

# **The London School of Economics and Political Science**

## **No Clear Course**

Harold Macmillan, Richard Austen Butler,  
Agricultural Politics and the First British  
Application to the European Economic Community,  
1961-3

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## **Abstract**

This thesis explores how senior members of British political life attempted to come to terms with certain aspects of the key post-war issue of European integration. It adopts a political approach to the first application, comparing the roles taken by Cabinet ministers, parliamentarians, Whitehall officials and a powerful interest group, the National Farmers' Union, in addition to examining the underlying economic factors. Its central focus is to establish how the Macmillan government thought it could make an application to the European Economic Community, which would involve membership of a Common Agricultural Policy, whilst at the same time adopting strategy and tactics intended to placate domestic opinion opposed to change to the existing British agricultural support system. It opens by explaining why an issue, as seemingly as parochial as domestic agriculture, was on the list of British priorities in what was a set of international negotiations. It goes on to trace how British strategy and tactics for agriculture failed to alter even though it quickly became apparent that several of the founding members of the European Economic Community were unlikely to agree to what the British were asking. Ultimately it presents new evidence to develop the argument that the negotiations as a whole were marred by a failure to choose between conflicting ideas about the relative importance of domestic agriculture and undermined by a reluctance to confront personal political rivalries. There was no clear course in British strategy and tactics for domestic agriculture and this was a stumbling block in the development of closer ties between Britain and Europe in the post war era.

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# CONTENTS

Title Page/ Declaration	page 1
Abstract/ Acknowledgements	page 3
Table of Contents	page 5
List of abbreviations	page 7
Introduction	page 8
Chapter One <i>European Integration, Agriculture, Foreign and Defence Policy 1945-61</i>	page 25
Chapter Two <i>A Pro-European Minister of Agriculture Changes Course January-April, 1961</i>	page 45
Chapter Three <i>Splits and Alliances: the Prime Minister and his Cabinet May-December, 1961</i>	page 68

Chapter Four	page 104
<i>Lessons of the CAP Learned But Not Used</i>	
<i>January-June, 1962</i>	

Chapter Five	page 142
<i>Holding Back</i>	
<i>June-August, 1962</i>	

Chapter Six	page 169
<i>Ministers Rebel</i>	
<i>September-November, 1962</i>	

Chapter Seven	page 203
<i>A Quiet Veto</i>	
<i>September, 1962-January, 1963</i>	

Final Conclusions	page 241
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Appendix One	page 257
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Bibliography	page 258
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## Abbreviations

ACML	Anti-Common Market League
AEA	Atomic Energy Authority
BOD	Bodleian Library, Oxford
BOT	Board of Trade
CAB	Cabinet Files
CAP	Common Agricultural Policy
CET	Common External Tariff
CHC	Churchill College, Cambridge
CLA	Country Landowners Association
CMNC	Common Market Negotiating Committee
CMN(SC)(O)	Common Market Negotiations Steering Committee at Official Level
CMSG	Common Market Steering Group
CND	Campaign for Nuclear Disarmament
CRD	Conservative Party Research Department
CRO	Commonwealth Relations Office
ECSC	European Coal and Steel Community
EDC	European Defence Community
EEAC	European Economic Association Committee
EEC	European Economic Community
EFTA	European Free Trade Association
EPU	European Payments Union
ESC	Economic Steering Committee
FAC	Food and Agriculture Committee
FBI	Federation of British Industry
FEOGA	Fonds Européen d'Orientation et de Garantie Agricole (European Agricultural Guidance and Guarantee Fund)
FO	Foreign Office
FTA	Free Trade Area
GATT	General Agreement on Tariffs and Trade
IMF	International Monetary Fund
MAFF	Ministry of Agriculture, Food and Fisheries
MAF	PRO nomenclature for MAFF
MLF	Multilateral Force
NATO	North Atlantic Treaty Organisation
NEDC	National Economic Development Council
NFU	National Farmers' Union
NUAW	National Union of Agricultural Workers
NUW	National Union of Welsh Farmers
OEEC	Organisation for European Economic Cooperation
PREM	Prime Minister's Files
PRO	Public Record Office, Kew, London
SNFU	Scottish National Farmers' Union
T	Treasury Files
TRC	Trinity College, Cambridge
WEU	Western European Union

## Introduction

Life is pleasant, death is peaceful, it's the transition that is troublesome.<sup>1</sup>

There is a very real sense that British agriculture and the Conservative government, 1961-3, were in a state of transition once the decision was taken to make an application to the European Economic Community (EEC). For agriculture this would mean changing a system of support that had given farmers stability and security after the lean years of the 1930s. For the whole nation it would mean altering the idea that Britain was more than just another European country. Only fifteen years since the end of the Second World War, when the public perception was that only one West European nation had been an unequivocal winner, a British government was proposing to alter its relations with the continent in a manner that would mean sharp modifications to existing internal and international arrangements.

Full membership of the EEC for Britain would mean transition from a world to a European role. There were many different visions of how this change could come about, what it might mean for Britain's future and whether it was desirable. Within the UK, Norman Kipping, Chairman of the Federation of British Industry (FBI), which kept in close consultation with the National Farmers' Union (NFU), doubted that the time was right in 1960-1 for an application because the French were too pre-occupied with other matters.<sup>2</sup> The FBI's Overseas Policy Committee argued that personal ambitions would pre-empt a change of heart because British entry would alter the relative voting strengths within the Commission, there would be job losses at the top, and Walter Hallstein, President of the European Commission, Jean Rey, Member of the European Commission responsible for external relations, and Robert Marjolin, Vice-President of the European Commission responsible for economic union, were opposed to enlargement even if Britain signed on the dotted line.<sup>3</sup> When it came to the NFU rank and file, Sir James Turner (President of the NFU throughout the 1950s and later Lord Netherthorpe), in his valedictory speech found that farmers

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<sup>1</sup> Isaac Asimov, bio-chemist and science fiction author

<sup>2</sup> Tratt, J., *The Macmillan Government and Europe A Study in the Process of Policy Development* (London: Macmillan, 1996), pp. 157-8

<sup>3</sup> NFU Cyclo Econ. S 117/1739/60 Federation of British Industries Overseas Trade Policy Committee, 26.7.60

wanted 'total and unqualified insulation from the effects of economic change.'<sup>4</sup> In contrast, Harold Woolley, Netherthorpe's successor sounded positively emollient when he pointed out to his President's Committee that 'We (Great Britain) were rapidly losing our position as a balancing power, since the Commonwealth, as it developed, was looking more and more to other countries for trade.'<sup>5</sup> Whatever the outcome of the first British application Frank Lee, Permanent Secretary at the Treasury, during the course of the negotiations, was clear sighted about the cost of change. He said 'We shall not get the conclusion we want on the cheap. There is nothing to show that we are desperately needed in Europe.'<sup>6</sup>

As well as costs to the political economy of the UK, different ways of working, consequent upon a successful application to the EEC, presented difficulties for the Conservative Party. The first British application to the EEC came two years after a Conservative victory in the 1959 general election which not only returned the Tory Party to power for a third successive term but also saw the continued leadership of Harold Macmillan as Prime Minister with an increased majority in the House of Commons.<sup>7</sup> In contrast to the triumph of the 1959 electoral victory the Conservative government's negotiations with the EEC, 1961-3, were to be bitter, invariably complex, halting and protracted. The negotiations in Brussels ended in failure in January, 1963. Britain was to remain outside the EEC for a further ten years, years in which many of the fundamental characteristics of the EEC, particularly in agriculture, were established and consolidated. Lack of success in 1963 meant that the Conservative Party was in the uncertain position of having to manage a transformation in internal Party attitudes towards British agricultural policy at a time when the nature of change was to a large extent dependent upon decisions taken within the EEC.

When failure came in January, 1963, the long duration of the talks, their wide ranging nature and the publicity surrounding them, ensured that the collapse of the application could not be brushed aside without some political narrative which absolved the British government; Macmillan and Edward Heath, Lord Privy Seal and Leader of the British Delegation to the EEC, placed the blame upon Charles de Gaulle, President of France. In their memoirs the idea of French betrayal was

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<sup>4</sup> *The Economist*, 30.1.60

<sup>5</sup> NFU Cyclo Econ. S. 92/1385/60, Minutes of meeting of President's Committee, 1.5.60

<sup>6</sup> Lamb, R., *The Macmillan Years, 1957-63. The Emerging Truth* (London: John Murray, 1995), p. 137

<sup>7</sup> Butler, D., *British General Elections Since 1945* (Oxford: Blackwell, 1989), pp. 16-19

regularly canvassed.<sup>8</sup> This idea of French duplicity shaped an influential section of opinion in Britain even after membership was achieved, engendering negative thoughts towards France and the idea of European integration.<sup>9</sup> Undoubtedly there were solid economic and political reasons for Macmillan and Heath's attitude. Nevertheless, laying the blame so squarely on the shoulders of de Gaulle also contained a large measure of political expediency; when Macmillan castigated de Gaulle for the breakdown of the talks, it helped to obscure the many points at which British policies and attitudes had caused difficulties within the course of the negotiation and contributed to the British failure to adjust to the new realities of Western Europe.

## Historiography

The role of agriculture in the negotiations for Britain to join the EEC has been seen through the prism of legends about the influence of the NFU upon agricultural policy. Historians argue that in European policy the NFU was able to, first, obtain pledges that there would be safeguards for British agriculture, second, delay a retreat from the government's initial position, and third, cause the government to be 'boxed in between the demands of the Six and the requirements of domestic politics.'<sup>10</sup>

One of the roots of NFU influence is reputed to be the relationship it enjoyed with the Ministry of Agriculture, Food and Fisheries (MAFF); as one historian puts, the NFU was 'bound with hoops of steel' to MAFF.<sup>11</sup> There is a large body of work which builds on this idea, arguing that continuous working contacts allowed the NFU an unprecedented involvement in the process of policy formation.<sup>12</sup> In particular it is

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<sup>8</sup> Macmillan, H., *At the End of the Day, 1961-63* (London: Macmillan, 1973), pp. 331-378; Heath, E., *The Course of My Life My Autobiography* (London: Hodder and Stoughton, 1998), pp. 229-236

<sup>9</sup> Kaiser, W., *Using Europe, Abusing the Europeans Britain and European Integration, 1945-63* (London: Macmillan, 1996), p. 200

<sup>10</sup> Lieber, R., *British Politics and European Unity: Parties, Elites and Pressure Groups* (Berkeley: University of California Press, 1970), pp. 130-1

<sup>11</sup> Hennessy, P., *Whitehall* (London: Fontana, 1990), p. 445

<sup>12</sup> Self, P. and Storing, H., *The State and the Farmer* (London: Allen and Unwin, 1962), pp. 75-6; Holmes, R., 'The National Farmers' Union and the British Negotiations for Membership in the EEC', *Res Publica*, Vol. 5, No. 3 (1963), pp. 276-287; Wilson, G. K., *Special Interests and Policymaking* (London: J. Wiley, 1977), pp. 1-53; Grant, W., 'The Classic Case of Incorporatism?' in Marsh, D. (ed.), *Pressure Politics. Interest Groups in Britain* (London: Junction Books Ltd., 1983), pp. 129-143; Cox, G., Lowe, P., Winter, M., 'Changing Directions in Agricultural Policy: Corporatist Arrangements in Production and Conservation Policies', *Sociologia Ruralis* Vol. XXV-2 (1985), pp. 130-153; Grant, W., *Business and Politics in Britain* (London: Macmillan, 1987), p. 159; Smith, M. J., *The Politics of Agricultural Support in Britain* (Ashgate-Dartmouth, 1990), pp. 117-146; Cox, G., Lowe, P., Winter, M., 'The Origins and Early Development of the National Farmers' Union', *Agricultural History*



argued that the NFU was allowed a privileged position in the annual round of talks (the annual review) which settled the level of government support and the details of agricultural policy for the coming year.<sup>13</sup> MAFF's objective in this relationship was to use the NFU as an effective partner in the management and implementation of policy and it valued its sophistication in comparison with other agricultural organisations such as the Country Landowners Association (CLA), the National Union of Agricultural Workers (NUAW) and later the National Union of Welsh Farmers (NUW).<sup>14</sup> There are historians who caution that NFU influence altered in the late 1950s and that 1957, well before the application to the EEC, saw the zenith of its relations with MAFF; after this time the NFU continued to have an impact on the details and implementation of policy but its impact on the general framework and principles of agricultural support lessened.<sup>15</sup> A later historian reinforces this view, considering that MAFF changed from trying to placate the NFU leadership in the 1950s to managing NFU discontent at the time of the application to the EEC.<sup>16</sup>

Historians consider a phenomenon known as the agricultural vote (electoral support derived from voting patterns in rural areas) to be a second avenue of NFU influence.<sup>17</sup> Third, it is argued that the NFU gained influence through social and cultural ties that bound the Conservative Party to the agricultural interest, and the fact

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*Review*, No. 39, 1 (1991), pp. 30-47; more general work includes Winnifrith, A. J. W., *The Ministry of Agriculture* (London: Allen and Unwin, 1962); Whetham, E. H., 'The Agriculture Act, 1920 and its Repeal – the "Great Betrayal"', *Agricultural Review*, No. 1, 22-23 (1974), pp. 36-49; Beresford, T., *We Plough the Fields: British Farming Today* (Harmondsworth: Penguin, 1975); Fisher, J. R., 'The Farmers' Alliance: An Agricultural Protest Movement of the 1880s', *British Agricultural Historical Society*, Vol. 26 (1978); Wormell, P., *Anatomy of Agriculture* (London: Harap, 1978); Body, R., *The Triumph and the Shame* (Hounslow: Maurice Temple Smith Ltd., 1982); Newby, H., *Country Life A Social History of Rural England* (London: Weidenfeld and Nicolson, 1986); Wordie, J. R., 'Agriculture and Politics in England, 1815-1939', *Reading Historical Studies*, No. 2 (London: Macmillan, 2000)

<sup>13</sup> Smith, *The Politics of Agricultural Support*, pp. 117-146; Allen, G., 'The NFU as a Pressure Group Part II', *Contemporary Review*, Vol. 195 (June 1959), p. 325

<sup>14</sup> Allen, G., 'The National Farmers' Union as a Pressure Group, Part I', *Contemporary Review*, Vol. 195 (May 1959), p. 268; Grant, *Business and Politics*, p. 158; Cox, Lowe, Winter, 'The Origins and Early Development', p. 30

<sup>15</sup> Allen, 'The National Farmers' Union as a Pressure Group, Parts I and II', p. 267, p. 329; Self, P. and Storing, H., 'The Farmers and the State', *Political Quarterly*, Vol. XXIX (January 1958), p. 18; Cox, Lowe, Winter, 'Changing Directions', pp. 149-150

<sup>16</sup> Unpublished Ph.D. thesis: Bromund, T., 'From Empire to Europe: Material Interests, National Identities' (US: Yale University, 1999), pp. 134-259, particularly p. 219

<sup>17</sup> Wilson, *Special Interests*, pp. 24-5; Self and Storing, *The State and the Farmer*, p. 197; Pennock, J. R., 'The Political Power of British Agriculture', *Political Studies*, Vol. 7, No. 3 (October 1959), pp. 290-296; Benyon, V. and Harrison, J. 'The Political Significance of the Agricultural Vote', *Exeter University Press Report*, No. 134 (July 1962); Howarth, R. W., 'The Political Strength of British Agriculture', *Political Studies*, Vol. XVII, No. 4 (1969), pp. 458-469. See also Chapter Six of this study.

that the biggest number of farmers and members from rural constituencies, sat in the House of Commons and Lords as Conservatives.<sup>18</sup>

Agriculture in the first application has also been seen as part of a dichotomy between political and economic factors. In the most up to date account, Milward argues that it was pressure of farming opinion which bothered ministers in the run up to the decision to make an application but that during the negotiations the main focus was on the levels of food prices, the cost of living and the balance of payments.<sup>19</sup> As will be seen, this study disagrees, considering that the political remained the most significant of factors throughout the negotiations.

In the first British application to the EEC, agriculture was only one part of the negotiations in Brussels. There are three distinct historical approaches to the study of the British application; studies made from the national perspective, sometimes economic, sometimes political, often both; work combining many international sources and a West European analysis; studies of Western Europe predominantly about the Cold War and nuclear power but which have a lot to say about integration.<sup>20</sup> Studies working within the national perspective began with political histories, took on an economic dimension, and latterly historians have made valiant attempts to straddle all issues within the application.<sup>21</sup> Inevitably, however,

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<sup>18</sup> Howarth, 'The Political Strength of British Agriculture', p. 469

<sup>19</sup> Milward, A. S., *The UK and the European Community, Vol. I: The Rise and Fall of a National Strategy, 1945-63* (London: Whitehall history Publishing with Frank Cass, 2002), pp. 420-1

<sup>20</sup> A fourth approach in a different academic discipline is to be found in the literature of political science. The classic text is Lindberg, L. N., and Scheingold, S. A., *Europe's Would-Be Polity. Patterns of Change in the European Community* (Barclay: Prentice-Hall Inc., 1970)

<sup>21</sup> Two historiographical reviews are Young, J. W., in Brivati, B., Buxton, J., Seldon, A. (eds.), *The Contemporary History Handbook* (Manchester: Manchester University Press, 1996), pp. 207-14; Daddow, O. J., *Britain and Europe Since 1945 Historiographical Perspectives on Integration* (Manchester: Manchester University Press, 2004). See also a critical review of Daddow by Kaiser, W., *Contemporary British History*, Vol. 19, No. 4 (December 2005). Two contemporaneous accounts are Camps, M., *Britain and the European Community 1955-63* (Oxford: Oxford University Press, 1964); Beloff, N., *The General Says No* (London: Penguin, 1963). A second wave of studies includes Young, J. W., *Britain and France and the Unity of Europe, 1945-51* (Leicester: Leicester University Press, 1984); George, S., *An Awkward Partner: Britain in the EC, 3<sup>rd</sup> ed.* (Oxford: Blackwell, 1991); George, S., *Britain and the EC – The Politics of Semi-Detachment* (Oxford: Clarendon Press, 1992); Greenwood, S., *Britain and European Cooperation Since 1945* (Oxford: Oxford University Press, 1992); Brivati, B. and Jones, H. (eds.), *From Reconstruction to Integration. Britain and Europe since 1945* (Leicester: Leicester University Press, 1993); Wurm, C. (ed.), *Western Europe and Germany The Beginnings of European Integration, 1945-60* (Oxford: Berg, 1995); Deighton, A. (ed.), *Building Postwar Europe: National Decision-Makers and European Institutions, 1948-1963* (London: Macmillan, 1995); Griffiths, R. T. and Ward, S. (eds.), *Courting the Common Market: The First Attempt to enlarge the European Community, 1961-3* (London: Lothian Foundation Press, 1996). A third phase of work comprises Kaiser, *Using Europe*; Moravcsik, A., *The Choice for Europe. Social Purpose and State Power From Messina to Maastricht* (London: UCL Press, 1998); Milward, A. S., *The European Rescue of the Nation-State* (London: Routledge, 2000, 2<sup>nd</sup> ed.); Milward, *The Rise and Fall*, op. cit. See also Lamb, R., *The Macmillan Years, 1957-63 The Emerging Truth* (London: John

studies tend to use either an economic or political perspective when it comes to the drawing of conclusions and it would be fair to say one of the earliest accounts is the best representative of the political approach whilst one of the most recent reflects an economic focus.<sup>22</sup> Work based on wide sources from continental Europe has developed a Community centred analysis and expanded an understanding of the British approach to the EEC as well a comprehensive analysis of the Six. The idea of the negotiations as the means to effect political change through economic agreement emerges from this Community centred study.<sup>23</sup> Finally, studies of the Cold War and the impact of nuclear power upon international relations in the post-war period also have much to tell about the factors underlying the domestic details of many of the national political and economic histories.<sup>24</sup>

The themes that emerge include the following. First, early accounts emphasise that the British 'missed the boat' in the early days of the creation of the European Coal and Steel Community (ECSC) and that throughout the 1950s continued to ignore opportunities to take the lead in Britain.<sup>25</sup> Second, as Ellison highlights, there is the theme of British transition, where diplomatic and economic historians argue that after the failures of the 1950s, Britain lost its place in the top tier of nations.<sup>26</sup> Third, there is the debate over the relative significance of political and economic factors. Political historians stress defence and security issues such as the

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Murray, 1995); Wilkes, G. (ed.), *Britain's First Failure to Enter the European Community, 1961-63: Crises in European, Atlantic and Commonwealth Relations* (London: Frank Cass, 1997); Tratt, *The Macmillan Government and Europe*; Young, H., *This Blessed Plot* (London: Macmillan, 1998); Bange, O., *The EEC Crisis of 1963 Kennedy, Macmillan, De Gaulle and Adenauer in Conflict* (London: Macmillan, 2000); May, A., (ed.), *Britain, the Commonwealth and Europe. The Commonwealth and Britain's Applications to Join the European Communities* (London: Palgrave, 2001). For a study of Britain and European integration in the 1950s see Ellison, J., *Threatening Europe Britain and the Creation of the European Community, 1955-58* (London: Macmillan, 2000).

<sup>22</sup> Camps, *Britain and the EC*, *op. cit.*; Milward, *The Rise and Fall*, *op. cit.*

<sup>23</sup> Ludlow, N. P., *Dealing With Britain. The Six and the First UK Application to the EEC* (Cambridge: Cambridge University Press, 1997) p. 5, p. 244. For a critique of Ludlow's thesis see Forster, A., 'No Entry: Britain and the EEC in the 1960s', *Contemporary British History*, Vol. 12, No. 2 (Summer 1998) pp. 139-46

<sup>24</sup> Newhouse, J., *De Gaulle and the Anglo-Saxons* (London: André Deutsch, 1970); Grosser, A., *The Western Alliance European-American Relations Since 1945* (London: Macmillan, 1980); Gaddis, J. L., *Strategies of Containment A Critical Appraisal of Postwar American National Security Policy* (Oxford: Oxford University Press, 1982); Reynolds, D., 'A 'Special Relationship'? America, Britain and the International Order Since the Second World War', *International Affairs*, Vol. 62, No. 1 (Winter, 1985-86) pp. 1-20; Winand, P., *Eisenhower, Kennedy and the United States of Europe* (London: Macmillan, 1993); Dockrill, M., *British Defence Since 1945* (Oxford: Blackwell, 1988); Bange, *The EEC Crisis*, *op. cit.*; Ashton, N. J., *Kennedy, Macmillan and the Cold War. The Irony of Interdependence* (Basingstoke: Palgrave Macmillan, 2002)

<sup>25</sup> Nutting, A., *Europe Will Not Wait. A Warning and a Way Out* (London: Hollis and Carter, 1960), p. 103

<sup>26</sup> Ellison, *Threatening Europe*, p. 3

formation of the North Atlantic Treaty Organisation (NATO), proposals in the 1950s for a European Defence Community (EDC), the British inspired Western European Union (WEU) and French ideas for political union (the Fouchet Plan).<sup>27</sup> Historians with a more economic emphasis focus on the difficulties British monetary policy posed for integration, with the twin aims of sterling convertibility and a world multilateral payments system in conflict with the European Payments Union (EPU), and the wide gulf between Britain and continental Europe's commercial policies.<sup>28</sup> Fourth, attention has been given to the tensions between inter-governmental and federalist styles of integration which cut through national boundaries and demanded compromises from the proponents of both inter-governmental and federalist ideals.<sup>29</sup> Fifth, the classic security and defence theme is that the EEC offered France both the means of restoring France to greater economic strength, and a way of containing Germany and Russia.<sup>30</sup> The parallel British dimension is that by 1961 the British also saw membership of the EEC as a means to an end, namely the development of a new powerbase.<sup>31</sup> Finally, there are several interlinked themes that were part of European integration despite being primarily defence and security policy; the US policy of containment of the spread of communism throughout Western Europe and the rest of the world, the de-colonisation of Western empires and access to the markets of developed nations, the so-called special relationship between Britain and the US, and the issue of nuclear proliferation.<sup>32</sup>

By far the most important work on British relations with the EEC in recent years uses the concept of a national strategy to counter the idea that throughout the 1950s the Conservative Party was obdurate about closer ties with Europe or that successive Conservative governments were concerned only to manage British change and decline. Milward argues that throughout the postwar period to 1963, British governments forged in reduced circumstances a national strategy, whereby they aimed to bargain the short term advantages Britain enjoyed in return for agreements about a one-world political economy.<sup>33</sup> British short term advantages after the war were

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<sup>27</sup> Gaddis, *Strategies of Containment*, pp. 72-3; Dockrill, *British Defence*, pp. 48-50; Grosser, *The Western Alliance*, p. 203

<sup>28</sup> Milward, *The European Rescue*, pp. 383-420

<sup>29</sup> Ludlow, *Dealing*, pp. 24-5

<sup>30</sup> Wurm, *Western Europe and Germany*, p. 183

<sup>31</sup> Ashton, *Kennedy*, Macmillan, p. 132

<sup>32</sup> Grosser, *The Western Alliance*, pp. 183-208; Reynolds, 'A 'Special Relationship'?', pp. 1-20

<sup>33</sup> Milward, *The Rise and Fall*, p. 3

predominantly world-wide rather than European and so it was within a one-world forum that Britain needed to make its bargains.<sup>34</sup> British assets were to be used to pursue the objective of a new world order with two currencies (the dollar and sterling) in which the majority of trade settlements would be made.<sup>35</sup> Thus, the overall thrust of Milward's national strategy is that the British did not disengage with Europe in the years, 1945-60, but pursued long term objectives through a variety of strategies and tactics, including WEU, the Free Trade Area (FTA), and European Free Trade Association (EFTA) whilst simultaneously attempting to draw away from a regional grouping into a one-world system, based on the General Agreement on Tariffs and Trade (GATT) to embrace the Commonwealth, US trade, and the Collective Approach to monetary policy.

It is fair to say that Milward's approach is distinguished by an emphasis on the economic underpinnings.<sup>36</sup> An economic approach camouflages the degree to which political choices were the result of decisions by policy makers acting within party political and electoral systems. Where this study fits into existing historiography is that it looks more closely than other scholars at the party political context. It examines the way in which Macmillan was restricted during the first application, by the attitudes of his Cabinet to the agricultural issue and by threats to his position as leader.<sup>37</sup> This historiography concludes by briefly examining existing ideas about the role played by Conservative party politics in the formation of Conservative government policy.

Current historiography suggests that the wide ranging authority, the Conservative Party traditionally allowed its leader, would help Macmillan push through his European policy. Historical accounts suggest that the Conservative Party, in order to remain in government, allowed its leaders great freedom to create policy, whilst the broad central mass normally responded positively to leadership from the top and at the same time discouraged factionalism on the grounds that divisions

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<sup>34</sup> *Ibid.*, p. 3

<sup>35</sup> *Ibid.*, p. 27

<sup>36</sup> Milward changes his mind about the relative emphasis to be placed on economic and political factors, see Milward, A. S., *The Reconstruction of Western Europe, 1945-51* (London: Routledge, 2003, 2<sup>nd</sup> ed.), pp. xviii-xix

<sup>37</sup> For views of individual ministers, see biographies: Fisher, N., *Iain Macleod* (London: André Deutsch, 1973); Thorpe, D. R., *Selwyn Lloyd* (London: Jonathan Cape, 1989); Shepherd, R., *Iain Macleod A Biography* (London: Random House 1994); Lewis, G., *Lord Hailsham A Life* (London: Jonathan Cape, 1997); Thorpe, D. R., *Alec Douglas-Home* (London: Sinclair Stevenson, 1997); Baston, L., *Reggie The Life of Reginald Maudling* (Stroud: Sutton Publishing Ltd., 2004)

within a Party are penalised by the electorate.<sup>38</sup> In addition, it has been argued that the power of the leadership to introduce innovative policies, which owe little to ideas from the grass roots, is greatly enhanced the longer a Party is in government.<sup>39</sup> This characterised the Conservative leadership, 1961-3, when elite opinion in the Conservative Party was far in advance of the general Party activist, with the mass of the Party ignorant of the issues at stake rather than against closer ties with Europe.<sup>40</sup> The increasing professionalization at the beginning of the 1960s, and a pre-occupation with the long term electoral consequences of party policy, also contributed to a tight leadership grip on policy and Party.<sup>41</sup> An increasingly sophisticated attention, to the interlocking of policy from all sections of the Party with government objectives, reinforced the concentration of power in the hands of the leadership.<sup>42</sup>

The most credible opposition to the prime minister's European policy is considered to have come from within the parliamentary party rather than the rank and file. There were clear signs that the Anti-Common Market League (ACML), which enjoyed support from farming and rural areas derived power and authority from its leadership by two former ministers who were well respected by the rank and file within the Party and retained easy access to the prime minister and Cabinet members.<sup>43</sup> European integration was an issue with the potential to wreck party unity, if the agricultural interest (or the Commonwealth lobby which in policy terms was closely linked to domestic agriculture), managed to get the support of the centre ground members of parliament and the wider Party.<sup>44</sup> Nevertheless, it is considered that a Conservative leader always had the option of adopting the viewpoint of a cabal or faction within the parliamentary party to ensure the central mass would rally behind the government once more.<sup>45</sup> In this instance the vital factors would be the personal authority and decisions of the Party leader.

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<sup>38</sup> Barnes, J., in Seldon, A. and Ball, S. (eds.), *A Conservative Century* (Oxford: Oxford University Press, 1994), p. 343, p. 345; A general historiography of the Conservative Party may be found in Seldon and Ball (eds.), *A Conservative Century*, pp. 727-772

<sup>39</sup> Crowson, N. J., *The Conservative Party and European Integration Since 1945: At the Heart of Europe?* (London: Routledge, 2006), pp. 28-9

<sup>40</sup> *Ibid.*, p. 220

<sup>41</sup> Ramsden, J., *The Making of Conservative Party Policy The Conservative Research Department Since 1929* (London: Longman, 1980), pp. 194-8; Turner, J., *Macmillan* (Harlow: Longman, 1994), pp. 254-6

<sup>42</sup> Ramsden, *The Making of Conservative Party Policy*, pp. 194-8

<sup>43</sup> Crowson, *The Conservative Party*, pp. 30-1, p. 168

<sup>44</sup> Ramsden, J., *An Appetite for Power A History of the Conservative Party Since 1830* (London: Harper Collins, 1999), p. 373

<sup>45</sup> Barnes in Seldon and Ball, *A Conservative Century*, p. 345

Historians have commented on the personal viability of Macmillan's leadership in comparison with his closest rival after 1957, Richard Austen Butler (known as RAB).<sup>46</sup> Much depended on the relationship of Macmillan and Butler who might not have been expected to get on well after their contest for the Leadership in January, 1957.<sup>47</sup> The threat Butler posed during the application, 1961-3, was that he might appear as an alternative leader to those unhappy with Macmillan's premiership or his policy on Europe; if a faction within the Conservative Party should offer an alternative policy position, associated with Butler, which appealed to many in the central mass, then this could have threatened a split in the leadership and the Party.<sup>48</sup>

The aim of this study is to show the constraint domestic factors exert upon foreign policy. In particular, it will illustrate the degree to which Cabinet politics undermined the first British application to the EEC.

