

1961: Europe "at Sixes and Sevens". The European Free Trade Association, the Neutrals, and Great Britain's Decision to Join the E.E.C.

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Introduction

Sixes and Sevens, that was a well-known expression in the late fifties and early sixties: it stands for the six countries which formed the E.E.C., the European Economic Community (France, W. Germany, Italy, the Netherlands, Belgium and Luxembourg), and the seven countries which formed E.F.T.A., the European Free Trade Association (the United Kingdom, Norway, Denmark, Portugal and the three neutrals Sweden, Switzerland, Austria). It is a nice play on words if you use the British expression "at sixes and sevens": this describes exactly the situation of the two communities in 1960/61: the Six and Seven were at sixes and sevens.

This paper, which is based almost entirely on newly-available British sources, deals with the events of the first seven months of 1961, with the problems within E.F.T.A. - and especially the three neutral states Sweden, Switzerland and Austria - and the historic decision of the British Government at the end of July to join the Common Market.

1. What are the British up to?

No progress had been made towards bridging the gap between E.F.T.A. and the E.E.C., despite the objective set down in the preamble of the Stockholm Convention, the founding document of the E.F.T.A., signed in January 1960, of bringing about an all-

European economic understanding, to conclude an agreement embracing both the Six and the Seven. At the end of 1960 there was the sad spectacle of an economically divided Western Europe with the danger that this division would be deepened in 1961: 1961 was a key year, with a point of no return when E.F.T.A. would further reduce tariffs and the E.E.C. put into operation its second stage of tariff reductions (making 30% in all, one year in advance of the timetable) and its first move towards a common external tariff (agriculture market). There was the danger that an economic division in Europe would also have political consequences. Ludwig Erhard, the West-German Economics Minister, put it - publicly in Lisbon - this way:

"The two economic groups must combine, otherwise Europe will be so weakened that she will fall into the lap of the Russians."¹

The problem was not primarily commercial, it was primarily political. There were important differences between the two groups, differences in the degree of integration. The E.E.C. stood for *political* integration, E.F.T.A. did not! Especially the neutral members of E.F.T.A. (Sweden, Switzerland) were not prepared to go this way - or - in the case of Austria - had special obligations, as had the United Kingdom, with regard to their own agriculture and the Commonwealth. The United Kingdom, played the dominant role in E.F.T.A.; France - or better de Gaulle - in the E.E.C. The question was: "Who was the nigger in the woodpile of European integration?" as a member of the British embassy in Vienna once put it.² The British rejected the "insinuation" that *they* were the niggers. They - and with them the other members of E.F.T.A. - were convinced that it was the French who were opposed to a wider agreement, as in a wider group the French would lose their position of influence within the six, i.e. endanger their political pre-eminence in "Little Europe".

¹ Jackling (Lisbon) to Foreign Office [FO], 18 May 1961. Public Record Office, London, FO 371/158192/M 617/158.

² British Embassy (Vienna) to FO, 25 Jan. 1961. FO 371/158186/M 617/27.

At the end of January 1961 Prime Minister Harold Macmillan met General Charles de Gaulle in Rambouillet. He told de Gaulle that he

"now believed it should be possible to make a working arrangement between the Six, the United Kingdom and as many of the E.F.T.A. members as possible."

He thought this was an essential matter for the unity of the West because political division would automatically follow economic rivalry. The object of the Western Powers should be to develop as large a market as possible. Neither Britain nor France would have to choose between Europe and the United States; both of them had world interests as well as European ones. He said that his government thought there might be a method by which they could associate themselves with the Six subject to exceptions which would safeguard Commonwealth interests and British agriculture.

General de Gaulle was doubtful whether it would be possible for Britain to come closer to the Common Market without endangering the Commonwealth, "a thing which France had no desire she should do", but he showed interest in what Macmillan had said and agreed that French and British experts should meet in February to examine possible solutions and should continue to meet as necessary. The British drew their own conclusions from this:

"There seems reason to hope that the instructions he gives to the French experts will be positive rather than negative."³

At this point the British did not know exactly where to go and what to do, as a discussion about the above-mentioned account about Macmillan's visit to Rambouillet made clear. The British Ambassador in Stockholm, J.E. Coulson, did not like the above quoted sentence in italics: He thought it would be "most damaging" at the present stage if it leaked out to the Seven that the Prime Minister had actually used this language. He dared to say that, "for

³ "The Prime Minister's visit to Rambouillet. Foreign Office to certain of Her Majesty's Representatives." 14.Feb 1961. FO 371/158187/ M 617/50.

reasons of higher policy we might as a last resort have to break up the E.F.T.A., if this were necessary to enable us to get in among the Six, but. . . we have by no means reached this point," and the sort of solution they had been discussing with the Germans would, *prima facie*, be acceptable to the other members of the Seven.⁴

Roger Barclay, the Head of the Economic Department in the Foreign Office, took the sentence in question out ("it would strike an unwelcome note in E.F.T.A. ears"), but the question remained, whether different solutions for different members of E.F.T.A. were possible - which would in fact mean the break-up of the Association. Up to this point this was exactly what Permanent Under-Secretary of State Sir Evelyn Shuckburgh thought: unless there were different solutions for different members of E.F.T.A. there would be no solution at all. And he was supported by the Lord Privy Seal Edward Heath, who minuted "Yes."⁵

The British government had so far not had to take a decision on whether their objective was "joining" or "association", and, as Barclay noted, "I do not think we are yet quite in a position to do so." Joining offered advantages which association would not necessarily bring with it. On the other hand, association would have the very great merit that the British should not expose themselves to the accusations of having been responsible for breaking up E.F.T.A.

On the other hand this would not mean that no association was possible unless the solutions were the same for all the E.F.T.A. countries as for the British - which seemed to be the same thing as saying that the survival of E.F.T.A. was itself a condition of any association between the U.K. and the E.E.C.

If one looked at the political angle it was obvious that the British would never get anywhere useful in their association with the Six if they had to have the same solution for the neutral members of E.F.T.A. as for themselves. That was what Shuckburgh had meant, and he added a few days later that it would be a great

⁴ J.E. Coulson (Stockholm) to R. Barclay (FO), 15.Feb.1961. *Ibid.*

⁵ Shuckburgh, 21 Feb.; Heath, 21 Feb.1961. *Ibid.*

mistake - and an unnecessary one - to allow E.F.T.A., "which was created as a method of facilitating an arrangement with the Six", to become an obstacle to such an arrangement. Under-Secretary of State Hoyer Millar was of the same opinion; he had always felt that E.F.T.A. "might become a bit of a millstone round our necks."⁶

During the following weeks it became clear that the answer for the British Government was joining, not association. This was the conclusion the British drew from the exploratory talks with the French. There could be no question of an economic accommodation between the Six and the Seven, and as far as the United Kingdom was concerned, the solution to the problem would have to be on the basis of full membership of the Common Market; anything less would "not be negotiable." Association with the Community might be a possible solution for countries like Greece, Portugal or Austria, or even conceivably Sweden and Switzerland, it was not a starter for the United Kingdom. The French would be ready to see some small adjustments made in order to meet U.K. problems over the Commonwealth. They would also be prepared to see arrangements made to give them time to bring their home agricultural policy in line with that of the Six. But there would be no question of the U.K. joining the Community but opting out of the common agricultural policy. Much would depend on the timing of U.K. entry. If they were to enter while the common agricultural policy was still being formed, naturally they would have a voice in deciding what it should be.

