister, 1970-4.

Can I just briefly say a word about three relationships, recorded in the diary I kept as Private Secretary, which is now actually deposited with Churchill College.* A lot of that is about the relationship between Soames and Heath - that wasn't an easy relationship. Soames thought he should have been the negotiator. Ted Heath didn't want to have Soames anywhere near him in Brussels and that was quite difficult. Eventually that was resolved when we had the Mansholt Committee.

Papers of Sir Michael Franklin, Churchill Archive Centre, Cambridge, Diary, FKLN 1/1 to 4 (21 April 1961- 31 July 1964); typescript of diary FKLN2/1.

Then there was Harold Woolley and our Permanent Secretary at the time, John Winnifrith,* who very much took the same view as Woolley but was more polite about it. They were kindred spirits, I have to say.

Sir John Winnifrith (1908-93), civil servant. Permanent Secretary, Ministry of Agriculture, Fisheries and Food, 1959-67.

And then there was the relationship between Eric Roll and Freddie Bishop.* When Eric Roll went to be the deputy leader of the delegation, Freddie Bishop, who had previously been Macmillan's Private Secretary, came in to take his place. The view taken inside the MAFF was that the longer Eric Roll was in Brussels the longer he saw the difficulties that we were creating for him, whereas Fred-

Sir Frederick Bishop, civil servant. Principal Private Secretary to the Prime Minister, 1956-9; Deputy Secretary of the Cabinet, 1959-61; MAFF, 1961-4.

John F. Kennedy (1917-63), American President, 1961-3.

die Bishop, who had this strategic background and was very much aware of the Kennedy*-Macmillan negotiations and so forth, increasingly came to the view by the summer of 1962 that we weren't going to get in anyway. Now that is not actually a good background against which you make an effort, a maximum effort, to try to get in. I am sure we were influenced, and Soames was torn: one day he would have Eric Roll in to talk to him and tell him let's go faster and further, the next day Freddie Bishop would be advising him to go more cautiously. But the fact that there was this prevailing view that the General was not going to allow us in anyway, undoubtedly had an influence on the extent to which we were prepared to negotiate, shift, and therefore alienate the NFU.

POOLEY

To just continue on that theme. For the benefit of the historians here, what I would like to say is that if you look at the records prior to 1961, you won't see a lot written down about the financial unsustainability of the deficiency payments system. It was impolitic to talk about it in case the Treasury might be listening and there was an election not far along the road. But in the MAFF canteen, as it were, people talked about little else. The record will not reflect the level of concern, which was very widespread.

Returning to the question of whether it was a missed opportunity, that if we had got in at that stage we might have had a different shape to the Common Agricultural Policy, I am not at all sure about that. Speaking as a historian myself, I am conscious of the fact that from the Napoleonic wars onwards most Continental countries had a great emphasis on self-sufficiency, on having the capacity to feed themselves, and therefore erected rather autarchic protectionist agricultural and other economic systems – they wanted to be self-sufficient in coal and steel and everything else as well - whereas from the repeal of the Corn Laws onwards the UK had gone in the opposite direction.* I well remember during the negotiations it being constantly said 'you are complaining about the changes the

During the first half of the nineteenth century duties were placed on grain imported into the UK, which kept agricultural prices high. The duties were largely repealed in 1845.

British farmer will have to accept, well, in January 1962 when we accept the price cuts in the Common Agricultural Policy of course all *our* farmers have terrible sacrifices to make', which was in part true. But because of the very basic difference of the inherited system I feel that the British farmer, leaving aside questions of structure that Henry Plumb has just talked about, was faced with more uncertainty and unfamiliarity than was the case with French or German farmers in January 1962.

But anyway, the pattern had been set in January 1962 and I think it would have been extremely difficult to reverse the process and go for a more open agricultural policy. However persuasive you were, you would come up against this obstacle that for a hundred years agricultural self-sufficiency had been extremely important. Germany had lost its agricultural self-sufficiency with the division of Germany, but was anxious to regain it, hence high cereal prices and so on.

One other point, on which it is easy for historians to be misled. There was to my mind a strong connection between agricultural issues and Commonwealth relations issues. At an early stage of the negotiation, I forget quite how, it was decided to treat Commonwealth issues separately from agriculture issues. So you have got a record of agricultural issues which you can follow, which makes very little reference to Commonwealth issues, which were being discussed the next week or had been discussed the week before. Nevertheless, especially if we are talking about cereals or livestock products, if we are talking about horticulture, apples and pears and so on, in the agricultural context, all the negotiators had in their mind the implications of what was being said, what the outcome might be, for the Commonwealth dossier. And you can see this in Freddie Bishop and his attitudes. The way he talked to me – and he did talk to me a lot because he liked to come and have a slice of cold beef and a baked potato in my flat when he was in Brussels, rather than go to restaurants – was that he presented himself to me

as a Commonwealth man and this was his preoccupation. He wasn't too bothered about the future of British farming. He was worried about relations with the National Farmers Union, at the centre of activity in those days, but for him personally I think his motivation had much more to do with the Commonwealth issues than is apparent from the record. Of course, given where he sat he had to pursue his particular objective using agricultural arguments rather than Commonwealth ones. I think that is an important point that might be missed if you are looking up the record.

JOHNSTON There was another point. In the autumn of 1962, just before the veto, the Six proposed that upon entry there should be an immediate withdrawal of Britain's deficiency payments system, and there would be no farm price transition period.

FRANKLIN It would be replaced with consumer subsidies.

JOHNSTON Yes that's right, there would be a transition period of consumer subsidies. This was because the Six said they would find it politically impossible to justify to their farmers why British farmers would enjoy firmer price guarantees over the transition years.
That really gave the game away as far as British farmers were concerned. Deficiency payments really were better than the guarantees under the CAP. We'd been saying that all along.

VON VERSCHUER Just a few words on the question that Henry Plumb raised about a missed opportunity and that there could have been a different shape of Common Agricultural Policy if Britain had joined in the early 1960s. In my view there would not have been a different shape. The shape would have been the same, but the handling of the shape would have been different. The cereal price you mentioned is naturally one of the basic issues and we all, in the Commission and some member states, were really unhappy that the Germans pushed the price up to the level which was finally agreed.

With the British there the Germans would probably not have succeeded to that extent in the decision of the Council.

The second point is that the system as such was protectionist only to the extent that it was used on purpose for protectionist aims. Because the fixing of the different elements was in origin meant to help to keep a market balance and not to create surpluses. That came later. In the late 1960s we had for three years a freezing of milk prices, because we had a milk surplus. That was handled in conformity with the market balance we looked for. My third point is that unfortunately with British membership the priority given since the 1960s by the Council of Ministers to the price and market support, compared to the in our view very necessary structural reform policy, would not have been changed, because the support for structural adaptation was not a priority for Britain at that time.

STRAUSS

Unlike the Scottish NFU, I think the English and Welsh NFU was pretty well anti at the time. I am sure that was so. First of all, I remember a debate in the Economics Committee, where the chairman of the committee made the point 'look, as long as we are a deficit country it is much better to have our system and to continue to be a deficit country, than to join the Common Market where surpluses are already appearing'. And he had a point, at the time. Secondly, since the end of World War II the farmers had had it pretty good. Almost every price review was 'a step in the right direction'. So can you blame farmers for not wanting giving up what was a good system, with the possibility of things not being so good in the future. I certainly cannot remember Christopher Soames saying to the farm leadership that he might want a change to a different system. The system as it was gave firm price guarantees and the NFU was very much aware that on the Continent not only were the price guarantees not firm, but they never seemed to move up their fixed prices. They were tending to go down.

Then there was the very important subject of milk. Milk was a most

important commodity in the industry and our producer prices were 50 per cent higher, than the prices that pertained in the Community. This was apparently for the reason that of our production 75 per cent went to liquid consumption and only 25 per cent to manufacturing, while on the Continent it was the other way round. And no matter how much the milk division later on tried to persuade our farmers that they were on a good thing because there is so much rain and so much grass and they had comparatively large holdings, they weren't on a good wicket joining the Community – not on milk.

POOLEY But there was no milk regulation in 1961-63. The milk regulation came in 1969 and was not in operation until about 1971.

STRAUSS But there was a fixed price for milk Peter, a guaranteed price through the Milk Marketing Boards.

May I add one more thing, on food prices. The NFU was very much afraid that its bright image would be tarnished if we joined the Common Market because food prices would go up enormously. Of course they did go up, but that had very little to do with the Common Market and had all to do with inflation and devaluation.

NEVILLE-ROLFE We were talking about the issue of the Commonwealth, which really took over the whole of the first part of the negotiation. By the end of July there was supposed to be a *vue d'ensemble*, but there wasn't and this was largely because all the discussions had been about imports of Commonwealth grain. I think this leads on to the fact that the position of the French in the negotiation was always negative. Typical of this was a remark made by General de Gaulle's* secretary-general, Etienne Burin des Roziers,* who, considering article 113, said, 'Oh, c'était inclu pour son style.' The French weren't really interested in the international aspects and whenever a subject was discussed *à six* the French view usually prevailed, whereas if it was *à sept* and we were in on something we did a little

Charles de Gaulle (1890-1970), French general and statesman. President, 1958-69.

Etienne Burin des Roziers, French fonctionnaire . Secrétaire général de l'Elysée, 1962-7.

bit better. Of course in the end it was Charles de Gaulle who scuppered the whole thing.

PALLISER In a way that last comment is relevant to what I wanted to say. I thought a very interesting point was made by Michael Franklin, namely that during the 1962 period of the negotiations there were a lot of people – and not only I would say in the Ministry of Agriculture – who were saying De Gaulle is never going to let us in, so we have got to be very careful not to tie ourselves to a lot of concessions which maybe at some later stage we will regret. As I said at the beginning, I wasn't around in London for the first set of negotiations. I had the first two years of General de Gaulle at the Embassy in Paris, during a very difficult period for the General overall, and of course he was deeply sceptical about the Common Market as a whole and would certainly have taken France out if he had felt that was possible. I think his own strategic sense told him that he couldn't do that, but that what he could do was try to run it and he did that with a measure of success. So I left Paris in 1960, feeling that it was going to be jolly difficult for us to join the Community, as I wished us to do, partly because of the point made that whereas *à six* France usually got its own way, if it was going to become *à sept* or more, they would find it more difficult.

I then went off to West Africa, but I was back on leave in this country in the spring of 1962 and I found a general sense amongst many of my friends and contacts in the Foreign Office and elsewhere that the negotiations were going pretty well, but they couldn't believe that General de Gaulle was going to let us in. If you are in a negotiation and you feel that whatever you do it is not going to work, that does have quite a powerful psychological impact on the negotiator. I think that is a point that is worth recording.

FRANKLIN Can I just add a word on the French situation, because part of the problem was that we were getting mixed messages. The General's

Maurice Couve de Murville (1907-99). French Foreign Minister, 1958-68, Finance Minister, 1968, and Prime Minister, 1968-9.