To ensure that the subject remains manageable its focus is restricted in two ways. First, it deals solely with the policy area of British agriculture. The agricultural issue was selected because it was high on the agenda at the time of the breakdown of the negotiations with the EEC in Brussels and there remains doubt whether it was near to settlement at the time of the breakdown of talks. British agriculture was also

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<sup>46</sup> Ramsden, *The Making of Conservative Party Policy*, p. 191; Barnes, in Seldon and Ball, *A Conservative Century*, p. 345. See also the official biographies of the two politicians: Horne, A., *Macmillan 1957-86, Vol. II Official Biography* (London: Macmillan, 1989), Howard, A., *RAB The Life of R. A. Butler* (London: Jonathan Cape, 1987). Other biographies of Macmillan include Howard, A., and West, R., *The Making of the Prime Minister* (London: The Quality Book Club, 1965); Sampson, A., *Macmillan A Study in Ambiguity* (London: Allen Lane The Penguin Press, 1967); Egremont, Lord, *Wyndham and Children First* (London: Macmillan, 1968); Siedentrop, L. A., in Bogdanor, V. B. and Skidelsky, R. (eds.), *The Age of Affluence, 1951-64* (London: Macmillan, 1970); Hutchinson, G., *The Last Edwardian at No.10 An Impression of Harold Macmillan* (London: Quartet Books Ltd., 1980); Pinto-Duschinsky, M. in Hennessy, P. and Seldon, A. (eds.), *Ruling Performance: Governments from Attlee to Thatcher* (Oxford: Blackwell, 1987); Turner, *Macmillan*; Davenport-Hines, R., *The Macmillans* (London: Heinemann, 1992); Aldous, R. and Lee, S. (eds.), *Harold Macmillan Aspects of a Political Life* (London: Macmillan, 1999); Hennessy, P., *The Prime Minister The Office and Its Holders Since 1945* (London: Penguin, 2000); Hennessy, P., *Having It So Good* (London: Allen Lane, 2006), pp. 542-622. Biographies and journal articles for Butler include Sparrow, G., 'R.A.B. ' Study of a Statesman (Watford: Odhams Ltd., 1965); Cosgrave, P., *R. A. Butler An English Life* (London: Quartet Books Ltd., 1981); Stafford, P., 'Political Autobiography and the Art of the Plausible: R. A. Butler at the Foreign Office, 1938-9', *The Historical Journal*, Vol. 28, No. 4 (December 1985), pp. 901-922; Butler, M., *August and Rab A Memoir* (London: Wiedenfeld and Nicolson, 1987); Pearce, E., *The Lost Leaders* (London: Little, Brown and Company, 1997). See also memoirs by Macmillan and Butler: Macmillan, H., *Riding the Storm, 1956-59* (London: Macmillan, 1971); Macmillan, H., *Pointing the Way, 1959-61* (London: Macmillan, 1972); Macmillan, H., *At the End of the Day, 1961-63* (London: Macmillan, 1973); Butler, R. A., *The Art of the Possible* (London: Hamish Hamilton, 1971)

<sup>47</sup> Ramsden, *The Making of Conservative Party Policy*, p. 191

<sup>48</sup> Barnes, in Seldon and Ball, *A Conservative Century*, p. 345

chosen because it was an issue of long-standing importance to the Conservative Party and raises questions about the extent to which Conservative ministers were reluctant to relinquish old political loyalties in order to embrace change.

Second, this study restricts itself to views and actions of Cabinet ministers and their senior advisers. This is not to claim that a focus on elites in power is the only way to study agriculture in the first application, but rather that, for the purposes of this study, it is a means by which policy evolution may be best analysed. This is because the re-opening of the idea of closer ties with Europe, after the failure of the FTA in 1958, was very much a top down initiative, in which Macmillan attempted to ease Britain into the EEC through Cabinet decisions rather than employ a national campaign to educate and convince public opinion.<sup>49</sup>

Criticism could be made that this ignores the evidence of party political activity below elite level. However, reference will be made to pressure groups lower down the political process as and when necessary to maintain an in-depth analysis. In particular there will be a close scrutiny of the role of the NFU because historians have considered that this pressure group had substantial influence over agricultural policy at the time of the first application. This study disputes the nature of this influence arguing for a more nuanced view of the NFU's role.

With a focus on one single issue, it might be argued that this is a narrow case study. This is not so because analysis will be broadened in three ways. The agriculture issue will be clearly set within the general conduct of the negotiations as a whole, in both Brussels and London. It will make references to wider defence and security issues. Finally, food prices, the cost of living, and manufacturers' interests in keeping wages low, all linked agricultural production to the wider national economy. Therefore, although it has a political focus this study will be underpinned by analysis of the economic issues.

As the historiographical review has shown, the NFU influence upon the general direction of policy is considered to have waned after 1957 and this study agrees with historians who argue that by 1961 the NFU did not have quite the clout it had in earlier years. Thus, it is necessary to look for other sources to account for the failure to settle agriculture early in the course of the negotiations with the Six. It is the argument of this study that agriculture was a problem not primarily because of the

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<sup>49</sup> Tratt, *The Macmillan Government*, pp. 190-3



economic difficulties it presented but mainly because the first British application came too early in the development of Cabinet attitudes towards the EEC to succeed.

Fitting into a national political approach to European integration studies, this research focuses on the strategy and tactics of the Macmillan government on the London side of the negotiations with the Six. The primary focus is on relations between the Macmillan Cabinet, the parliamentary Conservative Party, MAFF and the NFU, in order to develop the idea that serious problems in the agricultural negotiations came from party politics at the very top of government. This study is about *what* senior ministers thought about Macmillan's European policy in relation to agriculture, *how* they reacted to the objectives of other ministers, *where* their personal ambitions and rivalries impeded policy formation, and the cumulative impact of these aspects on the agricultural negotiations and the application as a whole.

Existing studies have neglected the fact that government policy is never made in a political vacuum and is always subject to political principles, personal ambition and party in-fighting. This study offers a distinct approach, tracing the way in which policy issues are always subject to distortion by political actors and party dynamics. It will offer a new political version of the British side of the first application.

## **Plan**

The study is organised in a chronological fashion. There are two exceptions. Chapter One sets the scene, in a descriptive fashion, looking at the attitude of successive Conservative governments through the 1950s towards including agriculture, first, in moves towards trade liberalisation, and second in closer arrangements with the nascent EEC. It briefly describes the British system of agricultural support and ends with a survey of the foreign and defence context in 1961. The first part of Chapter Four is written in a descriptive manner to highlight the economic and commercial arrangements of the Common Agricultural Policy (CAP) and the implications for the British system of agricultural support.

Chapter Two describes how Soames, one of the most pro-European ministers in Cabinet, was prepared to make radical changes in agricultural policy to help Macmillan develop strategies and tactics for a first application to the EEC. However, it shows that a mixture of domestic factors prevented Soames from executing policy as he had anticipated. Chapter Three opens with an account of the depth of opposition

Macmillan faced in Cabinet, drawing on the antecedents of ministers' attitudes and the way in which Cabinet colleagues saw the agricultural issue. This chapter also looks at the position of the NFU in the latter part of 1961, showing how it came to a secret agreement with MAFF to give the government an easy run in the first part of the negotiations in Brussels. Chapter Four describes the CAP then goes on to show how ministerial attitudes and political in-fighting prevented a rapid British response. Chapter Five shows that despite the best efforts of the NFU, it did not have the power that is currently attributed to it and that it was MAFF who directed opposition to the policies of the Six mid-summer, 1962. It also describes how Butler gained in power and influence from a botched Cabinet re-shuffle. In addition, this chapter also demonstrates how closely Macmillan and Butler were linked to the agricultural issue through personal pledges to horticulturalists. Chapter Six develops the idea of a change in the dynamics of ministerial attitudes after a mini revolt in Cabinet. In a generally worsening domestic context, with the government beset with criticism on all sides, ministers became increasingly prone to use the agricultural issue to express general unease about the way in which the negotiations were turning out. At the same time ministers began to look at alternative options other than membership of an inward looking EEC. Chapter Seven closes the thesis by pointing to the way in which Macmillan was drawn ever closer to the views of Butler and Soames, acknowledging that the pressure of backbenchers meant that there was very little the government could do to give the concessions the Six were asking for. It makes a close analysis of agricultural policy at the time de Gaulle's veto and argues for a very new perspective on Cabinet views towards concessions to ensure a successful conclusion to the negotiations with the EEC.

## Sources

This research draws upon seven different types of source.

First, official government records in The Public Record Office at Kew, (now known as The National Archives) form the single largest source of material. The MAFF records were used extensively. These records were chosen because they have been consulted to only a very limited extent by academics. MAFF Private Office Files (MAF 393 series), ministerial files (MAFF 255 series), and the External Relations Division (MAFF 379 series), provided abundant amounts of new data. This

research also looked at the relevant MAFF technical files (for example pigmeat in MAFF 207 series) to check economic aspects. The MAFF 379 series was used comprehensively with over one hundred and eighty seven weighty files which included MAFF379/81, an unused record of the meetings of MAFF's Common Market Steering Group (CMSG), which guided MAFF's position throughout the course of the negotiation.

MAFF documents proved a rich source of commentary on the more widely used Cabinet (CAB) and Prime Minister's Office (PREM) documents. Evidence from MAFF files was compared with the whole run of CAB and PREM documents for the period of the negotiations. Particular attention was paid to the CAB 134 series which record the meetings of the Common Market Negotiating Committee (CMNC) at ministerial level chaired by Butler. This Cabinet committee was critically important in the process of policy formation on the London side so it was essential to contrast these files with aspects discovered in MAFF files. The whole of the PREM series for this period was surveyed and little used files, particularly relating to the personal opinions and advice given by Frederick Bishop, former Principal Private Secretary to Macmillan and subsequently Deputy Secretary at MAFF and chairman of MAFF's CMSG, the significance of which has been overlooked, were discovered,.

Some Foreign Office (FO) and Treasury (T) documents were used. One particular set of FO files was extensively used and this was the set of private papers of Butler, which included papers relating to 1961-3. They gave two crucial new insights. On the official side this research unearthed the records of the Common Market Steering Group at Official level [CMN(SC)(O)]. These were briefly referred to by Milward but this research used the whole set of records and found them immensely valuable for the analysis of the process of decision making in the formation of the initial negotiating briefs.

Finally there are four official histories of the negotiations. They comprise two by the FO, one by the Treasury and a little known but comprehensive account in a MAFF file, MAF 379/187.<sup>50</sup>

Second, this study consulted government publications of the time. These included the Agriculture Acts of 1947 and 1957, which provided the statutory framework for agricultural policy, records of the House of Commons Select

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<sup>50</sup> This MAFF account is to be published in 2010 edited by Sir Michael Franklin

Committees on Agriculture, government White Papers, and Hansard, the record of debates in the House of Commons. For details of these, reference should be made to the relevant appendices.

A third source was the archival records of agricultural pressure groups, the NFU, the CLA and the NUAW. The latter two may be found in the Rural Centre, University of Reading. They are slight and merely confirmed attitudes already known. In contrast the NFU archive, 1945-72, by kind permission of the then NFU secretary, was widely consulted at their then headquarters in London. The author had permission to photocopy extensively and these documents may now be the only existing record because it is understood that the recent move of NFU's central offices from London to Stoneleigh, Warwickshire, caused the loss of some of the archive. The NFU archives had some personal memos and many series of formal minutes of the meetings of the President's Committee, the chief policy making forum. One lucky find was that 'British Farmer', the NFU's official magazine, upon close perusal, contained reports of the NFU Council meetings of the time. This was where the less senior representatives of the NFU would voice their often trenchant opinions. This proved a good source for gauging the type of support the NFU President enjoyed and the nature of the problems he encountered with members. It was invaluable to contrast this with what the NFU were saying in public about members' attitudes. In addition, it was known at the time that there was some conflict in attitudes between the Scottish National Farmers' Union (SNFU) and the English and Welsh union based in London. To explore this aspect the author went to Edinburgh and consulted what is left of the SNFU archives. Again much of what was available has now been lost but the author was fortunate to be offered the help of a former Chief Economist and General Secretary of the SNFU (see below). To sum up, the NFU records enabled the research to pinpoint junctures at which NFU decisions were taken, attitudes that were held privately by the leadership and conflicted with what was stated publicly, and the relations between leadership and members. This has been invaluable in calculating the new version of the role of the NFU.

The use of interviews was a fourth major source. It was judged that the opportunity should be taken to interview significant protagonists in order to use their accounts to supplement official papers. To provide balance both government and non-governmental participants were interviewed and provided personal testimony to some facts and interpretations that could never be gleaned from government records.

A list of interviewees is appended. The list shows that it was possible to secure accounts from a senior level on the official side of the Delegation down to more junior officials, and from the top of the policymaking structure within the NFU. Four individuals may be singled out; Eric Roll for his seniority on the Delegation to Brussels, Michael Franklin for his seniority within the Ministry of Agriculture, and Michael Strauss and David Scott Johnstone for their knowledge of the way in which the NFU worked and the personalities at the top of the NFU. Personal recollections were also derived from an Institute of Contemporary British History conference the author was privileged to help organise and at which she presented a short paper. The Conference was attended by former representatives of the British Delegation, British diplomats in Paris, the European Commission, MAFF officials and British agriculturalists. A record of the Conference is held by the Institute under the name of Michael Kandiah.

Fifth, private papers formed a very important source. Five sets were extensively used; the Macmillan Diaries in the manuscripts section of the Bodleian Library at Oxford, records by Butler at Trinity College Library, Cambridge, Michael Franklin's Diary at Churchill College, Cambridge, Patrick Reilly's memoirs at The Bodleian Library, Oxford, and recollections by Christopher Soames, by kind permission of Churchill College, Cambridge. In addition to these private papers, written communications and telephone conversations were conducted with a wide number of those involved with the first application and the relevant appendix should be consulted. The Conservative Party Archive was not used because, whilst the papers would have been useful, it was felt that a secondary source on the Conservative Party would be more than adequate because of its detailed analysis.<sup>51</sup> In addition, it was considered that biographical details were more relevant for this study than discussion on policy (which was covered in government records) and these were to be found in secondary sources.

Sixth, there was extensive reference to the political and agricultural press of the time. All copies of 'British Farmer', 'The Farmers' Weekly', 'Farmer and Stockbreeder', for the whole run of the negotiations were consulted. These were extremely valuable in giving colour and meaning to what appeared at first the very

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<sup>51</sup> Crowson, *The Conservative Party*, particularly the introduction, Ch.1, Ch.3, Ch.5, Ch.6

dry details of agricultural policy. In addition, 'The Times' and 'The Economist', for the period of the negotiations, were used.

Finally, seventh, a large number of biographies and memoirs were contrasted with each other to trace the views expressed by ministers in private. Although they need to be treated with caution, and some are so obviously hagiographic that they must be discarded, on the whole most provide a useful and credible source of individual ministers' pre-occupations that is not to be obtained from other sources.

It should be noted that the Soames papers remain, as far as the author is aware, un-catalogued at the time of writing. This accounts for the sparse references in the footnotes. The Soames papers were made available to the author by the kind interest of a member of the Soames family. The author is not at liberty to divulge the name or identity of this person. The footnote reference was chosen by this person, as a condition of viewing the papers. The author is satisfied that the papers were completely *bona fide* and must respect the wish for privacy. It was made clear that any subsequent approach to see the papers should be directed in the first instance to Churchill College, Cambridge.

## Chapter One

# European Integration, Agriculture, Foreign and Defence Policy, 1945-61

This chapter describes the way in which agriculture was a problem in relations between Britain and Europe in the 1950s, the structure of the British agricultural support system, and the international context, 1945-50. This setting the scene is necessary to understand the technical, economic and defence strands underlying the political decisions.

### Section One

#### **Agriculture and Europe in the 1950s**

Milward describes the tensions within Europe, in the late 1940s, early 1950s, as the drive for the liberalisation of trade and commerce coupled with the multifaceted ideals of European politicians who wished to create a supra-national structure to bind West Europe into a political entity.<sup>1</sup> The important point for this study is that both economists and those who approached European integration from a more political and idealistic perspective, were agreed that a customs union or an economic community would have to include agriculture as well as manufacturing and industrialised sectors. The aim of the Six was not merely to remove obstacles to trade such as tariffs, but to provide a positive impetus towards integration of national commerce and industry. Without the inclusion of agriculture, prices and competition across Western Europe would be distorted and common policies difficult to maintain. However, it must also be understood that objectives were not clear cut and that there were many areas of disagreement both within and between individual countries. Thus, the opinion of the British Foreign Office idea, that conflicting views would prevent European integration, was a credible position in the immediate post-war years, although this analysis was maintained for far too long.<sup>2</sup>

In 1950, Richard Schuman, French Foreign Minister, gave his name to a French inspired plan to found a supranational organisation to oversee European

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<sup>1</sup> Milward, *The European Rescue*, pp. 318-344

<sup>2</sup> Onslow, S., *Backbench Debate within the Conservative Party and its Influence on British Foreign Policy, 1948-57* (London: Macmillan, 1997), p. 225

production of coal and steel and it was in the negotiations for the creation of the ECSC 'the Six' (France, Germany, Italy, Belgium, Luxembourg and the Netherlands) first became a visible group within Western European politics.<sup>3</sup> In the years between 1950 and the Treaty of Rome, there were several false starts on the way to developing integration in Western Europe.<sup>4</sup> After the failure of the discussion for a European Defence Community (EDC), in which integration was discussed in terms of military and security developments, the Six turned to the idea of integration through a customs union. The foreign ministers of the Six met at Messina in 1955 and declared their intention to create a customs union which would progress towards economic and social co-operation, and to set up a European atomic energy authority. The Spaak Committee (named after the Dutch foreign minister) took these proposals forwards and negotiations finally concluded in the signing of the Treaties of Rome, March 1957, including the creation of Euratom.<sup>5</sup> As Kaiser points out, the ideas of the Six in the mid-1950s were very different to British ideas, which were limited strictly to intergovernmental co-operation.<sup>6</sup> He describes the creation of the EEC and Euratom as a 'revolt' against British ideas for the future of Western Europe.

Turning now to agriculture, it is clear that throughout the years before the Treaty of Rome there was discontent amongst national diplomatic and economic departments with the way in which the Organisation for European Economic Co-operation (OEEC) regulated agricultural trade. The OEEC's Food and Agriculture Committee (FAC) was dominated by the interests of farmers who were supported by national Ministers of Agriculture. These vested interests proved inimical to trade liberalisation in the agricultural sector.<sup>7</sup> For example, in 1951 a series of study groups independent of the auspices of the OEEC, known as the 'Green Pool', discussed means by which obstructionist attitudes could be tackled.<sup>8</sup> The 'Green Pool' revealed large differences between countries, including disagreement over the devices (quotas, removal of tariffs, price levels) to liberalise trade and how to protect farm incomes once liberalisation occurred. The proposals that emerged from 'the Green Pool' proved highly protectionist of agriculture and reflected farmers' and Ministers' of

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<sup>3</sup> Ludlow, *Dealing*, p. 13

<sup>4</sup> Kaiser, *Using Europe*, p. 23

<sup>5</sup> *Ibid.*, p. 24

<sup>6</sup> *Ibid.*, pp. 25-7

<sup>7</sup> Milward, *The European Rescue*, p. 301

<sup>8</sup> Ritson, C. and Harvey, D. R., *The Common Agricultural Policy* (Oxford: CAB International, 1997), pp. 11-19; Milward, *The European Rescue*, pp. 224-318



Agriculture continued preference for national solutions.<sup>9</sup> One academic has described attempts at a radical re-organisation of agriculture in these years as a risible failure.<sup>10</sup>

However, as Milward points out, the great boom in trade of all kinds, 1954-7, meant that the entrenched interests of agriculturalists could not be maintained indefinitely if they proved an obstacle to objectives in European industrial sectors.<sup>11</sup> After the Messina Conference of European foreign ministers, 1955, three years were set aside for Ministers of Agriculture to find compromises and Sicco L. Mansholt, former Dutch Minister of Agriculture, became the European commissioner for agriculture. In a meeting at Stresa, July, 1958, ministers failed to shape a common agricultural policy and it was left to Mansholt and his advisers to go on with the process on behalf of the European Commission (the body charged with proposing policy to the Council of Ministers), in consultation with national interests.<sup>12</sup> Throughout these years, the one constant factor in agricultural policy was the dynamic character of Mansholt and it was Mansholt who consistently argued that Western Europe needed to develop a common market with supranational elements for the management of European agriculture.<sup>13</sup>

The Treaty of Rome, 1957, (founding members, France, West Germany, Italy, Holland, Belgium and Luxembourg) was based on two 'pillars,' a common market, which would break down barriers to trade and begin the integration of national economies, and Euratom, the development of joint nuclear energy projects.<sup>14</sup> These two areas of policy would involve adjustments to national legislation, the development of common rules and institutions, and unity in the face of relations with third countries.<sup>15</sup> Whilst a doctrinaire emphasis was avoided a supra-national element was implicit in these arrangements and the wording in the Treaties. Although there was disagreement over the details of a future common agricultural policy, there was unanimity that agriculture was a key aspect of trade, commercial and economic ties between member states.

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<sup>9</sup> Milward, *The European Rescue*, pp. 295-300

<sup>10</sup> *Ibid.*, pp. 301-5

<sup>11</sup> *Ibid.*, p. 306

<sup>12</sup> *Ibid.*, p. 313

<sup>13</sup> *Ibid.*, pp. 302-3

<sup>14</sup> Camps, *Britain and the EC*, p. 65

<sup>15</sup> Deniau, J. F., *The Common Market Its structure and Purpose* (London: Barrie and Rockliff, 1960), pp. 6-7, pp. 49-54

In the years following the Treaty of Rome the Conservative government attempted to respond to new trade patterns, consequent upon the creation of the EEC, with a series of Whitehall plans. Plan G was eventually adopted, focusing on an industrial free trade area which excluded domestic agriculture and British trade with Commonwealth producers of temperate food. Kaiser argues that the Free Trade Area, Plan G, was a pragmatic concept to minimize the economic dangers of exclusion from the EEC and that Macmillan saw it as a way of maintaining Britain's world power.<sup>16</sup> However, Ellison is the more authoritative on the FTA negotiations, and he concludes that British policy was a sophisticated strategy, designed to complement the Common Market, although he admits that for some in London it was intended as an attempt to supplant the EEC. His four other conclusions, that the FTA was securely founded in traditional British attitudes, that the approach confirmed British priorities to be very much extra-European, that it exposed the incompatibility of attempting to tilt toward Europe whilst maintaining traditional policies, and finally that the FTA failed before their termination by de Gaulle, December, 1958, could all be warnings for the future of the first application.<sup>17</sup>

What the FTA negotiations, 1956-8, did reveal was that Britain could not hope to come to closer trading arrangements with the EEC whilst it maintained its insistence on the exclusion of agriculture from liberalisation. That it would be impossible to exclude agriculture in future negotiations was clear in the signing of the Stockholm Convention, November, 1959, which established a British inspired free trade area with no common external tariff (CET) and excluded agriculture. However, to conclude this treaty Britain was forced, after consultations between MAFF and the President, Sir James Turner (later Lord Netherthorpe), to concede a special quota for Danish farmers.<sup>18</sup> Tratt argues that the formation of EFTA, whose members included Britain and six West European countries (the Seven) who were not members of the EEC, was 'a halfway house,' negotiated by Britain as a safeguard to prevent bi-lateral arrangements with the Six and Ludlow adds that it was to strengthen the collective bargaining of the Seven in any negotiations with the Six.<sup>19</sup> At the time it was clear the EFTA was not a long term solution and that it would be difficult to maintain special arrangements for agriculture indefinitely.

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<sup>16</sup> Kaiser, *Using Europe*, p. 87

<sup>17</sup> Ellison, *Threatening Europe*, pp. 222-3

<sup>18</sup> Bromund, 'From Empire to Europe', pp. 205-213; Lieber, *British Politics*, pp. 83-6

<sup>19</sup> Tratt, *The Macmillan Government*, pp. 51-4; Ludlow, *Dealing*, p. 31

By 1960 the pace of integration in industrial and manufactured goods within the EEC had not been matched by agreement at ministerial level for the future incorporation of agriculture. The Six wished to off load national policies to a European organisation but it had proved difficult to reconcile national differences and opposition by national farmers' organisations.<sup>20</sup> Knudsen provides an in-depth study of the problems the Six encountered in the development of a common policy for agriculture and emphasises that German farmers were most critical of the proposals made by Mansholt and the European Commission, whilst she could find no evidence to support the claims of earlier historians that the French government dominated the negotiations between the Six.<sup>21</sup>

It is generally agreed however, that after the return of Charles de Gaulle to power, in 1958, France presented particular problems for British closer ties with or membership of the EEC. Ellison quotes the French President's memoir to show that de Gaulle decided to put an end to the FTA talks in 1958, because they 'were calculated to submerge the Community of the Six at the outset in a vast free trade area together with England and eventually the whole of the West.'<sup>22</sup> At the root of this attitude historians discern de Gaulle's view that French national greatness could be enhanced by leadership of the EEC and that the British were a threat to French national aggrandisement.<sup>23</sup> De Gaulle was a formidable opponent, fully capable of maintaining ties with the German government, whilst opposing policies the Germans supported; Ellison describes how de Gaulle managed this in 1958, despite Germany's support for the British FTA proposals.<sup>24</sup> In the first years of the 1960s, Macmillan was keen to take advantage of de Gaulle's vision of an inter-governmental EEC, with power based firmly in national not supranational institutions, to make an application to an EEC. He recognised however, that whilst de Gaulle's views on inter-governmentalism made the EEC a more attractive option to British eyes, de Gaulle's attitude to British membership could prove a stumbling block to membership.<sup>25</sup>

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<sup>20</sup> Knudsen, A. C. L., 'Defining the Policies of the Common Agricultural Policy. A Historical Study', European University Institute, Department of History and Civilisation (2001), pp. 72-147

<sup>21</sup> Knudsen, 'Defining the Policies', pp. 220-4; for opposing view see Moravcsik, A., 'Between Grain and Grandeur: The Political Economy of French EC Policy, 1958-1970 (Part 1)', *Journal of Cold War Studies*, Vol. 2, No. 2 (Spring 2000), pp. 3-43

<sup>22</sup> Ellison, *Threatening Europe*, p. 219

<sup>23</sup> *Ibid.*, p. 219 (Ellison cites Lacouture, *De Gaulle*); Mangold, P., *The Almost Impossible Ally Harold Macmillan and Charles De Gaulle* (London: I. B. Tauris and Co. Ltd., 2006), p. 154

<sup>24</sup> Ellison, *Threatening Europe*, p. 219

<sup>25</sup> Turner, *Macmillan*, p. 220; Milward, *The Rise and Fall*, pp. 336-8, pp. 292-3

In late 1960, early 1961, an EEC which had prospered and developed in 'honeymoon' years, presented a challenge to existing world trade and international relations.<sup>26</sup> For Britain, with an economic crisis looming, the success of the EEC suggested a dynamic that would threaten the UK's political and economic future.<sup>27</sup> In particular, changes to traditional ways of doing British business appeared to be out of British control. GATT agreements barred the expansion of existing preferences (such as Imperial Preference) and it was unrealistic for right wing British politicians to hanker after some kind of Commonwealth Free Trade Area.<sup>28</sup> As Macmillan lamented in 1963, if there had been this chance it would have been grasped long ago.<sup>29</sup>

## Section Two

### **The British System of Agricultural Support**

The British system of agricultural support was comprehensive, detailed and underpinned by legislation throughout the post-war period. It was a relatively generous system of support from public funds to which a generation of farmers had become accustomed. Throughout the 1950, Cabinet ministers, backbench members of parliament, MAFF, and the NFU ensured that the agricultural issue was a highly politicised issue, which lead successive Conservative governments to acquiesce in a system of support that was increasingly seen as outdated by many Whitehall officials and political commentators.<sup>30</sup> This last is an important point because, as Chapter Two will show, it proved the basis of some exciting proposals by the new Minister of Agriculture, Christopher Soames, in 1960-1.

Although the details of British agricultural policy changed, 1945-60, the overarching premise behind British arrangements for domestic agriculture did not. Government strategy was to maintain a prosperous domestic agricultural sector whilst allowing a large share of food supplies to come from overseas producers. This policy of importing over 50% of its annual food intake was linked to British world trade flows, particularly relations with the old Dominions, Canada, Australia, and New Zealand, and to the way in which the Sterling Area (with the pound used as a reserve

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<sup>26</sup> Ludlow, *Dealing*, p. 26

<sup>27</sup> Turner, *Macmillan*, pp. 212-3

<sup>28</sup> Kaiser, *Using Europe*, p. 39

<sup>29</sup> BOD MS Macmillan, Dep. 48, 4.2.63

<sup>30</sup> PRO MAF 255/431 Farm Price Review Committee, 30.11.60

currency) underpinned ties with the Commonwealth world-wide.<sup>31</sup> It was also the way in which Britain maintained prosperity and status in the post-war world.<sup>32</sup> In contrast, European integration proposed the evolution of a trading *bloc* with ties between members which would over-ride pre-existing loyalties and commercial patterns, entailing a common external tariff against non-members, preferential treatment of members in trade arrangements, and a range of competition rules to create common prices and production costs.<sup>33</sup>

The British system of agricultural support grew out of the wartime experience, 1939-45, and was designed to suit a country with a small percentage of labour employed in farming in relation to the working population as a whole.<sup>34</sup> Britain's farming sector was 4.1% of the working population compared with 26% in France, 17% in Germany, 12% in the Netherlands, 32% in Italy, 10% in Belgium.<sup>35</sup> Percentage of Gross National Product (GNP) illustrates the comparative efficiency of British agriculture; UK 4.2% of GNP, France 14% GNP, Germany 7% GNP, Netherlands 10% GNP, Italy 21% GNP, Belgium 7% GNP. Only Belgium and the Netherlands came anywhere near to match the British.<sup>36</sup> However, what these figures mask was that in a comparison of the ratio of price support, British farmers enjoyed 24% support on average compared to 18% in Germany, 15% in France and 14% in Italy.<sup>37</sup> Thus, it was a generous system in comparison with European models.

The 1947 Agriculture Act was the legislative basis of the British interventionist support system, with Whitehall officials in MAFF working in tandem with producers' representatives, principally the NFU, in the formation and execution of policy. Over the 1950s the support system was bolstered by further legislation covering all aspects of agricultural production. At the centre of the British system was the annual review and government could not make policy without prior consultations with the NFU and other farming representatives. Other Western European countries had legislative arrangements, such as the German Green Law, but the British system was the most unified and comprehensive.

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<sup>31</sup> Milward, *The Rise and Fall*, pp. 172-4

<sup>32</sup> *Ibid.*, p. 274

<sup>33</sup> See Chapter 4 for in-depth analysis of CAP.

<sup>34</sup> McCrone, *The Economics of Subsidising Agriculture: A Study of British Politics* (London: Allen and Unwin Ltd., 1962), p. 23; Knudsen, 'Defining the Policies', p. 209

<sup>35</sup> McCrone, *The Economics of Subsidising*, p. 24

<sup>36</sup> *Ibid.*, p. 24

<sup>37</sup> *Ibid.*, pp. 51-2

The annual review, lasting throughout the autumn of each year, consisted of a series of consultations between MAFF and the NFU, based on statistics (produced by both MAFF and the NFU), and a set formulae within which the eventual agreement was communicated.<sup>38</sup> This statistical exercise was taken to Cabinet by the Minister of Agriculture and it was at this point that political bargaining within Cabinet determined the final decisions on the level of payments for the following year.

Within the annual review system there were various mechanisms by which agriculture was supported and for the purposes of this study the support mechanisms may be briefly described under four main headings. First, guaranteed prices in the market place were supported by deficiency payments which gave the farmer a stability that would not be offered by the type of managed market the Six proposed to adopt. A deficiency payment was calculated on the difference between the amount the farmer obtained for his product in the open market and the price that the government had guaranteed for a certain period.<sup>39</sup> Second, production grants were as prominent a factor in the UK system as price guarantees.<sup>40</sup> In 1960-1 farming income derived as much from production grants as guaranteed prices (£105.9m in guaranteed prices and £152.5m in production grants).<sup>41</sup> The shift in support from guaranteed prices to production grants had been deliberate government policy from 1955-60 and was intended to promote efficiency, although some of the subsidies acted as little more than direct income support.<sup>42</sup> For example, in certain regional areas where production conditions were onerous, the calf subsidy was a lifeline to smaller farmers. In strict economic terms this maintained inefficient units of production but in terms of social benefit to a particular region it could be argued that this was cost effective. This was particularly important in peripheral regional economies where other avenues of employment were not readily available, for example, in Northern Ireland, the Highlands of Scotland, the South West or Western Wales and where the government faced movements of national independence.<sup>43</sup> Third, Marketing Boards covered various commodities, eggs, potatoes, wool, hops and milk.<sup>44</sup> Based on the Marketing

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<sup>38</sup> Interview with Strauss

<sup>39</sup> Winniffrith, *The Ministry of Agriculture*, pp. 43-5

<sup>40</sup> *Ibid.*, pp. 43-5

<sup>41</sup> HMSO Cmnd. 1311 Annual Review and Determination of Guarantees, 1961

<sup>42</sup> PRO MAF 255/1225 Small Farmer Scheme, 4.7.60

<sup>43</sup> Madgwick, P. and Rose, R. (eds.), *The Territorial Dimension in United Kingdom Politics* (London: Macmillan, 1982), pp. 9-33

<sup>44</sup> Marsh, J. and Ritson, C., *Agricultural Policy and the Common Market* (London: Chatham House, 1971), p. 95

Act of 1931, these were producer governed boards with statutory rights that enabled farmers to counteract the interests of powerful food traders and middle men. These boards operated in a quasi-monopolistic fashion, the most powerful being the Milk Marketing Board.<sup>45</sup> One of the traditional aims of the Milk Marketing Boards was to protect the profitable liquid market from the unprofitable market in manufactured dairy products in which imports from overseas (particularly New Zealand) undercut domestic producers.<sup>46</sup> There was nothing similar in the EEC.