And the British had to accept the supranational structure of the Community. Obviously the French were determined that no risk should be run of damaging the structure of European unity, "which had been so laboriously built up in recent years."⁷

⁶ Comments on a possible solution of the Six/Seven problem. Gallagher, 21.Feb. Barclay, 27.Feb. Reilly, 27.Feb. Shuckburgh, 6.Mar. Hoyer Millar, 6.Mar. Heath, 7.Mar. Jackling, 29.Mar. Barclay, 4.April. Reilly, 7.April. 1961. *Ibid.*, M 617/51.

⁷ P. Dixon (Paris) to FO, 24.May.1961; FO 371/158192/M 617/160; and Secret, E.Q (O) (61) Revise, 22.June.1961. Cabinet. European Economic Questions (Official) Committee, Meeting of E.F.T.A. Ministerial Council. Brief on Six/Seven Relations. Note by the Foreign Office. FO 371/158196/M 617/234.

This was also the position of the President of the E.E.C. Commission, Walter Hallstein; and NATO-Secretary General Paul Henry Spaak made it clear that the Treaty of Rome was not the end in itself, it was only a step on the road to European unity. Adherence to the Six meant therefore "identification with a developing political idea."⁸

2. The Swiss and the Swedes

Britain's neutral E.F.T.A. partners - especially the Swiss and the Swedes - had grown more and more suspicious about Britain's contacts with the Six. The Swiss agreed that Britain's procedure was a dangerous one, they were convinced that France would never accept the U.K. in the E.E.C. At a dinner with the Lord Privy Seal, the Swiss Minister Plenipotentiary and Director of the Division of Commerce of the Federal Department of Public Economy, H. Schaffner, even ascribed French opposition to an agreement with the United Kingdom essentially to a desire to humiliate the United Kingdom and to avenge France's humiliation during the war and the unforgivable fact that Britain stood firm when France collapsed.

He said that the Community was completely dominated by the French; he had even heard a leading French representative say, that, if the United Kingdom agreed to sign the Treaty of Rome as it stood, then the French would have to think up some other pretext.

Schaffner was not very much impressed by the apparent economic strength of the Six; and still less by any danger of growing political cohesion among them. He maintained that the present boom in the Six had nothing to do with the establishment of the Common Market, and France's prosperity was due to liberalisation and devaluation.

For him there was no future for the E.E.C. As regards the political aspect, he declared that the political mystique of "Europe" was dead, "killed by General de Gaulle". A nation could not be built on tariffs alone, and the Six, who had no common foreign

⁸ Meeting of the NATO Ministerial Council in Oslo on 9 May, 1961. J. Walker (Oslo) to FO, 10. May. 1961. FO 371/158191/M 617/128.

policy and no effective armed forces, would not be regarded as a significant political entity. His advice for the British, therefore, was that they should not be in a hurry and they should not give an impression of weakness or anxiety. And above all, the situation in Europe might change completely when the West-German Chancellor Adenauer left the scene. Schaffner was convinced that, if the Soviet Government showed the slightest sign of concessions about reunification, there would be a *volte-face* by the Western Germans and the French would then "bitterly regret their great, and indeed incomprehensible, mistake of keeping the British out."

His view, therefore, was that the British should stand firm and concentrate on developing E.F.T.A. as a "decent commercial club", strengthened by the admission of additional countries, in particular Spain, and by bringing in some Commonwealth countries. His advice at the end of this talk was both simple and straightforward: he maintained that the British "ought to re-think the whole European solution."⁹

The Swedes, too, were uneasy about the intentions of the British. They feared that, if the British managed to get into Europe on terms acceptable to themselves, little account would be taken of the needs of the E.F.T.A. partners, especially the neutral ones, but, as the British Ambassador in Stockholm reported to London, those Swedes who would be affected by a successful outcome of the British efforts, the Government officials and businessmen "draw consolation from the conviction that the French will not have us inside the Six at any price."¹⁰

3. The Kennedy-Administration and "the rot in E.F.T.A."

This kind of consolation turned out to be cold comfort for the neutrals. The shock-wave came from the new Kennedy administration which had changed the position of its predecessor.

⁹ Record of conversation between the Lord Privy Seal and M. Schaffner; FO-record; FO-telegram to British Embassy (Berne), 4.April. 1961. FO 371/158188/M 617/62

¹⁰ F.C. Everson (Stockholm) to R. Barclay (FO), 19.April. 1961. FO 371/158190/M 617/111.

The Americans now recognized that there were political dangers in the continuation of the economic division in Europe. During the meeting between Kennedy and Macmillan from 5 to 8 April in Washington there was some discussion about the problem of relations between the Six and the Seven. Macmillan treated this problem as essentially political and stressed the importance of having the United Kingdom as a stabilising force within the political system of the Treaty of Rome. He asked for American cooperation in this. The British representatives gained the impression that the Americans wished "on political grounds United Kingdom participation in the Six"; the Americans said that they attached

"great importance to the political cohesion of Europe and were prepared to put up with discrimination against their own exports as the necessary price."¹¹

They were firmly opposed to a purely commercial arrangement between the Six and the Seven, as this would only increase the commercial difficulties of the United States, "without any corresponding political advantages". The Foreign Office informed the UK-Delegation to E.F.T.A. in Geneva accordingly and added:

"It is clear that in their future considerations of these problems, all the E.F.T.A. Governments will have to consider the position of the new United States Administration."¹²

When Sir Edgar Cohen, the British E.F.T.A. representative in Geneva, informed his colleagues about the "positive line taken by the United States", this came "as a shock to them and perhaps to their Governments". Cohen felt that there was now "a crisis of confidence" in E.F.T.A. and that it would be worthwhile to do everything possible by way of meetings of Ministers and other personal contacts to reassure E.F.T.A. governments and hold

¹¹ Report. The Prime Minister's talks in Washington. Economic Questions. PREM 11/3318.

¹² Secret, Sixes and Sevens, FO to UK-EFTA-Delegation in Geneva, 14. April. 1961. FO 371/158188/M 617/65.

E.F.T.A. together over the next critical months. He did not even discount the possibility that both Switzerland and Austria, if once they lost confidence, might seek special terms with the Six and thus destroy E.F.T.A. before any negotiations for an alternative long-term settlement in its place had been carried to a conclusion.¹³

There was a general feeling of "alarm and despondency" among Britain's E.F.T.A. partners, as E.F.T.A.'s Secretary General, Frank Figgures, described the situation.¹⁴

The impression in Geneva was that the British were now thinking in terms simply of a negotiation between the United Kingdom and the Six, and no longer of one between the Seven and the Six. Patrick Reilly of the British E.F.T.A. Delegation in Geneva warned, that if the British did nothing to correct this impression the effect on E.F.T.A. might soon be "very serious." He agreed with Edgar Cohen that some early assurance was required "to stop what looks like becoming a rot in E.F.T.A." ¹⁵

The instructions the Foreign Office gave were clear: in talking to E.F.T.A. governments and their representatives in the British should continue to emphasize that the exploratory talks with the Germans, Italians and French were going on on the same basis as before, that no fresh decisions had been taken in London and if they were, the partners would be informed immediately; all this in the hope of convincing them "that they are not being left out in the cold." ¹⁶

Among E.F.T.A. members it was the Swiss, Swedes and Austrians, who were clearly worried - not the Danes. The Danish Foreign Minister, Jens Otto Krag, had meanwhile informed his British colleague in a strictly confidential letter of his conviction that it was now a matter of urgency "to reach a general and definitive settlement between the two organisations." He had expressed the hope that, if the United Kingdom were to decide to seek membership of the E.E.C., Denmark would be given due

¹³ Secret, Cohen (Geneva) to FO, 17.April. 1961. *Ibid.*, M 617/67.