Edgard Pisani, French Minister of Agriculture, 1961-6.

position was one, Couve de Murville* during this period was on the face of it negotiating in all good faith, and Soames had a very good relationship with Pisani,* who was then the French minister of agriculture. They had bilateral meetings and quite early on in 1962 they had what Soames over-optimistically thought was a kind of breakthrough, where he got Pisani to agree the broad lines of what we actually wanted to achieve with the annual review and so on. Admittedly, Pisani reneged on it after a week and would no doubt have been hauled over the coals in Paris in the meantime, but this went on right through the period. I have on the record that the day before the famous press conference Pisani said to Soames, 'The General hasn't made up his mind yet'. We know of course that Couve was equally in the dark. So we were apparently dealing for most of the time with a French delegation which at least was co-operating. After the veto they stopped everything, as you know, but during that period they were. And yet, as Michael Palliser said, there was this underlying feeling that somehow or other the General wasn't going to let it happen.

PALLISER

It is just interesting, by way of comment on that, that this has in a sense become almost part of the French presidential system, in that it is perfectly true, as Michael says, that neither of the responsible ministers – Pisani for Agriculture and Couve de Murville for Foreign Affairs – had the faintest inkling of what De Gaulle was going to do until he did it. In a way the same was true in the second set of negotiations, when after the Heath-Pompidou summit meeting in Paris Giscard d'Estaing* was instructed to stand on his head at the discussions in the Council of Finance Ministers and agree that there was no longer a British problem over sterling and so on. Well, until several days before he had been arguing seriously that there was such a problem! It just illustrates in a way how the French system continues to operate and perhaps we fail to understand that. The

Valéry Giscard d'Estaing, French Secretary of State for Finance, 1959-62; Minister of Finances and Economic Affairs, 1962-6; Minister of Economy and Finances, 1969-74; President, 1974-81.

President has extraordinary authority and his ministers are *his* ministers and they do what they are told.

POOLEY

The last remaining absolute monarchy.

PALLISER

Nicolas Sarkozy, French President, 2004-. Minister of Finance, 2002-4.

Jacques Chirac, French President of France, 1995-.

Yes, and you see it at the moment with Sarkozy,* who has the temerity to aspire to succeed Chirac* and who is told, 'Well, if that is the case you can't be my minister of finance, but you can go off and run a party, with the *c'sous entendu,* with a bit of luck you will make such a mess of that that you won't succeed me.'

MARSH

Listening to this debate as someone involved in neither government no the industry, a number of features seem to stand out as unusual or significant.

First, the high level of concern in the UK about its farming sector. In the 19th Century we moved decisively away from the idea of protection as a means of ensuring food supply. By the time we sought accession to the Community agriculture was already a small part of our overall economy. In contrast the Common Market affected profoundly most of our manufacturing and service industries that represented the dominant part of our economy. Membership of the Community also had a crucial role in the adjustment of the UK to its position in a post imperial world. That so much negotiating energy should have been spent on agriculture seems disproportionate.

Second, as Henry Plumb has reminded us, the experience of British farmers after the First World War had left a deep sense of betrayal and disbelief in the promise of the government. As a result, there was suspicion that farmers' interests would be neglected in the negotiation and a resentful attitude towards the idea of diminishing the role of a strong farming lobby group in the UK. By the time accession took place, UK farmers were feeling much less secure in relation to their ability to command support from the UK taxpayer. The prospect of membership of the EEC and protection via CAP

underpinned by the power of continental farm lobbies and that, at least initially, passed the costs to consumers rather than taxpayers, was much more attractive.

Third, at the time of the first negotiation we were acutely aware of the impact of accession upon our relationship with the Commonwealth. The supply of food to the UK was an important element in the trade of some Commonwealth countries and the time of the first negotiations. One of my colleagues did some analysis to show how trade diversion under the CAP would affect the income of New Zealand and its capacity to continue to import, including purchases from the UK. But although this analysis was in economic terms, the Commonwealth question was about much more than wealth. We were living very close to a time at which citizens of Commonwealth countries had fought and died in the same armies. I well remember in 1962 visiting a number of officials, academics and farming leaders in EEC members' countries with a New Zealand colleague whose brother had died in Cyprus. It made one feel almost guilty to be arguing that looking ahead we had, in Europe, to build a new relationships and that this meant moving on.

Finally, a reflection relevant to some of the discussions that has taken place about France. As a group of younger academics, with no negotiation role and largely unknown to the people we met, we were generously welcomed by people we met in Brussels, Wageningen, Bonn and at GATT on Geneva. We went on to Paris, where we had arranged to meet both academics and officials. The academics, like the other people we had met enthusiastic, please that the UK, at last was seeking to join fully in the creation of a new, prosperous and peaceful Europe and looking forward to the contribution of ideas and relationships that we might make. The civil servant was polite, precise and much less willing to discuss an issue that had seemed to us as academics of mutual interest to France and the UK, the development of a much more competitive agricultural sector within Europe, where the natural advantages of

France would secure good markets and enable the underpinning logic of having a Common Market to operate. It was clear that his concern with building a relationship with Germany, whose farmers would have been expected to face a tough time in a genuinely competitive EEC internal market, was of overriding importance. It demonstrated that whilst academics might reach a high degree of consensus about the sort of agricultural policy the Community needed, in the practical world of politics this carried little weight.

LUDLOW

Can I take us back to this whole issue of how close the negotiations were to success. I would like to have some answers, some reflections, on the question of were we nearly there or were we not. But before we get there I want to invite some ideas and some reflections on the way in which the British put across their case, because of what happened in the autumn of 1962, where the British were being asked to abandon the deficiency payment system and accept consumer and producer subsidies in their place. To my reading of the negotiation that very much seemed an example of how particularly the French - but not exclusively and crucially not exclusively the French - were genuinely alarmed by the case that the British had put across and were suspicious that if you didn't force a substantial movement away from the British system quickly, you would find that the British, once in, would actually try to move the CAP in their direction rather than moving towards them. Do you think the British put across their case well or was there a genuine problem of communication, of explaining what we wanted or what we were up to?

POOLEY

James K. Galbraith, American economist. Lloyd M. Bentsen Jr. Chair in Government/Business Relations and Professor of Government, Lyndon B. Johnson School of Public Affairs, University of Texas at Austin.

I'm prejudiced, but I think Eric Roll was an absolutely brilliant negotiator, and indeed a lot of other people, including James Galbraith,* do rate Eric as the supreme international negotiator of the second half of the century. He understood negotiations in a way that very few people did in Whitehall in those days. The Foreign Office was different, but in other Departments there was very little

experience of multilateral international negotiation. People felt it was a matter of argument: if you had a better case than the other side and you put it well, then the chairman would sum up saying that you had won. It wasn't like that, and the fact is it didn't work. I refer to page 138 of your book, the heading for chapter 5 (which in fact was contributed by me, it is one of the clerihews from the delegation),

> Sir Eric Roll
> Delivered an address to stir the soul.
> But the deputies of the Six
> Said nix.

And that was that. It didn't really work at the level of formal negotiation.

Much more important was the Soames-Pisani relationship and the relationship that everybody had with Mansholt* and the Mansholt Committee: that is where you had a proper negotiation. Of course it had been prepared in the formal sessions and the fixed points were well understood from the formal sessions. I don't know what Michael Franklin thinks, but I didn't really see an effective negotiation on agriculture, certainly not before October 1962 and not a lot until December. And then it began.

Sicco Mansholt (1908-95) Dutch Commissioner on Agriculture, European Economic Community, 1958-71; President of the Economic Committee of the EEC, 1972–3.

FRANKLIN

It was put off until the Commonwealth was over and maybe we can come on to the question of whether we could have gone faster. But just two points on your question. First of all, as Henry Plumb said, this intervention by the Six – that we should make two changes of system – everybody thought was absurd and we had to spend quite a lot of negotiating capital at the time getting out of that stupid situation. The other thing was, we did put a disproportionate amount of effort into securing an annual review. Everybody thought that was absolutely the cat's whiskers and the NFU would have died for that annual review. And we did actually spend a lot of time on it. The Six were deeply suspicious and never quite understood why we were absolutely hooked on it.

JOHNSTON Were the negotiations nearly successful or not? It depends on your perspective. From our standpoint your couldn't possibly say they had been anywhere near successful when they broke down. Where had we got to? No regulation and an unknown future for wool and lamb, yet the Government was making it clear that concessions would be need to be made to New Zealand. There were no regulations for liquid milk, or for potatoes. In fact there were no regulation for two-thirds of Scottish output. Where regulations would be in force, the effectiveness of price support would to some extent depend on the location of intervention centres and we could very well find ourselves in Scotland suffering dilution of the support price, reflecting the costs of transport to interventions centres likely to be situated neared the major areas of production.

And there were all sorts of other areas of uncertainty – to do for example with plant and animal health.

In my recollection that gives the flavour of the anxieties felt at the time.

Now clearly, we didn't expect all the I's to be dotted and the t's crossed, but there were really massive blanks, and from our perspective the negotiations at the point where they broke down hadn't begun adequately to address our fears.

I wouldn't doubt that Britain's interests as seen by the Government were pursued vigorously, but I'm not in a position to comment on that aspect.

PLUMB Very briefly on this, heading up the list was of course the trade relations we had with the Commonwealth and that was I think the most important issue, that that was going to be lost, from the nation's point of view. From the farmers' point of view it was somewhat different, but nevertheless that would be the position. When we talk of changing the old system to a consumer subsidy rather than deficiency payment and the farmer subsidy, I could argue that it *was* a consumer subsidy, because it kept prices down on most

commodities and therefore the system operated that way. It certainly did as far as milk was concerned. The third point which I think worried many people in those days in the 1960s was the threat that we were going to lose our Marketing Board, which was a very major issue for the farmers. Ultimately we did – we shouldn't have done, but we did. But I think those three things were uppermost in the minds of many people.

CAPSTICK I had nothing to do with the 1962 negotiations, but regarding the annual review, I have often been puzzled by the attachment to it. Because during the early 1960s, was it not the case that whilst the terms of the annual review meant that prices for farmers could not be reduced by more than x per cent, in fact they were being reduced year on year.

PLUMB In real terms?

CAPSTICK In monetary terms as well as real, there was very little inflation in those days. So it was a peculiar sort of attachment. Fortunately productivity was rising, so incomes weren't doing too badly, but there were some pretty vicious rows at that time about how unfair the settlements were every February. And yet you could look across the Channel and see that in many, many cases prices were much higher to farmers. So it was very puzzling.

FRANKLIN Just on that point, you can see why the NFU were attached to it, because there was a direct negotiation, you sat round the table and you tried – not always successfully – to get an agreement with the government, especially in a year before an election, when the government was very keen to settle. You compare that with the system in the EEC, which certainly persisted in the years I was there in the Commission in the 1970s. I mean, COPA had one meeting with the Commissioner maybe and that was it. All the negotiations were

inside the Council of Ministers and the farmers' organisations weren't there.

JOHNSTON

As regards Annual Reviews, these seemed vital to us not jus t because they committed Government every year to discuss with the Farmer's Union what price and policy decisions should be taken to implement the assurances of the Agriculture acts (that was the 'determinations' part of the process), but because they also involved what in retrospect seems to have been an almost bizarrely detailed examination of very conceivable economic facet that had any bearing whatsoever on the conditions and prospects for the farming industry.