Fourth, British support for horticulture was an historical anomaly. In 1947 the government of the day had chosen to retain tariff restrictions at the national border rather than employ guaranteed prices.<sup>47</sup> This meant that horticulture did not enjoy commensurate amounts of capital input given to agriculture in general over the 1950s and consequently was less modernised and competitive than the agricultural sector. The 1947 Agriculture Act had stipulated that horticulture should enjoy support equal to agriculture and thus by 1960 the horticultural sector could argue that legislative promises had not been fulfilled should the tariff be revoked without compensatory measures during a transitional period.<sup>48</sup> Without the tariff the British horticultural sector expected to face severe difficulties in the EEC from competitors who enjoyed lower cost inputs such as cheaper labour and a longer, warmer growing season. The fact that horticulturalists tended to be grouped in areas geographically conducive to crop production, often near to urban centres, meant that they had political clout. In addition, behind the UK tariff, horticulture was an extremely profitable side of the agricultural sector in terms of profits compared to the ratio of land employed. The loss of horticultural markets to European competitors would mean an aggregate loss to the British agricultural sector as a whole, something MAFF, with its focus on the efficiency and profitability of national sector, was anxious to avoid.<sup>49</sup>

The British system was devised to increase unit production across a range of commodities and this led to an across the board application of support and subsidies to ensure larger farmers modernised and increased the benefits of economies of scale. It would be fair to say that whilst the UK system was a safety net for the smaller farmers, larger farmers benefited to a greater extent because the system was based on

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<sup>45</sup> Butterwick, M. and Neville-Rolfe, E., *Food, Farming, and the Common Market* (London: Oxford University Press, 1968) p. 67

<sup>46</sup> Self and Storing, *The State and the Farmer*, p. 90

<sup>47</sup> Interview Strauss

<sup>48</sup> NFU Archive Cyclo Econ. R. 204/2819/61, Letter from Woolley to Minister of Agriculture, 8.11.61

<sup>49</sup> Butterwick and Neville Rolfe, *Food, Farming, and the Common Market*, pp. 199-207

unit costs across the board and in addition, the holding of agricultural land gave certain tax reliefs on unearned income and meant that government support went to some of the richest and most powerful in the land.<sup>50</sup> Disparities within the agricultural sector meant that a large percentage of British farmers could face hardship if the CAP altered the terms of agricultural support. Despite the overall prosperity of the British agricultural sector as a result of technological developments funded by government investment in the sector, there was a wide divergence in returns to individual farming enterprises. By 1960, there was an upper 20%, the 225,000 commercial farms that earned on average three and a half times more than those in the lower 80%.<sup>51</sup> These top 20% of farmers were able to compete on equal terms with any in Europe; they had high standards of education, available capital to invest, go-ahead younger men growing up in the business with new ideas of how manage change, and large holdings of good quality land which could be adapted to varied agricultural enterprises or specialization.<sup>52</sup> On the other hand MAFF classed 80% as smaller farms still in need of improvements to promote efficiency and it was these farming enterprises that faced potential difficulties should Britain alter its system of support upon entry to the EEC.<sup>53</sup>

From the national economic perspective the biggest disadvantage of the British system was its open ended nature. The risk to the Treasury was that in theory there was no limit to the financial commitment of the Exchequer if UK prices fell consequent upon surpluses in world markets. Britain imported substantial quantities of temperate food from non-EEC countries, such as the US, Argentina, Denmark, the Irish Republic and Poland and the British market was susceptible to ‘dumping,’ (the import of products at prices much lower than domestic producers could sell for) and a consequent rise in expenditure due to higher deficiency payments. This was one of the main reasons for Treasury criticism of the British system at the beginning of the 1960s.

The other face of the agricultural industry was the interest of the consumer. In preparations for the negotiations the government gave due weight to the consumer when it said that it was looking for ‘... a transitional period to give our farmers time

<sup>50</sup> CAB 129/107 C(61)211, memo by chief secretary to the treasury, 8.12.61

<sup>51</sup> Ashton, J., and Cracknell, B., ‘Agriculture in England and Wales’, *Journal of Agricultural Economic Science*, Vol. 14, No. 4 (December 1961)

<sup>52</sup> PRO MAF 393/36 Permanent Secretary’s files, 2.5.60, 13.6.61

<sup>53</sup> PRO MAF 255/1227 Zuckerman Report for the Ministry of Science, 26.7.60; PRO MAF 379/155 Analysis of the reasons behind UK farmers’ apprehensions, point 7, 14.3.62



to adjust to new conditions and to permit increases in food prices to the consumer to take place gradually.<sup>54</sup> Nevertheless, it should be noted that to a large extent MAFF was captured by the interests of the suppliers of foodstuffs, whilst the consumer interest, in 1961-3, was much less prominent in official planning.<sup>55</sup> After the amalgamation of the Ministry of Food with the Ministry of Agriculture, mid 1950s, the consumer interest was often subsumed under the interests of agricultural producers. In addition, where MAFF officials did consider food (as opposed to farming), there was an inclination to view the issue through the eyes of agencies (in addition to farmers) on the supply side; importers, wholesalers, retailers, where powerful business leaders, such as the millers and bacon manufacturers, enjoyed close personal working relations established with MAFF in wartime conditions.<sup>56</sup> As a result, the issue of food prices for the consumer which, as Crowson points out, was to be a central difficulty in later British applications, was regarded as less pressing by MAFF officials, 1961-3, than the needs and pressures of the farming interest.<sup>57</sup>

Nevertheless, the issue of food prices could be described as a potential danger because the NFU tended to use the threat of higher retail prices in the early days of 1961, when it wished to criticise the idea of a European agricultural policy. However, there were limits to how far this tactic would be successful if the data could not sustain the argument. In May, 1961, *The Economist*, by and large a pro-entry publication (and a consistent and regular critic of the NFU), quoted Colin Clarke, Director of Agricultural Economic Research Institute at Oxford, who concluded that in the total package of food production, there might be a maximum of 1-2% higher food prices.<sup>58</sup> The Agricultural Economics Research Institute at Oxford was one of the few institutions commenting on agriculture independently of MAFF financial support so its opinion is the more valuable than say that of provincial agriculturalists who were financed by MAFF and needed to keep in farmers' good books in order to acquire data.<sup>59</sup>

When politicians wished to consider the consumer interest, they faced difficulties of assessment; the level of price rises, calculated by MAFF and other

<sup>54</sup> PRO CAB 134/1511 Frank Lee (T) note by chairman of CMN[O]SC based on General Brief on Agriculture [CMN(61)6], 26.10.61

<sup>55</sup> Milward, *The Rise and Fall*, p. 421

<sup>56</sup> PRO MAF 393/35 Permanent Secretary's files, 17.6.60; Interviews with Roll and Hicks

<sup>57</sup> Crowson, *The Conservative Party*, p. 117

<sup>58</sup> *The Economist*, 27.5.61

<sup>59</sup> Allen, 'The National Farmers' Union, part I', pp. 261-5

Whitehall departments such as the Treasury and Board of Trade, varied considerably because in 1961-2 the Six still had to set the level of prices of basic foodstuffs such as grain. It was likely however, that British prices would rise because existing continental prices were already higher. In addition, it was difficult to forecast how the purchasing patterns of consumers would be affected by price rises and how this in turn would affect the balance of payments. For example, the Treasury suggested that alterations in consumption patterns, consequent upon rising prices, might not occur in an affluent society and this would result in increases in imports of meat and a consequent rise in the import bill.<sup>60</sup> In January, 1962, there was a significant difference between Treasury and MAFF's estimates, reflecting the difficulties officials faced in calculating the rate of change. MAFF revised an estimate (from 1961) of £270 millions per annum costs to the national economy to the much lower figure of £70 millions, whilst the Treasury costing was £145-150 millions per annum.<sup>61</sup> The government realised the dangers higher food prices could represent in electoral terms because they would be regressive and fall unfairly on lower socio-economic groups.<sup>62</sup> There was therefore a tendency in 1961-3 for politicians, in contrast to officials, to attempt to gloss over the difficulties of higher food prices. For example, a press release by the Bow Group, a pro-entry grouping, suggested that higher foods cost consequent upon adoption of the CAP, would be offset by price falls in particular commodities, increased agricultural efficiency and a reduction in general taxation, whilst Macmillan's view was that in an affluent society the price of bread could not be a live political issue.<sup>63</sup> Milward agrees, arguing that with a background of rising incomes and almost full employment, the rise in the cost of food would be unlikely to deter ministers, and that in the first application the protection of agricultural incomes was a much more pressing political problem.<sup>64</sup>

The British public had become accustomed to low food prices and the 1947 Agriculture Act was designed so that British farmers received stable prices whilst imports of food from the Commonwealth and other third countries supplied food at

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<sup>60</sup> Milward, *The Rise and Fall*, p. 427

<sup>61</sup> *Ibid.*, p. 427

<sup>62</sup> Marsh and Ritson, *Agricultural Policy*, p. 111

<sup>63</sup> Crowson, *The Conservative Party*, p. 96; Hutchinson, *The Last Edwardian*, p. 15; see also Milward, *The Rise and Fall*, p. 427

<sup>64</sup> Milward, *The Rise and Fall*, p. 42, p. 427; for Treasury disagreement see PRO T 312/63 Clarke (T) to France (T), 25.5.61

low world prices, keeping costs to the consumer as low as possible.<sup>65</sup> In the 1950s and early 1960s, Britain was one of the largest importers of agricultural products in the world and although government bulk purchases had ceased in 1952, the Commonwealth supplier took a significant role in every item of Britain's food supply chain.<sup>66</sup> The market open to the domestic producer was restricted by the (quantitative) preferences (not in perpetuity but agreed for a fixed number of years) guaranteed to Commonwealth producers of temperate foodstuffs, Australia, Canada and New Zealand.<sup>67</sup> Other significant British suppliers of specific commodities included the Irish Republic and Argentina for meat, Denmark for bacon, the Netherlands for dairy and vegetables. The US provided sugar and grains.<sup>68</sup> In total Britain, in 1956, took about half of its food supply from the Commonwealth, a quarter from the dollar area and a quarter from Western Europe.<sup>69</sup> By 1960, changes in consumption patterns, particularly an increase in the consumption of animal products, lead to an increase in the amount of the market supplied by domestic farmers. Therefore, the British system was undergoing a degree of change whether or not it entered the EEC. However, the adoption of the CAP (unless special derogations were obtained by Britain) would mean an increase in the rate of change and a qualitative alteration to traditional trading arrangements with the Commonwealth and third countries.

The Commonwealth issue, or more precisely, the issue of temperate food produced by the old Dominions, Australian, Canada and New Zealand, was one of the underlying factors for the style of the British support system. After the Second World War, British agricultural support was dovetailed into the Commonwealth Preference system, based on the Ottawa Agreements of the 1930s, so that the government could be sure of 'such part of the nation's food as in the national interest it is desirable to produce in the UK'.<sup>70</sup> The British system resolved the conflict of interests between British and overseas farmers and benefited the national economy in four important ways. First, it provided a base from which to expand food supplies in the event of another war and in peacetime prevent a cartel of overseas producers holding British

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<sup>65</sup> Self and Storing, *The State and the Farmer*, p. 62

<sup>66</sup> Marsh and Ritson, *Agricultural Policy*, p. 108; McCrone, *The Economics of Subsidising*, p. 77

<sup>67</sup> Butterwick and Neville-Rolfe, *Food, Farming and the Common Market*, pp. 33-39

<sup>68</sup> McCrone, *The Economics of Subsidising*, p. 74

<sup>69</sup> McCrone, *The Economics of Subsidising*, p. 77

<sup>70</sup> Agriculture Act 1947 quoted in Winniffrith, *The Ministry of Agriculture*, p. 49

importers to ransom.<sup>71</sup> Second, it allowed successive governments to take advantage of regular supplies of cheap food to keep the cost of living low, wage demands to a minimum, and give UK manufacturing industries a competitive edge in foreign markets.<sup>72</sup> Third, British importers were free to buy at the lowest price whilst British farmers were protected from these low prices by the deficiency payment, and a prosperous farming industry provided resources for technological in associated industry such as tractor design and production.<sup>73</sup> Fourth, Imperial Preference gave British manufacturers reciprocal preferences in overseas markets, particularly Australia, Canada and New Zealand, in return for Britain accepting guaranteed quantities (some on long term contract, others on more *ad hoc* arrangements) of agricultural products.<sup>74</sup> This was particularly important because it shielded British manufacturers from direct competition with German exports of manufactured and industrial products and also these guaranteed markets were a basis from which to challenge German producers in European and world markets. In the post-war years a measure of the value of this system to the British trading position may be seen in the attacks made by international critics at meetings of the GATT, particularly the US.<sup>75</sup>

The NFU was at the heart of the British support system. At the time of the first British application to join the EEC, the NFU was a pressure group of over fifty years standing and the first choice of MAFF when it came to the inclusion of the farming community in the formation and administration of agricultural policy.<sup>76</sup> With a role in the policy process the NFU claimed a degree of power and influence over agricultural policy.<sup>77</sup> MAFF was convinced that when the government proposed entry to the EEC the NFU leadership was predominantly concerned with the maintenance of its position within the policy process.<sup>78</sup> In the post-war context of agricultural support this would have been entirely consistent with the interests of NFU members; government intervention in support of farm incomes meant that the NFU and the agricultural community saw close relations with government as the best way in which

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<sup>71</sup> PRO CAB 1219/92 Memorandum on Imperial Preference and the Free Trade Area, 26.3.1958

<sup>72</sup> Milward, *The Rise and Fall*, p. 173

<sup>73</sup> Butterwick and Neville-Rolfe, *Food, Farming*, p. 22

<sup>74</sup> Milward, *The Rise and Fall*, p. 173; Winnifrith, *The Ministry of Agriculture*, p. 183

<sup>75</sup> PRO CAB 129/92 European Free trade Area, 20.3.1958

<sup>76</sup> Grant, Wyn, 'The Classic Case of Incorporatism?' in Marsh, ed., *Pressure Politics*, pp. 129-143; Wilson, *Special Interests and Policymaking*, p. 34

<sup>77</sup> HMSO Agriculture Act 1947, Part One, Point 2, No. 3; Cox, Lowe, Winter, 'The Origins and Early Development of the NFU', p. 37

<sup>78</sup> PRO MAF 255/961 Minister's Policy Committee, point 3, 15.5.61

to manage and augment agricultural interests. The NFU leadership could legitimately claim to be primarily concerned to maintain good working relations with the Minister of Agriculture and MAFF officials as a tactic by which to do the best for rank and file members.<sup>79</sup>

The way in which the NFU was constituted left great power in the hands of the leader and his closest advisers. This is one of the reasons why this study argues that the NFU leadership was relatively free to negotiate deals with MAFF and government and why it was not always as virulently opposed to government policy as might appear from its public statements. This study briefly describes the organisation and ethos of the NFU in order to justify this point.

The NFU was first and foremost an employers' organisation.<sup>80</sup> Formed in 1908, it was partly a reaction to the older collectivist associations of the landowners and farm workers and there were continuities in the NFU's history, particularly the willingness of rank and file members to follow the lead of a strong NFU President.<sup>81</sup> To increase its authority the NFU leadership liked to claim it spoke for the whole of the farming sector.<sup>82</sup> With a membership of 85% of total farmers by 1960 this was a credible assertion.<sup>83</sup> By 1960 one indicator of the sophistication of the NFU in comparison with its nearest rival was its size: in 1964 the membership of the CLA totalled 38,669 with an income of £154,142, employed one professional economist whilst the NFU in 1963 with 160,000 registered members, an income of £751,628 at the London Headquarters alone plus substantial funds at county branches, employed 15 economists.<sup>84</sup>

MAFF restricted the main part of the annual review process to the NFU thus bolstering the authority of the NFU President and his closest advisers within the NFU and the agricultural community.<sup>85</sup> In addition, the internal organisation of the NFU increased the manner in which power was concentrated in the hands of the President

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<sup>79</sup> Cox, Lowe, Winter, 'The Origins and Early Development of the NFU', p. 16; Cox, Lowe, Winter, 'Changing Directions in Agricultural Policy'; Self and Storing, 'The Farmers and the State', pp. 23-4; Wilson, *Special Interests and Policymaking*, p. 34

<sup>80</sup> Grant, *op. cit.* p. 129

<sup>81</sup> Newby, H., *Green and Pleasant Land? Social Change in Rural England* (London: Hutchinson, 1979) p.163; Brown, J., 'Agricultural Politics and the NFU 1908-1939' Ch. 7 in *Reading Historical Studies*, No. 2

<sup>82</sup> Self and Storing, *The State and the Farmer*, p. 63

<sup>83</sup> *Ibid.*, p. 40, p. 63

<sup>84</sup> Country Landowners Association Archives, University of Reading Centre for Rural Studies, 30.06.65; NFU General Purposes Committee, Cyclo 247/63 Financial Sub-Committee, 1963; Interview with M. Strauss

<sup>85</sup> NFU Tavistock Report recommendation 13

and his closest advisers. The NFU was not democratic in the strictest sense because although serving members were elected there were also many chances for useful and enthusiastic young men to be 'co-opted' into positions of influence.<sup>86</sup> In the main the leadership of the NFU was in the hands of 'fiercely capitalistic' farmers who were able to devote time and energy away from farming because of their large and prosperous businesses.<sup>87</sup> This meant that the leadership could afford to be 'statesmanlike' in relations with government. The NFU often argued that it was politically neutral.<sup>88</sup> However, this meant no more than a willingness to work with the government of the day. It did not preclude it being more or less permanently aligned with one party – the Conservatives.<sup>89</sup>

The NFU hoped to influence policy through Conservative backbench members of parliament, who were accustomed to call the Minister of Agriculture to account in the Conservative Agriculture Committee after each annual review, and to this end maintained a political lobbyist.<sup>90</sup> However, there were restrictions upon this avenue of influence because most of the backbench members of the powerful Conservative Agriculture Committee farmed and were often the NFU's greatest critics.<sup>91</sup> Much greater influence came through the willingness of the Minister of Agriculture to fight the NFU's cause in Cabinet and in the post-war period it was often the individual Minister's status and determination which determined the level of prices in any one year.

The idea of the importance of the Minister of Agriculture to the NFU, conflicts with the pre-eminence some academics give to the NFU's relations with MAFF officials. The premise, that MAFF was the strongest avenue for the NFU to exert pressure upon public policy, originated in Self and Storing, who describe MAFF-NFU relations between 1947 and 1957 as an administrative partnership.<sup>92</sup> There is a large body of political science which builds on this idea, arguing that MAFF-NFU relations gave the NFU its most effective involvement in the process of agricultural policy-

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<sup>86</sup> Interview Strauss

<sup>87</sup> Hennessy, *Whitehall*, p. 444; Plumb, H., *The Plumb Line* (The Grey Coat Press, 2001) p. 26

<sup>88</sup> Holmes, 'The NFU and British Negotiations for membership of the EEC', pp. 276-287

<sup>89</sup> Finer, S. E., *Anonymous Empire: A Study of the Lobby in Great Britain* (London: Pall Mall, 1958), p. 40

<sup>90</sup> Wilson, *Special Interests*, p. 27; written communication Barney Holbeach

<sup>91</sup> Self and Storing, *The State and the Farmer*, p. 204

<sup>92</sup> *Ibid.*, p. 36

making.<sup>93</sup> It is considered that continuous working contacts between the NFU and MAFF, including the exchange of staff, and the value MAFF placed on close ties to a protagonist in the rural community, gave the NFU unrivalled access to policy formation.<sup>94</sup>

It would be fair to say however, that this political science body of work focuses mainly on the domestic agricultural agenda and relies on NFU links with relatively low level MAFF officials, where the NFU was vitally important for the implementation of policy. As this study will show, when international issues were involved, the level of policymaking was raised to Cabinet level and the NFU would obtain more influence through the political interests of ministers in Cabinet than from day to day contacts with low level MAFF officials. In the making of policy for Europe, the NFU was to face the sternest test of its power to influence agricultural policy. It was because of its reliance on political leverage in Cabinet, as well as access to the policy process through MAFF officials, that this study argues that when it came to matters where domestic agricultural interests competed with wider national and international issues, the NFU's alliance with MAFF officials was not nearly so influential as Cabinet ministers' perceptions of agricultural interests and their willingness to give support to the farming interest.

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<sup>93</sup> Cox, Lowe, Winter, 'The Origins and Early Development of the NFU', pp. 30-47; Cox, Lowe, Winter, 'Changing Directions in Agricultural Policy: Corporatist Arrangements in Production and Conservation Policies', pp. 130-153; Grant, 'The Classic Case of Incorporatism?' in Marsh, *Pressure Politics*, pp. 129-143; Holmes, 'The NFU and the British Negotiations for membership of the EEC', pp. 276-287; Smith, *The Politics of Agricultural Support*, pp. 117-146; Wilson, *Special Interests*, pp. 1-53

<sup>94</sup> Grant, W., *Business and Politics in Britain* (London: Macmillan, 1987) p. 159; Self and Storing, *The State and the Farmer*, pp. 75-6; Wilson, *Special Interests*, p. 170

### Section Three

#### **European Relations and Foreign, Defence and Security Policy**

This chapter concludes with a brief analysis of the foreign policy issues which were part of the European context in the post-war years prior to 1961. Whilst this is a study of a primarily economic issue, these foreign policy and defence factors cannot be ignored because on the one hand they were a significant part of the context in which the EEC evolved and on the other hand, formed a significant part of the way in which British Cabinet ministers' views on Europe developed. For the purposes of analysis, these foreign policy factors may be grouped into four; the problems a resurgent West Germany raised for intra-continental relations, West European dealings with Soviet Russia and the US, nuclear issues, and, by the early 1960s, the implications of the EEC for relationships within NATO. This study discusses these four aspects to assess links between the British application, foreign policy, and European integration.

At the root of the links between foreign policy and European integration was the French view of the EEC as a double banking project for the defence of Western Europe against a resurgent Germany. In addition, although France looked to the US for security in a nuclear age, the EEC was to be the basis for a more equal and independent relationship with one of the world's new superpowers. It has been argued therefore, that there was a clear link between French foreign relations with the US, particularly French mistrust of the US commitment to the defence of Western Europe, and the British application to the EEC.<sup>95</sup> In the period that saw the 1948 airlift to support Berlin, the signing of the treaty to form NATO (where the US became involved to a certain extent in the future defence of Western Europe), and the building of the Berlin Wall, 1961, the French saw signs of ambivalence in the US's commitment to the defence of Western Europe. The Berlin Crisis of 1948 had been a matter of prestige for the Western allies, but over a decade later, the building of the Berlin Wall, 1961, showed France there were limits to the US's policy of containment of the USSR.<sup>96</sup> Thus, whilst in the early post-war years, integration policies, backed by the US government, were a means for France to protect Western Europe, as the 1950s came to a close there were more ambiguities in the French position. With the return of de Gaulle to power in 1958, France found itself having to reconcile

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<sup>95</sup> Grosser, *The Western Alliance*, p. 53, p. 87, p. 185, pp. 197-199

<sup>96</sup> *Ibid.*, p. 185



contradictory aims. On the one hand, it had the security of an alliance with a world superpower yet on the other hand, it wished to be independent of US control.<sup>97</sup>

These attitudes were closely bound up with the development of French nuclear independence. It is clear that in 1960-1 de Gaulle was engrossed by the idea of an independent French nuclear capacity and that, while he was attracted to British hints that they might be able to do some kind of deal over the sharing of nuclear information, he was convinced that US attitudes would be against this.<sup>98</sup> Whilst other European countries, such as Holland or Italy (and indeed Germany) were as much concerned as France that the US should act as a guarantor of West European security, France was the significant voice because of its emphasis on an independent nuclear force. Kaiser argues that a major factor in de Gaulle's strategy was to look for a pooling of British and French resources in order to develop some kind of common deterrent and that this might have been accepted as part of a package deal to facilitate UK entry to the EEC.<sup>99</sup>

This emphasis on nuclear power was closely tied to the other major foreign policy issue of the post-war years, the Cold War and the balance of forces and influence within NATO. With the election of John F. Kennedy to the White House, in November, 1960, whilst Macmillan was contemplating changes in British European policy, there was a change in US objectives. By 1961 the USSR's development of strategic missiles, the provocative Soviet actions in West Berlin, the resumption of nuclear testing in the atmosphere, and the increased Communist threat in Asia, Latin America and Africa, caused the US to revise its over reliance on nuclear power and returned to the maintenance and expansion of conventional forces.<sup>100</sup> Thus, by 1961, the US was looking to develop a flexible response and a competency to act on all levels with a range of measures.<sup>101</sup> An overstretched US therefore would see real advantages in the growing conventional strength of West Germany after 1955 and this would impact on the British role in NATO.

An emphasis on increases to NATO's conventional capacities conflicted with the British line taken in the Sandys's Defence White Paper of 1957, where it was planned that conventional armed forces should be run down in favour of the nuclear

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<sup>97</sup> *Ibid.*, p. 185, p. 199

<sup>98</sup> Mangold, *The Almost Impossible Ally*, pp. 147-154; BOD MS Macmillan, Dep., 41, 29.12.61

<sup>99</sup> Kaiser, *Using Europe*, pp. 187-194

<sup>100</sup> Gaddis, *Strategies of Containment*, p. 206, p. 215

<sup>101</sup> Gaddis, *Strategies of Containment*, p. 227

deterrent.<sup>102</sup> By 1961, however, Britain still had forces deployed in areas of the world where the US valued, first, the Royal Navy as a frontline defence, second, the British Empire as a source of raw materials and a bulwark against Japan in Asia, and third, the fact that the UK exceeded all other European partners, combined, in arms and armed forces in the early 1960s.<sup>103</sup> However, whilst British forces remained spread throughout the world, German forces were maintained solely in Europe and thus provided the greatest support to the defence of Western Europe. For an increasingly overstretched US, who found that organisations such as South East Asian Treaty Organisation (SEATO) or Central Treaty Organisation (CENTO) could not match communist forces (and this increased the tendency for South East Asian countries to call upon the US), strengthening conventional forces within NATO became imperative. For the British this meant alterations to the balance of strength between Germany and Britain within the alliance and questions of the cost of troop contributions to the defence of West Germany, issues which would colour Anglo-German relations in other policy areas and be significant contingent factors during the EEC negotiations.

After the Suez debacle, 1956, when the US attitude prevented the achievement of British and French objectives in the Middle East, the British relationship with the US revived with the amendments to the US McMahon Act, July, 1958-May, 1959, to permit the sharing of nuclear secrets with the UK, and the designation of Holy Loch on the Clyde as a US Polaris submarine base.<sup>104</sup> However, as British relations with the US thrived, French mistrust of Anglo-Saxon intentions multiplied.

The purpose of these brief summaries has been to illustrate that in one sense the British application, 1961-3, was part of a long running strategic debate about the organisation of the Atlantic Alliance and the control and possession of nuclear weapons.<sup>105</sup> This was the international backdrop against which, as Chapter Two will show, a radical new departure for agriculture was broached with Macmillan, late 1960.

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<sup>102</sup> Dockrill, *British Defence Since 1945*, pp. 65-81

<sup>103</sup> Reynolds, 'A 'Special Relationship'?' pp. 5-8, p. 15

<sup>104</sup> *Ibid.*, p. 7

<sup>105</sup> Ludlow, *Dealing*, p. 5; Mangold, *The Almost Impossible Ally*, pp. 187-198

## Chapter Two

### A Pro-European Minister of Agriculture Changes Course January-April, 1961

‘Give me a firm place on which to stand and I will move the earth.’<sup>1</sup>

Some time during 1960-1, Macmillan became convinced that closer ties with the EEC were vital for Britain’s future well being.<sup>2</sup> This was not a choice Macmillan embraced with enthusiasm but rather was driven to by unfavourable economic and political factors.<sup>3</sup> One eyewitness close to Macmillan, thinks that he would have preferred to have avoided an application to the EEC.<sup>4</sup> Cabinet ministers had doubts about British entry to the EEC and a range of new European policies, drafted by Whitehall officials, were rejected mid 1960. Summing up the Cabinet meeting, Macmillan said this showed ‘there were insuperable difficulties for the UK to join under the Treaty of Rome’<sup>5</sup> However, over Christmas, 1960, Macmillan wrote a long memo on the future of Britain.<sup>6</sup> Milward does not consider that the long memo of Christmas 1960 is conclusive evidence that Macmillan had irrevocably chosen to go for British membership of the EEC but he admits that the views expressed strongly suggest that this was the case.<sup>7</sup> Trusted allies of the prime minister, were invited in January, 1961, to Chequers to discuss the memo described by Macmillan as ‘...a Grand Design to deal with the economic, political and defence problems of the Free World!’<sup>8</sup> At the meeting at Chequers, Alec Douglas-Home, Foreign Secretary, Selwyn Lloyd, Chancellor of the Exchequer, and Harold Watkinson, Defence Secretary, and their Permanent Secretaries were shown proposals described as ‘dynamite’ by Macmillan because of the implications for traditional British foreign and defence policies.<sup>9</sup> At Chequers Macmillan shifted discussions from the principle

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<sup>1</sup> Archimedes

<sup>2</sup> Tratt, *The Macmillan Government*, p. 199

<sup>3</sup> *Ibid.*, p. 199; Kaiser, *Using Europe*, p. 173

<sup>4</sup> Charlton, M., *The Price of Victory* (London: BBC, 1983) p. 232

<sup>5</sup> PRO CAB 128/34, CC(60)41, Cabinet Conclusion, 13.7.60

<sup>6</sup> BOD MS Macmillan, Dep. 41, 6.1.61

<sup>7</sup> Milward, *The Rise and Fall*, p. 336

<sup>8</sup> BOD MS Macmillan, Dep. 41, 6.1.61

<sup>9</sup> BOD MS Macmillan, Dep. 41, 4.1.61

of entry to the means by which membership might be obtained and it was recognised that it might be best to negotiate for closer ties with the EEC before federalist elements within European integration gained dominance.<sup>10</sup> This re-opening of the European question was on the personal initiative of the Prime minister and reflected his determination to press on with the policy despite its rejection in Cabinet mid-1960 and the fact that there was no mention of membership of the EEC in the Conservative general election manifesto of 1959.<sup>11</sup>

Some historians think Macmillan had taken the decision to ignore the strong reservations expressed by Cabinet ministers six months before his 'Grand Design' discussions at Chequers. The evidence cited for this conclusion is that in his 1960 re-shuffle, Macmillan placed 'pro-Europeans' in departments which would be significant in any application to the EEC.<sup>12</sup> Duncan Sandys was moved to the Commonwealth Relations Office, Edward Heath to the Foreign Office with responsibility for European affairs, and anti-Europeans shifted to ministries where they would have little impact on European matters, for example, Viscount Hailsham to the Department of Science.<sup>13</sup> In agriculture there was a clear change at MAFF from the protectionist John Hare to Christopher Soames, a known pro-European.

Other historians consider that the re-shuffle was more the result of Derek Heathcoat Amery's (Chancellor of the Exchequer) wish to step down, and the problems consequent upon moving a senior member of government.<sup>14</sup> This study agrees with those who think that Macmillan made up his mind about a turn to Europe at the time of the re-shuffle. Placing Soames at the Ministry of Agriculture, before 'the Grand Design,' was a sign that Macmillan recognised he would need to circumvent Cabinet dissenters who stood in the way of an application. In addition to his pro-European credentials Soames's background in the rural community, and his management of a family farming business, was well suited to gaining the trust of the agricultural community.

In a turn to the EEC Macmillan's dilemma was that he needed to re-assure ministers that many aspects of British economic and political life would remain constant whilst promising the Six that Britain was prepared to make considerable

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<sup>10</sup> PRO PREM 11/3325 draft conclusions of Chequers meeting, 20.1.61; Bange, *The EEC Crisis of 1963*, p. 19

<sup>11</sup> Kaiser, *Using Europe*, p. 145

<sup>12</sup> *Ibid.*, p. 136

<sup>13</sup> Milward, *The Rise and Fall*, p. 335

<sup>14</sup> Tratt, *The Macmillan Government*, p. 126; Horne, *Macmillan Vol. II*, pp. 241-4

alterations in domestic policy and relations with the rest of the world. This chapter argues that Soames was the first minister to begin to attempt to forge policy in a fashion that would help Macmillan to change his colleagues' attitudes and to convince the EEC Britain was willing to alter longstanding ways of trading with the world in order to become a member.