¹⁴ "Sixes and Sevens", Memo Gedber, 28.April. 1961. FO 371/158189/M 617/98.

¹⁵ Reilly (Geneva) to Barclay (FO), 21.April. 1961. *Ibid.*, M 617/96

¹⁶ Secret, Personal. Barclay (FO) to Cohen (Geneva), 25.v. 1961. *Ibid.*

warning, so that she would consider whether she should herself apply for membership.¹⁷ In presenting this letter the Danish Ambassador had gone further and said it was the first time that the Danes had stated firmly their intention of joining the Six if the British did.¹⁸

In a series of talks the British tried to get the situation within E.F.T.A. under control. Edward Heath saw Hans Schaffner of the Swiss Ministry of Commerce in Basle on April 22 and Gunnar Lange, the Swedish Minister of Commerce, in Strasbourg on 23 April. Both were deeply distressed about developments and speculation about the British. They felt that President Kennedy had been completely won over by George Ball (Under Secretary of State in the U.S. Department of State, in charge of economic affairs) to the view of the Frenchman Jean Monnet and his friends, who seemed determined to split up E.F.T.A. so as to force its members to come to terms individually with the Community. Both urged that the British should stop the rot by saying publicly that they would not take any action without prior consultation with E.F.T.A. Schaffner went on to say that there should be an E.F.T.A. meeting in London at an early date to consider next steps.

Heath told them both that the United Kingdom would not take any precipitate action. They were now reviewing their position and would continue to keep their E.F.T.A. and Commonwealth partners informed "as they had always done in the past." At the same time he said that the possibilities of getting a solution between the two groups, as such, seemed slight. It might be that the ultimate arrangement would be one in which each E.F.T.A. country had a relationship with E.E.C., although not necessarily the same relationship. He stressed that even if this were taken as the objective, there would be every advantage in E.F.T.A. countries sticking together during the period of negotiation leading up to such an arrangement.

¹⁷ "Strictly Confidential. My dear Lord Home..." Krag to Home, 14.April. 1961. FO 371/158188/M 617/70.

¹⁸ FO to British Ambassador Sir William Pollock (Copenhagen), 20.April. 1961. *Ibid.*

Gunnar Lange saw serious dangers in this line of thought. He felt that if E.F.T.A. countries went along that road E.F.T.A. would break up. If that happened the Association would no doubt be quickly forgotten, but the U.K.'s part in its demise ("and he meant betrayal" - as Heath noted) would not be forgotten in Sweden "for fifty years." He questioned whether it would be in the U.K.'s interest to aim for a direct link with the E.E.C. If such a bid were made E.F.T.A. would disintegrate; and if it failed there would then be no E.F.T.A. to fall back on. He himself thought it would be safer to leave the E.E.C. and E.F.T.A. as they stood and go on working for a purely economic arrangement between the two. If the United Kingdom or other countries wished to have direct political links with the Six in addition there would be nothing to prevent them. A solution on these lines might have more appeal to General de Gaulle than one in which the United Kingdom moved fully into the European Community. Then he said that he wished to make it "perfectly clear" that, whatever their partners did, "Sweden could not subscribe to the political provisions of the Rome Treaty." ¹⁹

The next day Heath saw Walter Wodak, the Political Director of the Austrian Ministry of Foreign Affairs. Foreign Minister Bruno Kreisky had sent him especially to Strasbourg to talk to Heath on this subject. Wodak took a similar line to Schaffner and Lange, except that he seemed ready to envisage arrangements between the E.E.C. and separate E.F.T.A. countries so long as the latter stuck together during the negotiating stage. He, too, urged that British assurances to E.F.T.A. should be publicly repeated.²⁰ Heath had the impression that the Swiss, Swedes and Austrians were "clearly worried", as he reported to the Foreign Office. Although they naturally tended to exaggerate the risk of E.F.T.A. breaking up, there was no doubt that recent developments had shaken confidence in the association. He

¹⁹ Secret, Sixes and Sevens, Heath (Strasbourg) to FO, 24.4. 1961. Ibid., M 617/76. Secret, "Record of Conversation between the Lord Privy Seal and M. Schaffner on April 22." FO 371/158189/M 617/91. Secret. "Record of Conversation between the Lord Privy Seal and M. Gunnar Lange on April 23." Ibid., M 617/92.

²⁰ Secret, Heath (Strasbourg) to FO, Tel. No 51, 25.4. 1961. FO 371/158188/M 617/77.

therefore was inclined to take some opportunity to repeat publicly Great Britain's undertaking to proceed only after consultation with other E.F.T.A. partners.²¹

Heath intended to give this assurance soon after his return to London. Macmillan thought it was more urgent. On 25 April he therefore took the matter up during the question-and-answer-period in the House. He first spoke of "very great interests to consider, in honour and duty," obligations to the Commonwealth, British agriculture, and to the partners in E.F.T.A. So far, so good. But then Harold Wilson of the Labour Party asked him to give an assurance that it was the intention of the government to proceed only in agreement with Great Britain's partners in the Commonwealth and in E.F.T.A. and that in any final solution the economic interests of those countries which could not join the Common Market would be fully safeguarded. Macmillan's answer was "yes", but he added that he did not believe that all this could be brought about "*without some losses and without somebody being hurt somewhere.*"²²

The next day the Prime Minister's Office called the Foreign Office and the hope was expressed that good use should be made of this material (*The Times* carried the exchange in full). It did not quite work. The Swedish E.F.T.A. representative referred to the above-quoted sentence in italics and argued that in the context this could only refer to some members of E.F.T.A.. The E.F.T.A. delegates, who met in Paris, were all in some serious doubt about Britain's intentions and were decidedly anxious, as Sir Robert Hankey reported from Paris,²³ and he added: "I am really concerned at the distrust developing among representatives of E.F.T.A. here."²⁴ From Berne the British Ambassador Paul Grey reported a talk he had had with the Swiss Foreign Minister, Max Petitpierre. Petitpierre was particularly critical of the Americans who in his opinion did not

²¹ Secret, Heath (Strasbourg) to FO, Tel. No 52, 25 April. 1961. *Ibid.*, M 617/78.

²² Hansard, 1961, Columns 232 to 236.

²³ Secret, Hankey (Paris) to FO, Tel. No 28, 27 April. 1961. *Ibid.*, M 617/83.

²⁴ Secret, Hankey (Paris) to FO, Tel. No 29, 27 April. 1961. *Ibid.*, M 617/83.

mind what happened to smaller neutrals. Their position was, however, important. Neutrality of Switzerland and others was part of the pattern of Europe and in the Europe of the future, in the unity of which he was a convinced believer, "some place must be found for them as well as for the bigger Powers and their immediate associates." He made it clear that confidence in the future of E.F.T.A. had been shaken and the Swiss government were bound to take this seriously, since their traditional policy of neutrality would make it impossible to seek the kind of association with the Common Market which might suit the British, the Norwegians and the Danes.²⁵

At the end of April there was a kind of stocktaking in the Foreign Office. In a memorandum for the Lord Privy Seal it was stated that "the crisis of confidence in E.F.T.A. countries continues." The danger seen by some of Britain's E.F.T.A. partners was therefore that, unless the British could provide acceptable assurances that they would not abandon E.F.T.A. and would not make a separate agreement with the E.E.C. but would act only in unison with them, "E.F.T.A. will fall to pieces as each member manoeuvres for position." It had been stated specifically that a British declaration of willingness to sign the Treaty of Rome, however circumscribed, "would be burning our boats, not behind us, but while we were still in them." And there was the suspicion in the Foreign Office that the Swedes, "who are the most vociferous", were using the campaign to prevent the United Kingdom leading E.F.T.A. to a settlement not in accordance with Swedish aims.