When it came to the Common Market it seemed that all that would be lost. How then, it was argued, could rational price and policy decisions be taken in Brussels in the absence of a thoroughly researched review of the economic situation in each member state? I think that explains out attachment to it. It was perfectly rational stance in the circumstances of the time.

STRAUSS

May I just add one more thing to this review question. There was even more to it than that. I remember a meeting where it was agreed that we must keep the annual review, because it enabled not only the President to see the Minister, but for all farmers' leaders to meet regularly once a year with the politicians and for senior staff to meet. There was probably something else to this and I have no idea whether this counted on the part of the ministry. But amongst senior staff in the NFU it was felt that if you meet your opposites in the ministry, somehow it is good for your career in the union if you could say I had lunch with so and that this had been useful. I remember one day I had lunch with an official we talked about some of the complicated points of the cereal guarantee – I have now forgotten what it was. But I made some suggestion which was taken up and somehow this got back to Harold Woolley I think this was good for me!

POOLEY It didn't work the other way I might say!

MARSH There was at that time a great emphasis on the importance of the power embodied in discussion between the major economic players, Employers, Unions and Government. It formed part of a process of corporate government symbolised in the old Neddy* structure and all that went with it. In some senses the demolition of this system was one of the great successes of the period after we joined the Common Market.

The National Economic Development Council, called Neddy or NEDC, advised on economic issues between 1962 and 1992.

LUDLOW Could I just ask very briefly before we get onto the question of success, which I want to get back to, whether Dr von Verschuer has any recollection of what the Commission felt about the annual review, or was this a mystery of the British system that passed all understanding?

VON VERSCHUER I looked at the timetable. On 14 January it happened that I was in the room and if I remember correctly it was a room in the Belgian foreign ministry opposite the Palais de Justice. My recollection, but these are only impressions I have and not precise data, was that between Mansholt, Christopher Soames and Louis Rabot at least, things went very well. The perspective was that even if what we have so far negotiated is still insufficient for coming to a conclusion of the negotiation, if we continue the way we have begun one day we will be able to arrive at a satisfactory result. I think that was the shape of things. So the announcement of the veto came as a real surprise and it was a disappointment, even taking into account that we were not yet near to the conclusion of the negotiations.

FRANKLIN On what Helmut just said about the Soames-Mansholt-Louis Rabot relationship, it is seared in my mind, because there was a meeting with Eric Roll – the four of them – in Christopher Soames's flat, back in November 1961. I remember it well, because I sat there from 1 o'clock to 6 o'clock and I wasn't allowed to take any notes,

but I had to write out the report afterwards, so that was a test of memory. But I think it is right, there was quite a good understanding at that meeting and that served us well, but we had a bit the feeling that Mansholt became increasingly irritated with us. (Rather like the Dutch have become increasingly irritated with us over the years, but that's another matter.) But then we were quite happy with the Mansholt Committee and the negotiations *were* going on. We had these marvellous lectures from Heringa* about the pig meat regulations and so on. Incidentally, on the point we were discussing earlier about whether we would have got in there and made it more liberal, in fact we were asking for more protection on pig meat than the Six.

B. Heringa, Dutch Director of Internal Agricultural Economic Affairs. Ministry of Agriculture, Fisheries and Food.

VON VERSCHUER Yes.

FRANKLIN Anyway, that was going on. And there is a school of thought, as we all know, that De Gaulle actually intervened with the veto because he was fearful that the negotiations were going to succeed. I don't know that I ever made up my mind about that, but I will just quote something which I think is in Edmund Neville-Rolfe's report on the negotiations. There was a meeting in January 1963 between Soames, Winnifrith, and Freddie Bishop and they all agreed: 'A solution acceptable to their consciences was possible.'

POOLEY Just to add to that, of course it was the party line when the negotiations broke up that we were within sight of a solution. It was in Heath's final speech. Helmut was probably in the room as well, it was a very smoky room I remember, you pipe was terrible Helmut! The party line was that we were within sight of a conclusion, and that's why the veto perhaps was imposed. I thought that we could have reached a solution, on agriculture at least, with a few more weeks – not a matter of days, as some said, but give it a few weeks. And as time has gone on I have become more convinced of that, having had experience, as many others here have had, of the way

negotiations work in Brussels. Because it is very typical, if you take the famous annual price fixing negotiations for instance or whatever, that nothing moves other than at glacial pace for weeks and weeks, nobody can see a way through, and then at a certain moment – you can sense it almost physically – normally at about 2 o'clock in the morning, somebody says, 'Well, I am prepared to look at this another way' and things begin to roll. And once they start to roll it is rather unusual if they get stopped. I feel it is possible that we were at that stage. The key was Soames saying 'we'll think again about the transition period, perhaps we have exaggerated on that front' and then people's eyes lit up and one had this sense that we were, as they say, on a roll. So I think it would have been possible.

One much more important thing for me is that at the conclusion of the negotiations, when we were packing up to go home to look for our new jobs, people in a general sense were convinced that the trick could be done. We felt that the experience of the negotiation, for all its difficulty, had shown that with political goodwill the trick could be done of getting us in. We didn't know it was going to take another ten years, but there was that little bit of optimism to go with all the gloom: we have seen that it can be done.

FRANKLIN He even went further on the transitional period. After the veto, when there was an attempt to pretend about business as usual, during that period we agreed with the Six that we would accept the seven-year transitional period and that was greeted with enthusiasm by the Six. That would obviously have happened anyway, but that is another indication I guess that things were shifting.

LUDLOW Any further thoughts on this question of how close or otherwise success was?

PALLISER Just a quick comment on General de Gaulle. I have always felt that, whatever the reality, he must have been worried that it was going to

succeed. When negotiations began, he clearly didn't wish at that stage to say 'no, we won't negotiate' and indeed he agreed to a negotiation. But I remain convinced that he did not want us in the Community at that time. He might have contemplated it years later, but he didn't want us in then. And as the negotiations proceeded he thought that they were bound to fail, so in a sense I think he was able to almost sit back and wait for failure. But then somehow towards the end of 1962, I think probably reports to him from Couve, from Pisani, from others, made him begin to wonder. In a sense he took the opportunity of various things, including in particular his impending meeting with Chancellor Adenauer* to sign the Franco-German Treaty,* to simply come out and stop the whole process. He was able to repeat it five or six years later because certainly by that stage it had become quite clear that firstly he was not of a mood to have us in, and secondly one has to say that during those five or six years the British economy, the British position in the world, had not improved. That is a point that I would like to come back to later. So I think that he *was* concerned that we might get in and he didn't want us in, so he decided this was the right moment to stop it.

Konrad Adenauer (1876-1967). The first Chancellor of the Federal Republic of Germany, 1946-63.

The 1963 Franco-German Treaty of Friendship, or the Elysée Treaty on Franco-German co-operation formalised *rapprochment* between the two states and their common interest in promoting the status of the European Common Market.

POOLEY There is another element there, which is that no-one to my knowledge, except perhaps in the Bonn Embassy understood the closeness of the relationship between Adenauer and De Gaulle. On the British side we tended to think De Gaulle cannot bamboozle Adenauer into thinking that their interests are the same and this isn't going to happen. We were very, very wrong.

LUDLOW I can testify to the confusion in the Foreign Office telegrams straight after the Franco-German Treaty: what has happened, how has this one been thrown at us.

PALLISER I can add an anecdote to that. When De Gaulle came back to power in France in 1958 Adenauer was informed and he said (I

forget how many years older than De Gaulle he was, but a number) 'De Gaulle? But he is so old'!

LUDLOW On that note I think we had better pause for our coffee break. When we come back I think we want to focus much more on the second negotiations, but also on the period between.

Session Two

LUDLOW In this second part the obvious shift of focus is the switch to the second set of negotiations, and I suppose that means that one of the central questions we are interested in hearing your answer to is: what went right the second time round that hadn't gone right the first time round. Was it that the Community had changed, was it that Britain had changed, or was it simply that the process of negotiation in all its facets was better or easier or whatever. So that is the central concern, but I don't want to totally ignore the period in between and if you feel that the seven years between De Gaulle's first veto and the start of the Heath negotiations which would eventually lead to membership were crucial, please do take us back into that period. There is a slight danger that those years get written out of the history of Britain and Europe because they seemingly were fallow, but I suspect that they probably were not in either the intellectual or the political sense. So focus point on 1970-73, but if you want to comment on 1963-69 please do.

FRANKLIN Shall I start off? Sorry Henry**,** do you want to?

PLUMB No, I bow to your superiority!

FRANKLIN: No, no, that would be the first time!

PLUMB: Remembering where we are, I am being polite you see!

FRANKLIN: Within three weeks of the De Gaulle veto Soames commissioned a new policy for agriculture, which was an attempt to manage the market, because the deficiency payment system was becoming too expensive and we had to try to restrict the imports. But the problem was, because we had had this free market deficiency payment system, we had a whole series of international agreements guaranteeing rights of access etc. and we had in fact to try to negotiate our

way out of all those. And it proved to be extremely difficult and in many cases, I recall beef in particular, impossible. The terms which the exporters demanded were ones we wouldn't be prepared to accept. So by the time it became a realistic possibility to negotiate with the EEC, in a way it was a great relief for the government, because they were going to get the kind of managed market they wanted, as it were, on the cheap. It was going to be delivered to them, they weren't going to have to negotiate with the Australians and the Danes and everybody else. So that period was in fact a period when successive governments, both Labour and Conservative, wanted to change the policy, wanted to move very much in the direction of the kind of policy the CAP represented. That is one reason why it was so much easier the second time round.

PLUMB I think I can follow what Michael Franklin just said quite clearly. But firstly, I think Diana Twining gave us a very good presentation when she opened the proceedings today with her statement and she said during the break that she had done more work on the early stages than the latter stages, which I understand. She does say in her note 'The attitude of the National Farmers Union is often characterised by a U-turn from anti-entry in the first application to pro-entry in the 1970s'. There was a wind of change and I wouldn't say that had anything to do with personalities, but it *was* there. I think one ought to remember, and certainly Scott, Michael and others will remember, that in 1967, 1968 and 1969 the income position of British agriculture was moving down rather than up. We had a slogan at that time which said that during the decade of the 1960s industry had increased its profitability by 52 per cent and agriculture by 2 per cent. There were slogans all over the place giving this indication, and yet at the same time productivity in agriculture had gone up by 6 per cent and in industry by only 2 per cent – a very clear message. But in those three years, therefore, we faced a lot of farmers who were struggling, with bank interest rates increasing at

that particular time, and it made life difficult for them. A lot were in fact finding it difficult to survive.

So that had an effect on farmers as we started again talking about possible entry into Europe. They started to look at their prices, they started to look then at their own situation. There was the serious threat that we were going to lose the guarantee system and the deficiency payments and they didn't know what was going to come to take their place. Therefore Europe was, as many of them saw it, the alternative. As Charles Capstick asked earlier, what value was the regular price review to the farmers? Well, the value to them may not have been as much in monetary terms as they had hoped for, the value to them was that is *was* an annual stocktaking, where you looked at the situation – the overall income situation, the efficiency factor, and all those things that came into it – so farmers could see for themselves with complete transparency of how things looked on the farm and relate that to the whole farm business.