## Section One

### **Soames's New Proposals for Agriculture**

#### **December 1960-April, 1961**

In December, 1960, Soames went privately to Macmillan to hold out the possibility that agriculture would not be a bar to British membership of the EEC.<sup>15</sup> December, 1960, is a significant dating of Soames' overture to Macmillan. Existing scholarship describes Heath, later in February, 1961, as the instigator of a new approach to European policy.<sup>16</sup> Milward describes Heath suggesting that if Britain wanted to become a member of the EEC then government needed to take 'a bold step towards a closer economic relationship with Europe.'<sup>17</sup> Kaiser goes further and has Heath as the author of a strategy for Cabinet management. According to Kaiser, it was in only in the first week of February, 1961, that Heath criticised Macmillan's tactics of July, 1960, when Cabinet, allowed a full and open discussion, vetoed the idea of closer ties with Europe.<sup>18</sup> In 1961 Heath suggested Macmillan should organise the process so that the idea of membership of the EEC although undesirable would, nonetheless, appear inevitable.<sup>19</sup> However, Soames's ideas were earlier and more radical.

Soames's proposals rested on the idea that the principle of membership might be sidestepped through a focus on the terms by which membership might be achieved. It is fair to say that the substance of what Soames was saying about agricultural issues, coupled with the implications for tactics within Cabinet, would have been a significant stimulus to Macmillan's so-called 'Grand Design' memo of January, 1961, and that without Soames's enthusiastic overtures Macmillan would have been much

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<sup>15</sup> Colville, J., *The New Elizabethans, 1952-1977* (London: Collins, 1977), p. 28; Soames's private papers, kind permission of Churchill College, Cambridge

<sup>16</sup> Kaiser, *Using Europe*, p. 137; Milward, *The Rise and Fall*, p. 338

<sup>17</sup> Milward, *The Rise and Fall*, p. 338

<sup>18</sup> Kaiser, *Using Europe*, p. 136

<sup>19</sup> *Ibid.*, p. 136

less able to move towards policy development on Europe in the first six months of 1961. Thus, late 1960 Soames was at the forefront of policy development on Europe.

Soames's approach was innovative because it challenged the consensus of successive governments that domestic agriculture was an impediment to closer ties with Europe and that talk of change was taboo.<sup>20</sup> In December, 1960, Soames's readiness to break with long held British policy was based on the assumption that the EEC was a success and that Britain could not escape the effects of the new international context whether or not she became an EEC member.<sup>21</sup> In a meeting with Macmillan Soames said that trade diversion in agricultural products would occur when the EEC was fully operational and this would increase the expense of maintaining the existing British system of agricultural support and render it unsustainable. By February, 1961, Soames had put his proposals in writing, arguing that not only would altering the British system of agricultural support benefit the approach to Europe in general but that domestic agriculture would gain in the long term by moving to a different system.<sup>22</sup> In his view it would be better to make concessions initially rather than be forced into making piecemeal changes.<sup>23</sup> This was the kind of idea Macmillan needed to move forwards on Europe.

This analysis by the new Minister of Agriculture was a pretty radical about turn in MAFF's policy. First, it flew in the face of his Permanent Secretary's protectionist tendencies. On Soames' taking office mid-1960, John Winnifrith, MAFF's Permanent Secretary, had advised Soames that he should make a strong case for preserving the British system wholly intact.<sup>24</sup> However, far from giving away what former Ministers of Agriculture had fought hard to defend, Soames considered he was, in addition to developing forward thinking strategies for Macmillan to consider, adopting a position which would best safeguard British agriculture. Soames told his officials that anything short of full membership would mean the end of existing agricultural support with nothing to show for the loss of it, with agriculture 'nibbled' from all sides as he put it.<sup>25</sup> Second, it conflicted with the attitude of the Foreign Office (FO), now responsible for policy on Europe, whose officials told

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<sup>20</sup> PRO PREM 11/3194 Soames to Macmillan, 22.2.61

<sup>21</sup> *Ibid.*

<sup>22</sup> *Ibid.*

<sup>23</sup> PRO MAF 255/958 Soames to policy committee, point 7, 6.2.61

<sup>24</sup> PRO MAF 255/430 Winnifrith to Soames, 7.9.60

<sup>25</sup> PRO MAF 255/958 Soames to minister's internal MAFF policy committee, 6.2.61; PRO MAF 255/430 Roll's note for the record, 6.2.61

Soames that whilst it had come to no firm decisions, agriculture remained a special case.<sup>26</sup>

Underlying Soames's willingness to risk a confrontation with his Permanent Secretary was his knowledge of FO attitudes to agriculture, in particular the tendency of the FO to regard agriculture as bait for negotiations. Heath, and Roderick Barclay, an FO official, admitted at a dinner party on 25<sup>th</sup> January, 1961, there was '... no clear plan as to what the United Kingdom wanted to secure and how we were going to secure it, but (they) emphasised that all depended on overcoming the political resistance that emanated from the French'.<sup>27</sup> Barclay suggested that there might be 'sweeteners' offered to several countries among the Six so that a settlement might be achieved.<sup>28</sup> As MAFF officials were well aware, most of Whitehall considered that the British system of support was too expensive to continue, that the FO was in a rush to make up for policy mistakes in the 1950s, that the FO was underestimating the economic difficulties that would face Britain in the EEC in pursuit of a political deal, and that agriculture would be one of the prime areas to supply 'sweeteners'.<sup>29</sup> Soames was therefore presenting a totally new MAFF stance from his predecessor John Hare but one of his key objectives was to seize control of the domestic agenda before it could be plundered by the FO. Soames was convinced that his positive proposals would give MAFF more control over policy development in Whitehall as well as fit in with a policy of closer ties with the EEC.

Macmillan adopted Soames's ideas because he saw the potential they offered for the development of his European strategy as a whole. Soames was given permission to act on a suggestion by Henri Rochereau, French Minister of Agriculture, that a meeting should be arranged in Paris to discuss agriculture.<sup>30</sup> Soames was also allowed to open a private study of the economic aspects to see where concessions might be offered to the French in return for a deal on the Commonwealth.<sup>31</sup> In return, Macmillan wanted two things from Soames; that the visit to France should contain highly contentious proposals for the sharing of nuclear

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<sup>26</sup> PRO MAF 255/58 Minister's policy committee, 6.2.61, points 6 & 7. For discussion of changes of 'ownership' of European policy see Kaiser, *Using Europe*, pp. 108-9

<sup>27</sup> PRO MAF 255/430 Roll's note for the record, 6.2.61

<sup>28</sup> *Ibid.*

<sup>29</sup> PRO MAF 255/958 Roll to Minister's Policy committee, 5.7.60; Soames's private papers, kind permission of Churchill College, Cambridge

<sup>30</sup> PRO PREM 11/3194 Soames to Bishop, 22.2.61

<sup>31</sup> PRO PREM 11/3194 Soames to Macmillan, 13.3.61

secrets with the French and for Soames to convince Cabinet opinion that his agricultural proposals were sound.<sup>32</sup> Initially the utmost secrecy was to be kept and only Macmillan, Soames and two officials, were to be involved, Philip de Zulueta, in the Prime Minister's Private Office advising on foreign affairs, and Frederick Bishop, Deputy Secretary in the Cabinet Office and formerly Macmillan's Principal Private Secretary.<sup>33</sup>

Granting these requests to Soames was a political risk for Macmillan. Not only would Soames's activities cut across Foreign Office relations with the French but they would also impact on the development of policy issues within Cabinet Committees. In both of these areas he would be slicing into territory that was the responsibility of Heath, appointed Lord Privy Seal in the 1960 re-shuffle with special responsibilities for Europe and speaking in the House of Commons for the FO whilst the Minister of State, Home, sat in the House of Lords. At this stage in 1961, Heath was implementing a political approach to the EEC, hoping that Foreign Office bilateral talks with the French, at official level on the 27th and 28th February, 1961 and the beginning of May, 1961, would show the Cabinet that it would not get anywhere with the type of arrangements that had governed the FTA negotiations and this would persuade his ministerial colleagues that an application to the EEC was inevitable because other types of closer ties had failed to materialise.<sup>34</sup> For Macmillan the problem with Heath's political emphasis was that it would sustain the focus on the principle of membership of the EEC. In contrast, Soames's approach offered the more attractive option of talking about the terms on offer as if the decision had already been made.

In these secret dealings with Soames Macmillan was risking personal conflict between key ministers who should have been allies in the turn to the EEC. In addition, Macmillan's use of Soames could have negative implications for the development of European policy because in encouraging different initiatives, Macmillan was in danger of creating confusion within Whitehall and sending mixed messages to the Europeans. None of these outcomes would promote orderly and effective change in British relations with the EEC.

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<sup>32</sup> PRO PREM 11/3194 Bishop to Soames, 16.3.61, de Zulueta to Macmillan, 23.2.61, Bishop to de Zulueta, 1.3.61

<sup>33</sup> PRO PREM 11/3194 Soames to Macmillan, 13.3.61; PRO PREM 11/3194 de Zulueta to Macmillan, 17.3.61

<sup>34</sup> Milward, *The Rise and Fall*, pp. 327-8; Lamb, *The Emerging Truth*, pp. 141-2; Ludlow, *Dealing*, p.



Soames's secret visit to Paris, was to take place under cover of a private trip to Paris with his wife to visit their children.<sup>35</sup> Soames raised the level of irritation his visit might occasion with Heath, in a request that his visit be given the highest authority, through a personal note from Macmillan to de Gaulle.<sup>36</sup> Macmillan was willing to agree to this request because he was keen to follow up recent discussions with de Gaulle. In Macmillan's diary it is clear that he wanted to keep in the forefront of de Gaulle's mind a recent discussion at Rambouillet in which he intimated that he would discuss French ambitions to become a nuclear power with the new American President, John F. Kennedy, whom he was due to meet for the first time, April, 1961.<sup>37</sup> Macmillan and some officials (including Bishop) were convinced that nothing could be offered on the economic front that would tempt France to accept British entry and only a major policy shift on nuclear weapons would help the British case.<sup>38</sup>

The way in which tactics evolved in this pre-negotiating period illustrate how personal rivalries led to contradictory policies which had the potential to undermine coherent strategic planning. For both Soames and Heath this was a critical time for policy initiatives because there was much personal political advantage to be won for a minister who wished to lead a British application to the EEC. Soames had no intention of speaking solely to the French Minister of Agriculture. He wished to see the influential French official for Economics and Finance from the French Ministry of Foreign Affairs, Olivier Wormser.<sup>39</sup> Soames was fully aware of potential difficulties with Heath because he asked that the details of his proposals be limited to Macmillan, Bishop and de Zulueta.<sup>40</sup> However, de Zulueta was on secondment from the FO, and it was inevitable that he would need at some point to inform Heath of Soames's intentions and it was on de Zulueta's prompting that Macmillan agreed that Heath and Douglas Home, the Foreign Secretary, should be informed.<sup>41</sup> It is possible that Macmillan talked to Heath in private but there is no record. What is certain is that Macmillan was anxious to preserve the greatest possible discretion; in a handwritten

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<sup>35</sup> PRO PREM 11/3194 de Zulueta note, 20.3.61; Franklin's Diary 21.4.61

<sup>36</sup> PRO PREM 11/3194 Soames to Bishop, 22.2.61

<sup>37</sup> BOD MS Macmillan, Dep. 41, 29.1.61; PRO PREM 11/3194 Bishop to Soames, 16.3.61

<sup>38</sup> PRO PREM 11/3194 Graves-Smith (Cabinet, formerly Treasury, official) to Macmillan, 13.3.61, Bishop to Macmillan, 13.3.61

<sup>39</sup> PRO PREM 11/3194 Bishop to Soames, 21.2.61

<sup>40</sup> PRO PREM 11/3194 Soames to Macmillan, 13.3.61

<sup>41</sup> PRO PREM 11/3194 Macmillan handwritten note to de Zulueta, 17.3.61

note in reply to de Zulueta's insistence that the two Foreign Office ministers should be told, he reminded de Zulueta that it was of the greatest importance that only the two senior Foreign Office ministers should have the information.<sup>42</sup> This was because the sharing of nuclear secrets with France would contravene Britain's non-proliferation agreement with the US and alienate those ministers in Cabinet such as Watkinson, Minister for Defence, and Lord Hailsham, Minister for Science, who opposed the sharing of nuclear technology.<sup>43</sup>

It was only on 20<sup>th</sup> March, 1961, therefore, that Heath fully understood the nature of Soames's new ideas for agriculture and his proposals to approach the French on a secret mission, a full three months after Soames first approached Macmillan and a month since Soames had drafted the type of letter he wished Macmillan to send to de Gaulle, Bishop had agreed its wording, and Macmillan had given his assent.<sup>44</sup> Heath blocked the letter to de Gaulle; he argued that it would be a diplomatic risk because the French might leak the details of the visit in order to weaken the British position, that his department was already working on the problem and it was only sensible that their long term planning should be allowed to take its course. The response of both ministers indicated the potential for disruption to strategic planning for any application to the EEC; de Zulueta went to see Soames to act as an intermediary but found he could not settle the matter and had to advise Soames to see Heath personally. Heath's view prevailed; Soames agreed that only a general letter should be sent, not to de Gaulle, but to the French Minister of Agriculture.<sup>45</sup> In addition, it appears that Heath insisted he was kept fully informed of meetings between Macmillan and Soames because Soames's next personal memo to the prime minister was copied to Heath.<sup>46</sup>

By now Macmillan was pre-occupied with his first meeting with the new US President, and de Zulueta did not feel he could inform him of the difference of opinion between the two younger ministers.<sup>47</sup> As Macmillan's diary shows, Macmillan was not thinking primarily of EEC policy at this point. He describes the

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<sup>42</sup> *Ibid.*

<sup>43</sup> Tratt, *The Macmillan Government*, p. 163

<sup>44</sup> PRO PREM 11/3194 Soames to Macmillan, 22.2.61; PRO PREM 11/3194 Bishop to Soames, 21.3.61 & 23.2.61; PRO PREM 11/3194 de Zulueta to Macmillan, 17.3.61

<sup>45</sup> PRO PREM 11/3194 letter to Rochereau, 23.3.61, de Zulueta, note for record, 20.3.61

<sup>46</sup> PRO PREM 11/3194 Soames to Macmillan, 12.3.61

<sup>47</sup> BOD Macmillan's Diary, Dep. 41, 26.3.61; PRO PREM 11/ 3194 de Zulueta note for the record, 20.3.61

first three weeks of March, 1961, as the worst since Suez in terms of continuous crisis. The aspects which were uppermost included a crisis in Rhodesia, domestic finances, the collapse of sterling, the withdrawal of South Africa from the Commonwealth and the crisis in Laos bringing with it the possibility of war in South East Asia.<sup>48</sup>

However, Soames was not prepared to let his visit decline into a meeting solely with the French Minister of Agriculture. Just days after the agreement with Heath, a MAFF official wrote to inform de Zulueta that Soames intended to write personally to Pierson Dixon, the British Ambassador in Paris, to suggest that he might contrive an informal meeting with Wormser.<sup>49</sup> Infuriated once again, Heath pointed out that Wormser was already scheduled to make a visit early in May, 1961, and that the Foreign Office did not want these official talks pre-empted.<sup>50</sup> This time however, Soames won his point.<sup>51</sup>

It appears that the press of international affairs won the battle for Macmillan's patronage and attention because Macmillan did not communicate with Soames about the French visit until the day prior to departure and this was only when prompted by a memo (from Soames) asking if there were any instructions.<sup>52</sup> Macmillan's interest was re-kindled and on the day he was due to leave for Paris Soames was invited to meet Macmillan privately after Cabinet, 13<sup>th</sup> April, 1961. There is only a note of the date of this meeting but it seems likely from the previous correspondence and Heath's earlier antagonism that Macmillan entrusted Soames with more general policy issues in addition to new ideas about agriculture.

Soames was in Paris, 13-17<sup>th</sup> April, 1961, and was accompanied by Eric Roll, a MAFF official, reputed to be the man in Whitehall who knew the most about Europe, and who was to take a substantial role in the negotiations with the EEC.<sup>53</sup> Soames met Rochereau and Wormser on the first day of his visit and Wormser alone on the second day. Roll was present both times and Dixon was in attendance for some of the time.<sup>54</sup> From the MAFF record of these meetings it is clear that Soames was using agriculture as a means to open up a dialogue over the general French

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<sup>48</sup> BOD MS Macmillan, Dep. 41, 24.3.61

<sup>49</sup> PRO PREM 11/3194 Moss to de Zulueta, 21.3.61

<sup>50</sup> PRO PREM 11/3194 de Zulueta note for the record, 20.3.61

<sup>51</sup> PRO PREM 11/3194 Soames to Macmillan, 12.4.61

<sup>52</sup> PRO PREM 11/3194 Soames to Macmillan, 12.4.61

<sup>53</sup> PRO MAF 255/430 Winniffrith to Soames, 7.9.60

<sup>54</sup> PRO PREM 11/3194 Soames to Macmillan, 12.4.61

attitude to a British application to the EEC. In his diary earlier in the year Macmillan recorded that de Gaulle seemed genuinely attracted by the themes of Macmillan's Grand Design, that Europe should be widened politically and economically, with France and Britain to be something more than European powers.<sup>55</sup> In order to build on this *rapport* Macmillan thought the two key points were that Britain should put forward a formula to cover the Commonwealth and British agriculture and hope that the Americans might accept French nuclear ambitions.<sup>56</sup> Thus, at both meetings in Paris, Soames stressed the need for a political commitment from France and tried to focus French ideas upon a full and frank discussion about agriculture in relation to the European problem as a whole.<sup>57</sup>

Soames put it to the French that the British were willing to re-open agricultural policy discussions without any pre-conditions about domestic agriculture or Commonwealth imports.<sup>58</sup> Whilst struck with the novelty of Soames's attitude, Wormser refused to be drawn on how the French would react although Soames did receive an assessment that Wormser felt de Gaulle was in a quandary about admitting Britain to the EEC. Amongst French anxieties, Wormser cited the disruption British membership might bring to existing dynamics of the EEC, the technical problems British membership would introduce, and the particular difficulty of reconciling the need for good political relations with the Germans with conflict between France and Germany over agricultural policy. Wormser considered that the French had more in common with the British than the Germans over the need for lower prices in agriculture but that good political relations with Germany remained extremely important.<sup>59</sup>

What the record of the two meetings really shows is that over agriculture the French and British had very different pre-conceptions, which made the issues difficult to discuss without officials first preparing the grounds for negotiation. To a large extent this is a measure of the failure of Soames's visit to the French and there is no mention in the official record of a discussion of the nuclear issue. To a certain degree it also vindicates Heath's approach through official consultations and steady policy discussions.

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<sup>55</sup> BOD MS Macmillan, Dep. 41, 29.1.61

<sup>56</sup> *Ibid.*

<sup>57</sup> PRO PREM 11/3194 Roll's notes for the record, 14.4.61 and points 2, 3, & 10, 17.4.61; see also PRO PREM 11/3194 Macmillan to de Gaulle (not sent), 17.3.61

<sup>58</sup> As laid out in letter to Macmillan, PRO PREM 11/3194 Soames to Macmillan, 22.2.61

<sup>59</sup> PRO PREM 11/3194 note for the record, 17.4.61

The second element of Soames's proposals, the secret study of the implications of joining the EEC for British agricultural policy, was also tempting for Macmillan, in this period when no other strategy appeared to offer immediate benefits. The political aspects of the agricultural issue would remain under the auspices of the European Economic Association Committee (EEAC chaired by Macmillan) whilst the economic issues would be dealt with by Soames's study.<sup>60</sup> Bishop negotiated with Selwyn Lloyd to let Soames have a free hand to consider agriculture and the Commonwealth privately; a paper, [Ec.Q.(61)3], which contained a significant amount of discussion on the problems of agriculture and the EEC, was taken at the EEAC on the 14<sup>th</sup> March, 1961.<sup>61</sup> Bishop, who attended on behalf of Macmillan, in effect put a halt on part of the EEAC's agenda. Macmillan encouraged these tactics, which were proposed by Bishop, and there is no indication that Heath was consulted at this point.<sup>62</sup> Milward notes that the agricultural and Commonwealth reports were left on one side for the time being, but does not present evidence for Soames' part in this matter.<sup>63</sup> For a second time, an initiative by Soames had the potential to antagonise his colleague, because the review of policy was under Heath's management.<sup>64</sup>

This study turns now to the domestic aspects of Soames's proposals for changes in British agricultural policy where his positive approach made him a prime candidate for altering the attitude of Cabinet colleagues. Upon his return to London, Soames met Macmillan before Cabinet for a discussion of the Paris meetings.<sup>65</sup> Immediately after this meeting, Michael Franklin, Soames's Private Secretary, was told that Soames had agreed to take a provocative stance in Cabinet two days later (the 20<sup>th</sup> April, 1961), and ask ministers to make the decision to apply for membership of the EEC. Franklin records that Soames said he would be allowed to 'urge that we take the plunge and not wait for an invitation from the other side.'<sup>66</sup> Thus Soames, in the hope that he would be seen as a front-runner for the leadership of the British Delegation to the EEC, was to act as an advocate in Cabinet for entry to the EEC.

<sup>60</sup> PRO PREM 11/3194 Soames to Macmillan, 13.3.61

<sup>61</sup> PRO PREM 11/3194 Macmillan handwritten note to de Zulueta, 13.3.61; Soames to Macmillan, 13.3.61

<sup>62</sup> PRO PREM 11/3194 Handwritten note by Macmillan to de Zulueta, 13.3.61; BOD MS Macmillan, Dep. 41, 13.4.61

<sup>63</sup> Milward, *The Rise and Fall*, p. 339

<sup>64</sup> PRO PREM 11/3194 de Zulueta to Macmillan, 13.3.61; Soames to Macmillan, 13.3.61

<sup>65</sup> PRO PREM 11/3194 Macmillan handwritten note, 18.4.61

<sup>66</sup> Franklin's Dairy, 19.4.61

Macmillan was likely to have perceived policy advantages in someone other than himself taking the lead in urging a strong pro-application position. It would enable Macmillan to steer the Cabinet in that direction, while preserving his role as semi-impartial. It is not clear from the record if Soames or Macmillan suggested this path but Macmillan did not forbid it.

In 1960-1, several politicians, including Heath and Duncan Sandys at the Commonwealth Relations Office aspired to be Leader of a British Delegation and it was by no means a settled matter which minister would win.<sup>67</sup> In developing policy, late 1960 and early 1961, Soames undoubtedly considered he was defending his department, putting British agriculture in the best position ready for any British application and pursuing his European ideals, in addition to promoting his Cabinet career. Later chapters will show that Soames's rivalry with Heath played a part in the lack of a coherent strategy for the early part of the negotiations with the Six and so it is necessary to look a little more closely at the political differences between the two.

Heath and Soames came from a generation younger than Macmillan and they were elected to the House of Commons in the same year, 1954.<sup>68</sup> Heath was Chief Whip at the time of Suez and has been credited with saving the Conservative Party from tearing itself apart.<sup>69</sup> He became Macmillan's right hand man and Macmillan's wife said at the end of the 1950s that Macmillan had an 'overwhelming regard and affection' for him.<sup>70</sup> By 1958 it was agreed in Fleet Street that Heath was probably the most influential man around Macmillan and not just in areas that were traditional Chief Whip territory.<sup>71</sup> However, Chief Whips in the Conservative Party of the late 1950s and early 1960s were not considered suitable leadership material and Heath's ministerial career only began in 1959 as Minister of Labour. In addition, although close to Eden as well as Macmillan, Heath did not find it easy to work with the right wing of the Conservative Party.<sup>72</sup> Thus, despite his close working relations with Macmillan, it was inevitable that Heath would see Soames as competition for any top job.<sup>73</sup>

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<sup>67</sup> Roll, E., *Crowded hours* (London: Faber and Faber, 1985), p.104; Hutchinson, *The Last Edwardian*, p. 77

<sup>68</sup> Campbell, J., *Edward Heath. A Biography* (London: Jonathan Cape, 1993), p. 71

<sup>69</sup> *Ibid.*, pp. 90-91

<sup>70</sup> *Ibid.*, p. 98

<sup>71</sup> *Ibid.*, p. 98-9

<sup>72</sup> *Ibid.*, p. 10, p. 102; Maudling, R., *Memoirs* (London: Sidgwick and Jackson, 1978), pp. 123-4

<sup>73</sup> Campbell, *Edward Heath*, p. 121

In contrast, Soames had the type of background which meant that he was a natural ally of Macmillan.<sup>74</sup> Educated at Eton he was a former Coldstream Guard and through marriage to the youngest daughter of Churchill, he allied himself with the landed and aristocratic side of the Conservative Party. He ran the Churchill family farm and was familiar with the highest level of government; when Churchill suffered a stroke in the 1950s Soames, with Churchill's joint principal private secretary John Colville, managed the day to day affairs of state.<sup>75</sup> Soames sat for Bedford, a seat with a high proportion of agricultural votes.<sup>76</sup>

Roll is a reliable source for evidence that Macmillan in early 1961 was looking at more than one candidate to lead any application to the EEC.<sup>77</sup> At this pre-negotiating stage, whilst Soames was known to be a committed European, there is some dispute over the degree of Heath's commitment. His maiden speech, it was true, had urged politicians to take notice of the post-war moves towards integration in Europe but during his years as Chief Whip he was unable to speak in the House of Commons and this restricts an understanding of the development of his views.<sup>78</sup> Milward points out that when Minister of Labour, in 1960, Heath did not speak for full membership of the EEC in the important meeting July, 1960, which asked Cabinet to make a U turn in British policy towards the EEC.<sup>79</sup> Campbell, his biographer, dates Heath's conversion to the European cause to mid-1961, when he was appointed leader of the British Delegation to Brussels, six months later than Soames's proposals to Macmillan.<sup>80</sup> Heath's own comments are non-committal but Beloff also agrees that Heath, whilst never a Euro-sceptic, became an ardent European only as a result of the appointment as leader of the Delegation.<sup>81</sup> In contrast Soames, as well as a committed European, was a Francophile, and it is widely held that Macmillan placed him in MAFF because he was ideally suited to a negotiation, in

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<sup>74</sup> Colville, J., *The Fringes of Power, Downing Street Diaries Volume Two: 1941-April 1955, 1939-55*, (London: Hodder and Stoughton, 2004), p. 346, p. 356, p. 366; Horne, *Macmillan Vol. II*, p. 158

<sup>75</sup> Jenkins, R., *Churchill* (London: Macmillan, 2001), p. 866

<sup>76</sup> Campbell, *Edward Heath*, p. 660 and Nicolson, N. (ed.), *Harold Nicolson Diaries and Letters, 1939-45* (London: Collins, 1967), p. 64

<sup>77</sup> Interview with Roll

<sup>78</sup> Campbell, *Edward Heath*, p. 74, p. 102

<sup>79</sup> Milward, *The Rise and Fall*, p. 334

<sup>80</sup> Campbell, *Edward Heath*, p. 114

<sup>81</sup> Beloff, *The General Says No*, p. 97

which close ties to the agricultural community and cordial relations with France, would be necessary.<sup>82</sup> Soames himself considered this to be highly likely.<sup>83</sup>

The way in which Heath finally obtained the post of Leader of the Delegation was partly linked to the problems Soames faced within the Conservative Party after his visit to Paris. Mid-1961, Soames was confronted with the ambiguities of his position. As a pro-European he was keen to get into Europe, and as Minister of Agriculture he was convinced that the existing British agricultural support system was vulnerable to criticism, yet at the same time he had to persuade farmers and their supporters to share his views after a decade in which British agriculture had been described by successive Conservative governments as a special case where European matters were concerned. Amongst the supporters of British agricultural interests none was as committed or as powerful as Richard Austen Butler, Home Secretary, Leader of the House of Commons and Chairman of the Conservative Party. In addition, Soames faced, as did Butler, continued pressure from the farming and rural interests of Conservative backbench members. The following section describes the process by which the domestic agenda began to swamp Soames's intentions of pushing British agriculture into some kind of new relationship with Europe.

## Section Two

### **Conservative Party pressures alter Soames's attitude**

#### **December 1960-mid 1961**

There was a sound basis for Soames's recommendations to Macmillan between December, 1960 and March, 1961. His underlying premise was that the British system of agricultural support was doomed because the original context in which the system had been devised had radically altered. Soames was correct in his analysis and, in addition, maintaining the system became increasingly difficult in the face of criticisms within Whitehall, particularly from the Treasury, about its cost to British taxpayers.<sup>84</sup> In fact Bishop saw entry to the EEC as one of the best ways to rid the government of the costs of British agricultural support.<sup>85</sup> This attitude was reflected

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<sup>82</sup> Campbell, *Edward Heath*, p. 114

<sup>83</sup> Soames's private papers, kind permission of Churchill College, Cambridge

<sup>84</sup> PRO MAF 393/36 Finance Bill and hobby farmers, 2.5.60; PRO MAF 255/958 Winniffrith to minister's policy committee, point 7, 28.11.60; PRO MAF 393/36 Public Expenditure Survey (Treasury), 13.6.61; PRO MAF 255/431 Farm Price Review Committee, 30.11.60

<sup>85</sup> PRO PREM 11/3195 Bishop to Macmillan, 16.5.61



in sections of the press which complained that the system had outlived its usefulness and that farmers were 'Neanderthal' in their expectations.<sup>86</sup> Furthermore, as discussed more fully in Chapter Four, the open-ended nature of the British system meant that the cost of support could run into thousands of pounds of unforeseen extra payments, as it had over the beef estimates in December, 1961.<sup>87</sup> By 1961 concern arose over the total level of payments from the taxpayer in any one year in comparison with spending in other areas of government policy: the total cost of support rose from £206 million in 1955-6, to £240 million in 1956-7, £284 million in 1957-8, fell to £241 million in 1958-9, then rose to £257 in 1959-60.<sup>88</sup> In 1960, in a report that enraged the NFU leadership, the annual review stated that 'The total subsidy bill continues to be a heavy burden on the taxpayer.'<sup>89</sup> Thus Soames had a groundswell of support in Britain, albeit not from some sections of the farming community, that it was time for a change.

Soames's hopes of leading the Delegation came to depend to a large extent on the way he performed in the domestic arena, particularly the way he dealt with opinion within Cabinet. In Cabinet, Soames faced the formidable figure of Butler, who sat for a rural constituency and was regarded as the guardian of the agricultural community. Chapter Three probes more deeply into Butler's attitudes and his influence in Cabinet but it is important to note at this stage that Macmillan recognised that Butler needed to be brought along with Soames's ideas if there was to be any chance of change. In July, 1960, Butler had been firmly and openly opposed in Cabinet, to closer ties with Europe and his position had not altered by 1961.<sup>90</sup> In the first six months of 1961 he was very active in representing the views of the agricultural community to Cabinet. Macmillan expected Soames to deal with Butler.

For reasons explained more fully in Chapter Three, Macmillan felt he needed to be sure he could carry Butler with his European policy. On 24th January, 1961, Macmillan met Butler and gave him 'the very rough details' of the ideas he had incorporated in his 'Grand Design.'<sup>91</sup> Macmillan did not think Butler seemed unduly

<sup>86</sup> *The Economist*, 30.1.60, 28.1.61

<sup>87</sup> HMSO Second Report from the Estimates Committee Sub-Committee G, Agriculture and Food Grants and Subsidies, etc. (Supplementary Estimate) Session, 1961-2

<sup>88</sup> HMSO Annual Reviews and Determination of Guarantees, Cmnd. 9406 (1955), Cmnd. 9721 (1956), Cmnd. 109 (1957), Cmnd. 390 (1958), Cmnd. 696 (1959), Cmnd. 970 (1960), Cmnd. 1311 (1961)

<sup>89</sup> HMSO Cmnd. 970 Annual Review and Determination of Guarantees, 1960

<sup>90</sup> PRO CAB 128/34 CC(60)41, Cabinet discussion, 13.7.60; PRO CAB 128/35 CC(61)24, Butler to colleagues, 26.4.61

<sup>91</sup> Macmillan, *At the End*, memo to Sir Norman Brook, Cabinet Secretary, p. 4

worried but at this point Macmillan had not mentioned anything Soames's ideas for radical changes to agricultural policy.<sup>92</sup> It was Bishop who insisted that Macmillan should invite Soames to meet Butler over lunch to discuss his new proposals on March 10<sup>th</sup>, 1961.<sup>93</sup> The new ideas were sprung on Butler without prior warning because Macmillan was wary of letting Butler know that he had been discussing possible changes in policy for a period of two months without informing so senior and interested a minister.<sup>94</sup> Butler reserved his position until a later date when more meetings were to be arranged.<sup>95</sup> As Macmillan's diary shows, Butler was kept informed of Soames's proposals from the end of March, 1961, onwards.<sup>96</sup>

It is clear that Macmillan and Soames were having problems not only with Butler's personal attitude but also with his influence upon the wider Cabinet. Macmillan finally showed his 'Grand Design' to full Cabinet four months after the meeting at Chequers. He was pleased with the general response but noted that approval was tinged with some reservations.<sup>97</sup> If Macmillan could secure Butler's support then any opposition in Cabinet would be cut off from a potential standard bearer for disaffection to rally around.