All the steps already taken to allay suspicion and other possible steps were listed, but doubt was expressed whether this would really prove adequate, and the conclusion drawn:

"We see into what a state the E.F.T.A. chicks get at even a hint that the mother hen may be thinking of rejoining the flock and leaving them either to venture with her to send for themselves. It may be that we have underestimated the resentment that is felt in E.F.T.A. at anything that can

²⁵ Grey (Berne) to FO, 27 April. 1961. *Ibid.*, M 617/86.

be distorted into desertion. We may well be forced to resume firm control of the Association and take on rather more responsibility than we would have liked for ensuring, and helping to negotiate, a settlement with the Six for our fellow members."

This was now seen as no bad thing, as the other members of E.F.T.A. might have had such a shock that, if the British were able to reassure them, their reactions might be equally strong. If the British had their own policy clear, and were to explain it to an E.F.T.A. Ministerial Meeting, they would stand a good chance of having it endorsed on the spot; probably a much better chance than if an attempt were made to explain it individually. The latter method would risk cross-reporting, resulting in wilful, or accidental, distortion and the probable desire of some members to consult others before committing themselves; "in fact an attempt at individual explanations might result in a private meeting of the other members of E.F.T.A., without us, to discuss our move."

This memorandum formed the basis of discussion at a meeting held by Edward Heath the same day. It was decided to go for an E.F.T.A. Council Meeting in Geneva, reinforced by senior officials from capitals.²⁶ The objective was, as Heath told the Prime Minister, to take stock of the present situation, to reassure E.F.T.A. partners, to hold the position until the British had had further time to take decisions and meanwhile to obtain a clearer indication of the type of solution acceptable to the other members of E.F.T.A. Macmillan was pleased, he minuted: "This is a good move."²⁷

He himself made another step to encourage E.F.T.A. partners. On 5 May, he incorporated a long "passage of encouragement" on this subject in a speech, otherwise of trivial character, which he made at the Bromley Civic Dinner. He assured the partners that the British government had not yet taken any decision, in the meantime "it is essential that E.F.T.A. governments should continue

²⁶ "The United Kingdom and E.F.T.A. "Memorandum J. McKenzie, 28.April. 1961. FO 371/158189/M 617/96.

²⁷ Heath to Macmillan, 4.May. 1961. *Ibid.*, M 617/116.

to consult and work together. If we do that, then in spite of the great complexity of the problem I am sure we shall finally achieve solutions which meet the essential needs of each of us." ²⁸

4. The special meeting of the E.F.T.A. Council in Geneva

The special meeting of E.F.T.A. Heads of Delegations supported by senior officials from capitals was to be held in Geneva on 16 and 17 May. The British had proposed this meeting. They realised that they could get onto "very dangerous ground", if they were not careful. "Our objectives are plain enough; it is how we handle them that matters", as A.W. France of the Treasury Chambers put it.²⁹

In preparing this meeting the Foreign Office therefore had defined the aim of the United Kingdom delegation:

to assure Britain's E.F.T.A. partners that "we will not desert them, and that we will consult them fully both before and during any negotiations with the Six, and work for their interests as well as ours in any settlement", to avoid, however, "committing ourselves to be governed by the wishes of the most reluctant or neutral members" and to negotiations only between the two groups; to bring home to them that there could be no full association between the two groups; that, if for no other reason than the attitude of the U.S. Administration, no merely economic arrangement between the two groups seemed possible; to emphasize that the British had been convinced during their bilateral explorations that the United Kingdom would not be granted terms by the Six "that are likely to be acceptable to all other members of E.F.T.A. "which would lead to the recognition therefore that there would need to be different solutions for different members."³⁰

It would fall to the United Kingdom delegate to open the meeting and set the tone. An additional note was therefore

²⁸ Prime Minister's Speech at Bromley on 5 May. *Ibid.*

²⁹ Secret and Immediate; letter to Sir P. Reilly (FO), 1.May. 1961. FO 371/158189/M 617/100.

³⁰ Cf. "Outline Brief for the United Kingdom delegation....," no date. FO 371/158189/M 617/95.

prepared about the main points which were likely to be raised by other countries, e.g. that a purely economic association between the E.E.C. and E.F.T.A. was negotiable (answer: "In the light of American and French views we do not agree."); that the French did not really want the United Kingdom in the community. Here the British thought that this argument was no longer tenable. At the second round of Anglo-French talks the French had been "unexpectedly forthcoming and flexible"; the French representative, M. Wormser, was quoted as having checked "in every quarter" in Paris about what the reaction would be if Britain were to say that she would be prepared to accede to the Treaty subject to certain broad conditions and having reported that the response would be one of "unreserved welcome". Finally the French Foreign Minister, Couve de Murville, was mentioned; he had told the Foreign Affairs Committee of the French National Assembly on 5 May, that France had "always" said that there was no other solution for Europe than the adherence of Great Britain to the Common Market.³¹

From Bonn came encouraging news. When Ambassador Christopher Steel saw Erhard to hear what he thought of the situation Erhard said he considered the situation "very favourable". Above all things, in the Cabinet Chancellor Adenauer had made it abundantly clear that he considered the time for action to have come. Erhard obviously felt that up till now Adenauer's support had been of a somewhat platonic character, but "that all this had been changed by Kennedy's attitude." As regards the French, Erhard and his state secretary Müller-Armack felt there had also been a change. According to Müller-Armack Wormser had told him that there would be no question of asking the United Kingdom "to sign on the dotted line". There would have to be a large scale re-negotiation of the Treaty.³²

³¹ "Supplementary Notes for Use by Sir R. Barclay at the E.F.T.A. Meeting at Geneva on May 16 and 17 in Dealing with Points Raised by other E.F.T.A. Countries." FO 371/158191/M 617/133.

³² C. Steel (Bonn) to FO, 4.May. 1961. FO 371/158190/M 617/113.

In Stockholm, Berne and Vienna confidence had still not been restored. The Swedish Minister of Commerce, Lange, made it clear to the British Ambassador that if Britain would go it alone, breaking up E.F.T.A. and leaving the other members in the lurch, Sweden would be in a position "for influencing her own fate."

Austria's Foreign Minister Bruno Kreisky spoke of a "game of poker"; one should not be too nervous. He had nothing whatever against the Common Market; he thought it was a fine conception and he would never do anything to try to prevent the Six from attaining the maximum measure of integration possible for them. But, for him, it was a fact that a number of other European countries could not accept the intensive form of integration which was the basic objective of the Six. It was necessary to show the Americans that they were wrong in thinking that the Common Market should have the monopoly of European integration. The proper solution should have taken the form of a general agreement between the Six and the Seven. In a press interview he referred to the danger that European integration might be regarded, if the American thesis was accepted, as only open to the favoured few and risk excluding 75 million Europeans, many of them in important, politically exposed countries.³³ And he then told Ambassador Bowker that the Austrian delegation in Geneva would support the Swedes.³⁴

The situation in Switzerland was even more critical; there was still considerable unease and uncertainty about the United Kingdom's future intentions. The Swiss press was very apprehensive about the possibility that E.F.T.A., in its dealings with the E.E.C., might revert to the *sauve qui peut* theory. Foreign Minister Petitpierre made it clear that Switzerland would expect the United Kingdom to consult with its partners in E.F.T.A. before taking any decision and that all the member countries would act in concert in making a joint approach to the E.E.C.