So we came up to those early stages. I was president in 1970, so of course that took me straight into the talks and the negotiations on our entry into Europe, which I took a pretty positive line on. If I could use a little anecdotal situation, I remember in July of 1972 at a council meeting of the Farmers Union (in those days we had 150 members on the council and each farmer represented something like 2,000 members in his own region) that before the council meeting started I had nine farmers to see me in my office, led by the chairman of the economic committee. He said 'Today you will take a vote of whether we should go into Europe or not'. I said we will never take a vote on whether we should go into Europe or not, that is not our responsibility and I am not going to be put in that position. Because the *Daily Express* at that time was running a campaign and what they wanted were figures and what they wanted to say was 'seventy farmers of the council of the NFU have voted against entry'. Well, seventy times two thousand, of course it would have been a wonderful figure as a headline in the *Daily Express*. So I said

I would never fall into this trap of saying that half the farmers in the country or more are totally against our entry into Europe. So they said they were going to push it and I said 'You do that and I will walk off the platform'. They said I wouldn't do it and I said 'Push me'. I was bluffing, but they didn't know that! But I think I would have done, actually. I think I really would, because I did feel as strongly about it as that. Not because of the strength of my feeling that we had got to be in Europe, but I think it was a very dangerous thing, it wasn't our job to decide, but it was our job to make sure that the conditions and the prospects were better if we did actually join. I remember the chairman of the economic committee getting up and making a bit of a speech, but he did not press me to a vote. That for me was a bit of a turning point and I think it does reflect the views of farmers at that time. As Scott Johnston said, they were never as vehemently opposed and could see the wisdom I think in the longer term of this sort of thing. I used to use my influence when I came up to Scotland occasionally, but it was the hills and uplands that were so important to them. When we were in COPA discussing these issues – and that was the gradual bringing together of all the farm organisations – I remember an occasion when we were talking about the hills and uplands and the importance of aiding those hills and uplands to the people who lived there and the rest of it when a Dutchman entering into the discussion. I said 'Wait a minute, what do you know about hills and uplands', and he said 'Oh, we have got hills below sea level in Holland'! So those are my sort of feelings of that particular period which were important to us.

JOHNSTON We had no problem with a vote in Council of the Union about the merits or otherwise of entry- provided the vote had strictly to do with the agricultural aspects as far as Scottish agricultural aspects was concerned. It was absolutely not our business to make judgements on the wider issues involved.

But in fact the Council took the line that though nothing was certain there was undoubtedly a challenge to be met. It could not be ignored, so the Union's representatives should get on with the job and do their best. And in fact we had no vote in Council till 1975, when we voted overwhelmingly 'yes'.

By 1971 the Farmer's Unions had spent a lot of time informing their members about the CAP and familiarising them with the different systems and how they worked. Through IFAP's* European Committee we kept in touch with European farms organisations. Travelling abroad and study tours became much more of a commonplace. The whole issue had become somewhat demystified.

IFAP International Federation of Agricultural Producers

And by 1971 we had got some kind of assurances about the future of the Marketing Boards, which we were inclined to believe. Much more reassuring noises were being made about the hills and uplands, and about the continuation of a system of annual consultations. The Review system staggered on in an attenuated form after 1972, but I remember that at the Price review year we told each other that this would be 'the last of the unfettered Reviews'

PLUMB That's right, we did.

JOHNSTON The subsequent UK Reviews had to with determination for commodities not then covered by the CAP, and they were also a kind of briefing for the annual European Reviews, such as they were.

LUDLOW Just on this issue of knowing more, presumably one of the other things that changed was that you had a track record of the CAP. In 1962 it was a new policy, untried and untested.

VON VERSCHUER That is a very important point.

CAPSTICK A quick couple of points. As Michael Franklin said, there was much thinking about moving towards a CAP-type policy domestically, but did we not move on cereals, which is a crucial commodity?

FRANKLIN We got some kind of agreement.

CAPSTICK We got some sort of minimum import price and rules to achieve this, which was a first tiny step on the road to a CAP-type cereals policy. That had a ratcheting effect on the conversion products of pigs, eggs and poultry. The second thing is that, although there had been very little happening to my knowledge between the veto and the second negotiation, we did have attachés out there and there was some trigger in about late 1967 or early 1968 which generated some further interest in the Common Agricultural Policy and whether it was feasible for us and quite simply what it was like in practice. Because I recall going across there, two or three of us only, to meet people about various things and such as the target and intervention prices. We did learn a great deal about the way the CAP operated in detail.

FRANKLIN That must have been the Wilson*-Brown* attempt, mustn't it?

Harold Wilson (Lord Wilson of Rievaulx, 1916-97), Labour politician. Prime Minister 1964-70 and 1974-6.

George Brown (Lord George-Brown, 1914-85), Labour politician. Foreign Secretary, 1966-8.

CAPSTICK I am sure it was something like that, but there was some sort of signal.

MYERS Just to add about this point about the pressures, in fact almost exactly concurrently with our opening of the 1961 application we were desperately struggling to try and maintain the prices of pigs on the market by getting other countries, including EC states to agree voluntarily to limit their exports of bacon to the UK. We negotiated a 'Bacon Market Understanding' with supplying countries to secure some degree of market regulation. This is not easy to achieve when there are no sanctions to impose, only on appeal to mutual self interest.

This followed an earlier problem on beef, when a Conservative Government found itself appealing to butcher to lower their prices for beef in order to encourage greater consumption in an over supplied market. The results were surplus supplies and low prices, which pushed up the cost of deficiency payments to farmers. This led to huge and politically embarrassing overspending of the Estimates voted by Parliament. In addition, because of long-term agreements we had made with Australia, every spare inch of freezing space and cold storage was filled with Australian frozen beef, which nobody wanted to buy but which we were committed to buy at guaranteed prices, under long-term agreements with them. So there was a whole series of pressures then that were building up to move in the direction of a Community system.

POOLEY

W. Melville Pooley (1910-1980). Smithfield meat trader pre-World War II, Ministry of Food 1939-54, latterly as Director of meat and Livestock. 1954-72, as remembered by Gordon Myer, prominent in international meat trade.

Those long-term agreements I might add, this is from my father's* day in the Ministry of Food, were negotiated under quite different conditions, when there was a world food shortage, and certainly in the northern hemisphere, everybody expected it to continue for a considerable time. One of the difficulties of negotiating to undo those agreements was that the benefit to the UK was not that we were committed to import a certain quantity, but that the exporters were committed to *supply* us with that quantity at a fixed price. And that benefit had just disappeared, because there was plenty of beef.

MYERS

Indeed the minister of the day was convinced by trade advisers that we were going to be competing with New Zealand to buy Australian beef and that to prevent this we should be financing the building of railways to move cattle from the west Australia to the east. That was why we had to guarantee prices. There was a different attitude in those days!

VON VERSCHUER

On the question of the relationship between the first and the second negotiation, as a matter of fact the basic difference so far as agriculture was concerned, but other sectors probably as well, was

that the so-called *acquis communitaire** was practically accomplished. It was a precise base for doing a negotiation on transitional measures, on technical adaptations of the *acquis communitaire* so that it could function in a Community of nine or ten, and the third point was whether there are points on which derogations are really justified. This in my view made it much easier, because the approach became more precise and technocratic.

The term *acquis communautaire* (community patrimony)is used to denote all the rights and obligations that bind the Community Institutions and the member states.

The second point was that, as I lived it, when presenting to the Deputies, the committee of the Six which discussed with the Commission the mandate for the negotiation, and to the Permanent Representatives, we from agriculture had quite a bit of work to do in order to explain the real significance of the *acquis communitaire* in agriculture to our own people. It was quite new. I remember endless discussions with Ambassador Sassen* on what the *préférence communitaire* meant. So that was a rather constructive contribution, indirectly. But then we met with our counterparts and there in my view the constellation was exceptionally favourable. First, Freddie Kearns and Louis Rabot had really quite confidential communications. Second, Michael [Franklin] and I met for the first time in 1959 in Bievres near Paris in a group which was called Christian Responsibility of International Civil Servants. Michael Franklin was with the OECD, * Noël Salter who some of you may have known was with the West European Union, I came from Brussels and others as well, so a base of confidence existed and if that exist you save a lot of time because you don't need more time to build it up before negotiating seriously.

E.M.J.A. Sassen (1911-95). Ambassador Extraordinary and Plenipotentiary, Permanent Representative of the Netherlands to the European Communities, 1971-7.

The Organisation for Economic Co-operation and Development (OECD) was formed in 1961 as the successor organisation to the Organisation for European Economic Co-operation (OEEC).

In addition to that, the relationship between Freddie Kearns and Roy Denman* was excellent and the relationship between Louis Rabot and Edmund Wellenstein* was excellent too. So for the technocrats, who had to puzzle out things, to make a puzzle which roughly corresponds to the multiple interests of both sides, the situation was quite favourable. And that was a framework which to that extent did not exist, naturally, in the first negotiation.

Sir Roy Denman, civil servant. Member, negotiating delegation with European Communities, 1970-2.

Edmund Wellenstein, Dutch Director-General (External Trade and External Relations), European Commission,

LUDLOW I think the change in terms of the political solidity of the CAP is absolutely vital, so one of many effective interventions by Pisani in the first negotiation had been to claim, when the Six were meeting amongst themselves, that if they accepted this particular British demand the CAP would be taken apart like an artichoke, one leaf at a time. That had a degree of credibility in 1962, it was such a fragile creature that you could dismantle it quickly. By 1970 it had been a problematic policy already but it was a pretty solid policy, so it was unlikely to be quite as easily taken apart. That level of mistrust was therefore absent.

JOHNSTON There is an additional point here. As we approached the second round in the late 60's many farmers began to be quite attracted to the notion of Community Preference. They looked around the world and saw looming surpluses threatening increasing pressure on their markets. And many of these surpluses were just across the Channel. That led to the thought that we might well be better inside the EEC with Community Preference around us than staying outside, exposed to the malignant vagaries of the world market.

Another related consideration was that in 1966, apparently quite unrelated to Common Market considerations, the British Government was advancing proposals to abandon deficiency payments in favour of a managed market. This was perhaps the inevitable response to the problem of the rising cost of the deficiency payments as our level of self-sufficiency rose, Farmer's viewed these proposals with great suspicion. The British Government's idea of a managed market was likely to be a pretty watered down kind of thing, specially given its commitments to the Commonwealth.

So all in all, Common Market Community Preference might be no bad thing.

That was the way quite a few of us were beginning to move.

PALLISER Someone asked earlier on what had changed or what was changing in the period between the end of the first negotiations and the suc-

cess of the second. I think actually a great many things had changed. We have heard, very interestingly, what was changing in the agricultural field, which is what we are supposed to be primarily talking about. But it is worthwhile looking at the sort of global and political background against which that was happening.