After Soames's visit to Paris there were two critical Cabinet discussions of European policy on the 20<sup>th</sup> and 24<sup>th</sup> April, 1961. Soames was given the authority at these meetings, to 'bounce' Butler into some kind of public admission of support for Macmillan's European policy.<sup>98</sup> At the 20<sup>th</sup> April, 1961, Cabinet meeting, Soames clashed with Butler over the precise nature of the problems that domestic agriculture presented for closer ties with the EEC. Butler saw the matter as a political problem of honouring government pledges to the agricultural community in the past.<sup>99</sup> Soames tried to side step this line of defence by insisting the real issues were whether the UK could afford not to join and that it would be better to join sooner rather than later so that Britain could influence the CAP.<sup>100</sup> Four days later Soames was even more forceful, telling Butler that Butler's attitude would only hold good if the government

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<sup>92</sup> Macmillan, *At the End*, p. 4

<sup>93</sup> PRO PREM 11/3194 de Zulueta to Macmillan, 23.2.61; Bishop to de Zulueta, 1.3.61

<sup>94</sup> PRO PREM 11/3194 de Zulueta to Macmillan, 23.2.61

<sup>95</sup> PRO PREM 11/3194 Soames to Macmillan, 13.3.61

<sup>96</sup> BOD MS Macmillan, Dep. 41, 13.4.61, 27.4.61

<sup>97</sup> BOD MS Macmillan, Dep. 41, 26.4.61

<sup>98</sup> PRO PREM 11/3194 de Zulueta to Macmillan, 10.3.61, 20.3.61, Bishop to de Zulueta, 1.3.61, note for record, 13.3.61

<sup>99</sup> PRO CAB 138/35 CC(61)22 Butler to Cabinet, 20.4.61

<sup>100</sup> PRO CAB 128/35 CC(61)22 Soames to Cabinet, 20.4.61

entered the EEC without any special derogations, a course which the government did not intend to adopt.<sup>101</sup> Soames's antagonistic posture towards a politician who was second only to the prime minister undoubtedly stemmed from the fact that at this point it suited Macmillan to give Soames his patronage. On his return from France Soames had received the highest encouragement; he imparted the momentous news, after his private meeting with Macmillan, that Macmillan proposed to put him in charge of the negotiations with the EEC.<sup>102</sup> As Franklin records, 'There was no doubt that he was triumphant.'<sup>103</sup> Soames had offered Macmillan a way to argue that change must come to agriculture and also opened up the opportunity to tackle Butler's opposition without this pressure coming directly from Macmillan himself. He felt that he was to be rewarded for his dynamic strategy and tactics.

Soames also scored well once his study of the economic aspects of agriculture and Europe was ready in May 1961, because it was praised throughout Whitehall. 'The Common Market and UK Food' was drafted by Roll, who had long experience in conducting international agricultural negotiations, was the author of a MAFF report on the threat of the EEC to British agriculture and understood that significant changes would be demanded by the Six.<sup>104</sup> What emerged was a carefully reasoned picture, accepted by Macmillan, of the difficulties which might be encountered in negotiating the details of British entry to the EEC.<sup>105</sup> The main difficulty that emerged was that whilst the study gave ample reasons for the go-ahead for changes to the British system of agricultural support, yet it also suggested safeguards which would be difficult to negotiate with the Six.

It is significant, in the light of later criticisms of Soames's negotiating position, that this paper was praised by both Treasury and CMN(SC)(O) [the inter-departmental steering committee at official level] officials at the time. One Treasury response considered Soames' paper to be a remarkable *tour de force* and that he was to be 'warmly congratulated'.<sup>106</sup> A second comment, by the CMN(SC)(O) agreed that Soames's papers were reasonable and acceptable.<sup>107</sup> This secret study has been described as the first attempt at a negotiating brief which gave some indication of

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<sup>101</sup> PRO CAB 128/35 CC(61)24 Soames to Cabinet, 14.4.61

<sup>102</sup> CHC Franklin's Diary, 19.4.61

<sup>103</sup> *Ibid.*

<sup>104</sup> PRO CAB 134/1821 Ec.Q. (61)13 & Ec.Q. (61)14, 15.5.61

<sup>105</sup> BOD MS Macmillan, Dep.41, 14.5.61

<sup>106</sup> PRO T 312/63 Comments on Ec.Q. (61)13 & 14, 25.5.61

<sup>107</sup> PRO CAB 134/1821 Ec.Q. (61)17 Comments on Ec.Q. (61)13 & 14, 12.6.61

British priorities.<sup>108</sup> Thus rather than being a drag on policy development, agriculture was the means by which Soames hoped to push Butler (and the Cabinet) away from the idea that membership was impossible in principle, to the attitude that there might be terms through which an application could succeed.

However, in a relatively short space of time Soames was to drastically alter his stance in response to Butler and the forces against change which were partly responsible for Butler's position.<sup>109</sup> On 13<sup>th</sup> May, 1961, Soames met Macmillan at Birch Grove, Macmillan's country home, to go through the points in the secret study, ready for an important meeting of senior ministers at Chequers on 17<sup>th</sup>-18<sup>th</sup> June, 1961.<sup>110</sup> At this point in time Soames was primarily concerned with tailoring agricultural policy to fit with what was known of the Six's intentions for a CAP. However it quickly emerged, once Soames turned to the details of policy, that the degree of opposition he would be likely to encounter within the Conservative Party was greater than he had anticipated. Three days after his meeting with Macmillan, Soames endured a bad tempered reception at the influential Conservative Agriculture Committee, which numbered up to one hundred Conservative backbench members most of whom were farmers. Soames received a mauling over the EEC, gave a lacklustre performance that was reported in *The Evening Standard*, and this failure did not go unnoticed by Macmillan.<sup>111</sup> The meeting left Soames in no doubt about the strength of feeling within Conservative members of parliament and it affected his perception of the difficulties he might encounter personally within the wider Conservative Party.<sup>112</sup> It also focused his attention on the dangers the European issue might pose to unity within the Conservative Party and the damage this would do in electoral terms. This was to be a central focus for Soames throughout the negotiations and it was at this point in the summer of 1961 that he understood the full force of this party political dimension.

The meeting with the backbench committee was a catalyst for a shift in Soames's views. Following the backbench meeting he appreciated more fully Butler's concerns about Party unity and this tempered his optimistic views of earlier in the year. Two days after the meeting with backbench members an anxious letter

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<sup>108</sup> Milward, *The Rise and Fall*, p. 347

<sup>109</sup> Kaiser, *Using Europe*, p. 145

<sup>110</sup> Franklin's Diary, 13.5.61

<sup>111</sup> *The Evening Standard* 'Farmer Soames Angers Tories' in Franklin's Diary, 17.5.61; BOD MS Macmillan, Dep. 41, 17.5.61

<sup>112</sup> BOD MS Macmillan Dep.c.354 ff. 36-43, 16.5.61, seen courtesy of N. J. Crowson

was to reach Macmillan.<sup>113</sup> Emotional in tone, the letter pinpointed potential problems that Macmillan's European policy might encounter in the Conservative parliamentary party and with the general public.<sup>114</sup> Soames now suggested that Macmillan should establish that it would be possible to carry the parliamentary party with his policy, before any attempt was made to negotiate with the Six. If Macmillan accepted this argument it would mean holding up an application to the EEC whilst a campaign was undertaken to win the hearts and minds of the parliamentary Conservative Party.

This was a strategy which was to be recommended to Macmillan in June, 1961, by Bishop. The argument was based on the idea of holding back on a formal application, using the time to work for greater understanding by the general public of the issues involved, preparing a convincing presentation for the Conservative Party Conference and taking further soundings with the French.<sup>115</sup> For the agricultural issue, Soames was recommending that if Macmillan went ahead he should consider carefully the option of asking the Six for the right to take unilateral action to protect farmers' incomes, an idea that would not be attractive to the Six. The letter ended with a passionate appeal to the government to keep faith with the people with whom Soames had been living and working for many years.<sup>116</sup> This letter marks a substantial shift from Soames's position earlier in the year, when he had confidently predicted that agriculture policy should be fashioned to suit the needs of an application to the EEC. Now he was beginning to see difficulties whereas at the start of the year he saw only solutions.

Macmillan convened a meeting at Chequers on the 17-18<sup>th</sup> June, 1961, for a small number of senior ministers, a meeting Kaiser describes as the occasion when the real decision to apply was taken.<sup>117</sup> On the day before this meeting Roll complained that Soames was intending to pitch the agricultural case too high to suit the Six.<sup>118</sup> Soames's response was that all he was doing was establishing a position 'from which he will be able to defend a decision to go in to the farmers.'<sup>119</sup> It is clear from a later exchange of letters between Butler and Soames that Soames's defence of agriculture

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<sup>113</sup> PRO PREM 11/3195 Soames to Macmillan, 18.5.61

<sup>114</sup> *Ibid.*

<sup>115</sup> PRO PREM 11/3317 point 1b, Bishop to Macmillan, 26.6.61

<sup>116</sup> PRO PREM 11/3195 Soames to Macmillan, 18.5.61

<sup>117</sup> Kaiser, *Using Europe*, p. 142

<sup>118</sup> Franklin's Diary, 16.6.61

<sup>119</sup> *Ibid.*

at Chequers was significant in persuading Butler to agree to an application in principle. In August, 1962, Butler twice referred to the terms laid down at Chequers, describing them as 'the sort of concession you and I laid down at Chequers' and 'keeping to the sure platform of the Chequers talks'.<sup>120</sup> Later in the negotiations Soames reminded Franklin that 'he told the P.M. two years ago that we could do it because we would have time and freedom to move over to the managed market. But if we can't have either it is going to be hard to carry for example, RAB along.'<sup>121</sup> This did not mean however, that either Butler or Soames were pressured solely by concerns over their own positions within the agricultural community or even personal preferences.

Soames was swayed by the party political implications of the opposition he encountered in the backbench committee meeting and Butler was also under unrelenting pressure from the same source.<sup>122</sup> In May, 1961, Butler wrote to Martin Redmayne, the Chief Whip, to pass on the information that he had received a deputation of backbench members lead by Anthony Hurd, Chairman of the Conservative Agriculture Committee.<sup>123</sup> Butler was told by Hurd that even were it possible to carry the NFU leadership with government policy there would still be opposition from rank and file members of the parliamentary Conservative Party because of existing pledges to the farming community.<sup>124</sup> This was a grim warning of what was to come because two months later Butler, as Leader of the House, was given a letter signed by thirty six backbench members asking for a full debate in the House of Commons before the summer recess, to discuss whether negotiations should open.<sup>125</sup> Redmayne, was so concerned about the depth of opposition that he advised Macmillan on more than one occasion that he was worried about Party discipline, that it would be imprudent to have a full debate on the decision to negotiate because the issues were not sufficiently clear to members and that he could not assure Macmillan that the Prime Minister would get the result he wanted.<sup>126</sup> Within the Conservative Party Research Department (CRD) there was also pressure to look after agriculture.

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<sup>120</sup> PRO FO 1109/262 Butler to Soames, 1.8.61, 27.8.61

<sup>121</sup> Franklin's Diary, 26.10.62

<sup>122</sup> PRO PREM 11/3554 Butler to Macmillan, 29.4.61; Butler Archive, F 123/9 Butler to Macmillan, 25.7.61; PRO FO 1109/262 Butler to Soames, 1.8.61, 27.8.61

<sup>123</sup> PRO FO 1109/262 Butler to Redmayne, 2.5.61

<sup>124</sup> *Ibid.*

<sup>125</sup> PRO FO 1109/262 D. Walker-Smith to Butler, 6.7.61

<sup>126</sup> BOD MS Macmillan, Dep. 41, 16.5.61; PRO PREM 11/3317 Redmayne to Macmillan, 29.6.61

Ramsden describes how there were deep divisions in the run up to 1961, and that whereas Peter Minoprio, Secretary to the CRD Agriculture Research Committee and a European enthusiast, drew up a report that suggested agriculture was not a barrier to joining the EEC, the Committee, under the Chairmanship of Anthony Hurd, added the rider that there would need to be 'stiff terms' to protect agriculture.<sup>127</sup> By July, 1961, the CRD was also working on a Plan B option should the negotiations fail and helping Conservative members of parliament fend off the attacks of angry farmers.<sup>128</sup> Thus, Butler was reflecting as well as generating feelings in the Cabinet and Conservative Party that suggested policy should not move too hastily over Europe. With this opposition Soames was only able to persuade Butler, to an agreement to open negotiations with the Six, by drawing up a high bid for domestic agriculture.

Macmillan ignored Bishop's advice to wait a while, and despite what he had said to Soames, Heath was offered the job of Head of the British Delegation. Roll considers that in the end Macmillan decided against Soames because, amongst other factors, it was vital not to make an alteration at the Ministry of Agriculture, where Soames was winning the confidence of the farming community.<sup>129</sup> This had some truth but Soames's earlier showing at the Conservative Agriculture backbench committee also played a part. A report of the meeting was sent to Macmillan

the Committee was a bit shaken by the way the case was presented. The Minister of Agriculture was forceful but a little confusing. He followed the lines which he has set out in the paper dealing with this matter. The Lord Privy Seal was helpful and his speech in the debate should do good.<sup>130</sup>

In his diary, Macmillan noted the contrast between three brilliantly successful speeches by Heath and Soames's showing, concluding magnanimously that Soames would recover from the setback.<sup>131</sup> The choice of Heath rather than Soames, meant a more measured and detailed approach to the negotiations in contrast to the broader brush stroke style Soames favoured.<sup>132</sup> Soames was left with Butler and the agricultural community, and the unenviable task of bringing the Conservative Party to recognise that there needed to be changes to agricultural policy.

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<sup>127</sup> Ramsden, *The Making of Conservative Party Policy*, p. 212

<sup>128</sup> *Ibid.*, pp. 212-3

<sup>129</sup> Roll, *Crowded Hours*, pp. 104-5

<sup>130</sup> BOD MS Macmillan, Dep. C. 354 ff. 36 43, seen courtesy of N. J. Crowson

<sup>131</sup> BOD MS Macmillan, Dep. 41, 17.5.61

<sup>132</sup> Roll, *Crowded Hours*, p. 104

## Conclusion

Between July, 1960 and April, 1961, Macmillan knew he was taking a huge gamble with his re-opening of the question of closer ties with the EEC. The odds appeared stacked against Britain in both European and domestic contexts; persuading France to agree to UK entry looked an elusive objective and Butler's opposition and that from the backbench were formidable obstacles.

Early in 1961 Soames offered a key to unlock some of these problems. Macmillan was attracted to the positive attitude expressed by Soames's new policies and certainly viewed him as a potential leader of the application. However, this chapter has shown how even an ardently pro-European Minister of Agriculture came to have real doubts about the wisdom of making an application to the EEC whilst opinion within the Cabinet and Conservative Party was so protective of British agriculture. Thus, the issue of agriculture remained the problem it had been for closer ties with Europe throughout the 1950s preventing Soames from managing the political tensions within the Conservative Party and going for radical change.

From the outset, and this is a constant theme of this study, political in-fighting impacted on policy. The very dynamic of Soames's approach was an anathema to Heath in more than one way. On the one hand the development of policy threatened the slower more official process of the FO policy development. On the other hand Macmillan's personal patronage of Soames threatened Heath's ambitions to lead on Europe. In policy terms this meant that once Soames lost the leadership of the Delegation, there was little to bind together the negotiating briefs of the Minister of Agriculture and Heath's FO based position. Thus in the pre-negotiating period the seeds were sown for a rivalry that was to have serious consequences for strategy and tactics for agriculture once negotiations began.

However, it was the way in which Macmillan dealt with this that presented the difficulties for the subsequent application. Instead of fostering a measure of agreement between two ministers who should have been close allies over Europe, Macmillan chose to allow a confrontational relationship to build up in the pre-negotiating period. The effect this had on policy is immediately apparent; whilst Heath was attempting to convince the Six that Britain would take a decision in principle, Soames was emphasizing the terms upon which Britain would be prepared to be flexible. Although not necessarily irreconcilable, these two approaches needed



sensitive handling when it came to Cabinet. Macmillan's use of the two younger politicians did nothing to promote reasonable working relations between two ministers who were among his closest allies within Cabinet. In the longer run this would have unfortunate consequences for the agricultural side of the negotiations with the Six, as subsequent chapters will show.

In addition, this study of the pre-negotiating period has highlighted one of Macmillan's most serious party political problems. Butler's views meant that Macmillan had in his Cabinet a senior minister who could serve as a rallying point for colleagues who disliked the direction of European policy. Butler was in a strong position because he only had to wait and see where events would lead at this point and to reserve his position until the issue of an application became a reality. The fact that Macmillan re-shuffled his Cabinet in 1960 but still felt he could not openly proceed with his European policy, until midsummer 1961, suggests that many in Cabinet remained to be convinced and that Butler would not have difficulty in finding support if he chose to voice his opinions strongly.

## Chapter Three

### **Splits and Alliances: the Prime Minister and his Cabinet**

#### **May-December, 1961**

'To govern is to choose'.<sup>1</sup> (Duc de Levis (1764-1830), *Maximes et Reflections*, 1812.

In 1951 Britain had been the world's third economic power, measured in GNP, but ten years later it was overtaken by the Federal Republic of West Germany with France close behind, and in the 1961 economic crisis the UK government had to ask for support from the International Monetary Fund (IMF).<sup>2</sup> In 1961 government fears were that the crisis over sterling would be a repeat of 1957, when speculation in favour of the German mark led to a collapse in sterling, the Bank Rate was raised to 7% and two years of near stagnation ensued.<sup>3</sup> The impact of the 1961 economic crisis was to last throughout the course of the negotiations with the EEC, causing Macmillan political as well as economic problems which reduced his government's standing with the general public and lessened European confidence in what Britain would bring to the EEC.

In foreign policy there were also altered circumstances, particularly the waning sense of the Commonwealth as a united entity. Commonwealth difficulties included the position of Northern Rhodesia in the Central Africa Federation and the withdrawal of South Africa over its apartheid policies.<sup>4</sup> These problems were part of Britain's post-war decolonisation but even relations with the old Dominions were undergoing rapid change. As Kaiser argues, Britain's main Commonwealth partners had considerably accelerated a reorientation of their foreign and economic policies by 1960-1 and the UK's authority within the Commonwealth was decreasing.<sup>5</sup> British relations with the US were also under strain, with the US pressing the UK to support its policies in Laos, whereas Macmillan considered that US policies could unnecessarily widen conflicts in South East Asia. In addition, Britain's weak

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<sup>1</sup> Duc de Levis (1764-1830), *Maximes et Reflections*, 1812

<sup>2</sup> Reynolds, 'A 'Special Relationship'?', p. 13; Milward, *The Rise and Fall*, pp. 418-9

<sup>3</sup> Brittan, *The Treasury Under the Tories, 1951-64* (Harmondsworth: Penguin, 1964), p. 232

<sup>4</sup> BOD MS Macmillan, Dep. 41, 22.2.61, 24.3.61

<sup>5</sup> Kaiser, *Using Europe*, pp. 121-122

economic growth put pressure on its already overstretched defence commitments.<sup>6</sup> The need to keep forces in the Middle East and Asia compromised the retention of British forces in West Germany and, to the irritation of NATO allies, in the period 1959-61 Britain was forced to reduce military forces on the continent.<sup>7</sup>

The Berlin Crisis mid-summer, 1961, when the building of the Berlin wall came to symbolise a renewed Soviet belligerence, reflected the complex defence and security factors that were part of British relations with Western Europe. The threat of nuclear confrontation, anxieties over US willingness to commit to the defence of Western Europe in a new era of missile construction, and divisions amongst NATO over the leadership of the alliance, with France pursuing a unilateral policy which antagonised the Americans, were issues that would haunt the British negotiations with the EEC.<sup>8</sup> The election of a new US president, John F. Kennedy, in November, 1960, coincided with an era of painful adjustment for Macmillan, which had begun with the failure of the summit meeting of the US, USSR, Britain and France, in Paris in 1960, when no amount of personal diplomacy could alter the obduracy of the world's two superpowers.<sup>9</sup>

The purpose of this scene setting is to show that the application to the EEC took place in an atmosphere of flux in world affairs whilst Britain was in a position of increasing weakness. This study now explains how Soames's U turn over agriculture was tenable because other members of the Cabinet had considerable worries about entry to the EEC. This study argues that their anxieties were more strongly held and widely shared than certain historians allow at present. For example, Kaiser and Milward suggest that in the main Cabinet ministers moved from clearly stated opposition to acquiescence to the inevitable.<sup>10</sup> Lamb cites a key participant, Heath, who implies in later life that, whilst the entire Cabinet was always conscious of the difficulties that might be encountered in carrying parliament with government proposals, they accepted membership of the EEC as inevitable.<sup>11</sup> According to Lamb, Heath says only three, Butler, Maudling, and Hailsham, were lukewarm.<sup>12</sup> This study suggests that although key ministers agreed to the opening of a conditional

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<sup>6</sup> BOD MS Macmillan, Dep. 41, 24.3.61, 26.3.61

<sup>7</sup> Dockrill, *British Defence Since 1945*, pp. 76-81

<sup>8</sup> Winand, *Eisenhower, Kennedy*, pp. 142-4

<sup>9</sup> Turner, *Macmillan*, pp. 148-150

<sup>10</sup> Kaiser, *Using Europe*, p. 136, p. 142; Milward, *The Rise and Fall*, p. 333

<sup>11</sup> Lamb, *The Macmillan Years*, p. 183

<sup>12</sup> *Ibid.*, p. 183

application, Butler, Maudling and Hailsham were more opposed than 'lukewarm' suggests and that other ministers, whilst un-decided or even pro-European in principle, continued to harbour strong misgivings about the practicalities of becoming a member of a European regional group. Individual ministers' attitudes were drawn from a variety of factors and a significant group of senior ministers posed real difficulties for Macmillan's European policy. This chapter sets out the idea that Soames's position was tolerated because Macmillan recognised the strength of his Cabinet's caution and was himself convinced that Butler's anxieties over agriculture were legitimate.

A first section examines the origins of ministerial attitudes, differences between Macmillan and Butler over Europe and how Macmillan's animosity towards Butler as his potential successor, led him to make crucial errors in arrangements for the negotiations. The opinions of other key Cabinet ministers are discussed in a second section with a particular focus on the impact of alliances between ministers which have been neglected in existing historical accounts. A final section contends that it was the pressure of ministerial opinion not the NFU that was responsible for the retention of the very high bid for agriculture set out by Soames and maintained during the first six months of negotiation in Brussels.

## Section One

### **Macmillan and Butler: the biggest split in the Cabinet in 1961**

Historians consider that Cabinet attitudes towards Europe stemmed from a backward looking ethos.<sup>13</sup> For example, Barnes describes how ties with Empire and Commonwealth prevented interest in European policy.<sup>14</sup> Kaiser talks of the 'prejudices' and 'historical mental barriers' preventing the political elite from giving Macmillan wholehearted support over Europe.<sup>15</sup> Crowson describes in detail the way in which a kind of time lag meant that many Conservatives, including Cabinet members, held notions about Empire first suggested by Disraeli, and that this translated into concerns for the retention of the Ottawa 1932 Imperial Preference

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<sup>13</sup> For backbench anti-EEC views see Crowson, *The Conservative Party*, pp. 153-4, pp. 160-1; Barnes in Seldon and Ball, *Conservative Century*, pp. 315-9, pp. 336-7, p. 341; Bogdanor and Skidelsky, *The Age of Affluence*, p. 76

<sup>14</sup> Barnes in Seldon, and Ball, *A Conservative Century*, pp. 315-498

<sup>15</sup> Kaiser, *Using Europe*, pp. 205-6;

system and unbroken ties with the Commonwealth.<sup>16</sup> Whilst these were certainly intuitive aspects there was also a more cerebral antecedent.

The primary intellectual influence came from Churchill.<sup>17</sup> Churchill's idea of the British role in world affairs was based on the UK at the centre of the three interlocking circles of the Commonwealth, the US and Europe. As Ramsden points out this was a dangerous delusion even in the 1940s.<sup>18</sup> However, this idea, although it was recognised to be failing and flawed, still had a large influence on the way in which Conservative ministers perceived British interests well into the 1960s. In the European circle, Churchill's view that Britain was 'with' Europe but not 'of' it, dominated much of Cabinet thinking because not being 'in' Europe meant that Britain was seen as 'not just another European country,' as Macmillan put it to de Gaulle in 1960.<sup>19</sup> From this analysis flowed the idea of complementing rather than joining the EEC. Plans for a FTA were, as Ellison points out, designed to suit the British experience and did not consider the needs of continental countries.<sup>20</sup> By the time of the decision to apply for membership, 1961, this translated into the idea that the choice to seek membership was enough in itself. This was forward thinking of a sort, albeit a very limited kind, but it retained the emphasis on British rather than European needs. Thus, in 1961, this study argues that Cabinet opinion was in its very early stages of change. The intuitive and intellectual origins of Cabinet's views remained strong and whilst they did not necessarily preclude change they ensured that Cabinet views were in their infancy.

This study has found little to add to what is known of the views of ministers about the issue of national sovereignty. That there was concern at the time over a loss of national sovereignty is clear.<sup>21</sup> However, this study agrees with Milward that, at Cabinet level, concerns about the Commonwealth were much more widespread than anxiety about sovereignty.<sup>22</sup> The fact that the terms of the implementation of the Treaty of Rome were not entirely agreed by 1961 coupled with the idea that Britain could influence future discussions, served to contain anxiety over this issue in 1961-3,

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<sup>16</sup> Crowson, *The Conservative Party*, pp. 221-5

<sup>17</sup> For political science views on 'conservatism' and Europe see Hickson, K. (ed.), *The Political Thought of the Conservative Party Since 1945* (Basingstoke: Palgrave Macmillan, 1995) pp. 116-8, p. 121

<sup>18</sup> Ramsden, *An Appetite for Power*, p. 373

<sup>19</sup> BOD MS Macmillan, Dep. 41, 29.1.60

<sup>20</sup> Ellison, *Threatening Europe*, p. 240

<sup>21</sup> Crowson, *The Conservative Party*, p. 176; Camps, *Britain and the EC*, pp. 295-6

<sup>22</sup> Milward, *The Rise and Fall*, p. 443

although, as Milward points out, this lack of discussion contributed to the ferocity of the debate when it re-appeared in later years.<sup>23</sup>

The key contrast was between the attitudes of Macmillan and Butler. Macmillan was the older man by eight years. He fought in the First World War and in his early career he was associated with domestic not foreign policy gaining a reputation in the 1930s for advocating a 'middle way' in national economic life.<sup>24</sup> Macmillan was always an ambitious politician, anxious to change the world but also to advance his career.<sup>25</sup> This ruthless streak was increased by his successful role as Churchill's Minister in Residence at Allied Headquarters in North-West Africa during the Second World War and one biographer considers that from then onwards the gaining and holding of power became his dominant motivation.<sup>26</sup> In contrast, Butler's early career was built on recognition of his talents at an early age and a steady progression within Cabinet. He rose to high office before Macmillan and in the mid-1950s was the 'heir apparent' having stood in as premier in Eden's absence. Macmillan, therefore, although older in years, had always been behind Butler in position and when premier it was natural that he should continue to see the younger man as a serious rival.

Macmillan's attitude to European integration derived from four main sources: his military service, Britain's world role, antipathy towards the spread of Communism and his admiration of Churchill.

First, Macmillan's experiences in the First World War left him with a mistrust of Germany that he could never quite overcome.<sup>27</sup> These experiences also irrationally affected his attitude towards those politicians, like Butler (who was only twelve at the outbreak of World War One and with a disability in one arm from a riding accident when a child), who had not seen active service.<sup>28</sup> Macmillan embraced ideas of integration on the continent as a means of preventing a resurgent Germany and another European war. However, as Milward discusses, this sat uneasily with Macmillan's fears that European integration would lead to German economic domination of Europe which would give Germany the hegemony Britain had fought

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<sup>23</sup> *Ibid.*, p. 450

<sup>24</sup> Turner, *Macmillan*, pp. 15-20

<sup>25</sup> *Ibid.*, p. 26

<sup>26</sup> Turner, *Macmillan*, p. 1

<sup>27</sup> Horne, *Macmillan*, Vol. II, p. 48; Kaiser, *Using Europe*, p. 213

<sup>28</sup> Sampson, *A Study in Ambiguity*, p. 15; Hutchinson, *The Last Edwardian*, p. 27

two wars to prevent.<sup>29</sup> Macmillan's attitude to European integration and particularly the role of Germany was therefore, ambivalent. In the British application this was to manifest itself in poor diplomatic relations with Konrad Adenauer, the German Chancellor.<sup>30</sup> In addition, both Churchill and Macmillan saw that the use of atomic weaponry had altered forever the conduct of war and international relations.<sup>31</sup> Kaiser considers that this lead Macmillan to become pre-occupied with French attitudes to the development of nuclear power.<sup>32</sup>

Second, Macmillan resented the way in which the two world wars hastened the demise of Britain as one of the leading world powers and, according to Turner, he became fully committed to preserving British interests by acting as the intermediary between the two superpowers.<sup>33</sup> This tendency was encouraged by his 'huge enjoyment of diplomacy as a pastime.'<sup>34</sup> An imaginative politician, Macmillan could not remain oblivious to the threat posed by a regional bloc such as the EEC with its potential to usurp the residual British position in post-war world affairs. Whilst European integration would damage Britain economically, it was the political exclusion from the core EEC axis of France and Germany, Macmillan considered the most abhorrent aspect for Britain.<sup>35</sup> Kaiser develops this idea of the political aspects being of the greatest importance, describing Macmillan's interest in Europe as none other than an attempt to prevent Britain's relegation to the second league of international relations.<sup>36</sup> Crowson also supports this line of argument quoting de Zulueta as saying that the attraction of membership of the EEC was that it would enable Britain to stay in 'the world power game.'<sup>37</sup> In his memoir, Macmillan describes membership of the EEC as a means of increasing British influence within international affairs.<sup>38</sup>

Third, Macmillan saw European integration as a bulwark against the spread of Communism. In a 1959 letter to his Cabinet ally, Selwyn Lloyd, Macmillan wrote that disrupting the Common Market would '... be playing into the hands of the

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<sup>29</sup> Milward, *The Rise and Fall*, pp. 97-9

<sup>30</sup> Lee, S., 'Pragmatism versus Principle? Macmillan and Germany', in Aldous and Lee (ed.), *Aspects of a Political Life*, pp. 113-130

<sup>31</sup> Charlton, *The Price*, pp. 28-9

<sup>32</sup> Kaiser, *Using Europe*, pp. 186-194

<sup>33</sup> Hennessy, *The Prime Minister*, p. 264; Turner, *Macmillan*, p. 137

<sup>34</sup> Turner, *Macmillan*, p. 137

<sup>35</sup> Macmillan, *Pointing the Way*, pp. 54-6

<sup>36</sup> Kaiser, *Using Europe*, p. 133

<sup>37</sup> Crowson, *The Conservative Party*, p. 115; Hennessy, *Having It So Good*, p. 576

<sup>38</sup> Macmillan, *At the End*, p. 17

Russians.<sup>39</sup> Macmillan's diary notes support the idea that European integration was closely linked to preventing the spread of Communism throughout Europe and that the threat of the spread of Communism should not be ignored by the Western world.<sup>40</sup> Macmillan's Grand Design had been full of references to the need for the West to take the Soviet threat seriously.<sup>41</sup>

Finally, Macmillan's views on Europe were heavily influenced by Churchill. Macmillan was 'enthralled' by Churchill's ideas for a post-war world of regional blocs of nation states, with continental Western Europe as a new and influential force.<sup>42</sup> There is conflicting evidence over the depth of involvement Churchill envisaged.<sup>43</sup> Churchill did not commit Britain to close integration with continental Europe but, as Jenkins points out, the logic of the policy suggests that this would be the direction of Britain's future.<sup>44</sup> Nevertheless, in acclaimed speeches in the US and Zurich in 1946, and in Strasbourg in 1950, Churchill spoke of Britain as apart from mainland Europe.<sup>45</sup> Two other biographers, Ponting and Ramsden, agree that Churchill never saw Britain as an integral part of a European federation and that he considered supra-national elements within Europe should be resisted.<sup>46</sup> In 1962, Churchill wrote a letter to *The Times* in which he said he had never contemplated a diminution of the Commonwealth and no sacrifice of Commonwealth interests should be made to get Britain into the EEC.<sup>47</sup>

In his memoirs, Macmillan, an ally of Churchill since the war and an acknowledged pro-European by the 1950s, described Churchill's inattention to Europe on return to power in the early 1950s, as a 'sad disillusionment ... almost a betrayal.'<sup>48</sup> This reflected the disappointment of Macmillan who had worked hard to bridge the gap between the Continental federalists and the British position in the early 1950s discussions over the Schuman Plan.<sup>49</sup> However, Macmillan's own record in the

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<sup>39</sup> Macmillan, *Pointing the Way*, p. 55

<sup>40</sup> BOD MS Macmillan, Dep. 39, 21.5.60, 30.6.60

<sup>41</sup> Bange, *The EEC Crisis*, p. 16

<sup>42</sup> Charlton, *The Price*, p. 19, p. 22

<sup>43</sup> Jenkins, *Churchill*, p. 815

<sup>44</sup> *Ibid.*, pp. 816-7

<sup>45</sup> Charlton, *The Price*, pp. 38-9

<sup>46</sup> Ponting, C., *Churchill* (London: Sinclair-Stevenson, 1994), p. 769; Ramsden, J., *Man of the Century Winston Churchill and his Legend Since 1945* (London: Harper Collins, 2003), p. 313. For a long discussion of Conservative ministers' views in the 1950s see Crowson, *The Conservative Party*, pp. 14-25

<sup>47</sup> Ramsden, *Man of the Century*, p. 320

<sup>48</sup> Charlton, *The Price*, p. 126

<sup>49</sup> Onslow, *Backbench Debate*, p. 225



1950s was not entirely consistent with pro-European integrationist moves. For example, he refused, when Foreign Secretary in September, 1955, to attend the meeting to review the progress of the Spaak Committee.<sup>50</sup> Instead he appeared to favour the development of the British Empire into an economic unit as powerful as the US and USSR.<sup>51</sup> In 1956, then Chancellor, Macmillan, appeared to re-think the economic implications of a strong and united Europe and he set up a Whitehall study to examine British membership of some kind of European confederation system.<sup>52</sup> It would be fair to say however, that during the 1950s he was opposed to British involvement in any federal organisation.