The British embassy thought it helpful to try to assess Swiss

³³ Bowker (Vienna) to FO, 3.May. and 9.May. 1961. *Ibid.*, M 617/139; 6.May. 1961; *Ibid.*, M 617/121.

³⁴ Bowker (Vienna) to FO, 14.May. 1961. *Ibid.*, M 617/120.

reactions if the British government would not follow this procedure and would simply inform her E.F.T.A. partners of a decision already taken unilaterally. They warned the Foreign Office that among Swiss officials

“this would be regarded as a signal defeat for British diplomacy..., a heavy blow at British prestige.” Even more serious than the damage to British prestige would be the impression left with the Swiss public “that we had broken faith.”

Any such development would be likely to drive Switzerland back in upon herself, into isolation. Petitpierre had brought Switzerland forward slowly but surely along the road of international cooperation; she had sincerely declared her desire to participate in European integration; it would be a bitter blow to her statesmen and her people if this desire were now frustrated.

What would be the result? the Embassy asked and gave the answer: Switzerland would not be isolated in the international sense of the word; it wielded an enormous influence, and it would undoubtedly use every endeavour to line up in a common front with Sweden, Finland and Austria. Thus, whilst the division of Europe into two existing groups might be ended,

“it might well give place to a new division drawn on political lines - neutrals and non-neutrals.”

The neutrals might well be tied by economic links to the rest, but the fact that these links had been forged - at least in the Swiss view - not of their own free will but under the duress of circumstances, “would be likely to prove a constant source of friction.”³⁵

The augmented meeting of E.F.T.A. Heads of Delegation and senior officials was held as planned on 16 and 17 May in Geneva. Sir Roger Barclay made it clear that the British government were reviewing their position, had not taken any decisions and would

³⁵ Rooke (Berne) to FO, 13.May. 1961. FO 371/158191/M 617/137.

not do so except after full consultation and discussion with their E.F.T.A. partners and with full regard for their essential interests.

Three courses appeared to be open:

- a) *Course 1* would be to continue to work for a purely economic association between E.F.T.A. and the E.E.C. (Barclay: "prospects of any solution on these lines were very remote.")
- b) *Course 2* would be to abandon all attempts to find a wider arrangement for an indefinite period. (Barclay: "a solution would not become easier; an increasingly difficult economic situation and the political dangers inherent in the present economic division of Western Europe would persist.")
- c) *Course 3* would be to try to negotiate a wider arrangement on the basis of the United Kingdom and perhaps other members of E.F.T.A. acceding to the Rome Treaty, subject to derogations, and the remaining E.F.T.A. countries having an economic association. (Barclay: "H.M.G. thought that E.F.T.A. Governments should give serious consideration to this course.")

Barclay was strongly supported by Erling Kristiansen (Deputy Under-Secretary of State, Ministry of Foreign Affairs, Denmark), and S.C. Sommerfelt (Norway) was also helpful. No one spoke in favour of Course 2. Then de Besche (Secretary-General, Ministry of Foreign Affairs, Sweden) made "a long and rambling attack"; he was supported by the Swiss and the Austrians. They expressed considerable anxieties about Course 3. Their main points were that

- (a) It would almost certainly mean that the enlarged E.E.C. would consist only of N.A.T.O. countries (the Six, the United Kingdom, Denmark and Norway). It would be politically difficult for the neutral members of E.F.T.A. to associate themselves with such a Community, and still more so for the "Forgotten Five" (Finland, Ireland, Spain, Yugoslavia, Greece). If the economic organisation of Western Europe were to be built around a Community of this nature, the East-West conflict would inevitably be sharpened.
- (b) There was a danger that the associating states would find

themselves forced to accept the decisions of the Community "willy nilly", and that some of these decisions, for example those relating to trade with the Soviet bloc, might prove very embarrassing to them.

They did not accept the suggestion that Course 1 was unattainable and insisted that E.F.T.A. should work for a loose association between the two groups. Schaffner then concentrated more particularly on the familiar Swiss view that the United Kingdom had strong negotiating cards which the British were in the process of playing away in a hurry. He stressed, and here he was widely supported, that E.F.T.A. would fall apart unless they negotiated as a group.

The first meeting ended with no tangible results. Edward Cohen arranged for Barclay and G.H. Andrew (Board of Trade) to meet Schaffner and Kristiansen privately, along with Figgures, O. Long (Switzerland) and Skak Nielsen (Denmark) at his house during the evening. Here they had a very frank talk and, while Schaffner held to his conviction that E.F.T.A. would negotiate much better terms if they could wait, he recognized the force of Barclay's arguments on the political front.

As a result of this private discussion, Schaffner played a most constructive part at the next full meeting the following day and the delegates were able to reach general agreement that each country should prepare a statement of the sort of European settlement they would like E.F.T.A. to work for, making clear their own special needs. It was agreed to have a further meeting, starting on 6 June, to try to weld these ideas together into an agreed paper.³⁶ No real decisions were taken, but the meeting had helped materially to bring home to everyone, as Cohen reported to London, that they must now take "very seriously"

³⁶ EFTA/Heads of Delegations, 22nd meeting, 16 May, 1961, Record; 23rd Meeting, 17 May 1961, Record. FO to British Embassy (Berne), 18 May 1961. FO 371/158194/M 617/185 and 185a.

what Barclay had said to them and do "some real homework" before the critical meetings to be held in June.³⁷

5. The Neutrals and another Futile Meeting

Austria's Foreign Minister Kreisky was the first who tried to do his homework. He spent 19 May in Brussels on his way back from accompanying the Austrian President on the latter's state visit to the Netherland for talks with Spaak (Chairman of the E.E.C. Council of Ministers) and other leading E.E.C. officials. He floated with Spaak the idea that informal and exploratory talks on Sixes and Sevens should be held between the three neutrals and the member-governments of the E.E.C. His idea was that these talks should be analogous to those which the United Kingdom had been conducting with the German, French and Italian governments. Spaak welcomed the idea. Kreisky got the impression that the E.E.C. Commission were still unwilling to admit too many new members or members whose admission would require derogations and a watering down of the Treaty of Rome.³⁸

Maybe this was only wishful thinking. It was a fact that pressure was on E.F.T.A. Kreisky was convinced that the British were responsible for this. Back in Vienna he received the British Ambassador and spoke "somewhat bitterly" on what he regarded as the faulty tactics pursued by the United Kingdom in recommending that the E.F.T.A. Countries should now consider *Course 3*. He considered that doing this the British were giving up their positions "unnecessarily, and too soon, and destroying E.F.T.A." which was now generally regarded in the Common Market countries as virtually dead. He thought it wrong and unnecessary to accept the American views, as given by George Ball, as anything more than a negotiating position and that E.F.T.A. should negotiate with the Americans rather than accept dictation from them. He considered that E.F.T.A. had made a mistake in failing to discuss tactics

³⁷ Cohen (Berne) to FO, 18 May 1961. FO 371/158192/M 617/153; FO to British Embassy (Berne), 18 May 1961. *Ibid.*, M 617/154.