To take first the Six. General de Gaulle, as we have seen, vetoed our entry and had signed the treaty with Germany. Adenauer didn't last much longer and De Gaulle had an appalling problem on his hands in the need to settle the Algerian question. He managed, thanks largely to the skill of his successor Pompidou, to do that. But it left a trail of problems in France, including very indignant former *colons*, who came over and more or less colonised southwest France, and former Algerian *harkis*, the Muslims who had fought with the French,* and De Gaulle's whole command of the situation was slipping during those years. I remember when I was due to go to Brussels and was briefly in London, when I heard on the radio (I switched on the midnight news before turning out the light so to speak) that General de Gaulle had resigned I said to my wife, 'Well that's going to make our life a lot easier'. One has got to remember this. De Gaulle lost whatever you like to call it, lost steam, lost control. He did this absurd referendum which he lost and in between he'd had to run to the army because he was afraid of being attacked. It was a very difficult period, those years, for General de Gaulle.

Those Algerians who fought on the side of the French during the Algerian War of Independence, 1954-62 were called *harkis*, and they were subsequently forced to leave Algeria.

In Germany you had the death of Adenauer, you had Erhard* and Kiesinger,* neither of whom – and Erhard in particular – was particularly pro-French, you had the fact that the Bundestag had put a caveat on the Franco-German Treaty and the Treaty was not at that time all that popular in Germany. Italy was in a fairly usual state of political confusion, but didn't get on with either France or Germany and wanted Britain in. Belgium and Holland, I am not sure about Luxembourg, had always wanted us in and continued to want us in. So the climate in the Community of six was changing in really quite a substantial way.

Ludwig Erhard (1897-1977). Chancellor of the Federal Republic of Germany, 1963-6.

Kurt Kiesinger (1904-88). Chancellor of the Federal Republic of Germany, 1966-9.

Now what was happening meanwhile in this country was that there was also (and one has got to remember this) major political and economic change. Ted Heath was deeply distressed by the collapse of the negotiations. The Labour Party came into power in 1964. Everybody expected them to be very anti-European and certainly I don't think farmers thought they would be much help to them, but Labour had frightful problems over the next six years. It is perfectly true that Wilson was able to manage an election in 1966 which transformed a majority of I think nine into one of 101 or something like that. I then went to work for him for three years and I remember him saying to me that he found a majority of nine much easier to manage than a majority of 101! Again this is anecdotal, but when I was interviewed by him for the job of his Foreign Affairs Private Secretary, he said that I looked alright and people told him that I was alright, so he supposed I was. I said 'Well, there is one thing I have to say to you, which is that I am very convinced that this country ought to be in the European Community, I am not sure whether that is your position and I wouldn't want to be working with you under false pretences'. And he simply laughed and puffed at his pipe and said 'Oh, you'll see, Europe is not going to be a problem between us'. And of course it wasn't, because he had I think genuinely decided that in the economic and political situation of this country we *had* to go into the European Economic Community. He was very convinced I think by this business of the famous 'white heat of technology';* it was a slogan, but actually he believed that we had a mission in that sense and that the way to do it was to join the European Community.

The phrase 'white heat of technology' was reputedly used by Harold Wilson in the 1964 general election campaign. See David Edgerton, 'The "White Heat" Revisited: The British Government and Technology in the 1960s', *Twentieth Century British History*, Vol.7 No.1 (1996), pp.53-82

At the same time one has got to remember that throughout all this period our relations with other old friends were not going at all well. Wilson had immense problems with the Americans over Vietnam. They wanted him to send British troops, he refused, and his relationship with President Johnson* and our relationship with the United States as a whole was very different in say 1970 from what it

Lyndon Baines Johnson (1908-73), American politician. President, 1963-68.

had been in 1960. At the same time, so was our relationship with the Commonwealth countries. Australia had already begun to diversify and look elsewhere and the Australians were also very cross in a way with us over Vietnam. They had troops in Vietnam and they didn't really see why we shouldn't have, but we were in the process of pulling out from East of Suez and that they certainly didn't want us to do.* So both politically and economically the relationship with Australia was changing very radically. In a sense almost by consequence, so was the relationship with New Zealand. New Zealand of course were already making substantial changes in the direction of their foreign trade, selling masses of lamb to the Arabs and so on. So the New Zealand problem was much less in reality by the end of the 1960s.

In 1967 the Labour Government announced that the UK would withdraw from her overseas commitments east of Suez. See Catterall, Kandiah and Staerck (eds), *The Decision to Withdraw From East of Suez* (London: ICBH, 2002) or http://www.ccbh.ac.uk/witness_esuez_index.php

In addition we had the devaluation of the pound in 1967 and we had very serious financial problems. So the climate of sort of effortless superiority, which we had tended to indulge in at the end of the 1950s and in the 1960s, had changed very radically. When Monsieur Pompidou, who was the French Prime Minister, came over to London with Couve de Murville, the Foreign Minister, and the Prime Minister had meetings with them in Number 10. Of course Wilson never satisfactorily handled his relationship with Pompidou. He felt that the relationship he had in France was with De Gaulle and he tended to treat Pompidou as slightly downmarket, which Pompidou, of course, did not appreciate. I have never forgotten this meeting where the French, whom we for years in the preceding period had always patronised – they were constantly changing government, their franc was in a mess and so on – there they were, with a strong franc, a strong economy, looking across the table at us. For me anyway, sitting behind the Prime Minister, it was almost physical, the sense of French gratification were pleased that they were now doing so much better than we were. And they knew it.

As I said it is all rather anecdotal and perhaps rather foolish, but

these were details that mattered quite a bit. I think we have got to realise that there were these major changes during that period, which in my view affected the subsequent success of the negotiations. Though I would add that if De Gaulle had not retired and Pompidou had not been elected President, I still think De Gaulle would have continued to veto us – or tried to. But fortunately that wasn't the case.

CAPSTICK That meeting between Couve and Pompidou and Wilson which you attended, that obviously was pre the resignation of De Gaulle.

PALLISER Oh yes.

CAPSTICK Did that meeting sort of signal that we might look at it again, this question of Europe?

PALLISER I think at that stage not so far as the French were concerned, they didn't signal it. But I think Wilson and other Cabinet members took stock. I obviously commented to him afterwards, but I never knew to what extent he took on board this sense that I had of the kind of almost triumphal attitude of the French. But he must have been impressed by it, he was a very astute intelligent man, and I think it undoubtedly had an impact. It confirmed him, if you like, in his view that we ought to continue. Of course that led to the second application and the second veto, but there we were.

LUDLOW July 1966 you mean.

STRAUSS Between 1962 and 1969, I am sure one of the things that led to a change was the increasing visits to this country which we received in Agriculture House and the many visits to the Continent made by office holders and staff. And particularly a very close relationship was built up between Andre Herlitzka, secretary general of COPA, the European umbrella farm organization, who was not only an

agriculture man but had previously been involved in Belgium politics, and Asher Winegarten, who was the chief staffer in the NFU. Herlitzka was instrumental in persuading the European farm organisations of the wisdom of having price reviews, which was something about which the NFU felt very strongly. In the event these annual reviews were no more than cosmetic. I was Chairman of the COPA statistical price review team but never understood (and that had nothing to do with language – how the adopted 'objective Methods' was either objective or how it was to persuade Ministers to agree to higher prices. It did not last long.

POOLEY

Can I just intervene for a moment to say that I am sure one of the great things about the second negotiation, as Helmut von Verschuer said, was that the Common Agricultural Policy had been largely developed and was therefore much clearer, although still nothing for sheep meat or wool or potatoes. But I am doing this just to remind people of a little metaphor. You have spoken, chairman, about Pisani and his metaphor of the artichoke and I was thinking of someone, I can't remember who it was, saying of the first negotiation and the CAP that 'it is like going into a dark room to look for a black cat that might not be there' – which I think is worth preserving!

MARSH

During this time substantial autonomous changes were taking place in the industry. These were progressively bringing pressure to bear on the CAP, as it had been initiated. In late 1968 Mansholt produced his Plan, 'Memorandum on the Reform of Agriculture in the EEC'.* This sounded a different longer term note than previous statements of EEC agricultural policy. It may not have changed the immediate negotiating situation but awoke outsiders to a different dynamic in the debate about farm policy. This was not just about how you manipulated prices but about how the sector needed to be restructured. This is essentially a long term project but for farmers, consumers and taxpayers in the EU the long term proved relatively

For an explanation of the workings of the Mansholt Plan, see Derek Unwin, *The Community of Europe: A History of European Integration since 1945* (London: Longman, 1991), p.133.

short. By the end of the 1970s, the debate was changed: it was no longer about supply but about the social issues of agricultural adjustment.

LUDLOW The other important thing is that there was a greater awareness of the two debates. Christopher Audland made this point in interviews with him, but I think it also comes out very strongly in the Foreign Office's official review of the first negotiations, that a lot of that first twelve months of negotiation was in a sense spent learning the Community system. By the time you got to 1970 there was a much greater awareness already of what the system was and that would change the negotiations greatly.

FRANKLIN It wasn't only that we were more informed. For all the reasons that have been given we put in a series of demands which were infinitely less exigent than the first time round and much closer to the position that the Six could accept. The first time round, because we didn't understand the system, we were asking for a transitional period of 15 years and all that stuff. By the time we came round to negotiating in 1970, we were able, partly because the NFU position was different, to demand very much less. We accepted the CAP from the outset, the very opening statement accepted the CAP, so we were only asking for a transition. We were able to drop half the Commonwealth demands: we didn't demand anything for Canada and Australia, we limited it to sugar and New Zealand. So the chances of success were infinitely greater second time around, because the two positions were so much closer.

LUDLOW It could have multiple causes. Part of it could be understanding the Community system better, part of it could be understanding the dynamics of the negotiation better, in other words the relative strength of the position of the Six in the context of the negotiation, and part of it could also reflect the position of the British government *vis-à-vis* the other parties it had to satisfy, the NFU and of

course the Commonwealth. So which of those three, or indeed other, factors?

FRANKLIN I think so far as agriculture was concerned there were two main reasons. Firstly we didn't have the NFU on our backs and secondly, as I said earlier, we were already quite desperate to introduce the managed market system. As Charles Capstick said, we did in fact get a minimum import price for cereals and we got an agreement on bacon, but these were all voluntary. We didn't have the ability to impose these settlements, we had to negotiate them for one reason or another. My little anecdote was when Soames had the Russian minister of agriculture over and the Russians at that time were exporting barley to the UK. Soames said to the Russian minister, 'We are having real trouble with your barley exports'. So the Russian minister said, 'Oh I see, you would like us to shave the price a bit would you, we are asking too much for our barley?'; 'No, no', said Soames, 'You have got it wrong. We would like you to charge us a bit more'! The reply was, 'I never did understand the capitalist system!'

POOLEY The distance between the negotiating demands on agriculture, or certainly on the Commonwealth, in the first round and the second might appear to be more than it actually was. One must remember, it may not be clear from the published record now, that in the case of Commonwealth demands some of them were quite ludicrous and we adopted the tactic of putting them forward, hoping or expecting that we would get a sound rebuff and be told that is absolutely ludicrous, we will not accept that in a month of Sundays. Then we could go back to the Australians or the Canadians or whoever it was and say there you are. Unfortunately, we hadn't told the Six about the script and, on the odd occasion at least, they failed us! But there was that aspect. And a little bit with the agricultural lobby too I think. There was this business of having a first demand, which

we knew stood no chance whatsoever but we would loyally put it forward, and then go back to farmers.

FRANKLIN No I'm sorry, we believed in them!