In addition to these four fundamental factors, some academics argue that Macmillan saw the European issue primarily in electoral terms; an application to the EEC was a sign to the public of a modern up-to-date Conservative Party in comparison with a divided Labour Party.<sup>53</sup> It was undoubtedly true that this figured in Macmillan's thinking but to consider this the only or even the primary objective, does not do justice to Macmillan's complex range of attitudes and emotions in his approach to the European question.

However, this study, considers that there was one pressing international political factor that underlay Macmillan's turn to the EEC. This study agrees with Ashton when he speculates that Macmillan used the proposal of a British application to the EEC as a 'bridge in the realm of ideas,' to the new American president.<sup>54</sup> In early 1961, Macmillan was very much concerned to impress John F. Kennedy and the theme of Britain in Europe provided a way of beginning new personal relations with the leader of the world's superpower. In his diary Macmillan puts it thus, 'I have for some weeks been trying to work out a method of influencing him [JFK] and working with him. With Eisenhower there was the link of memories and long friendship. ... I have started working on a memorandum which I might send him – giving a broad survey of the problems which face us in this world.'<sup>55</sup> It is clear from subsequent diary entries that this was to become the memo of Christmas 1960 in which Macmillan suggested British membership of the EEC and which was later turned into

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<sup>50</sup> Charlton, *The Price*, p. 185

<sup>51</sup> Colville, *The Fringes*, Vol. II, p. 305

<sup>52</sup> Charlton, *The Price*, p. 361; Ludlow, N. P., 'A Waning Force: The Treasury and British European Policy, 1955-63', *Contemporary British History*, Vol. 17, No. 4 (Winter 2003) pp. 87-104

<sup>53</sup> Kaiser, *Using Europe*, pp. 146-7

<sup>54</sup> Ashton, *Kennedy, Macmillan*, p. 13

<sup>55</sup> BOD MS Macmillan, Dep. 40, 11.11.60

briefings for Macmillan's first meeting with Kennedy.<sup>56</sup> The pattern of Macmillan's choices over Europe in the 1950s, his constant predilection to look to what policy could do for him, suggests therefore that one of the key impulses of Macmillan's turn to closer relations with the EEC stemmed from his perception that he needed something dramatic to attract the interest of the new US president. Kaiser also suggests something along these lines, when he talks of Macmillan seeing the EEC application in the first instance as an instrument of British transatlantic policy.<sup>57</sup>

In contrast to Macmillan in the early 1950s, Butler never had any enthusiasm for the European project, focused as he was in those years, on his role as Chairman of the OEEC, an organisation designed to give a cohesive response to post-war offers of American economic aid.<sup>58</sup> In later life he described himself as bored with ideas about European integration at this time, although with hindsight he acknowledged that he should have been more imaginative in his approach and praised Macmillan for his vision and innovation.<sup>59</sup> Butler's attitude, to do him justice, needs to be considered within the context of Eden's premiership. In his role at the OEEC Butler was carrying out Eden's opposition to closer involvement in Europe.<sup>60</sup> At the time Butler understood the chief reason for the official advice he received, and for Eden's attitude, was that the Foreign Office considered there was little chance that the EEC would succeed.<sup>61</sup> However, Ellison argues convincingly that whilst Eden gave little support to the idea of closer ties with Europe, he recognised the need for change and was held back by Butler's more overt opposition.<sup>62</sup>

Butler appears not to have been affected by Churchill's advocacy of European integration and this is not surprising because he was not close to Churchill. Instead Butler had specific concerns about Macmillan's approach to the EEC which were based on fears that it would damage Britain's traditional interests. Butler, the son of a civil servant in the India service, brought up in India for his early years, and closely involved as Under Secretary of State for India, 1932-7, in the India Bill, shared the traditional views of a section of the Tory Party about Britain and the Empire. Furthermore, in common with many within the governing elite Butler had strong

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<sup>56</sup> BOD MS Macmillan, Dep. 41, 26.3.61, 6.4.61, 26.4.61

<sup>57</sup> Kaiser, *Using Europe*, p. 130

<sup>58</sup> Charlton, *The Price*, pp. 194-5

<sup>59</sup> *Ibid.*, p. 195

<sup>60</sup> *Ibid.*, p. 82, pp. 194-5

<sup>61</sup> Ellison, *Threatening Europe*, p. 73

<sup>62</sup> *Ibid.*, p. 76

views about the role of sterling and its significance for Britain's status in the world. In the mid 1950s Butler was Chancellor and although Treasury official advice was split over Europe, the dominant school of thought asserted the 'supremacy of currency over trade policy'.<sup>63</sup> This, according to Kaiser, was supported by Butler as a matter of principle, and resulted in opposition to membership of the EEC because it would be incompatible with Britain's role at the centre of the Sterling Area and the Commonwealth.<sup>64</sup> In addition, the type of monetary policies Butler advocated as Chancellor in the 1950s (including the adoption of the ROBOT plan that would lead to re-establishment of sterling on parity with the dollar) indicated that Butler was looking to a future in which Britain continued to take a major role in world affairs independently of ties to Europe. ROBOT was a scheme which, had it gone ahead, would have blown a huge hole in the very successful European Payments Union scheme, and seriously harmed relations between Britain and Europe, as well as the stability of economic recovery within Western Europe. It was therefore a plan which indicated a world view where British interests and Anglo-American relations were of much greater importance than British-European links.

Butler's attitude to innovation was also a factor that impacted on his lack of enthusiasm for a quick move to closer British ties with Europe. Butler was not the kind of politician to pursue an objective unless he could see the chances of a positive outcome. As his official biographer puts it, Butler was never in favour of putting all bets on a horse before he knew it was a runner. His favourite maxim was from Talleyrand, 'surtout point de zèle' and although he had firm principles, as his behaviour whilst Home Secretary showed, he was not prepared to make precipitous judgements.<sup>65</sup> This made Butler the most cautious and reserved of politicians but it did not make him ineffective.<sup>66</sup> Butler's approach could best be described as a 'negative creativity' and involved pursuing ends over the longer term.<sup>67</sup> To him the idea, that Britain could be bounced into the EEC over a six month negotiating period without the proper education of public opinion, would be invidious.

In comparison to Butler's watchful care, Macmillan was prepared to take large political risks. For example, in a meeting about the economy in January, 1961,

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<sup>63</sup> Kaiser, *Using Europe*, p. 41

<sup>64</sup> *Ibid.*, p. 41

<sup>65</sup> Howard, *RAB*, p. 296

<sup>66</sup> James, R. R. (ed.), *'Chips': the Diaries of Sir Henry Channon* (London: Wiedenfeld and Nicolson, 1967), p. 183

<sup>67</sup> Pearce, *The Lost Leaders*, p. 109

Macmillan said that 'Despite our difficult position we should be prepared to run risks ourselves and to eschew defensive measures if satisfied that there was a real will to move effectively in the right direction.'<sup>68</sup> Macmillan's style of implementation was also different to Butler. While most politicians use subterfuge at some point or other, feints and illusion were Macmillan's preferred options; his political style was characterised by operating behind closed doors and the manipulation of opinion rather than seeking to openly convince his opponents.<sup>69</sup> Butler, whilst complex and often difficult to understand personally, had a more open approach to policy development, preferring to work to convince hearts and minds over a longer period, as he had done in his re-modelling of the Conservative Party in the immediate post-war period.<sup>70</sup> Thus, over the matter of Europe Butler would want to be sure that the policy could be carried with Cabinet, with the parliamentary Conservative Party, the Party in the country, the general public and naturally, the French and other members of the EEC. He would have been an advocate of official advice given to Macmillan in June, 1961, that the government should hold back from a formal application and use the time to work for greater understanding by the general public of the issues involved, prepare a convincing presentation for the Conservative Party Conference and take further soundings with the French.<sup>71</sup>

The long standing links between Butler and domestic agriculture were the main source of Macmillan's immediate difficulties in 1961. Butler's maiden speech had been on agriculture and he had a history of looking after the agricultural interest, seeing it as the source of what was good and great about the spirit of the nation.<sup>72</sup> He represented that section of the Conservative Party which considered farmers to be the bedrock of the party even though not a majority in politics.<sup>73</sup> Butler was a gentleman farmer with strong connections to local NFU branches and Macmillan regarded him as a link with the agricultural community.<sup>74</sup> In addition, and this has been missed by academics in the past, Butler had to be consulted formally if any changes were to be proposed for agricultural policy. As minister at the Home Office he was, in 1960, responsible for agriculture in Northern Ireland and Soames was obliged to keep Butler

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<sup>68</sup> PRO PREM 11/3305 Meeting at Chequers, 14.1.61

<sup>69</sup> Hennessy, *The Prime Minister*, p. 251

<sup>70</sup> Ramsden, *The Making of Conservative Party Policy*, pp. 106-7

<sup>71</sup> PRO PREM 11/3317 point 1b, Bishop to Macmillan, 26.6.61

<sup>72</sup> Butler, *The Art of the Possible*, p. 22, p. 26

<sup>73</sup> Charlton, *The Price*, p. 245

<sup>74</sup> Macmillan, *At the End*, p. 4

abreast of policy developments in the same way as MAFF kept the Scottish Office fully informed.<sup>75</sup>

Butler's status in Cabinet, his support for agriculture, and the knowledge that he would have support for the legitimacy of his views from other Cabinet ministers and backbenchers, gave agriculture the greater part of its prominence in 1961. Butler said, 'Well the funny thing about it is that it wasn't so much that the lobby (the NFU) was powerful – because it's very small, isn't it – but *I* (his italics) was powerful, that is to say, I was a farmer and I thought that we were going to lose on it.'<sup>76</sup> As Soames said, Butler was the NFU's greatest asset.<sup>77</sup> In 1961 Macmillan hoped to convince Butler to support a turn to Europe by asking him to make a series of visits to NFU branches throughout the country to investigate opinion.<sup>78</sup> Butler reported that some counties had given him a very rough ride but his reception did not preclude him from deciding that some farmers would do very well in the EEC.<sup>79</sup> This account suggests that Butler, although sincere in his defence of those areas of domestic agriculture where membership of the EEC would not bring advantages, was also concerned with the personal politics of the issue. Butler's biographer thinks that at root Butler was concerned for his seat and his personal correspondence certainly suggests this.<sup>80</sup> Butler's constituency, Saffron Walden, had a high proportion of farmers with small acreages whose livelihoods could be threatened by membership of the EEC and he had been its member of parliament since 1929.<sup>81</sup>

Macmillan recognised that Butler's concerns with agriculture were based on political and economic realities. Economic because the existing British support system for agriculture was complex and costly, and political because a large part of the farming community was strongly attached to the continuation of the status quo. From his days at the Treasury Macmillan remembered the administrative burden the agricultural support system placed upon Whitehall, in particular the 'hideous complications of the Farm Price Review'.<sup>82</sup> He says he did not attempt to change it because he hoped it could be radically amended as a result of entering the EEC.<sup>83</sup>

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<sup>75</sup> PRO MAF 255/431, Butler to Soames, 3.11.60

<sup>76</sup> Charlton, *The Price*, p. 245

<sup>77</sup> Soames's private papers, kind permission of Churchill College, Cambridge

<sup>78</sup> Charlton, *The Price*, p. 245

<sup>79</sup> *Ibid.*, p. 245

<sup>80</sup> Howard, *RAB*, p. 295

<sup>81</sup> Ramsden, *An Appetite for Power*, p. 373

<sup>82</sup> Macmillan, *Riding the Storm*, p. 22

<sup>83</sup> *Ibid.*, p. 23

This view has to be treated with caution because it was written in hindsight, whilst Macmillan was much more alert, at the time, to the political difficulties any change to agricultural support would bring. In the wake of the Conservative's political difficulties in 1956-7, he showed he shared Butler's perception that the farming community should be treated well, writing, 'But, really, we have so much trouble coming to us that we must try to have some friends and preserve the firm agricultural base of the party, in the House and the country.'<sup>84</sup> Thus, Macmillan recognised that a key component of Butler's views about Europe would be based on agricultural concerns and he accepted some of Butler's anxieties as valid and reasonable.<sup>85</sup>

It is clear that in 1961 Macmillan felt it was vital for personal reasons to ensure he was taking Butler with him. This was a longstanding pre-occupation, going back to the aftermath of the leadership contest in 1957 when Macmillan realised that Butler's position in Cabinet was a sensitive problem.<sup>86</sup> By 1961 Macmillan still perceived Butler as an ever present danger; in May, 1961, he recorded in his diary that the *Sunday Express* had reported that Butler had decided to 'play the role of Disraeli – break the Government and lead the orthodox 'Country Party' to the defence of British agriculture and the Commonwealth'. In the same diary entry Macmillan commented 'I don't think this is true – as yet'.<sup>87</sup> Although he dismissed the report as untrue, the possibility that agriculture could be used by Butler against him, obsessed Macmillan in the coming months.<sup>88</sup>

This study considers that Macmillan was right to be concerned with the threat Butler posed. Butler's standing in the Party meant there was a real chance that he could mount a leadership challenge if matters went badly for Macmillan. Butler was a senior statesman, holding the offices of Chancellor and Home Secretary and acting as a deputy for a succession of prime ministers.<sup>89</sup> Butler had the allegiance of many Conservative members who worked with him at Conservative Central Office, men such as Reginald Maudling and Iain Macleod who were now rising to the top in politics.<sup>90</sup> He was a skilled parliamentarian and in his time as Home Secretary had

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<sup>84</sup> Macmillan, *Riding the Storm*, Diary Entry 14.3.57, p. 345

<sup>85</sup> BOD MS Macmillan, Dep. 41, 17.5.61

<sup>86</sup> Thorpe, *Selwyn Lloyd*, p. 271

<sup>87</sup> Horne, *Macmillan*, Vol. II, p. 255

<sup>88</sup> BOD MS Macmillan, Dep. 41, 22.5.61

<sup>89</sup> Butler Archive G38/6, Note for Record, 11.3.62; Howard, *RAB*, p. 167, p. 176; Evans, H., *Downing Street Diaries. The Macmillan Years 1957-1963* (London: Hodder and Stoughton, 1981), pp. 155-6; Milward, *The Rise and Fall*, p. 330

<sup>90</sup> Howard, *RAB*, pp. 249-294

sponsored the Education Act of 1944 and dealt with the long running conflicts within the Conservative Party over capital punishment.<sup>91</sup> Butler enjoyed an electoral following amongst the middle classes and his succession to Macmillan was viewed with equanimity by the majority of the Cabinet.<sup>92</sup> In addition, Butler had the gift, essential to anyone who aspired to leadership, of attracting support from a wider grouping than merely the Conservative Party.<sup>93</sup> Butler was described by Carrington, Butler's junior minister at the Foreign Office in 1964, as 'gifted and fascinating', a man who was 'wise, judicious and an expert at the game of politics', with 'a marvellous nose for politics. He sensed better than any man what would and would not work.'<sup>94</sup> To his detractors he was also 'the master of the ambiguous promise, the meaningless communiqué, the quick lick of soft soap'.<sup>95</sup> He has been described by the highly respected diplomat, Nicholas Henderson, who was one of his private secretaries at the Foreign Office, thus,

I think I learned more in one year from RAB about political life than I did from anyone else I have served for however long.<sup>96</sup>

He was therefore, a formidable threat and a potential rallying point for any who disagreed with Macmillan's leadership.<sup>97</sup>

This study argues that prior to and immediately after agreement in Cabinet to seek entry to the EEC, Macmillan made two critical errors in his handling of Butler. These errors prevented him from counteracting the problems Butler might cause in his espousal of agricultural interests. In the longer run of the negotiations they would cost Macmillan the support he needed in Cabinet to push through policy on Europe and give Heath support in Brussels.

Macmillan's fundamental mistake was his refusal to come to any kind of personal understanding with Butler over the leadership succession. If he had been prepared to compromise in this area, it might have altered Butler's public stance in Cabinet before any negotiations opened with the Six. This would have meant a severe

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<sup>91</sup> *Ibid.*, pp. 249-294

<sup>92</sup> Howard and West, *The Making of the Prime Minister*, p. 53

<sup>93</sup> Butler Archives, L93 Macleod in *The Spectator*, pp. 65-7, 17.1.64

<sup>94</sup> Carrington, Lord, *Reflection on Things Past* (Glasgow: William Collins, 1988), p. 181

<sup>95</sup> Howard and West, *The Making of the Prime Minister*, p. 54

<sup>96</sup> Henderson, N., *The Private Office. A Personal View of Five Foreign Secretaries and of Government from the Inside* (London: Wiedenfeld and Nicolson, 1984), p. 82

<sup>97</sup> Horne, *Macmillan, Vol. II*, p. 255; Evans, *Downing Street Diaries*, pp. 159-167

weakening of the position of other ministers who were not keen on an application to the EEC. Turner is correct when he argues that

Like all truly successful politicians, Macmillan possessed a degree of ambition which could be lethal to competitors. Unlike many, he was able to turn this energy and ambition to political ends which seemed radical and constructive, even if hindsight suggests that *they were not enough to deal with the problems which he had identified*. [My italics.]<sup>98</sup>

This study argues that Macmillan's ruthless streak meant that he could not come to terms with his political rivalry with Butler in order to pursue his European policy.

Butler's version of the relationship was that 'to do him justice the Prime Minister never gave me any impression that he wanted me to succeed him. The only time the subject was ever mentioned was late one night at Chequers when he said, "At your age, you had better be king-maker than king." As Butler went on to say, "This seemed strange coming from a man nearly nine years my senior, but it was of course entirely consistent with the attitude he later adopted to the succession in 1963."<sup>99</sup> This clearly laid out position by Macmillan meant that Butler's perception was that he would need to maintain his position as first challenger for the leadership of the Conservative Party in the face of Macmillan's opposition rather than be accepted, as Eden was by Churchill, as the heir anointed.

The disadvantages Macmillan might face if he persisted in disregarding Butler's claims to the leadership become clear when the position each occupied within the Conservative Party is taken into account. Butler and Macmillan were in the centre of the Conservative Party in policy terms and each had adherents in this area of the Party. In addition, whilst Macmillan had strong links to the right wing of the Conservative Party (which was implacably opposed to Butler) through his marriage into the 'grandee' society of the Devonshires and Cecils, this section of the Conservative Party was opposed to entry of the EEC because of economic and cultural links with the Commonwealth.<sup>100</sup> Therefore, to get policy through the Conservative Party Macmillan must have known that he would need an alliance with the centre ground where Butler stood. Refusing to build bridges over the leadership

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<sup>98</sup> Turner, *Macmillan*, pp. 1-2

<sup>99</sup> Butler, *The Art of the Possible*, pp. 196-7

<sup>100</sup> Turner, *Macmillan*, p. 11, p. 199



succession, meant Macmillan prejudiced the development of policies at the heart of his government.

Macmillan's second mistake, in his handling of Butler, came after the decision to seek entry to the EEC. Between meetings on the 21<sup>st</sup> and 27<sup>th</sup> July, 1961, Macmillan secured Cabinet's agreement that negotiations would be opened with the EEC. Under Article 237 of the Treaty of Rome, full membership would be sought because association, under Article 238, the government argued, would have given all of the difficulties without any of the political rewards.<sup>101</sup> Macmillan made it clear that no agreement to enter would be made during the negotiations because this would come only after consultation with the Commonwealth and a vote in the House of Commons.<sup>102</sup> Camps argues that once the motion for opening negotiation with the Six was carried, it would be extremely difficult for the House of Commons to oppose entry unless it could be demonstrated that the terms of entry were inappropriate.<sup>103</sup> Thus, the terms of entry achieved during the process of negotiation would be decisive.

British agriculture was not specifically mentioned in the government's House of Commons motion for debate but it had a share in Macmillan's opening speech in the first week of August, 1961. He said that the government's objectives for the domestic agricultural sector remained unaltered but that the method for achieving the 'prosperous, stable and efficient' (words used in the 1947 Agriculture Act) agricultural industry would have to alter, whether or not the UK joined the EEC.<sup>104</sup> Agriculture would compete for time and attention with other areas of policy; these included, relations with EFTA members, transfers of national sovereignty, and the Commonwealth, where Macmillan emphasised that the Ottawa Agreements (the basis of the system of Imperial Preference) had been constructed for a different age and that it was Commonwealth interests not a particular system the government would attempt to redress.<sup>105</sup> The difficulties inherent in all of these areas were played down, particularly in the case of sovereignty. Initially, it appeared that there was little to suggest that domestic agriculture was to be a difficult issue in the wider House of Commons. Hugh Gaitskell, Leader of the Opposition, tended to agree with Macmillan that agriculture would have to change and that it was a less difficult issue

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<sup>101</sup> *Hansard*, Cols. 928-42, 31.7.61 in Camps, *Britain and the EC*, p. 358

<sup>102</sup> Camps, *Britain and the EC*, p. 358

<sup>103</sup> *Ibid.*, p. 359

<sup>104</sup> *Hansard*, Cols. 1480-94, 2.8.61 in Camps, *Britain and the EC*, p. 359

<sup>105</sup> Camps, *Britain and the EC*, p. 359

than the Commonwealth and EFTA and the implications for national sovereignty.<sup>106</sup> The debate in the Commons stressed that British efficiency would help UK farmers compete on equal terms and that the numerical strength of farmers on the continent would ensure political pressure within the EEC which in turn would secure good arrangements for farmers. However, the fact that British agriculture was mentioned in Macmillan's speech gave it a political significance within the negotiations because it implied that measures agreed in Brussels should not be detrimental to UK farming interests. Thus the government could be held to account over the terms which it finally negotiated for agriculture and this was to become a significant factor in the Cabinet sub-committee Macmillan set up to guide the London side of the negotiations with the EEC in Brussels.

It was in the arrangements to deal with the negotiations with the Six that, as mentioned earlier, Macmillan was forced into a second error of judgement in his treatment of Butler, an error that was to have a major impact on the course of the British application. In August-September, 1961, Cabinet was to retain overall responsibility for policy but its European Economic Association Committee was wound up and a new CMNC created.<sup>107</sup> The CMNC comprised the ministers of those departments whose interests would be most closely affected by entry to the EEC; the Foreign Office, the Commonwealth Relations Office, the Board of Trade, the Ministry of Agriculture, the Treasury, and the Secretary of State for the Colonies. The CMNC was responsible for drawing up the instructions to the British Delegation and the conduct of the negotiations overall. For day to day issues, the CMNC formed a smaller sub-committee, with Heath in the chair whilst any issue this sub-committee could not manage, would go straight to the main committee.<sup>108</sup> The common thread running through the adaptations was the intention to facilitate policy development and prevent a slowing down the process of decision making.

These arrangements gave the CMNC great influence over policy and within the CMNC, the appointment of Butler to the position of chairman, gave Macmillan's rival great personal authority. It is usually averred that Macmillan played a clever tactical game by placing Butler as chairman of the CMNC, so that he would be

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<sup>106</sup> *The Economist*, 10.3.62, p. 887; Camps, *Britain and the EC*, p. 363

<sup>107</sup> PRO CAB 134/1511 CMN(61)1, Macmillan to colleagues, 6.9.61

<sup>108</sup> *Ibid.*

inextricably linked with its future outcome.<sup>109</sup> (Crowson also describes Butler as given the leadership of the CMNC so that he would have 'the opportunity to reassure himself that Britain's agricultural interests were being protected.'<sup>110</sup>) This study presents new evidence to argue that it was Butler who insisted on the chairmanship and that Macmillan was in no position to refuse.

In a note to Butler, August, 1962, Norman Brook, the Cabinet Secretary, indicated that Heath not Butler was to be chair of the CMNC. The note said,

Heath should be in charge and also stay ... in the House of Commons. Questions of major policy arising out of the negotiations should be handled by a ministerial committee of which he would be chairman. He would like RAB to be a member. It would deal only with larger issues and not meet very often.<sup>111</sup>

However, after the first two meetings with Macmillan in the chair, Butler took the leadership of this powerful Cabinet committee.<sup>112</sup> The CMNC became the arena within which ministerial pressures would be most significant, where the crucial decisions over policy would be taken and instructions to Heath in Brussels given. In allowing Butler to take the chairmanship Macmillan successfully involved Butler in the progression of European policy but at the same time gave Butler ample opportunity to influence the trajectory of policy and to have a grasp on what went on in Brussels. This study considers that Macmillan intended Heath should be chairman but was forced into giving the chair to Butler because of difficulties within Cabinet coupled with the premier's determination to break Butler's position as his successor.

Macmillan's mistake over the CMNC stemmed from his wish to promote younger rivals to threaten Butler's position. In October, 1961, Macmillan humiliated Butler by stripping him of two thirds of his offices, the Chairmanship of the Party and Leadership of the House, and giving them to Macleod, one of Butler's acolytes.<sup>113</sup> To begin with this was a matter removed from European or agricultural policy and was caused by right wing opposition within the Conservative Party to Macleod's policies at the Colonial Office and his difficult relations with Sandys at the CRO.<sup>114</sup> Although Macmillan had proposed only to remove one of Butler's offices Macleod

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<sup>109</sup> Camps, *Britain and the EC*, p. 374

<sup>110</sup> Crowson, *The Conservative Party*, p. 134

<sup>111</sup> PRO FO 1109/265 Norman Brook, Cabinet Secretary to Butler, 15.8.61

<sup>112</sup> PRO CAB 134/1511 CMN(61)1, 6.9.61; PRO CAB 134/1511 CMN(61)2, 26.9.61

<sup>113</sup> Shepherd, *Iain Macleod*, pp. 259-261

<sup>114</sup> Howard, *RAB*, pp. 284-5; Shepherd, *Iain Macleod*, pp. 259-261

refused to accept without both.<sup>115</sup> There were limits, because of Butler's standing within the Party, to how far Macmillan could go unless Butler acquiesced and this meant Butler had to be persuaded that he could accept the removal of two offices without loss of face.<sup>116</sup> Evans records that unexpectedly Butler agreed and that this occurred by mid-October, 1961. It seems highly likely Macmillan had to give Butler the chairmanship of the CMNC to persuade him to leave both of the other posts because, as a number of notes in Macmillan's diary make clear, Macmillan faced considerable opposition from Butler over a number of weeks.<sup>117</sup> Harold Evans, Macmillan's press officer, also describes Butler's obvious reluctance to give way to Macleod.<sup>118</sup>

On television Butler was to present the loss of the two party jobs as the result of a special request from Macmillan to help over European policy.<sup>119</sup> This not only saved Butler's face but gave him the kind of influence he enjoyed because his personal philosophy was that politicians can do more to influence policy from within than without.<sup>120</sup> Thus, the chair of the CMNC, although it undoubtedly associated Butler with European policy, was a gift to a man who believed policy could best be changed from within and who emphasized in his memoirs that at all times he recognised 'the importance of biding one's time before action.'<sup>121</sup> Macmillan's decision to allow Butler the chairmanship of the CMNC was a mistake in terms of the execution of policy because it split the authority for policy development between Butler and Heath, making it very difficult for the younger man. Although Heath was later to say that Butler was not obstructive, only pragmatic, this study will show that at crucial points pragmatism would amount to a slowing down of political decisions at times when what Heath needed was a dynamic response. In addition, when Macmillan slimmed down policy decisions from full Cabinet to a CMNC of roughly five or six ministers, he gave greater personal authority to the politicians at those meetings than they would have enjoyed in the wider Cabinet. In the negotiations the

<sup>115</sup> Shepherd, *Iain Macleod*, pp. 260-1

<sup>116</sup> Evans, *Downing Street Diaries*, pp. 165-8

<sup>117</sup> BOD MS Macmillan, Dep. 43, 16.9.61, 18.9.61, 21.9.61, 24.9.61, 25.9.61, 8.10.61, 10.10.61, 14.10.61

<sup>118</sup> Evans, *Downing Street Diaries*, pp. 165-8

<sup>119</sup> *Ibid.*, pp. 165-8; BOD MS Macmillan, Dep. 43, 8.10.61

<sup>120</sup> Howard, *RAB*, p. 235

<sup>121</sup> Butler, *The Art of the Possible*, pp. 29-31

combination of his position and the power of the CMNC would allow Butler a critical influence over the negotiations in both policy formation and execution.

## Section Two

### **Key members of Cabinet**

The rivalry between Macmillan and Butler both impacted upon and was fuelled by relations with other key Cabinet figures. These relations had the potential to deflect strategy and tactics for the negotiations, particularly in the important Cabinet committee, the CMNC. What Macmillan faced, initially in Cabinet in July, 1961, was not an organised faction against his European policy but the doubts of individual ministers. The problem for Macmillan was, as Milward points out, that 'while there was an numerical majority in favour of the application, it was also evident that some of that majority wanted special terms for the UK'.<sup>122</sup> Out of a Cabinet of twenty-nine or so ministers-in-Cabinet, Macmillan had three ministers (in addition to Heath) whose opinions, by virtue of their experience, seniority or personal relations with the Prime Minister, would be regarded as authoritative within the Party, and upon whom he could rely when it came to support for the principle of an application to the EEC: Alec Douglas Home, Foreign Secretary sitting in the House of Lords, Duncan Sandys, Commonwealth Relations Secretary, and Selwyn Lloyd, Chancellor of the Exchequer. There was thus a base on which Macmillan could build.