³⁸ Tandy (Brussels) to FO, 23 May 1961. FO 371/158192/M 617/159.

together. Assurances of the United Kingdom's loyalty to its E.F.T.A. partners were all very well; he had no doubt of this loyalty, "just as no one should doubt Austria." But the situation should "never have been allowed to arise where the repetition of such assurances was necessary". And he added, that his bitterness did not mean that he was unduly worried about the position of Austria, since he thought that if it came to the point "it would be easier for Austria to come to terms with the Common Market than for the United Kingdom."³⁹

The main concern of the Austrian government was something different: to avoid any action which would upset the delicate balance of Austria's international position, i.e. its neutrality. Bielka first mentioned this to Barclay at the end of the E.F.T.A. meeting in Geneva. He had described Austria as being a "nature reserve", which was respected by both East and West, and he believed that it was in the West's interest that this position should be maintained. The Austrian government had to be "extremely cautious", since the Russians were undoubtedly on the lookout for any changes in the Austrian position which might be to their disadvantage. Barclay had assured Bielka that Austria's difficulties were fully understood and that she could count "on a good deal of sympathy from the Six."⁴⁰

Kreisky considered neutrality as the guiding principle for Austria's foreign policy and the E.F.T.A.-Common Market issue as "the most intricate question" of this policy. Surely the time had come for the formidable difficulties facing the neutrals to be examined, e.g. how far their neutrality could be reconciled, if at all, with the loss of sovereignty that might arise in any association with the Common Market which fell short of a free-trade area.

But the problem was not just Austria and her neutrality, it was also Switzerland and Sweden, and their future place in a united Europe. Kreisky was clearly annoyed at the inability or refusal of

³⁹ Bowker (Vienna) to FO, 6 June 1961. FO 371/158195/M 617/215.

⁴⁰ Barclay (FO) to Bowker (Vienna) about his talk with Bielka on 17 May, 1961; 24 May 1961. FO 371/158192/M 617/159.

the Kennedy administration to understand the difficulties involved for neutrals in the whole integration issue. The Kennedy administration feared that a close association of the neutrals with the E.E.C. would weaken the Community. In the struggle against Communism this was not regarded as a desirable solution as it might impair the effectiveness of the E.E.C.

During the Kennedy-Khrushchev meeting in Vienna Kreisky had an opportunity of talking to U.S. Secretary of State Dean Rusk about this problem. From this talk he thought Rusk now had a better understanding of the political aspects of the problem. Rusk told Kreisky that he fully understood Austrian neutrality and had no wish to place any difficulties in the way of the European neutrals. He confirmed his view that he had no interest in the United Kingdom joining the Common Market under any arrangement which would result in its being watered down. It was essential to keep the close association of France and Germany under the Treaty of Rome intact. He then asked Kreisky to put his views on the right policy of the non-committed countries of Europe and Yugoslavia in the form of a personal and confidential letter. In this letter Kreisky made it clear that the non-committed countries of Europe could not become members of the E.E.C. as this would imperil their international political status; and he continued:

"The undisturbed continuity of this status, however, lies not only in the interest of these countries but equally so in the paramount interest of Europe and the West. As the recent years have shown, the neutrality of those countries is nothing sterile but is fulfilling an active and constructive function in the interest of the free world.

A subordination of these countries to the supranational structure of the E.E.C. resulting in majority decisions in the whole field of economic and commercial policy would be clearly inconsistent with their legal obligations. This would undoubtedly shake the general international confidence in them which is the sole warrant for their continued existence and function."⁴¹

⁴¹ Cf. Oliver Rathkolb, "Austria and European Integration after World War II", *Contemporary Austrian Studies*, I, 1992, pp 52-53.

There were even more problems with the Swiss. Their "natural instinct" was to say that the British had misled them and "let them down." The British had made little progress in carrying the Swiss with them in their reappraisal of the Six/Seven problem: "It is this which is now the crux", as Ambassador Grey had to admit. The Swiss feared the expansion of the E.E.C. into an organization embracing all European N.A.T.O. powers, strongly backed by the United States for strategic reasons, and in which neutrality would be shouldered out of further effective participation. Grey mentioned two telegrams from the British embassy in Washington in this connection which provided "brutal confirmation that this is indeed American thinking". And the Swiss had little belief that if Britain joined the E.E.C. with France in her present mood, Britain would be able to influence its policy in the sense they desired. They did not consider that the British really wanted such a result.

Some people in the Foreign Office got rather fed up with this. The comments were accordingly: "The Swiss do not really want to live in the modern world at all. . . They must realize that they cannot hold up political moves by the United Kingdom, essentially for strategic reasons." And it went on as follows: "We are not going to be able to solve Switzerland's political problems for her. But we can demand firmly that she, as a neutral, should not try to solve ours."⁴²

Grey detected a "slight tendency" in domestic political circles - and he added "not F.O." - to regard Switzerland as of no account. He did not share that view and he then gave a wonderful description why he held that conviction:

"There are, on the whole, more able and intelligent people here per square mile than in many other better-known European countries. Their hearts and their heads can generally be counted on to be in the right place and they have great respect for us, amounting in some cases to veneration: which makes it the more important that we should not disappoint them. They have a considerable influence on the Austrian and Swedes."

⁴² Grey (Berne) to FO, 24 May 1961, with minute Robinson (FO), 26.5. 1961. FO 371/158193/M 617/162.

And then he mentioned Petitpierre, who had said to him that the main point was to somehow create a Europe in which people like the Swiss (even if they had their peculiarities) had room to breathe with the rest of them: or, if it could not be created at once (which would be a miracle), at least tend in that direction:

"Oddly enough, Switzerland, for all its business-like ability and modernity in one sense, is not only curiously old-fashioned but more Central than Western European: particularly in its German part."

And then followed a sentence which, more than thirty-five years later, is particularly worth recalling: here spoke a man who in the early fifties had served as Chargé d'Affaires at the British embassy in Moscow. It was like prophecy, looking into a crystal-ball. Grey reminded his colleagues in London of Czechoslovakia and "the other need of policy, which is somehow to leave chairs in the Europe of the future open for the European states now under Russian domination, against the day when the Soviet Empire itself, like all Empires, reaches its nemesis."⁴³

When Grey talked to Wahlen a few days later, the latter was most concerned that E.F.T.A. as a group should not be weakened in advance of any negotiations. He said that it was essential not to give away any trump card beforehand.⁴⁴ After two more talks with him and Petitpierre Grey he had the impression that the Swiss government at least was prepared to face the probability of E.F.T.A. disappearing once all the loose ends had been tied up between members of E.F.T.A. and the E.E.C. in new arrangements to be negotiated. And he concluded: "The Swiss are coming round to accept the inevitable."⁴⁵

But it was still a very long way to go. E.F.T.A.-Secretary General Figgures e.g. thought it unlikely that very much in the way of useful memoranda would come in before the meeting on

⁴³ Personal and Confidential, Grey (Berne) to Reilly (FO), 25 May 1961. FO 371/158194/M 617/191.

⁴⁴ Grey (Berne) to FO., 30 May 1961. FO 371/158194/M 617/184.

⁴⁵ Grey (Berne) to FO, 31 May 1961. *Ibid.*, M 617/187.