PLUMB I did ask permission to leave at about 5 o'clock, because there is a little debate going on in the House of Lords and I would like to get back even though it probably won't finish until midnight. But there are just three things I would like to say if I may before I leave and it is back to the issue of the Commonwealth. The deal was done of course much to the satisfaction of New Zealand at the time over butter and lamb and that still exists today. That is something that I think the general public has never fully understood, as we heard over a period of time after we joined 'it is all very well joining Europe, but now you turn your back on the old Commonwealth and New Zealand and Australia and so on, those who fought alongside us in the war' etc., we have heard it all. It was an issue, but people didn't realise that the deal that was done was helpful. I remember in 1973, just after we joined, speaking to a lot of people, mostly civil servants and economists and various people, in Canberra. I had just been in New Zealand and I had had a fairly rough time there, but it was even rougher in Canberra. But I always remember the very last question I had from someone who had thrown everything at me, including a book. This was 'well okay, you have got away with it, but are our chaps looking after our interests in Brussels?' and I said 'This is the question I have been waiting for. You cannot walk into the Berlaymont Building* without falling over a Kiwi, but I have yet to see an Aussie.' And that was a fact I think, that New Zealand fought every corner and they did a great job in their own interest at that time, and the Australian attitude was if this is the sort of thing you want to do get on with it, it is of no interest to us. That registered very clearly with me at the time.

Just in passing I should say that this time last year I was in New Zealand and Australia and in several speeches I made in New Zea-

The Berlaymont Building in the centre of Brussels was built in the 1960s to house the European Commission headquarters.

land I was saying two things: one, the best thing we ever did for New Zealand as a country was for us to join Europe. You would then wait for the flak, but in fact on one occasion I actually had a bit of applause, because I think they now appreciate that we opened the door for them, for their lamb and a lot of their other products, to countries which they wouldn't have got into had we not entered Europe. The other thing I said to them was that I would be prepared to go back and try to persuade all farm organisations in Britain, certainly my own, and I would say the same in Europe, that we would be prepared to get rid of the CAP and get rid of everything if, as you have done by removing all forms of support, we could have the same import controls that you have. I didn't really mean that, because I know it wouldn't work anyway and it is not what I think, but nevertheless I wanted to make the point that they do have those controls, so don't keep on bragging about not having any support. It is a totally different situation.

The deal that was done at the time is one I would like to have seen opened up in this discussion, because I think it was extremely important and it needs registering. It was Harold Wilson who did the deal in Dublin, if I remember rightly, and it was very important for New Zealand. The other thing that I would like to throw in, and I would have liked to have been here for the discussion, is the whole question of the green pound and the money situation. Because we saw times when currencies were so different, a time when for instance a bullock was coming over from Ireland and it was getting £60 a head more than the British bullock of the same quality and the same type, merely because of the difference between the punt and the pound. And that was at the time when of course there were demonstrations at Holyhead and so on. We talked glibly about the importance of a single market, we talked glibly about the importance of free trade within Europe, and yet of course there was this currency fluctuation and the fact that some people would apply the make-up difference on the green currency

– some countries would apply it, others wouldn't. Ours was about the worst of the fifteen because we never got that proper make-up, which we probably should have had, and since then I think it has got gradually worse. So that is an area where in any reporting it would be important to highlight those problems, as I see them. I could mention many more, but do forgive me if I dash off and listen to what the Lords have to say.

STRAUSS Just before Henry Plumb goes, about what Michael said about getting the NFU off our back and somebody mentioning the Russian minister of agriculture who came over. He visited Henry too, I was there, and Henry said what a thorn the NFU was in the flesh of the government and the minister listened and said 'Yes Sir Henry, and that is why the Queen gave you a knighthood'!

PLUMB You've been dreaming Michael!

STRAUSS Maybe this is not the place to discuss this, but I worked for the NFU for 37 years and I always in the back of my mind wondered, how was it that this organisation, representing 3 per cent of the farmers originally, 2½ per cent when the negotiations stopped, how was it that it had that influence, say, on the Common Market negotiations. Was it that in those days, pre-Thatcher Conservative days, we still had Rab Butler and the landed gentry and the landlords in the Cabinet? I don't know the answer, I have never been able to explain it. Perhaps it was just very astute management by the leadership.

PLUMB Absolutely!

LUDLOW Was it all that influential during the second negotiations?

STRAUSS Well, Michael said getting the NFU off our back was important.

LUDLOW We have got to come to the question of assessing the deal reached, the final settlement reached, at some point, but I think I want to dwell a little bit longer on what were the ingredients for the recipe of success the second time round. Quite a lot of the comments so far have served to suggest that the door was much less firmly locked the second time round and therefore it took less force. But presumably one of the factors that must also have changed was the way in which the British approached the negotiations. If you look at the way in which the British organised themselves, the way in which the MAFF dealt with this, the way in which the political relationships worked – were they different the second time round? Was it a process of learning, or were the personalities different? What had changed at that level?

CAPSTICK From my perspective, and not being in charge of any commodities whatsoever at that time, I got the impression that the actual commodities divisions within MAFF were extremely well prepared, quite knowledgeable about the detail of the commodities which they superintended. And I think that Whitehall in general, through the Cabinet Office, were pretty well briefed. There were good committees, were there not, chaired by Peter Thornton* and others before him, generally putting together the stats that the Ministry of Agriculture provided, on pretty broad issues: lengths of transition periods and so forth, preparation of White Papers which were designed to, obviously, influence Parliament and others. I think there were two white papers, one round about 1970 and later on about 1972.

Sir Peter Thornton, civil servant. Deputy Secretary, Cabinet Office, with central co-ordinating role during British negotiations for membership of EEC, 1970-2.

FRANKLIN It seemed like at least two to me, yes. You were the one who had to do all the number crunching.

LUDLOW I know you weren't involved in the first negotiations, but does this imply that you feel the first ones were under-prepared?

CAPSTICK No, I am just commenting on the second negotiations. I don't think it matters. Circumstances were different in the early 1960s to the late 1960s, such as 1968-69 when a lot of the preparatory work was being done and wrapped up in 1970/71.

FRANKLIN I think the first time round we were regarded in the rest of Whitehall and particularly in the Foreign Office as an unmitigated nuisance – as indeed we were! By the time of the second negotiations I think, Michael Palliser will correct me if I am wrong, the reputation of MAFF in Whitehall had improved. That helped, and secondly as it happened we didn't have this what I call Eric Roll/ Freddie Bishop problem next time round, because Freddie Kearns was part of the negotiating team but he remained the principal adviser to the Ministry of Agriculture. So there wasn't that little tension, which I think was helpful.

POOLEY In terms of personalities I think there was a qualitative improvement in the Ministry of Agriculture at that time in the civil servants at head of division and under-secretary level. It was a really quite remarkable quality of civil servants that a small department had. I had a special insight in this when I was in the Civil Service Department and had an overall view as it were. I don't know quite how it happened, but we really had very good people by that stage. Don't you agree Charles?

CAPSTICK Well, I do!

PALLISER I think this is a very valid point, along the lines of a point that I also wanted to make, which is in a sense what Henry Plumb was saying before he left. The role of personalities in this, as in any negotiation, was awfully important. And I think that the atmosphere within the British camp, whether in Whitehall or in Brussels, between the two negotiations had changed very substantially. First time round, Macmillan was someone who had come lately to the

idea of us joining Europe and I think that a lot of the Civil Service, and indeed many of my superiors in the Foreign Office, at that time were pretty sceptical. In a sense they did a perfectly good job, but they didn't know the other people, there was no effective contact and they didn't really understand the way the Community was working. To be fair, I think a lot of people in the Community didn't understand it either! But there was a level of ignorance which was pretty considerable.

By the time we got to the next set of negotiations we had a Prime Minister who was absolutely determined to get us in and we had ministers negotiating on his behalf who were equally determined. At the level of top civil servants around Whitehall there were still a few sceptics, including in the Ministry of Agriculture, but the whole atmosphere had changed and there was fundamentally a feeling that we had to get in. I used to go to meetings of the Agricultural Council, which was considered to be rather bad form, because they were assigned to the Deputies. My Deputy was an outstandingly good man called Bob Goldsmith,* who was from the DTI, and strictly speaking he should have gone to that Council. But I went, because it was clear to me that this was a crucially important Council meeting and it didn't seem to make sense for the Ambassador to be, so to speak, out of the circuit. The thing that always impressed me going to those meetings was that, both before and during and after, about two of the rooms in the Council secretariat and one in the building where the meeting was taking place if it wasn't in the Council, were filled with people from MAFF. I am not sure that they all had, as they do nowadays, these laptops, but they were all tapping away at something. There was a sense of eagerness and passion, which I found extraordinarily exciting. These were people who actually wanted it to succeed. And if you put all that together, you are on a much better basis for success than if you have got a whole lot of rather sceptical people operating.

Robert Goldsmith, civil servant. Deputy, UK Permanent Representative to the European Community, 1973-7.

The other thing is, Michael Franklin would have better thoughts on

this than I, the relationship between our Ministers of Agriculture and the ministers in the other countries. I thought as I watched Chirac* the other day that I remember him so well coming to my house in Brussels for a dinner with Joe Godber,* the Conservative Minister of Agriculture, who was a delightful bucolic character and conversation was always spirited and entertaining. But there was a relationship there. I never knew how much effect it had on Chirac, probably not a great deal, but it certainly had some on Godber. And the same Fred Peart* was there, when he appeared on the scene. After Labour's election victory he was appointed Minister of Agriculture I think because Harold Wilson thought he was a bit Eurosceptic and that wouldn't be a bad idea. Fred became passionately pro-European and everybody knew that the moment they had a difficult decision they would take Fred off into a corner and five minutes later they had the decision they wanted. I mean, there is no doubt personalities do have some effect in this kind of system.

Jacques Chirac was Minister for Agriculture and Rural Development, 1972-4.

Joseph Godber (Lord Godber of Willington, 1914-80), Conservative politician. Minister of Agriculture, Fisheries and Food, 1972-4.

Frederick Peart (Lord Peart, 1914-88), Labour politician. Minister of Agriculture, Fisheries and Food, 1964-8 and 1974-6.

LUDLOW

The contrast in both expertise and I think the desire to get in is in some sense very well encapsulated, this is not strictly agricultural, at the general negotiating team level by the change from Dixon* to O'Neill. Dixon really was not a Community old hand, whereas O'Neill was a former Head of Mission who knew the system back to front.

Sir Pierson Dixon (1904-65), diplomat. Ambassador to France, 1960-4.

CAPSTICK

Whilst we have talked about preparedness and so forth and that things, shall we say, were going well, there were one or two difficulties which I think presented themselves to ministers in the government. The first was that there was a great deal of discussion and talk and newspaper comment about the impact of the CAP on food prices. Today, looking back, it seems absolutely ludicrous economically to worry about such increases in food prices which meant a quarter of that on the cost of living, if that. An enormous fuss was made about it. The other big fuss was the balance of payments. Virtually every newspaper every week or month had

something about the balance of payments going further into the red – disaster etc. One of the consequences of applying in the UK the very high prices from Europe, which had been elevated in sterling terms because of our own devaluation and the sort of gradual revaluation of the green pound or unit of account, due to the strength of the deutschmark largely, would exacerbate the balance of payment by raising imported food costs. These were regarded seriously. They were factors that unquestionably drove the need for this long transition period and I think the government had to take a deep breath to actually accept five years. In fact it became five years, but did it not go in six steps? Some thing of that sort so that, the government could claim it would take six steps. There was some fudging involved with calendar dates.