In contrast, those men who had serious doubts were moved by Macmillan in the 1960 re-shuffle to departments where they would not have close contact with the issue. For example, David Eccles, who had been close to Macmillan during the war years, was President of the Board of Trade at the time of the FTA talks. His opinion remained that the EEC would damage UK interests and that closer ties would be against traditional British diplomacy; he was moved to the Department of Education.<sup>123</sup> John Hare, when Minister of Agriculture, had said that there was little possibility of producing a settlement fair to both the Commonwealth and acceptable to UK farmers; he was moved to the Ministry of Labour.<sup>124</sup> Peter Thorneycroft, formerly at the Board of Trade and the Treasury, was placed in Aviation because of

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<sup>122</sup> Milward, *The Rise and Fall*, p. 345

<sup>123</sup> Charlton, *The Price*, pp. 223-6; Kaiser, *Using Europe*, p. 223

<sup>124</sup> PRO CAB 128/34 CC(60)41, Hare to Cabinet, 13.7.60

his support for multilateral free trade.<sup>125</sup> (Harold Watkinson remained at the Ministry of Defence and, influenced by his officials, continued to have strong reservations about the implications of closer ties with the EEC for nuclear and defence policies.) There was thus a residue of ministers in the Cabinet who harboured very strong doubts and would provide a reservoir of support for Butler to draw upon.

The rest of Cabinet, including Iain Macleod, Colonial Secretary until Autumn, 1961, then Chairman of the Conservative Party and Leader of the House of Commons, constituted the central mass ready to be convinced by the lead of the Prime Minister. It was critically important that the support of this central mass was not disrupted by the opinions of three senior politicians, Butler, Reginald Maudling, President of the Board of Trade and Quintin Hogg, Lord Hailsham (moved to the Ministry of Science because of his opposition to EEC entry). These men, because of their views on Europe, seniority, and potential leadership qualities, could disrupt policy and possibly threaten Macmillan's personal position. All three based their concerns on at least seven underlying areas; the Commonwealth, domestic agriculture, the possibility of splits in the Conservative Party, loss of national sovereignty, the implications for defence and nuclear policy, the British economy and the attitude of France towards British entry. In addition, each one was known to harbour leadership ambitions and appealed to a certain section of the Party. It was the willingness of these three prominent members to give voice to a reservoir of unease in Cabinet that Macmillan feared in July, 1961.<sup>126</sup> At this point Macmillan was concerned mainly to persuade these men to endorse an application but he would also want to feel he could carry them with him through the course of an international negotiation.

As with Macmillan, a strong strand of ministerial thinking on Europe came from Churchill's ideas. Most of the undecided men were a younger generation than Churchill, Macmillan and even Butler. They had come into parliament after the war reared on the ideas of Churchill's three concentric circles in which Britain had vital national interests in international relations with the Empire/Commonwealth, the US, and Europe.<sup>127</sup> This world view was supplemented by the growing realisation, after Suez, of Britain's dependence upon the US for military and economic support, in particular the special relationship it hoped to enjoy in nuclear development after 1958

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<sup>125</sup> Milward, *The European Rescue*, p. 421

<sup>126</sup> PRO CAB 128/35 CC(61)22, 20.4.61; PRO CAB 128/35 CC(61)24, 26.4.61

<sup>127</sup> Kaiser, *Using Europe*, p. 2

(upon an amendment to the McMahon Act of 1946 which had prohibited the sharing of nuclear technology). The problem for Macmillan was that attitudes were not one dimensional and that each minister would have several concerns preventing outright enthusiasm for British entry to the EEC.

Even where a minister was an ally of the Prime Minister and known to be keen to enter Europe, Macmillan still faced this multi-dimensional factor. Sandys and Soames, arguably the most consistent and passionate of pro-Europeans, had difficulties with the way the Europeans had approached integration. For example, Sandys, whilst Chairman of the European Movement after the Second World War, fought hard to contain European federalism.<sup>128</sup> Although supportive of membership in principle, from the outset he worried about commitments to the old dominions, particularly his mother's country, New Zealand.<sup>129</sup> Soames also thought the Commonwealth relationship needed special treatment and one of his objectives in suggesting concessions within British agriculture was to preserve British trade with the Commonwealth 'for many years to come.'<sup>130</sup>

Even the Chancellor and Foreign Secretary, Macmillan's stalwart personal allies in 1961 had some anxieties. When at the Foreign Office in the mid 1950s Lloyd was unconvinced that full membership was the only future for Britain and remained a hesitant European in 1961 according to his biographer.<sup>131</sup> Whilst thinking that the Six (EEC) and Seven (EFTA) could not be allowed to drift apart he was of the opinion that links with Europe should complement rather than replace links with the US.<sup>132</sup> Home had a progressive awareness of changing world circumstances and his opinions were rooted in changing defence and security issues. In 1944, in a speech in the House of Commons, he suggested that Britain would not be able to depend on the Empire as in the past but would depend increasingly on regional alliances for security.<sup>133</sup> However, by 1960 although he thought that if Europe was where the power lay then Britain should be trying to take the lead there, he was quite clear that this should not do fatal damage to relations with the Commonwealth because otherwise British ability to influence on a world-wide scale would be lost, a view he

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<sup>128</sup> Onslow, *Backbench Debate*, p. 39, p. 248

<sup>129</sup> Boothby, R., *Recollections of a Rebel* (London: Hutchinson, 1978), p. 216, p. 223; Milward, *The Rise and Fall*, p. 339; BOD MS Macmillan, Dep. 41, 17.5.61

<sup>130</sup> PRO PREM 11/3194 Soames to Macmillan, 22.2.61

<sup>131</sup> Thorpe, *Selwyn Lloyd*, p. 281; Kaiser, *Using Europe*, pp. 98-9; Milward, *The Rise and Fall*, p. 335

<sup>132</sup> Thorpe, *Selwyn Lloyd*, p. 281

<sup>133</sup> Thorpe, *Alec Douglas-Home*, p. 121

had consistently argued since 1956.<sup>134</sup> In his autobiography, and Milward agrees, Home says that in 1960 the attitudes of the Six appeared to suggest that any closer association with the EEC would wreck New Zealand and damage Australia, and Canada, but that by 1961 he was beginning to see moves towards Europe as inevitable.<sup>135</sup> However, his biographer judges that he was never a 'paid up member of the European tendency in the Conservative Party' and that he saw the advantages of close European unity but not as a choice between the US and Europe.<sup>136</sup> Home, a Scottish landowner and former Secretary of State for Scotland, also had views on the position of agriculture in any negotiations with the EEC, sending a memo to one of his officials 11<sup>th</sup> May, 1961, 'Yes. I think a solution is coming into sight ... Agriculture will be the big snag.'<sup>137</sup> In fact the only member of Cabinet allied to Macmillan, who was single minded in the pursuit of British membership of the EEC was Heath, once he was appointed Leader of the Delegation.

The two ministers, apart from Butler, who were to be the most openly critical of Macmillan's European policy on grounds of both principle and timing, were Hailsham and Maudling. Hailsham described himself as an imperialist without an empire seeing closer ties with Europe as a narrowing of the British perspective rather than a widening.<sup>138</sup> More particularly Hailsham was anxious over nuclear policy (and he would receive support in wider Cabinet from Watkinson, the Defence Secretary who, as explained above, was worried about the dangers of nuclear proliferation).<sup>139</sup> As Minister of Science Hailsham's responsibilities included the Atomic Energy Authority (AEA) which gave him a voice on defence matters and he and his advisers were in regular touch with Macmillan to discuss the nuclear aspects of the general review of defence policy instigated in 1957.<sup>140</sup> He considered entry to the EEC (and to Euratom – a move that Macmillan had decided to make alongside his move towards the Economic Community) could threaten vital British defence interests and that it was unacceptable that Britain should rely on the US for manufacture and delivery of

<sup>134</sup> *Ibid.*, p. 202; Ellison, *Threatening Europe*, p. 73

<sup>135</sup> Milward, *The Rise and Fall*, p. 333; Douglas-Home, A., *The Way The Wind Blows* (London: Collins, 1976) pp. 148-9, p. 176; Wilkes in May (ed.), *Britain, the Commonwealth and Europe*, p. 74

<sup>136</sup> Thorpe, *Alec Douglas-Home*, p. 214

<sup>137</sup> Lamb, *The Emerging Truth*, p. 143

<sup>138</sup> Hailsham, Lord, *A Sparrow's Flight The Memoirs of Lord Hailsham* (London: Collins, 1990) p. 343; Charlton, *The Price*, p. 156, p. 158

<sup>139</sup> Elli, M., 'A Politically-Tinted Rationality: Britain vs. EURATOM, 1955-63', *Journal of European Integration History*, Vol. 12, No. 1 (2006), p. 112

<sup>140</sup> BOD MS Macmillan, Dep. 39, 12.6.60; Lewis, *Lord Hailsham*, p. 184



nuclear armaments; in his view it was only an independent British weapon that would best contribute to West European deterrence and ensure British vital interests were taken into account in strategic military planning.<sup>141</sup> His views, as a member of the House of Lords at this point, were expressed bluntly and openly.

Maudling was equally vocal in his opposition to Macmillan's European policy. In principle, as he said in Cabinet, April, 1961, Maudling supported entry to the EEC because a dynamic Common Market would threaten the economy and politically would attract the interest of the US, thus tending to usurp Britain as the first ally of the US.<sup>142</sup> Nevertheless, Maudling's experience, as leader of the abortive British attempts to form an FTA in 1956-8, convinced him that not only would British and Commonwealth interests be damaged by British entry to Europe but that the French did not want a British application.<sup>143</sup> Maudling's biographer goes so far as to describe Maudling's attitude as based on a 'passionate hatred of the EEC' – the result of the FTA negotiations.<sup>144</sup> His opposition was so strong that he refused to be sent as an emissary, in the last two weeks of July, 1961, to consult with the Commonwealth.<sup>145</sup> Maudling was to reiterate his views constantly in Cabinet, culminating in a protest in memos to Macmillan on the eve of the meeting at Chequers. Full attention must be given to Macmillan's opinion because this evidence is central to support the thesis that Macmillan's failure to bring Cabinet ministers with him undermined the application. Maudling was to play an important role in the final stages of the negotiation and it is important therefore to be clear about the strength and consistency of his position.

In his memos Maudling reminded Macmillan that there had been a lack of movement in the French position over the first six months of 1961.<sup>146</sup> He said 'If this is really the view of the French Government, and in my view what evidence we have suggests that it is, then it seems to me to be pointless to be talking about any negotiations with them'.<sup>147</sup> As a safeguard for the many British international roles Maudling demanded a complete change in British tactics.<sup>148</sup> He said 'I should like to

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<sup>141</sup> Lewis, *Lord Hailsham*, p. 184

<sup>142</sup> PRO CAB 128/35 CC(61)22, Maudling to Cabinet, 20.4.61. For changes to Maudling's attitude over 1960-1 see Kaiser, *Using Europe*, p. 111, p. 136

<sup>143</sup> Milward, *The Rise and Fall*, p. 342

<sup>144</sup> Baston, *Reggie*, p. 133

<sup>145</sup> Milward, *The Rise and Fall*, p. 342; PRO CAB 134/34CC(60)41 Maudling, 13.7.60

<sup>146</sup> PRO FO 1109/261 Maudling to Macmillan, 15.6.61

<sup>147</sup> *Ibid.*

<sup>148</sup> *Ibid.*

suggest that one of the things we might discuss this weekend is whether in the light of this wholly negative French attitude a complete change in our tactics may not be necessary'.<sup>149</sup>

Ludlow rightly interprets the government's response to Maudling as a firm refusal to re-think the whole idea of application.<sup>150</sup> However, this study argues that at Chequers Maudling was willing to use his outright opposition to extract concessions from Macmillan. Maudling objected to draft conclusions of the meeting at Chequers on the grounds that the UK did not intend to subscribe to the basic principles of the Treaty of Rome, as set out in Articles 2 and 3.<sup>151</sup> In his opinion the balance of views was that the UK wanted a revision of these two articles (governing the creation of a common market, a harmonious and balanced development of economic activities and references to common commercial policy) to meet British concerns about Commonwealth interests.<sup>152</sup> This amounted to a bid for the strongest possible opening stance for any British approach to the EEC. When these demands are coupled with Soames' high bid for agriculture (described in Chapter Two) it may be seen that Macmillan had been saddled with negotiating terms by his Cabinet which Heath would find difficult to negotiate with the Six.

Ministers' European policy would also be affected by personal ambitions, rivalries and alliances. In his October, 1961, re-shuffle, Maudling replaced Macleod at the Colonial Office, Erroll went to the Board of Trade, whilst Lloyd, Sandys, Soames and Heath remained at the Treasury, Commonwealth Relations Office, Foreign Office, and Agriculture, respectively. Once Heath was given the role of Leader of the Delegation, a promotion with the potential to advance his leadership credentials, it meant that the application process would be tied up with rivalry over future leadership bids. Maudling, Soames, Sandys, Lloyd, Hailsham, Macleod, were all highly ambitious and none would wish to see too much authority accrue to Heath as a result of success over Europe.<sup>153</sup> Even Home never lost the taste for being at the centre of things after his time with Chamberlain and, his biographer suggests, may have harboured longer term ambitions from a much earlier point than has been

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<sup>149</sup> *Ibid.*

<sup>150</sup> Ludlow, *Dealing*, p. 40

<sup>151</sup> Milward, *The Rise and Fall*, p. 351

<sup>152</sup> *Ibid.*, p. 351

<sup>153</sup> Davenport-Hines, *The Macmillans*, p. 283

supposed.<sup>154</sup> Each of these younger men, at one point or another was encouraged to believe they had Macmillan's support and patronage for the top job and this did not promote Cabinet cohesion. Soames and Sandys were personally close to Macmillan but aspects of their ministerial departments prevented them giving the prime minister the unequivocal support they might have hoped to offer. Hailsham, although never an ally of Butler, could not trust Macmillan. A misunderstanding had occurred on Macmillan's side in the late 1950s and Hailsham had been treated with 'Borgia-like' machinations to deprive him of political advantage after his organisation of the wildly successful 1959 general election. In addition, there was mutual antipathy because of their different temperaments; Hailsham was repelled by Macmillan's Byzantine methods whilst Macmillan considered that Hailsham, although a political wizard, lacked control and was too self advertising.<sup>155</sup> Maudling (and Erroll usually followed his lead) was also mistrustful of Macmillan.<sup>156</sup> Maudling had not trusted Macmillan since the Prime Minister had reneged on a promise of future office made to secure Maudling's support over the leadership fight after Eden's demise.<sup>157</sup> Thus Maudling, was a Butler ally, although younger and not close to him personally, partly because he was disillusioned with Macmillan and also because he was attracted to Butler's policies, and had been brought on by Butler at the CRD.<sup>158</sup>

Taken together, personal views and ambitions within the wider Cabinet were to affect policy development in the CMNC. A head count does not always give the correct impression of influence but in this case the advantage within the CMNC lay with Butler against Heath. Due to personal views, rivalries, departmental circumstances, Butler had more in common with four members (Sandys, Soames, Erroll, Maudling) whilst Heath could only hope to rely on Lloyd's personal loyalty to Macmillan.

Finally, it is important to note that Butler was not an automatic antagonist of Macmillan. Although he had a history of lack of interest in and opposition to European integration, if handled differently by Macmillan Butler might have been the loyal servant he had been to the varied leadership styles of Chamberlain, Eden, and Churchill. In justification of his career Butler wrote that it stemmed from his

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<sup>154</sup> Thorpe, *Alec Douglas-Home*, p. 137

<sup>155</sup> Lewis, *Lord Hailsham*, pp. 168-9

<sup>156</sup> Baston, *Reggie*, pp. 136-7

<sup>157</sup> *Ibid.*, pp. 116-7

<sup>158</sup> *Ibid.*, p. 79

character of 'reformer, not of a rebel.'<sup>159</sup> Thus, Butler, notwithstanding his personal views that the time (and possibly the principle) was not ripe, approached the issue with the same style that had informed his modernisation of the Conservative Party after the war, and began to work from within to see if he could convince hearts and minds. At his instigation as Chairman of the Advisory Committee on Policy, the Conservative Party started preparing party opinion for a possible EEC application as early as July, 1960.<sup>160</sup> Crowson describes how a statement on the EEC and EFTA was circulated to opinion formers, such as constituency chairmen, industrial leaders, and candidates.<sup>161</sup> Its central message was that the time had come to adapt and that the success of the EEC was in the interests of Britain, the Commonwealth and EFTA. Thus Butler was prepared to march steadily along with policy in a planned fashion but was highly reluctant to plunge into negotiations with the EEC without a sustained campaign to convince the Conservative Party and public opinion first. Macmillan allowed his obsession with preventing Butler from succeeding to the leadership to blind him to qualities which could have been put to good use in the first application.

### Section Three

#### **How the NFU saw Europe**

In addition to the views of ministers the farming community had strong views about entry to the EEC. In the last four months of 1961 the NFU was offered the consultation it was entitled to under the 1947 Agriculture Act before the making of agricultural policy. This is the point, before negotiations began in earnest in Brussels in 1962, at which it is necessary to begin to dismiss the idea that the references to the NFU in the MAFF records meant that the one constant theme in agricultural policy was to placate the NFU and that this resulted in an over-riding influence on government policy.

A comparison of what the NFU said in public and private will give a more realistic picture of the NFU's position at the end of 1961. The NFU archives show

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<sup>159</sup> Butler, *The Art of the Possible*, p. 29

<sup>160</sup> Crowson, *The Conservative Party*, p. 136

<sup>161</sup> *Ibid.*, p. 136

that Harold Woolley, NFU President, was well aware that changes were coming whether or not Britain entered the EEC. Within the privacy of his advisory committee he said 'There was a big political change and we must face up to it. The position was rapidly being reached where we must either integrate with Europe in some way or be left on our own'.<sup>162</sup> However, for tactical purposes he was not going to show too flexible a hand in public. He did not attack government policy *per se* but focused on a defence of the British system of agricultural support as best suited to British needs.<sup>163</sup> Within NFU general membership circles the NFU leadership also decided against a more positive attitude to the EEC. Throughout the early months of 1961 the leadership kept members informed of what it described as the disadvantages of Continental systems of agricultural support in comparison with the British.<sup>164</sup> In 1961, the NFU also focused on the views of the intelligentsia, with Asher Winegarten, the Chief Economist, publishing a paper critical of arrangements for a CAP and firmly against entry to the EEC unless much of the British system of agricultural support remained intact.<sup>165</sup> By mid 1961, the context had moved from a potential to an actual application to the EEC. In these circumstances the NFU would have to tread carefully if it wished to preserve its position as MAFF's favoured ally in the farming world. Thus in NFU terms Woolley's public defence of the British system was 'buying a horse', that is to say, Woolley was talking up his initial platform to leave maximum room for haggling at a later stage.

The important point is whether there was any link between what Woolley was saying and government policy. The consultation process which took place in the last four months of 1961 was the NFU's best chance to influence policy. The evidence shows that the NFU was managed so that MAFF could gauge NFU priorities without giving away the government's position.<sup>166</sup> Roll conducted the consultation process and was determined that the NFU should not acquire a presence in Brussels during the negotiations or any veto over policy whilst the negotiations were ongoing.<sup>167</sup> He and Sir John Winnifrith, the Permanent Secretary, arranged to deal only with Woolley and Winegarten, who would act as representatives of the farming industry as a whole.<sup>168</sup>

<sup>162</sup> NFU Archive Box 76A, Cyclo Econ. S92/1385/60 President's Committee, 31.5.60

<sup>163</sup> *Farmer and Stockbreeder*, 27.6.61, 7.11.61, 5.12.61; *British Farmer*, 28.1.61

<sup>164</sup> NFU Archives, *British Farmer*, 28.1.61, 6.5.61, 3.6.61

<sup>165</sup> NFU Archive Box 129, Information Service Pamphlet, July, 1961

<sup>166</sup> For full record see PRO MAF 379/30, 379/31, 379/32

<sup>167</sup> PRO MAF 379/30 Roll to MAFF, 13.9.61

<sup>168</sup> PRO MAF 379/30, Winnifrith memo 13.11.61

This would not only restrict the consultation process but also give the NFU leader the incentive to cooperate with MAFF wherever possible in order to preserve the NFU's privileged status.

In general Roll, undoubtedly not wishing to leave hostages to fortune, gave a cautious somewhat gloomy picture of the future to the NFU leaders, insisting that the NFU should not look for too many concessions from the Six.<sup>169</sup> The outcome of the process was whilst the NFU would not retract any of the negotiating position it had established in public, it would tacitly allow MAFF to negotiate without too much pressure for the first months of 1962.<sup>170</sup> This attitude, which the NFU communicated to MAFF in a strictly secret and unofficial document, was, however, based on the surprisingly attractive negotiating briefs which came at the end of 1961 in a stark contrast to Roll's dismal warnings.<sup>171</sup> For the NFU this secret agreement cost little once there was such a strong negotiating bid for agriculture in MAFF's initial briefs. For the NFU this was the best of all worlds; it let Woolley off the hook with members and also allowed the NFU to preserve good relations with MAFF.

However, the idea that the high bid for agriculture came as a result of pressure upon Roll during the consultation process is misplaced; as Chapter Two pointed out, the initial political authority came from Butler and Conservative backbenchers pressing Macmillan to re-assure the farming community that there would be acceptable safeguards.<sup>172</sup> Without the willingness of politicians to take up the NFU's cause it would have been possible for Macmillan to over-ride the NFU in the interests of the nation as a whole.

In addition, in the final months of 1961, Soames and MAFF were grappling not solely with the NFU but were focused on the problem of how to get a British voice into the Six's discussions for a CAP. What Soames faced in 1961 was the prospect of an application to an EEC in which a CAP had been settled prior to UK membership and which would suit continental styles of agricultural production more than the British. Heath was advised that the UK must get into the EEC before the CAP settlement, which would only come after the German elections.<sup>173</sup> The only way for this to happen was for the government to make an almost unconditional

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<sup>169</sup> PRO MAF 379/30 Roll to Woolley, 25.9.61, 5.10.61, 1.11.61

<sup>170</sup> PRO MAF 379/79 W. A. Nield to Franklin, 4.12.61

<sup>171</sup> PRO CAB 134/1511, CMN (61)6, General Brief on Agriculture, 22.9.61

<sup>172</sup> Crowson, *The Conservative Party*, p. 94

<sup>173</sup> PRO PREM 11/3556 Note from Colonial Office, 29.6.61

application and attempt to be in the EEC before Christmas, 1961. In his speech in the House of Commons Macmillan had made it clear this was not going to happen.<sup>174</sup>

Soames had two main problems, one European and one personal. The initial wave of tariff reductions to develop a common market was accomplished with less difficulty than anticipated and as early as March, 1960, the Commission (the institution in the EEC responsible for the initiation of policy), was able to propose that the schedule of the Treaty of Rome should be accelerated.<sup>175</sup> This would increase the pace of trade liberalisation within EEC boundaries and the implementation of the Common External Tariff (CET), which would further unite the trading patterns of the EEC within a customs union. The agricultural issue was further complicated by the implications of a membership bid by Denmark. As Ludlow describes, 'The inclusion of the world's largest food importer, Britain, and a major agricultural exporter, Denmark, would inevitably complicate and delay the work of the Six.'<sup>176</sup> There were also significant differences within the Six towards the agricultural question and these contributed to the lack of development of a CAP. A full account of the different attitudes of the Six is to be found in Knudsen.<sup>177</sup>

It was the British misfortune (or mistake) to attempt an application at a time when the Six were pre-occupied with internal matters. Agriculture was intimately involved in questions of the development of the EEC because any special arrangements demanded by the British had the potential to threaten the delicate balance of EEC internal politics and economics as the Six attempted to agree upon a CAP. From informal discussions with representatives of the Six Roll noted that the Commission was not content with the integration of commercial policies but was insisting on the development of real economic integration, and accelerating the CAP was regarded as a test case for economic integration and making progress on the political front.<sup>178</sup> Thus the British were considering an application at a time of intense development within the EEC and some in the Commission considered it was too early to receive applications for membership.<sup>179</sup>

Soames hoped that the Six might be persuaded to take another look at the agricultural arrangements proposed by the Commission. Soames's reasoning was that

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<sup>174</sup> Camps, *Britain and the EC*, p. 357

<sup>175</sup> Ludlow, *Dealing*, p. 23

<sup>176</sup> *Ibid.*, p. 65

<sup>177</sup> Knudsen, 'Defining The Policies,' pp. 72-147

<sup>178</sup> PRO MAF 255/430 Roll note, points 2-5, 20.6.60

<sup>179</sup> Ludlow, *Dealing*, pp. 47-9

only the French liked the Commission's plans and that the Germans and the Dutch were against, with the Italians only lukewarm.<sup>180</sup> In February, 1961, Soames had told Macmillan that if Britain chose the moment well it might be possible to persuade five of the Six to reconsider the Commission's proposals and also allow Britain to take a share in new discussions if Britain was soon to become a member.<sup>181</sup>

Soames also had personal reasons for being anxious to make his position clear to the French. In January, 1961, he had left the French with the clear impression that he was prepared to make substantial concessions in British agriculture for the sake of advantages for the Commonwealth and negotiations as a whole.<sup>182</sup> Mid 1961, this was no longer strictly Soames's position. What he was now looking for was that in return for agreement to alter the structure of British agricultural support system, he would be guaranteed certain rights during a transitional period and for the longer term. In other words Soames was now very anxious to make it clear to the French that there were pre-conditions for a changeover from a British to a European system of agricultural support. In the May, 1961, letter to Macmillan Soames made clear his anxiety: 'I do not believe that the French or other members of the Six yet know that we have any conditions such as I have mentioned or similar in our minds'.<sup>183</sup> In addition, Soames wanted to be the minister to take agricultural matters in Brussels and had suggested as much to Butler, July, 1961. Soames justified this request on the grounds that he believed, quite rightly, that he was the only minister who understood all the nuances and different degrees of importance the UK placed upon agricultural issues.<sup>184</sup> This idea was suggested to Heath as early as the beginning of October, 1961.<sup>185</sup>

Whilst Soames probably understood the agricultural nuances better than Heath and the Delegation, it was legitimate for Heath, as Leader of the Delegation, to be wary of an initiative that on the one hand might threaten relations with the French (and the rest of the Six) and on the other hand present a challenge to his personal authority in Brussels. Heath was working to the rules of policy formation (whilst Soames was bent on using informal diplomacy) and was well within his rights to

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<sup>180</sup> PRO PREM 11/3194 Soames to Macmillan, 22.2.61

<sup>181</sup> *Ibid.*

<sup>182</sup> PRO PREM 11/3194 Soames to Macmillan, 22.2.61; PREM 11/3194 Roll's notes for the record, 14.4.6, 17.4.61

<sup>183</sup> PRO PREM 11/3195 Soames to Macmillan, 18.5.61

<sup>184</sup> Butler Archive, F123/10-11 Soames to Butler, 31.7.61

<sup>185</sup> Franklin's Diary, 2.10.61



resist Soames. In London at this early stage in negotiation, British policy formation was guided by the official report from Whitehall's European Steering Committee.<sup>186</sup> The ESC had advised that Britain should wait to be invited to take part in the discussions for the CAP and Heath accepted that he would have to tread carefully. Memories of the collapse of the FTA were still fresh in Europe and Heath was particularly keen to avoid giving the impression that the British would employ divisive tactics to break the unity of the Six or interfere with internal EEC business.<sup>187</sup> The ESC also advised that it was vital that the goodwill of the Six should be maintained.<sup>188</sup> Heath wanted to convince the Six that the UK had altered and that there was now a real commitment to a European entity.<sup>189</sup> In his opening speech to the Six on 10<sup>th</sup> October, 1961, Heath attempted to demonstrate the UK's new attitude to European integration. Heath emphasised how Britain was ready to accept not only the Treaty of Rome but all the *acquis communautaire* (regulations which flowed from the Treaty of Rome), that it was not intended that the application should slow the rate of internal EEC developments and that Britain intended to play a constructive role.<sup>190</sup> Thus any move over agriculture and the CAP would need to be carefully chosen by the British.

Nevertheless Heath accepted that it would be highly advantageous to have a voice in the Six's discussions for a CAP and he reminded Macmillan that this had been Monnet's advice.<sup>191</sup> However, initially Heath was not keen that Soames should be the one to deal with this sensitive area.<sup>192</sup> In October, 1961, Soames suggested that he should approach Edgar Pisani, the new French Minister of Agriculture, to persuade the Europeans Britain should participate in the CAP discussions.<sup>193</sup> Whitehall was split over the matter. Officials within the Delegation were firmly of the opinion that moves by the British on agriculture, without prior invitation by the Six, might compromise wider political objectives for the negotiations as a whole.<sup>194</sup> On tactical grounds Delegation officials advised that there should be no comment by the British on the future CAP until the end of 1961, that was after the completion of the Six's

<sup>186</sup> PRO CAB 134/1511 General Negotiating Brief, 4.9.61

<sup>187</sup> Ludlow, *Dealing*, pp. 61-2

<sup>188</sup> PRO CAB 134/1511 CMN (61)3 points 17, 24, 25, 4.9.61

<sup>189</sup> Camps, *Britain and the EC*, p. 370

<sup>190</sup> Ludlow, *Dealing*, pp. 74-76

<sup>191</sup> PRO CAB 134/1511 CMN(61)3 points 24-5, 4.9.61; PREM 11/3536 Heath to Macmillan, 16.6.61

<sup>192</sup> Franklin's Diary, 2.10.61

<sup>193</sup> Franklin's Diary, 2.10.61; 11.10.61

<sup>194</sup> PRO MAF 379/82 UK Delegation to Roll, 19.10.61

internal talks.<sup>195</sup> The Delegation received support for this cautious approach from Treasury officials who agreed with Heath that any overture to the Six without invitation would contravene the ESC guidelines.<sup>196</sup> Yet Soames received support from key Whitehall officials. He gained the backing of the influential Frank Lee, the pro-European permanent secretary at the Treasury (chair of the CMN(SC)(O) that governed European policy at inter-departmental level in Whitehall) who reminded officials that whilst the British should not impede the Six's progress, any opportunities that might help Britain to have a voice in the discussions that would decide the future CAP, should be taken.<sup>197</sup> Roll, now Deputy Leader of the Delegation, was a personal friend of Robert Marjolin, Vice-President of the Commission, and thus well versed in European attitudes to the British application. He was instrumental in planning and arranging contact between Soames and Pisani.<sup>198</sup> Roll's opinion, expressed in later years, was that Heath, the Delegation and the Foreign Office wanted a successful negotiation with the Six for political reasons and failed to fully understand or accept the difficulties of Soames's position.<sup>199</sup>

However, in the autumn of 1961, the more significant support Soames was to enjoy came from the newly constituted CMNC. The CMNC was to back Soames's views and tactics and this was the first instance in what was to become a pattern of decisions taken in London, to over-ride the advice and views of Heath and the Delegation in Brussels.<sup>200</sup> It was generally agreed within the CMNC that it was so desirable British views and the implications of an enlarged EEC for agricultural policy should be taken into account by the Six, that it made the risks involved in Soames's contacts with Pisani worth running.<sup>201</sup>

Whilst this did not contradict Heath's own views, it did mean that Heath's legitimate hesitancy over how this objective should be achieved, was pushed aside for the sake of domestic agriculture. The outcome of the meetings in Britain and France, between Soames and Pisani in November, 1961, illustrated the difficulties which the British would encounter in bilateral contacts throughout the negotiations and justified

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<sup>195</sup> *Ibid.*

<sup>196</sup> PRO T 312/63 Lucas to J. G. Owen, 23.11.61

<sup>197</sup> PRO CAB 135/1511 CMN(61)14, note by Frank Lee, chairman of CMN(SC)(O), 26.10.61

<sup>198</sup> Interview with Roll; Beloff, *The General Says No*, p. 87; Roll, *Crowded Hours*, p. 111, p. 117

<sup>199</sup> Interview Roll

<sup>200</sup> PRO CAB 134/1511 CMN(61)4 CMNC, 30.10.61

<sup>201</sup> PRO CAB 128/36 CC(61) 22 Soames to Cabinet, 20.4.61; PRO CAB 13/1511 CMN(61)3, points 24-5, 4.9.61; Soames's Private Papers, kind permission of Churchill College, Cambridge

Heath's caution. Pisani and Soames had an instant personal rapport and Soames understood Pisani to have conceded that Britain had an interest in the decisions to be taken over the future of European agriculture within the EEC and that he would make a public statement to this effect on his return to Paris.<sup>202</sup> However, Pisani was forced to renege on this agreement by Wormser and it swiftly emerged that Maurice Couve de Murville, the powerful French Foreign Minister, had no intention of allowing any dialogue between the British and the Six until the CAP was settled.<sup>203</sup> The British were re-assured that they were free to make contact on a bilateral basis with members of the EEC but this was the only type of discussion the French would recognise.<sup>204</sup> Soames's meetings with Pisani illustrated the fact that bilateral contacts were no substitute for formal negotiation with the Six together. For Soames, the NFU and agriculture this was a major setback because the British would have to wait for a CAP settled solely in the interests of the founding members of the EEC.