6 June. And he was not surprised at this. It was difficult for every country to put black on white: "At this moment how it sees the hand being played, if we move towards the 'enlargement of Community' solution," as he explained to Edgar Cohen; this is "filled with political dynamite."⁴⁶

So it was no surprise that at the meeting on 6 June the memoranda submitted by the delegations and the statements made by their spokesmen revealed wide divergencies of views. The Danes were quite clear that the only way to make progress was for the United Kingdom to negotiate on the basis of the Treaty of Rome, in which case they would follow suit. The Swiss and Swedes still clung to the idea of a purely economic association of the two groups; the Swedes in particular did not accept that from the British point of view such an arrangement was not a practical proposition. The Austrians thought that, while they could accept a common or harmonized tariff, they could not go beyond co-ordination of trade policies. The Swiss did not think that either a common tariff or a common commercial policy were necessary. The Swedish position was, as Cohen reported to London, "obscure", and de Besche was "obstructive and not always coherent". No doubt because of their keen desire to bring the Swedes along with them, the Norwegians tended to be "rather unhelpful". The Swiss and the Swedes made no secret of their dislike of the idea that the United Kingdom and Denmark might decide to negotiate on the basis of accession to the Treaty of Rome.

After a day and a half's discussion the Secretary-General Figgures submitted a draft report from himself to Ministers which in cautious language came to the conclusion that, in present circumstances, the quickest method of reaching a common objective might be for the United Kingdom and others to negotiate on the basis of the Treaty of Rome while countries which could not go so far sought a purely economic association. However, the Swedes and others would not accept this.

⁴⁶ Personal, Figgures (Geneva) to Cohen (Geneva), 25 May 1961. FO 371/158195/M 617/142.

All delegates stressed the need, in the event of negotiations being entered into, to preserve a common front if E.F.T.A. were not to disintegrate. Figgures' report accordingly ended by making the following suggestions to maintain E.F.T.A. solidarity:

- (a) the whole process should show E.F.T.A. united from the start. If the United Kingdom and any other members of E.F.T.A. decided to make an offer to negotiate accession to the E.E.C., there should be "at the same time" action, perhaps through an E.F.T.A. Ministerial Council statement, showing these offers as part of a concerted plan, setting out the common objective, and indicating the basis on which all members could begin negotiations. It was therefore regarded as essential that this basis should be established in the immediate future;
- (b) the members of E.F.T.A. should remain united throughout the negotiation in pursuit of their common objective;
- (c) the members of E.F.T.A. should express their determination to maintain their present association at least until satisfactory arrangements had been worked out in negotiation to meet the various legitimate interests of all members of E.F.T.A., and "thus enable them all to participate, from the same date, in an integrated European market";
- (d) as an outward sign of the cohesion of E.F.T.A., it was described as advantageous to accelerate the tariff dismantling within E.F.T.A.⁴⁷

At the end of the meeting Figgures suggested that delegates should reckon with the possibility that a United Kingdom policy decision might be taken towards the end of July.⁴⁸

Governments were not committed to this report, but as Edward

⁴⁷ "The Problem of an Integrated European Market." Revised Draft Report by the Secretary-General, 8 June 1961. FO 371/158196/M 617/234.

⁴⁸ Cohen (Geneva) to FO, 9 June 1961 and 10 June 1961. *Ibid.*, M 617/212 and M 617/211. The Danish Memorandum "European Integration" in: *Ibid.*, M 617/214; the Norwegian "Aide Mémoire" of 14 June, 1961 in: FO 371/158196/M 617/222, the Austrian Memorandum of 7 June 1961 in: FO 371/158206/M 617/431.

Heath told the heads of the E.F.T.A. missions on 12 June, it emphasised the need for the members "to be, and be seen to be, united, before and during any negotiations with the E.E.C." He thought that the next meeting of the E.F.T.A. Ministerial Council could be an "extremely important one."⁴⁹

6. E.F.T.A. remains united

This meeting took place on 27 and 28 June in London. There was a general feeling that E.F.T.A. might be "on its last legs" as e.g. most Austrian newspapers described the situation.⁵⁰ Bowker saw Kreisky before the latter left for London. Kreisky spoke "in what is now his familiar pessimistic vein" about E.F.T.A. He felt convinced that, as a result of what he regarded as the United Kingdom's sudden change of tactics for no sufficient reason E.F.T.A. had now lost what spontaneous negotiating value it might have had. He looked forward with anything but pleasure to taking over the presidency of the E.F.T.A. Ministerial Council in July and told Bowker that he foresaw his role as E.F.T.A.'s "liquidator."⁵¹

As it turned out, he and his colleagues' gloom was unjustified. The British pursued a kind of double forward strategy. The objective was to bring about a general recognition that the only way in which E.F.T.A. and the E.E.C. could be brought together was for the United Kingdom and as many other members of E.F.T.A. as possible to accede to the Treaty of Rome and for an economic association with this enlarged Community to be negotiated for the members of E.F.T.A. and at the same time to demonstrate unity.

With this purpose in mind Heath opened the meeting and put forward the British government's arguments. He said that

1. the E.E.C. was developing into a really effective political and economic force. It had acquired a dynamic of its own; it appealed to the imagination of the younger generation of

⁴⁹ Meeting on the Six/Seven question on 12 June, 1961. *Ibid.*, M 617/221.

⁵⁰ Bowker (Vienna) to FO, 10 July 1961. FO 371/158198/M 617/266.

⁵¹ Bowker (Vienna) to FO, 24 June 1961. FO 371/158196/M 617/240.

Europeans and, after some initial doubts on the part of de Gaulle, was now the keystone of French policy.

2. The E.E.C. was therefore likely to become a dominating influence in Western Europe; it could well develop into a *bloc* comparable in political and economic power with the United States and the Soviet Union.
3. If the United Kingdom remained outside the E.E.C., British influence in Europe would decrease. There would be a tendency for the United States and the Six to concert policy on major issues. The United Kingdom would therefore run the risk of losing its political standing in the world at large and of ceasing to be able to exercise any claim to be a world power. This would gravely impair Britain's usefulness to the Commonwealth. As a result the part which the Commonwealth as a whole would play in world affairs might be seriously affected.
4. If, however, the United Kingdom were in the Community, it would be able to share in its political and economic influence while at the same time playing Britain's part in influencing its policies. It would help "to bind Germany more firmly to the West." And, if (though this seemed unlikely) the Community showed signs of breaking up Great Britain would be able to exert a powerful influence at the critical moment "to prevent N.A.T.O. from disintegration and Germany from throwing in her lot with the Soviet Union."
5. The economic division of Western Europe, if allowed to continue, was liable to have serious political consequences in terms of Western solidarity and the strength and cohesion of N.A.T.O. The plans which the Six were now considering for political consultations which went beyond matters directly affecting the E.E.C. showed that the political division which the British feared might soon become a reality.
6. There might also be serious political consequences in Africa. The newly independent states there had trade links either with the Commonwealth or with the E.E.C. If this division was

perpetuated, African moves towards economic unity would be frustrated and a situation might arise "from which only the Soviet *bloc* stands to gain."

The British government had therefore come to the conclusion that the only way of fully guaranteeing British political objectives and of averting the political dangers which they foresaw lay in "full United Kingdom membership of the E.E.C." This belief had been confirmed by the exploratory and informal discussions the British had had with the German, Italian and French governments. The only solution which the French were prepared to contemplate was United Kingdom accession to the Treaty of Rome.