MYERS I just want to say on this question of the prices, if I remember rightly when the government changed in 1974 and Labour came in, they did so in having pledged to have no increase in food prices. This led to enormous difficulties because of our commitment in the Accession Treaty [to join the EEC]. I think it was Freddie Kearns who convinced the ministers, Freddie Peart in particular, that what they had committed themselves to was not no increase whatever in food prices, but no increase to which they were not already committed by the steps laid down in the treaty. If it hadn't been for the fact that Freddie Kearns personally convinced them of this, we would have been in terrible trouble, because we were committed to stage annual increases in prices over the transitional provisions of the Accession Treaty that had been agreed by the previous Government.

FRANKLIN By this time I was in the Commission, sitting on the other side of the table! Can I make two points on what Henry Plumb said earlier. The first is slightly frivolous, but he was saying that the New Zealanders were always present in Brussels and the Australians were never there. My view is that the Australians would have done better

by staying away, because the way the Australians negotiated was extremely aggressive, whereas the New Zealanders were always polite and actually got a much better deal out of handling it that way than the Australians ever would have done.

The second point, which is more important, is that Henry [Plumb] was right: we did the New Zealanders a very good deal. I don't know whether they realised how good a deal we did for them, because at the famous Heath-Pompidou bilateral (Michael Palliser will know because he was sitting in it, I was sitting in the ante room) Pompidou said in fact you can either have your New Zealand deal or you can have a deal on the Community budget, but you can't have both. And in my view, in domestic political terms, Heath chose the right option, but we all know what price *we* have paid in the years since for that particular deal. So the New Zealanders in my view should be extremely grateful to us for the way we handled that particular issue. Would you agree, Michael?

PALLISER: Yes, I do.

MYERS: Indeed, in the famous renegotiation of Harold Wilson in 1975, which achieved precious little, one of the few things which he really gained and which caused a lot of ill-feeling in the EEC was an increase. In the quota for butter imports from New Zealand. I can remember sitting in the Council when they had subsequently to introduce the implementing regulations providing for this increase. Several member states were bitterly opposed to it, including the Luxembourgeois who were in the Chair. The Chairman stressed – insisted – that none could dislike the measure more than he did, but he insisted that the Council must nevertheless vote for it, as it was part of an agreed package and he forced it through.

FRANKLIN But we were a great deal luckier on sugar. I was recalling last evening with Helmut von Verschuer the walk in the woods that I had with him when we had to decide whether to accept the infa-

mous phrase the *aura à coeur* which was the best the Commission – indeed the Six – offered us as to how they would treat the Commonwealth Sugar Agreement. As others will recall, we managed to persuade the translators to describe that as 'that we would have as our firm purpose', which was better than *aura à coeur*, which Jock Campbell* said was what the French plumber said in his home in the Dordogne when he asked him whether he would come and do his plumbing! But then we had to sell this to the Commonwealth and remarkably we *did* manage to persuade the Commonwealth to accept it. The good fortune was that when we actually came to get the Community to deliver on that commitment the price of sugar was high, unusually. The world price was so high that in fact the Six were only too happy to take the 1.3 million tons, which was the total Commonwealth commitment. Had the world price been down where it normally is I think we would have found it much more difficult to secure the kind of deal we did for the Commonwealth. So that was a bit of good luck.

Lord Campbell of Eskan (John 'Jock' Campbell, 1912-94), businessman. Chairman: Booker McConnell Ltd, 1952-66; President, 1967-79; Chairman, Commonwealth Sugar Exporters' Association, 1950-84.

VON VERSCHUER In so far as I remember, it was helpful, naturally, especially as the Community budget had to pay import subsidies for sugar in order to keep the Community price low compared to the world market price for the consumers. But this so-called crisis on the world markets for sugar, for beef and grain as a matter of fact …

POOLEY Oil seeds.

VON VERSCHUER Oil seeds too, yes, with the embargo of the Americans for exports. I agree, there is some element of 'club' between agriculture ministers of all the countries and this was taken as a motivation for rather strongly increasing guarantees to the farmers. The beef intervention system was, if I remember, created on this occasion – it did not exist before. But I am not sure if I am right, it may be that it was slightly before or afterwards. But in this period the sugar guarantees for the producers of the Community, including the British, were

substantially reinforced and the grain price was increased considerably. Afterwards, with the oil crisis, the strong demand for butter on the world markets coming from the oil-exporting countries was used as a pretext for not freezing the dairy price and not abolishing (as we had suggested to the Council) the investment aid for the dairy industry. And this happened in the Council of the enlarged community. I felt rather unhappy during this period, because conjunctional economic phenomena were taken as an indication for structural problems, which they didn't indicate at all.

LUDLOW A question from the floor.

ROGER BROAD Gordon Myers said that the renegotiations didn't achieve very much, but surely they achieved politically a great deal. I would like to ask those who were involved in the renegotiation how serious it was, how did you approach it and how did your opposite numbers in the other Community countries react to it.

LUDLOW Strictly speaking this is slightly off the subject, but briefly?

PALLISER The day after the Labour government was elected I invited my Permanent Representative colleagues to a meeting and I distributed to each of them a copy of the Labour Party's manifesto on Europe. I told them, 'I am calling you in and giving you this because this will be the policy of the British government.' I won't say they were rude enough to burst into laughter, but they all displayed considerable degrees of scepticism that this was really likely to happen. So I said, 'Well, I am warning you, I think this will happen and you had perhaps better tell your governments that it is going to happen and prepare for it'. I forget when it was, but some days later Foreign Secretary Callaghan* descended on Luxembourg, where we happened to be meeting at that time, and dished out the renegotiation policy. It was met at that time with certainly no humour and not much enthusiasm. By one of those extraordinary coincidences,

James Callaghan (Lord Callaghan of Cardiff, 1912-2005), Labour politician. Foreign Secretary, 1974-6; Prime Minister, 1976-9.

having said his piece fairly abruptly and left, leaving me in charge, about two hours later at the meeting Monsieur Burin des Roziers, who was my French opposite number, received a note and informed us that President Pompidou had died. So it was a day I have a certain recollection of.

To be honest, I thought I was probably going to have to resign, because if this was really going to be the policy I didn't see how I could decently try to implement it, because I didn't think it would really stick and anyway I disagreed with it. But after a couple of visits to London it soon became apparent to me that actually it was designed not to enable the government to withdraw from the European Community, but to enable them to stay in. Once I had realised that, I simply devoted my energies to supporting my government's policy. It was all rather phoney and it is difficult to say what the precise achievements were, but the main achievement was that it enabled Harold Wilson and his government, even though some of them were passionately against it, to win the 1975 referendum, which was what mattered.

LUDLOW The question on renegotiation obviously introduces from another angle the whole question of whether or not the deal was a good one and why Labour might have wanted to at least massage it differently, if not actually change it substantively. Before we get to that though, there is one question which occurs to me, in that several of the recent interventions – and particularly several comments you have made Michael Franklin – about the financial deal do introduce an element which we perhaps haven't discussed enough. We have talked about how in many ways the second negotiation was easier, a lot of problems had gone away, but the problem that was there that much more clearly, although it was far from altogether absent the first time round, was this whole issue of Britain's budget. The first time round estimates were made about how much Britain might pay and it did become a controversy. The second time is seems to

have been a much bigger issue and a much more problematical one. Does that hold true and how serious an issue was it in the second negotiations?

FRANKLIN I am recorded in the second volume of the history of the MAFF's performance to have minuted my Deputy Secretary on 22 April 1970 that the financial arrangements will be the most critical item in the negotiations. I was about ten years too soon and wrong at the time, but anyway that was the view I expressed at the time. If you remember, we had a Commission document, produced quite early on, which simply said you have got to suck it and see and the famous phrase was 'if an unacceptable situation arises something will be done'. That was manifestly inadequate if you knew, as we all did at the time, that unless the proportion of the budget going to agriculture was going to diminish radically (which we were all assured that it would and therefore was one of the reasons we were given why we need not worry). All the calculations that people like Charles Capstick and others did demonstrated that we were going to be major net contributors. I can't now recall, but Michael Palliser may, why the Treasury were not jumping up and down. It is rather unlike the Treasury to have taken these things quietly.

But there is no doubt that in the briefs for the Heath-Pompidou summit, the Prime Minister had set out for him that there was a really big potential issue down the line. Equally, the briefs on New Zealand said what it was we had to get to satisfy the New Zealanders. All I can say is that it became clear politically that we couldn't succeed in both and that the budgetary issue was somewhere down the line and it would only become apparent once we were in, whereas the New Zealanders had to be satisfied here and now, otherwise politically we couldn't have joined. So the choice was made. That is my analysis of that situation.

PALLISER I think it is perhaps worth reminding ourselves that in fact the main issue about sterling in the Heath-Pompidou talks was the question

of the sterling balances. They had been raised by Giscard in the finance ministers' Council and quite frequently elsewhere and they were seen as an absolutely major blockage to our membership. Because we were potentially bringing in not a dowry but its opposite, to make other people pay for our liabilities. My memory is now terribly faulty, but my impression of the Heath-Pompidou talks was that Heath succeeded in reassuring Pompidou that we were not going to use the sterling balances in that way, and indeed we didn't. The question of the budget sort of slipped away a bit as a result and in a way that is what happened subsequently. I think probably Heath having, so to speak, achieved that, was pretty determined that the budget issue shouldn't go on to sabotage things. I think that is probably the reason why it worked out that way.

CAPSTICK

On the budget we did a lot of work, and the many papers we produced were actually purely on the agricultural financial situation. If you looked at the figures and you projected that the prices would increase – for example, EEC cereal prices were double what we were experiencing at the time in broad terms – that had a massive impact on our calculations and consequently on projected financial contributions to Brussels given the fact that we would get very little back from the Community Fund, because we exported so little food. The net effect on our financial contributions was substantial. As a result our first bid, if I recall, was that because the Community had given itself five years' transition to the new budget financial situation for the contributions of the existing six members, we should have *that* transition. And because we had to transit also to prices which were double what we were currently experiencing, then how about another five. It was something like that. That was I think the first suggestion. I don't think we had much hope, but that was suggested. It was whittled down to five plus two years for the financial contributions, which was a good outcome.

As it so happened, the world oil price of course doubled, or was it

quadrupled, in about 1972-73. This led to inflation generally, but also the world cereal prices doubled in 1973, largely because Russia eventually ran out of grain as her production figures were proven to be fictitious. They performed an enormous scam on the Chicago mercantile market to obtain supplies and very soon world cereal prices doubled. Many other world food prices rose also. This meant in effect, that 1973 we transited to the Common Market prices in about a year or eighteen months, whereas we had been planning for it to take five years. So it is amazing how other factors sort of cheated us of our glorious plans. It did help in the 1975 renegotiation, in so far as it *was* a renegotiation, because it meant that the impact of joining the Common Market had been so much less, it was practically not there anymore. Much of the cost could be rightly blamed on world market changes. The so-called 18 to 24 per cent rise in food prices that had been expected could be blamed on the Russians and on the Arabs for putting up the oil prices. So it all was quite convenient for Harold Wilson I thought in 1975. Plus our interesting pre-referendum White Paper, which you may recall, *Food From Our Own Resources*!*, which showed how our own agriculture would respond to high prices – which it did, and rapidly.

Food From Our Own Resources (London: HMSO, 1975).

FRANKLIN

There is one point I would like to discuss, because the historians will not be able to find out from any of the papers why the Commonwealth sugar exporters accepted the famous phrase. Because up to the Commonwealth meeting in Lancaster House they had all been ranting and raving that they must have bankable assurances, they must be able to go to the bank and say we can borrow on the strength of our assurance that we can export into the Common Market, which of course they didn't have. I would quite like to hear Gordon Myers's opinion, but my explanation is this. The Commonwealth sugar exporters were led by Lord Campbell of Eskan, who was an extremely astute businessman, who ran Booker. There was no particular reason why he should be helpful to the Conservative

government, because he was a Labour supporter. But he was extremely influential with the Caribbean sugar exporters, whether commercially or politically. I think during the day that the Commonwealth meeting took place he reached the conclusion that HMG was not going to do better on this and therefore, from the point of view of public confidence and so on, it was better to accept it than to reject it and go away with everybody disgruntled. I think that was a legitimate calculation, *if* that's what happened. But that is only my surmise.

MYERS

Geoffrey Rippon (Lord Rippon of Hexham, 1924-97), Conservative politician. Chancellor of the Duchy of Lancaster, 1970-2 (responsible for negotiating the UK's entry into the EEC).

I am sure it is perfectly right that Jock Campbell's personal influence was very important. I think it is also relevant that there had been a significant softening-up process. Geoffrey Rippon* had gone round the Caribbean and had made it quite clear – the French of course had also made it very clear in advance – that if they insisted on having a figure guaranteed to them then it was going to be an extremely low figure and one that would be totally unacceptable. Geoffrey Rippon persuaded Commonwealth suppliers that they would not get a satisfactory deal that way, and that their best option was to put their trust in the formula proposed. There was, as already mentioned, this fantastic agreement on the translation, which was later used as a precedent on other occasions in the Community, to say one thing in French and a totally different thing in the English translation. And then, finally, there was the extraordinary device under which the UK set down her own interpretation of the formula, which proved ultimately to be correct, as a unilateral statement. In reply, the Council said like, 'That's your view', or words to that effect, and went home. I think these factors together had an impact, but I agree that the Jock Campbell's personality was crucial.

FRANKLIN

It was still described by Con O'Neill in his official report as a miracle.

MYERS But it is fair to say that it was of overwhelming political importance that the Commonwealth should agree to that.

VON VERSCHUER What I am asking myself is, I remember well that we made an arrangement that imported Commonwealth sugar, if not consumed within the Community, would be exported as white sugar to the world market with the appropriate so-called restitution. This was a major opportunity for the British sugar industry, because they had a guarantee that the raw sugar coming from the Commonwealth would be paid for, either by the consumers in the Community or by the Community budget in order to export it to the world market. Was that not perhaps a decisive element? Perhaps I am wrong.

MYERS But that was after the event, wasn't it. That was after the agreement I think.

FRANKLIN But even if Helmut is right on the price guide, he was wrong on the quantity.

VON VERSCHUER I was looking at Protocol number 17 of sugar …

MYERS Yes, but that was the Lancaster House Agreement.

VON VERSCHUER Yes, but there is a phrase in there that was the base I think. As I am speaking anyway, I want just to tell you the story of how we got the hill farming scheme problems solved. As I indicated earlier, we from the Commission had some sympathy for the scheme and therefore I was able to suggest to the Six as a negotiating position that we in this case see enough justification for making, in what was really a highly exceptional case, a derogation from Community positions. This in spite of the fact that the scheme was clearly incompatible with the existing rules for state subsidies. I presented this to the meeting of the Permanent Representatives and Boegner* immediately said, 'Mr President, exclude it, no question, no deroga-

Jean-Marc Boegner. Permanent Representative of France to EEC, 1961-72.

tion.' And I was able to pull out of my pocket a little article which had appeared in *Le Monde*, where the French minister of agriculture was reported to have suggested in the French Cabinet to establish a special scheme for mountain farmers, in order to maintain agriculture in the French mountain areas. Well, that was a little bit embarrassing for Boegner, who was never really embarrassed and said, 'I will make contact with Paris and we will see'. And it was afterwards agreed that in this case a derogation would be made. In the commission we had already begun to prepare a Community regulation for agriculture in the mountain areas and the less favoured areas of the whole Community, which was then the first regulation which was regionalised and secondly had a high degree of subsidiarity for action between the Community and the member states. This we owe to the existence of the hill farmers' scheme in the United Kingdom.

JOHNSTON

Finn Gundelach (1925-81). Danish Ambassador to EEC, 1967-72, European Commissioner, 1974-7.

Nobody of any consequence in the Commission got away without a visit to Scotland at some point, from Masnholt onwards. For example, we flew Finn Gundelach,* over the Highlands in a helicopter. I remember on a Border sheep farm making a fair fist of explaining the tick problem in French to the then Commissioner of Agriculture, an Italian. But we really did have to work at it. On a visit to the Commission in 1970 my President and I were told not to worry about the hills and uplands. All would be wrapped up in regional or structural policy. And there was a tendency for Whitehall to dismiss us with soothing noises too, because they weren't really frightfully interested – an accusation that could certainly not levelled at the Scottish Office. If you look at the note that was circulated at the start of the seminar you can easily detect the dismissive tone of Whitehall memoranda.

We absolutely rejected the regional policy approach. You couldn't draw a line around the hills and uplands and say, 'here we have a defined region, and that's it'. Hill and upland farms were scattered

everywhere throughout the country in a sort of kaleidoscopic mosaic.

We insisted that support for these farms be brought into the body of the CAP – as eventually it was at the end of 1975 in virtually a continuation of the old British system.

VON VERSCHUER In 1975 it was adopted by the Council of Ministers.

JOHNSTON Another aspect of this was that Norway was also in negotiation for membership. How could it be possible to adopt a doctrinaire approach of the CAP was going to serve to legitimate interests of farmers form the Arctic Circle to Sicily?

It was indeed a long hard fight as I remember it. We of course addressed ourselves primarily to the Scottish Office. This was a time of growing nationalist sentiment in Scotland. So our Secretary of State had every reason to defend what had been established as a legitimate Scottish interest. Politically it would have been impossible fro him not to secure some very binding assurances indeed. In the end a solution to the problem was publicly stipulated by the Government as one of the conditions of entry -a safe enough tactic because, important as the issue was for us, it was a minor element in the grand scheme of things. It was inconceivable that this would be a stumbling block when the historic issues had more or less been settled.

LUDLOW Perhaps in the remaining time we should address the issue of whether or not the deal was a good one. Sir Con O'Neill in his official report gives it in academic terms a sort of alpha minus or possibly beta double plus, a few question marks but he thinks it is a good one. Do others agree, or are there more reservations?

CAPSTICK He wasn't including fish, was he, in that?

LUDLOW I think it was an overall mark. This is an assessment written in 1973 itself, so perhaps ten or fifteen years on it would have been different.

FRANKLIN I don't suggest we open a discussion on fisheries, but from the point of view of the Ministry of Agriculture in these negotiations the fish negotiations were far and away the most difficult. We were assured by the Six they wouldn't agree a policy before we joined but Lardinois,* the Dutch Minister of Agriculture at the time reneged on that. Then it took us the next six months, after all the agricultural negotiations were over, to get some sort of agreement on fish. Overall, in my view, for the reasons I gave on sugar, it worked out a great deal better than it might have done.

P. J. Lardinois (1924-87). Dutch Minister of Agriculture and Fisheries, 1967-72; Commissioner for Agriculture, Commission of the European Communities, 1973-6.

STRAUSS I think as far as the farmers were concerned there can be no doubt, at least in my mind, that the deal was infinitely preferable to any alternative with the British government going it alone. It would lose all along the line on international agreements, on the political importance of our farmers. It was a good deal for the farmers.

POOLEY I find it a strange question: the deal was the deal. The good thing was that there was a deal. It is either a good thing to have a deal or, if it is a bad thing, you don't have a deal.

PALLISER It was the best deal we could get.

JOHNSTON Well, it turned out all right actually.

PALLISER About fish, I remember sitting up very late into the night in that dreadful council building with Geoffrey Rippon, with a map of the United Kingdom spread out in front of us. And Geoffrey went from fishing constituency to fishing constituency, round the whole of the UK, working out how many Conservative MPs might be at risk if we accepted the deal!

FRANKLIN At the same meeting we also had to work out the mileage of the coastline that we wanted to get concessions on and we didn't have the appropriate apparatus for doing that. So Ian Graham,* who was the Fisheries Secretary, went to the blinds and cut the cords off so that we could use them as measures!

Ian Graham (1918-2004), civil servant. Fisheries Secretary, Ministry of Agriculture, Fisheries and Food, 1967-76.

NEVILLE-ROLFE I feel that we were really conned about fish.

POOLEY Yes.

NEVILLE-ROLFE They had been arguing for six years about a Common Fisheries Policy and they saw us coming and immediately had one.

POOLEY Just the night before.

PALLISER Actually this was us plus Norway plus Denmark, it was the three countries.

CAPSTICK The only unfinished business, in a sense, was the financial arrangements. As I said earlier, on prices it all happened so quickly because of world events and that did impact on the costs, we'll call it the balance of payments costs, for at least four or five years of the transition period. The net contributions by the UK to the Community budget were very small indeed. But then, around 1978, we were approaching our final years of the transition for finance, which was five plus two. We did some arithmetic on this and I recall that with Wynne Godley* (who was working at the Treasury) and a paper was produced which looked beyond the transition period. This would have been when Jim Callaghan was Prime Minister. I don't know to who Wynne sent it to, but I was told by Wynne Godley to send it to Douglas Wass* at the Treasury. The paper demonstrated that there were going to be serious financial and economic costs, come 1980 and beyond. That's when I think the Callaghan government, started look for a solution. There was then an election and of course Mrs

Wynne Godley, civil servant and academic. Economic Consultant, HM Treasury, 1975.

Sir Douglas Wass, civil servant. Permanent Secretary, Treasury, 1974-83.

Margaret Thatcher (Baroness Thatcher of Kesteven), Conservative politician. Prime Minister 1979-90.

Thatcher* took it on to the Fontainebleau Agreement,* which we have still got.

MARSH

The 1984 Fontainebleau Agreement attempted to deal with a number of European financial issues, including a British rebate.

This discussion had been couched in terms of budgetary costs. Total resources costs are much greater. It is a matter of note that the entire policy debate seems to centre around these visible, budget payments and receipts whilst the dynamics invisible transfers resulting from trade and the distortion of resource use were largely ignored and have continued to be so ever since.

LUDLOW

On that note I think we should draw proceedings to a close. Thank you very much.