In view of the French attitude, "anything less than full membership would not be negotiable" the British government's growing conviction that membership of the E.E.C. was the only course open to them was reinforced by the United States. The Kennedy-administration had made it clear that they were concerned about the political implications of the continued economic division of Western Europe and would welcome the removal of these differences, i.e. United Kingdom membership of the E.E.C. They were firmly opposed to a purely commercial arrangement between the Six and the Seven.⁵²

At the end of his opening statement Heath made it clear that the British government was not, of course, asking that a formal decision should be taken at the meeting, for the government itself was not yet in a position to go so far, but he stressed the point that

"the choice that confronts us is, in fact, either to accede to the Treaty of Rome, with special arrangements to safeguard the essential interests of all of us here, or to accept the consequences, political and economic, of the continued division of Europe."⁵³

⁵² On 22 May, President Kennedy had written a letter to Macmillan in which he had spoken of his conviction that the West would be greatly strengthened if the United Kingdom became a full member of the E.E.C. mentioned in Macmillan's letter to Kennedy of 28 July. FO 371/158278/M 634/241.

⁵³ Secret, E.F.T.A. Ministerial Meeting, Six/Seven Relations, Draft, 26 June 1961; Six/Seven Relations, Notes for the opening statement by the United Kingdom spokesman. FO 371/158196/M 617/259.

It was clear that the decision was to pursue the former alternative; the green light was given to Britain to open negotiations with the Six should she so desire. Britain, in return, acting in full loyalty, did not only renounce finding a solution for herself alone, but also agreed only to negotiate when all countries had the same possibilities to do so and all could participate in European integration. She was prepared to accept the Geneva formula, i.e. to maintain solidarity with the other E.F.T.A. members during negotiations and before concluding any arrangement. The negotiations had to be so conducted that all countries were in a position at the same time to participate in the integrated European market.

This removed many of the anxieties of the neutrals; they left London in a more relaxed mood. The unity demonstrated by the communiqué undoubtedly strengthened E.F.T.A. All the press comments were favourable to the outcome of the meeting and the communiqué issued after it.

Things were now moving fast on the E.F.T.A./E.E.C. front. The problem of joining the E.E.C. was on the agenda of the British Cabinet Meeting on 21 July. The discussion showed that there was general agreement that the right course was to enter into negotiations with the E.E.C. and to announce at once that the government intended to do so, as this was expected by the rest of the Commonwealth, by Britain's partners in E.F.T.A. and by the member governments of the Community itself and there was, indeed, as the minute goes, "no other way of finding out whether the interests of the Commonwealth and the Community could be reconciled." The Cabinet went on to discuss the best way of presenting this decision and agreed on a statement by the Prime Minister in the House of Commons on Monday, 31 July.⁵⁴ A week later the Cabinet resumed their discussion, considered and approved the draft Macmillan had presented to them.⁵⁵

⁵⁴ Secret, Cabinet Conclusions (42) 61, 21 July 1961. CAB 128/35.

⁵⁵ Secret, Cabinet Conclusions (44) 61, 28 July 1961. *Ibid.*

E.F.T.A. governments were informed of this decision on 26 July and asked to treat the information as “absolutely secret” until 31 July.⁵⁶ At the same time the Foreign Office had instructed Bowker in Vienna to ask Kreisky as the new chairman of E.F.T.A. to arrange for an E.F.T.A. Ministerial meeting in Geneva on 28 July. The purpose of the meeting should be to inform the other E.F.T.A. governments of the developments and to consider the form of any joint statement by the Council to be released immediately after Macmillan’s statement.⁵⁷ The E.F.T.A. statement in the Foreign Office’s view should include:

- (a) a welcome for Macmillan’s statement;
- (b) a recognition that it took account of the interests of all E.F.T.A. countries and of the views expressed by their representatives at meetings of the Council;
- (c) as clear an indication as possible of the intentions of other E.F.T.A. Governments;
- (d) a reaffirmation of the determination of the members of E.F.T.A. (as expressed in the London communiqué) to coordinate their actions and remain united throughout any negotiations.

The Foreign Office attached particular importance to (c); unless some clear indication could be given, they thought the impression must inevitably gain currency, despite (d), that the E.F.T.A. countries had not in fact been able to coordinate their action.⁵⁸

The E.F.T.A. partners were grateful for this advance notice, which to some, e.g. the Swedes, came as “rather a blow”, since, as Coulson reported to London, they had half convinced themselves that the British Government was not likely to go so far at this time.⁵⁹

Wahlen said to Grey that Switzerland was now faced with a step “for which there was hardly a precedent in her history”, to which Grey answered, that the British decision was “equally historic, but

⁵⁶ Top Secret, FO to U.K. Embassy Vienna, 25 July 1961. FO 371/158199/M 617/291.

⁵⁷ Secret, FO to U.K. Embassy Vienna, 20 July 1961. *Ibid.*, M 617/283.

⁵⁸ Secret, FO to U.K. Embassy Vienna, 25 July 1961. *Ibid.*, M 617/292.

⁵⁹ Top Secret, Sir J. Coulson (Stockholm) to FO, 26 July 1961. *Ibid.*, M 617/293.

not less than the situation of us all demanded." ⁶⁰

The meeting at Geneva on Friday, 28 July, under the chairmanship of Kreisky, passed off "smoothly", as Heath informed Macmillan two days later. Heath explained the decision of the British government and gave the Ministers the broad outline of Macmillan's statement. This was received "quietly", after which J.O. Krag said, that the British decision was of "historic character" and that the Danish government would make a similar announcement. The rest of the meeting was concerned with the form of declaration to be issued after Macmillan's statement. They eventually agreed on one, which, as Heath described it,

"neither welcomes nor approves our action; it is one which will show that the other E.F.T.A. countries want to move along with us." ⁶¹

On Monday, 31 July, at 3.30 p.m. Prime Minister Macmillan made a statement on the policy of the British government to apply to join the Common Market. Two hours later the E.F.T.A. declaration - formulated three days earlier - was issued in Geneva by the official Council. It said that the British decision provided an opportunity to find an appropriate solution for all E.F.T.A. countries and thus to promote the solidarity and cohesion of Europe, that it was the duty of all concerned not to miss this new opportunity, and that E.F.T.A. would do everything in its power to seize it, "on the lines set out in the London communiqué." ⁶²

The last sentence was probably the most important one in this declaration. In the London communiqué it had been stated that "in negotiations for membership of, or association with, the E.E.C., the E.F.T.A. countries should coordinate their actions and remain united throughout the negotiation." ⁶³

⁶⁰ Top Secret, Grey (Berne) to FO, 26 July 1961. *Ibid.*, M 617/293.

⁶¹ Secret, Memo Heath for Macmillan, 30 July 1961. FO 371/158200/M 617/312. For the discussion in Geneva see "Draft United Kingdom Record," 1 Aug. 1961. *Ibid.*, M 617/313, and the official Summary Record in: *Ibid.*, M 617/316.

⁶² Text in: FO 371/158199/M 617/294.

⁶³ Quoted in the British draft for the Geneva Declaration. FO 371/158200/M 617/303.

This was easier said than done but provided for a fall-back-position for all E.F.T.A. countries - just in case. When the British Ambassador in Paris, Sir A. Rumbold, had delivered a personal message from Macmillan to President de Gaulle on 28 July informing him about the decision of the British government, de Gaulle said that "he feared that it would take a long time for the many difficulties to be settled;" and when Rumbold had taken his leave, the General had said again that he feared that "it might prove a very long business."⁶⁴ Six months later the neutrals applied for association with the E.E.C. After 12 months of negotiating, in January 1963, General de Gaulle said "No!" to Britain's E.E.C. membership. At that point the British were glad that E.F.T.A. still existed.

⁶⁴ Secret, Sir A. Rumbold (Paris) to FO, 28 July 1961. FO 371/178278/M 615/195.