## Conclusion

A subsidiary conclusion of this chapter is that the NFU was a relatively small player in the autumn of 1961, in comparison with ministerial attitudes. MAFF officials, particularly Roll, were able to keep the NFU leaders onside and persuade them to give the government a breathing space at the beginning of the negotiations with the Six. In addition, Soames's focus at that time lay in the difficulties of negotiating with the Six and not with the domestic interests that had seemed to dominate earlier in the year. This is not to argue that the NFU had no influence at all, for it plainly was in the interests of Soames and MAFF to have the NFU operating with them rather than against them, and this would be done by giving Woolley something of what he needed in the details of agricultural policy. However, this did not mean that the agricultural agenda was dominated by the NFU nor that Butler, Soames and MAFF officials were innocent of gross exaggeration of NFU attitudes at times.

The most important argument of this chapter is that Cabinet attitudes governed the room for manoeuvre which Macmillan had in the run up to the opening of the application. This is not a new idea. What is new is the argument of this study

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<sup>202</sup> PRO MAF 379/82 Roll's note for the record, 13.11.61

<sup>203</sup> PRO MAF 379/82 Franklin to Roll, 16.10.61; PRO MAF 379/82 Roll note for record, 13.11.61; PRO T 312/63 Lucas to J. G. Owen, 23.11.61

<sup>204</sup> PRO MAF 379/82 Franklin to Roll, 16.10.61

that Cabinet ministers were much less enthusiastic than current scholarship assumes and in addition, did not approve the turn to Europe in a one dimensional fashion. There was a subtle mix of motives and these included matters of principle as well as old loyalties and backward looking traditions. This supports Kaiser's analysis that the application to the EEC was not a break with the past.<sup>205</sup> However, what this chapter argues is that Kaiser's conclusion, that the clear majority of Conservative politicians were putting on a new mask for old purposes, is too one dimensional. Instead this study argues that some never put on a mask and for the others who did there was a much more subtle mix of motives. In addition, this chapter has argued that Cabinet was riven by personal ambition and rivalries which were longstanding and would not be brushed aside by the opening of negotiations with the Six. Personal rivalries, principles and loyalties combined to ensure that the membership bid came at a very early stage in the development Cabinet views on Europe.

Agriculture was an area of policy where some of the greatest tensions between loyalties, principle and personal ambitions, were to be found and it had the potential to hinder the progress of policy development for the negotiations with the Six. This, it is argued was a direct result of Macmillan allowing Butler to take the chairmanship of the CMNC. If Macmillan had wanted to neutralise Butler within government policy then he would have been better advised to retain the chairmanship of the CMNC for himself with Butler as a member. As Macmillan had permitted the CMNC to be constituted, any divergence of opinion between Soames and Heath would be seen through the prism of a committee that was composed of ministers who were either much less enthusiastic towards entry than Heath or whose departmental responsibilities and personal ambitions precluded them from giving him the support he needed. Macmillan's tactics allowed the CMNC to become the forum where the cautious and the doubters could exert huge influence over policy. This could only portend difficulties in the months to come.

Finally, this chapter has shown a contingent factor which should have been an omen for agriculture and the negotiations as a whole. Soames's failure with Pisani could have acted as a warning of the dangers in trying to turn bilateral discussions over agriculture into firm agreement. Attempts to come to bilateral agreements with France should not have obscured the fact that there were five other members of the

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<sup>205</sup> Kaiser, *Using Europe*, p. 135

EEC involved in the decision making process. As Chapter Four will show, this proved to be a lesson that the British learnt only when it was forced upon them at the settlement of a CAP from which they were excluded.

## Chapter Four

### Lessons of the CAP Learned But Not Used

January-June, 1962

‘The most dangerous thing in the world is to try to leap a chasm in two jumps’.<sup>1</sup>

‘Getting into bed with an elephant’ is how the 1707 union of Scotland and England has been described. In the case of the British agricultural system and the CAP, it was two elephants trying to find the right space. On the one hand, the CAP had to suit the domestic agricultural arrangements of the individual members of the EEC, national economic structures, and a train of colonial legacies. On the other hand, Britain brought all the baggage of the Commonwealth, with its emotional, economic and political ties, coupled with a highly favoured agricultural community supported by some of the most powerful figures in the land. It was not just the quantity of issues involved but also the qualitative gap that existed between the way Britain traded and its system of agricultural support, and the European trading patterns of agriculture. This meant that the fitting of British agriculture into a continental CAP was never going to be easy.

The Foreign Office ministers of the EEC met to finalise agreements to move into the second stage of the Six’s transitional period towards a common market in December, 1961. Each member had objectives to be won before they would agree to move forward to the next stage of development; for the Germans and Dutch it was cartel regulation, the French wanted equal pay for men and women (which should have been achieved in the first stage) and the French and Dutch made settlement of the CAP a condition of agreement to move to the second stage.<sup>2</sup> What this meant was that Britain was attempting to join the EEC at a time when it was in a state of transition and endeavouring to shape a policy for agriculture, a source of dispute and disagreement since 1958. Britain was not invited to join in the internal CAP

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<sup>1</sup> Lloyd George

<sup>2</sup> Camps, *Britain and the EC*, p. 390

discussions. As Ludlow points out, for the sake of their ambitious transitional programme, the Six ignored the fact that one of its applicants, Britain, was the world's largest importer of food, and a second applicant, Denmark, (Norway and Ireland also applied), was a substantial agricultural exporter.<sup>3</sup> This was the start of a pattern whereby internal matters would take precedence over negotiations with applicants.

The organisation of the negotiations between the Six and Britain was the subject of much debate amongst the Six in 1961, and Ludlow points out that the Six's eventual choice of method was not conducive to a rapid despatch of business. Ministerial meetings were to be held monthly, lasting for about two to three days, attended by foreign ministers together with, where appropriate, ministers whose departmental interests might be affected.<sup>4</sup> The European Commission was to act as an observer and the Six member states were to agree policy within the EEC before presenting a common position to the British. The most difficult political questions were to be resolved at these ministerial meetings whilst weekly meetings at official level (the Committee of Deputies) would be responsible for the preliminary negotiations. A third level, working groups of experts, would draw up reports dealing with technical matters, which would then be passed to officials working in the Committee of Deputies. Only when a position, at all three levels, had been agreed among the Six would the British be asked to join. Even then, if there was no agreement between the two sides, the Six would need to withdraw and negotiate among themselves before once more placing a position before the British. This system proved unwieldy, from the British perspective, and lead to long delays.<sup>5</sup> The one advantage enjoyed by the British was the selection of the issues to be put on the agenda. Thus, Ludlow argues quite rightly, the British had a great deal of influence on the length and duration of the negotiations.<sup>6</sup>

The first section of this chapter describes what the CAP meant to the Six at the beginning of 1962, the arrangements for the CAP and the key problems this would present to the British. A second section examines how Soames and Heath failed to agree upon the British response to the CAP and how their differences were exacerbated by ministerial attitudes within the CMNC. The delay, in a realistic

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<sup>3</sup> Ludlow, *Dealing*, p. 65

<sup>4</sup> *Ibid.*, p. 68

<sup>5</sup> *Ibid.*, pp. 67-73

<sup>6</sup> *Ibid.*, p. 73

British response to the CAP, is taken by this study as a measure of the lack of a clear course at the very top of government.

## Section One

### **The CAP and what this meant for the negotiations in Brussels, January, 1962**

The first important point is that the sense of relief and achievement in the settlement of 14<sup>th</sup> January, 1962, was unlikely to lead ministers of the Six to wish to re-open aspects of the CAP to suit an applicant. The CAP, agreed by the Six in January, 1962, was remarkable given the inauspicious precedents for the integration of European agriculture.<sup>7</sup> The history of the integration of European agriculture had left a legacy of unresolved divergent interests and different visions of the future and from this perspective it becomes easier to understand the hyperbole that greeted agreement in January, 1962.<sup>8</sup> Lahr, the Under-Secretary of State in the German Ministry of Foreign Affairs, described the CAP as 'a new Treaty of Rome' and Adenauer, the German Chancellor, called it 'one of the most important happenings of European history of the last few hundred year.'<sup>9</sup> As Camps points out these were exaggerations, but they illustrated the strong sense of achievement the Six felt at the time.<sup>10</sup> In retrospect, the status of the January settlement has been questioned by the idea that political agreement was only reached through postponing discussions on crucial issues.<sup>11</sup> Nevertheless, agreement of a kind was reached on 14<sup>th</sup> January, 1962, and backdated to 31<sup>st</sup> December, 1961, to fall within the terms laid down by the Treaty of Rome for movement from the first to the second stage of transition. It was this agreement the British would have to face in any negotiations about domestic agriculture.

The CAP would also prove difficult for any applicant because of its role in the development of the EEC as a whole. From one perspective it appears that agricultural

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<sup>7</sup> Shown to the author by Ludlow, N. P., *'The Making of the CAP, Towards a Historical Analysis of the EU's first major policy,'* p. 3

<sup>8</sup> Ludlow, *'The Making of the CAP,'* p. 4

<sup>9</sup> Camps, *Britain and the EC,* p. 391

<sup>10</sup> *Ibid.,* p. 391

<sup>11</sup> Knudsen, *'Defining the Policies,'* p. 422



policy had a weak base in the Treaty of Rome because in comparison with trade in manufactures the Treaty of Rome dealt much less comprehensively with agricultural policies.<sup>12</sup> Nevertheless, the fact that agriculture appeared so early in the Treaty was an indication of the importance that the founding members attached to it, not only as a significant area of economic activity but also as a vehicle for promoting integration.<sup>13</sup> This meant that agriculture's 'weak base' within the Treaty of Rome indicated not lack of importance but its controversial nature; a CAP was necessary to ensure fair competition within a single market and requests from Britain to opt out of aspects of the CAP would be seen as a rejection of the whole structure of the common market and a threat to the unity of the existing six members. These political aspects of the CAP made it more not less difficult for the British application.

It was not that the general political aims of the CAP were unacceptable to the UK. The guiding principles were couched in such general terms as to be unexceptional. Set out in Article 39 of the Treaty of Rome the objectives included an increase in agricultural productivity, a fair standard of living for the agricultural community, the stabilization of markets, the availability of supplies, and reasonable prices for the consumer. These aims were common to all national support policies but even within the smaller unit of the national country, were inherently contradictory.<sup>14</sup>

More seriously than these conflicting aims, was the way in which the Treaty of Rome was interpreted in the regulations flowing from the Treaty (the *acquis communautaire*) and it was here that the differences between Britain and the EEC were considerable. Knudsen argues, rightly, that, in the shorter run of policy development, the Six chose the most 'European' method suggested in the Treaty of Rome.<sup>15</sup> Leaving for later agreement the difficult areas of common rules on competition (Treaty of Rome, Title II Article 40/2/a) and the compulsory coordination of the various national market organisations (Treaty of Rome, Title II, Article 40/2/b) the Six chose to focus on the formation of a European market organisation (Treaty of Rome, Title II, Article 40/2/c). There were three important reasons underlying this

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<sup>12</sup> Ludlow, 'The Making of the CAP', pp. 3-4

<sup>13</sup> Church, C. H. and Phinnemore, D., *European Union and European Community, A Handbook and Commentary on the 1992 Maastricht Treaties* (London: Prentice Hall Harvester Wheatsheaf, 1994) p. 95

<sup>14</sup> Holmes, M., *Political Pressure and Economic Policy: British Government 1970-1974* (London: Butterworth Scientific, 1982) pp. 64-5

<sup>15</sup> Knudsen, 'Defining the Policies', p. 164

choice. First, it was the policy most closely aligned to members' existing policies.<sup>16</sup> Second, it was the simplest means by which to create a coherent common policy.<sup>17</sup> In effect this would minimise the economic and technical strategies that would be needed to effect changes to national systems and the CAP would be up and running in the shortest possible time. Third, the Commission found that the creation of an EEC wide CAP would increase its status and sphere of operation and thus had a vested interest in a CAP which would become increasingly independent of national systems and governments.<sup>18</sup>

Underlying the political choices were substantial economic factors. Tracy argues that the problem of agricultural surpluses, particularly in dairy products, was a fundamental factor in the shaping of the CAP.<sup>19</sup> Increased European agricultural production due to technological developments over the late 1950s, the relatively slow growth in demand (inelasticity in economic terms) and the increasing self sufficiency in Western Europe, contributed to a decrease in the markets for temperate agricultural products.<sup>20</sup> This affected agricultural exporters such as Australia, New Zealand, Canada, Argentina and the US and had repercussions for the level of purchases of European non-agricultural goods in these markets.<sup>21</sup> Between 1956 and 1961 a series of international reports drew attention to the worsening trade situation world wide. For example, the Organisation for European Economic Cooperation (OEEC) emphasized the dangers of relying on price support to maintain farming incomes in a context of surplus production and argued that structural reform was needed to bring about permanent improvements in trade.<sup>22</sup> The 'Haberler Report,' generated for the General Agreement on Tariffs and Trade (GATT), stressed the extent to which protectionist national policies of Western Europe were contributing to world wide surpluses and damaging the export opportunities of Third World countries.<sup>23</sup> Increasingly the worries of agricultural exporting countries were voiced in GATT,

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<sup>16</sup> *Ibid.*, p. 225

<sup>17</sup> *Ibid.*, p. 225

<sup>18</sup> Ludlow, 'The Making of the CAP', pp. 11-14; Knudsen, 'Defining the Policies', pp. 148-224; Moravcsik, A., *The Choice for Europe*, pp. 208-217; Deniau, *The Common Market*, pp. 66-70; Ludlow, N. P., 'Influence and Vulnerability: the Role of the EEC in the Enlargement Negotiations' in Griffiths and Ward, *Courting the Common Market*, pp. 139-155

<sup>19</sup> Tracy, *Government and Agriculture in Western Europe, 1880-1988*, 3<sup>rd</sup> ed. (London: Harvester Wheatsheaf, 1989), pp. 231-257

<sup>20</sup> *Ibid.*, p. 243

<sup>21</sup> Marsh and Ritson, *Agricultural Policy*, p. 54

<sup>22</sup> Organisation for European Economic Co-operation, 'Trends in Agricultural Policies Since 1955', *Fifth Report on Agricultural Policies in Europe and North America* (1961)

<sup>23</sup> Tracy, *Government and Agriculture*, p. 252

where Western Europe found itself under pressure to relinquish the more protective elements of national agricultural support policies.

In the formation of a CAP, therefore, the Six were encouraged towards technical devices which would satisfy the demands of world agreements in GATT. For example, the imposition of new tariffs was unacceptable but GATT agreements allowed the use of variable levies within a customs union. This external pressure was one of the factors which led to the EEC's adoption of the variable levy rather than other instruments of economic control. Thus any attempt by the British to unpick the January, 1962, agreements of the Six, would not only offend the Six but run counter to international financial and commercial aspects and risk offending world, particularly US, opinion.<sup>24</sup> This made the negotiations in Brussels one of a new kind of negotiation, one in which the pomp and splendour of earlier diplomatic discussions were replaced by issues of agricultural and manufacturing trade.<sup>25</sup>

Running throughout these political and economic aspects were administrative difficulties which compounded the problems facing the negotiators of Britain and the Six. The CAP agreed on 14<sup>th</sup> January, 1962, was not a complete policy for all commodities. It covered cereals, pigmeat (all other products from pigs), eggs, poultry meat with regulations governing the transitional period to enable a changeover from national to a European system. Agricultural commodities, which remained unsettled, were to be dealt with at a later stage, some whilst the negotiations were ongoing with the UK, others not until well into 1964.

Under the CAP a series of protected markets for each commodity would develop which would be sustained by a variable levy (a form of external tariff). Manipulation of the levy would ensure that prices were raised to levels which the EEC considered commensurate with the needs of farmers and production patterns. What this meant was that there would be no undercutting of European market prices by imports from third countries (non-members). If the internal price fell to an unacceptable level then intervention buying would further protect the internal market price. Over the initial transition period national barriers to trade would be removed and by the end of the transitional period EEC farmers would trade freely. It was thus an artificially created free market.<sup>26</sup>

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<sup>24</sup> *Ibid.*, pp. 243-5

<sup>25</sup> O'Neil, C., *Britain's Entry into the European Community* (London: Frank Cass, 2000), pp. x-xi

<sup>26</sup> Butterwick and Neville-Rolfe, *Food, Farming and the Common Market*, pp. 7-9

The transitional period was particularly important because it was during this time that members would adjust national systems to the new regime. Here there were two key principles; first, all members would be treated equally and second, progressive advantage (community preference) would be given to members over third country importers by means of the *abattement forfaitaire* in which a preferential rate of levy, increasing annually, would be given to internal trade.<sup>27</sup> This meant that agricultural exporters such as the French and Dutch would be given ample chance to develop markets in other member states at the expense of traditional trading partners.

The managed internal market would have prices supported by a variable levy at customs. The level of the target price would set the style of the CAP; if high it would be highly protective with a tendency to increasing self sufficiency and surpluses, if low it would be outward looking with opportunities for imports from third countries. However, the levy system would only apply to grains and pig meat; for eggs and poultry there were weaker support mechanisms.

A *Fonds Européen d'Orientation et de Garantie Agricole* (FEOGA) (European Agricultural Guidance and Guarantee Fund) would be established to subsidise agricultural exports, support interventions in the internal market price levels, and promote structural change.<sup>28</sup> The way in which the Fund was to operate and its funding were sources of real difficulty between the Six. Levies on agricultural imports would support the CAP and food importing countries would make much higher contributions than agricultural exporters whilst food exporting countries would receive subsidies.<sup>29</sup> A transitional period was to run from 1962 to 1965 and completion of the third stage was to adhere strictly to the end of 31<sup>st</sup> December, 1969.<sup>30</sup> During the transitional period the provisional agreement on the funding of the CAP would be reviewed in 1965.<sup>31</sup> After 1965 decisions on funding could be taken by majority vote.<sup>32</sup> The Germans had a grievance about the way in which the levy system would penalise importing countries and argued that the arrangements under Regulation 25 should last for three years initially and there should be a cap on the maximum costs to any one member state.<sup>33</sup> As Knudsen points out Regulation 25 was

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<sup>27</sup> Camps, *Britain and the EC*, p. 392; Ludlow, *Dealing*, p. 101

<sup>28</sup> Camps, *Britain and the EC*, p. 394

<sup>29</sup> Ludlow, *Dealing*, p. 102

<sup>30</sup> *Ibid.*, p. 100

<sup>31</sup> Milward, *The Rise and Fall*, pp. 385-6

<sup>32</sup> Camps, *Britain and the EC*, pp. 253-265

<sup>33</sup> Milward, *The Rise and Fall*, pp. 385-6

a source of internal contention within the EEC and it was feared that the British position with the Commonwealth would increase internal divisions over the levy.<sup>34</sup> How the levies were to accrue to a central fund within the EEC, whether there was to be a cap on national contributions, and if the fund should be re-directed solely to agricultural use, were controversial issues which were not resolved to the complete satisfaction of existing members of the EEC in January, 1962.

Before turning to an analysis of the individual implications of the CAP for Britain it is necessary to note that the quandary that faced the UK was that there were as many problems for Britain outside as well as inside the CAP. The production of temperate products within the EEC was on an upward trend. In future years, the EEC might well become self sufficient in all basic commodities. This would mean that pressure on the UK market would intensify because the EEC would be looking to off load its surpluses on the UK market whilst third countries would be re-directing supplies from former markets in Europe to the UK. The British market would be squeezed on all sides, prices would drop and the Exchequer would be increasingly unwilling to meet spiralling deficiency payments costs.<sup>35</sup> In addition, the national economy would not benefit from a resurgent European market in manufactures and industrial products that would also enhance the competitive powers of European states in world markets.<sup>36</sup> Germany, in particular, would draw industrial strength from a wide European market and increasingly threaten British interests in the Commonwealth and the US, whilst the EEC would also gain power and influence through speaking with one voice in international trade bargaining. Hence, staying out of Europe would have more consequences than just a cost in lost opportunities to export manufactured goods to continental Europe.

The CAP was based on farming patterns that differed from the UK, particularly in the emphasis that was placed on the production of grain over livestock. As a result of the Six's focus on different production patterns, the CAP contained no firm agreements for 40% of British agricultural income in January, 1962.<sup>37</sup> There were some outline proposals for commodities which had not been settled, for example, it was agreed in principle that the levy system should be extended to dairy products. However, whilst a decision was scheduled for July, 1962, in practice there

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<sup>34</sup> Knudsen, 'Defining the Policies', p. 401

<sup>35</sup> PRO MAF 393/112 Roll's Study Group, 2.6.60

<sup>36</sup> Milward, *The Rise and Fall*, p. 190

<sup>37</sup> PRO CAB 134/1512 CMN (62)27 Cabinet record, 5.12.62

was still no agreement by the beginning of 1963. For horticulture, an area where Britain, Holland, Italy, and France had strong interests, it was agreed that there would be a very different support structure than for grain; internal prices would be supported by elaborate quality controls, and imports of fruit and vegetables from third countries would be subject to a common external tariff. Thus, different production patterns would make it impossible for British politicians to be specific about the details of policies for unsettled commodities and British farmers would face a larger degree of uncertainty than continental producers.

There were six main economic factors which would impact on Britain if it entered the EEC and these ranged across the interests of the individual farmer, the consumer, and the national economy. First, from the perspective of individual producers, the UK would be able to compete with EEC producers in the main but would suffer when commodities were in competition with the Dutch or Danish (it was assumed Denmark would enter the EEC with or shortly after the UK) who were more efficient.<sup>38</sup> This would lead to different patterns of production in the UK and, at the level of individual farmers many could suffer real losses. Often losses would, in effect, see a transfer of income to British farmers producing the commodities most favoured by the CAP; it looked likely that larger cereal farmers would benefit most from transfers of income from smaller less prosperous livestock producers.<sup>39</sup> Second, in the horticultural sector, British higher cost producers would face increasingly fierce competition from the Dutch and Italians and if they could not make efficiency savings many would go out of business.<sup>40</sup> Third, where production grants and other support devices such as the Marketing Boards, were incompatible with the Six's competition policy, they would not be allowed to continue and this would result in great hardship for certain regions of the UK.

Fourth, from the perspective of the consumer, there was a degree of uncertainty over the ultimate level of food prices because the EEC had yet to fix its own internal price structure and this has been discussed in Chapter One. Fundamentally, any rise in the cost of food prices represented a threat to the performance of British manufacturing at a time when, in becoming members of a common market, British industry needed to provide a sound commercial basis to the

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<sup>38</sup> PRO MAF 393/12 Roll's Report, 66 (i), May, 1960

<sup>39</sup> PRO MAF 393/12 Roll's Report, 66 (ii), May, 1960

<sup>40</sup> PRO MAF 393/12 Roll's Report, 66 (iii), May, 1960

UK economy.<sup>41</sup> Fifth, a further factor which would impact on the national economy was the way in which levies might be required under the Financial Regulation to accrue to central funding of the CAP. Existing import policies would make the UK the largest contributor.<sup>42</sup> In this case, any savings government might hope to make at the demise of the UK system of agricultural support would be countered by losses on the levy system and as Milward says, there would be some absolute increase on the import side of the UK balance-of-trade figures.<sup>43</sup> It was not the variable levy in itself that would alter British relations with the Commonwealth and impact upon its balance of payments because the levy in itself would be neutral if the proceeds of the levy returned to national Exchequers.<sup>44</sup> It was the fact that the EEC had decided that a large proportion, possibly 100%, of levy proceeds, after the initial phase of integration, would fund the CAP and be administered from Brussels. If the levy was to go to Brussels then, unless the British government could persuade importers to change established trading patterns, there would be, in the short run at least, a loss to the British economy and a direct transfer of income from Britain to the EEC.<sup>45</sup>

However, altering British agricultural imports ran the risk of retaliation or damage to markets in manufactures in traditional British trading partners. This was at the root of the threat posed by the *abattement forfaitaire*, the sixth implication of the CAP, whereby even in a transitional period preferences would be removed from traditional Commonwealth suppliers and given to EEC producers. Alterations to traditional trading patterns was not just a matter of commercial policy but was linked to the way in which Britain ran its monetary policy and its world-wide investments, with agriculture tied to trade with the Commonwealth and the national economy.

As Milward indicates, of the three ties remaining in the early 1960s between the Commonwealth and Britain, sentiment, security and the Sterling Area, the first was weakening, the second fast fraying, whilst only the third was still important, particularly to Australia.<sup>46</sup> This issue was largely ignored in the negotiations because of Heath's concern that it would entail more problems for British entry. This indicated more not less concern over the issue, an emphasis which is supported by the

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<sup>41</sup> Milward, *The Rise and Fall*, p. 427

<sup>42</sup> PRO CAB 134/1547 CMN(SC)(62)4 Finance for CAP and implications for balance of payments, point 2, 12.2.62

<sup>43</sup> Milward, *The Rise and Fall*, p. 423

<sup>44</sup> Butterwick and Neville-Rolfe, *Food, Farming*, p. 29

<sup>45</sup> Milward, *The Rise and Fall*, p. 431; Marsh and Ritson, *Agricultural Policy*, p. 122

<sup>46</sup> Milward, *The Rise and Fall*, p. 274

view of the Overseas Financial Division of the Treasury, that membership of the EEC would be incompatible with the existing Sterling Area arrangements.<sup>47</sup>

In addition to monetary policy, the British faced factors that were difficult to quantify over trade with the Commonwealth Dominions, and the important point is that the risks for entry were as great for Britain as the Commonwealth. Where goods did compete, such as temperate agricultural products, the risk for Australia, Canada and New Zealand, was that any increase in self-sufficiency within Britain (if a member of the EEC) would leave little room for imports of temperate foodstuffs. The British market was in deficit in 1960 but any increase in prices by the EEC (and this was likely in cereals because the existing range of cereals prices on the continent was higher than the British) would lead to changes in UK production patterns and result in increased domestic production. However, in 1958 the Board of Trade (BOT) considered that the Dominions might well obtain access to EEC markets on preferential terms in return for preferences for European manufacturers, in other words, a loss of special preference for British manufacturers in Dominion markets.<sup>48</sup> Furthermore, Whitehall officials considered that the Dominions would be only too happy to negotiate with the EEC bilaterally and that this could only undermine the British position; from the Whitehall perspective therefore, a British promise to negotiate advantageous terms for temperate agricultural products was inevitable unless it wished to watch the whittling away of existing British preferences.<sup>49</sup> Also, it was possible that a cartel of overseas producers such as the producers of temperate products, might gain higher prices for imports and, in theory, more revenue even if less food were imported.<sup>50</sup> Thus, to guard British interests, not those of the Dominions, it was vital that Britain ensured some guarantee of market access, commensurate with what the Dominions enjoyed in the UK market during the 1950s, unless it wanted to be faced with wholesale changes to existing patterns entirely out of British influence.

This account of the CAP, and the implications it might hold for British agriculture and policy towards Europe, shows that although it was clear there would be serious economic and commercial repercussions, if Britain changed to the CAP,

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<sup>47</sup> *Ibid.*, p. 204. See also Kandiah, D., and Staerck, G., in May, *Britain, the Commonwealth*, pp. 111-131

<sup>48</sup> PRO CAB 129 C(58)67 European FTA, memo by paymaster general and note by officials, 26.3.58

<sup>49</sup> *Ibid.*

<sup>50</sup> *The Economist*, 2.9.61



these were difficult to quantify and often contradictory. All of the disadvantages of the CAP had to be balanced against the longer term gains that it was expected would accrue to the British economy as a whole through access to the large prosperous European market for British manufacturing, industry and venture capital. However, the managed market of the CAP meant that whilst British industry was allowed to find a relatively free path in the Common Market, British agriculturalists would have to find a way to fit into a *dirigiste* CAP.<sup>51</sup> On the one hand, MAFF officials could live with a CAP that allowed the sector as a whole to retain the same level of income because although there would be a different pattern of individual winners and losers, this would not necessarily affect the profits of the UK agricultural sector as a whole.<sup>52</sup> On the other hand however, whilst MAFF officials might view with satisfaction the maintenance of income level for the sector as a whole, ministers in Cabinet would be more pressed by the need to defend the interests of certain sections or groups of farmers.

Thus, despite the economic problems presented by the CAP, particularly those relating to the national economy and the Commonwealth, there were over-riding political factors within domestic agriculture which dominated Cabinet thoughts throughout the course of the negotiations. The fact that the CAP, even by January, 1962, was incomplete for approximately 40% of British agricultural products and that the Commission were still working out the details of the agreements reached between the Six in January, 1962, made the British government vulnerable to charges of political betrayal if the CAP was adopted without provision for half of British agriculture; the government would be faced with accusations that it had repudiated promises made in 1959 and that it contravened fundamental aspects of the large body of legislation that governed the UK support system.<sup>53</sup> In particular, the 1947 and 1957 Agriculture Acts acted as a barrier to membership of the CAP because they gave legislative force to a system of agricultural support that was incompatible with the Six's arrangements for a CAP. Repeal of the operation of the Agriculture Acts could remove at one stroke much of the political difficulty because without the Agriculture Acts the CAP would appear to the British agricultural community as a safe haven rather than a leap into the unknown. However, removing the Acts would be a difficult

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<sup>51</sup> PRO MAF 393/12 Roll's Study Group, point 57, 2.6.60

<sup>52</sup> Interview Roll

<sup>53</sup> See Chapter One for British system

political step because it would involve the breaking of pledges by successive Conservative governments. It was one which Cabinet would not wish to take precipitously.

In addition to the economic problem of adapting a system of agricultural support to a CAP designed for very different production patterns, the Conservative Cabinet needed to resolve the essentially political conflict between domestic and Commonwealth producers that the British system was designed to solve. If Britain adopted a CAP and obtained special concessions for Commonwealth producers of temperate products in the British market, then domestic farmers would not necessarily obtain the same price levels as continental farmers. Conversely, any settlement for British farmers which looked like being highly protective of UK farmers, would mean that Commonwealth producers would be unable to access traditional markets.<sup>54</sup> This would lead to a lack of markets for Commonwealth production unless, as in the case of Canada, it produced (hard) wheat for milling that could not be grown in the British climate.<sup>55</sup>

Heath devised a formula to govern the import of Commonwealth products into an enlarged EEC. The idea of 'comparable outlets' was that 'full regard should be paid to the interests of the Commonwealth producers concerned, and that they should be given in the future the opportunity of outlets for their produce comparable to those they now enjoy.'<sup>56</sup> Heath announced this idea in his opening speech to the Six in October, 1961, but did not precisely explain how he hoped this might be achieved. In October, 1961, Heath implied that he was thinking of a number of possible solutions including tariff quotas, a low external tariff, something along the lines of the Morocco Protocol which had allowed continuation of traditional access to French markets for Tunisia and Morocco, or even a form of 'association' in which members of the Commonwealth would gain preferential access for exports to the Common Market as a whole.<sup>57</sup> The problem was that these, particularly the forms of association and the Morocco Protocol, were precedents which, if allowed to the Commonwealth, would constitute a breach of the CET and the CAP.<sup>58</sup> Inevitably therefore, this general 'catch-all' idea would have to break down into discussions

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<sup>54</sup> PRO CAB 129/110 C(62)135 Temperate agricultural agreement with EEC and Commonwealth, 21.8.62; Milward, *The Rise and Fall*, p. 385

<sup>55</sup> Roll interview

<sup>56</sup> HMSO Cmnd. 1565 November, 1961, Paragraph 17

<sup>57</sup> Camps, *Britain and the EC*, p. 380

<sup>58</sup> *Ibid.*, p. 381

about the access of Commonwealth products country by country or group of countries or commodity by commodity.

This conflict between domestic and Commonwealth temperate producers was inherently political because without the British system of support it would be impossible to satisfy both set of interests. The British system of agricultural support was designed to contain the conflict of interests between domestic farmers who resented the loss of markets to importers and British manufacturers who preferred the lower living costs incurred as a result of cheap food imports, and reciprocal markets in the Dominions.<sup>59</sup> Where Australia, New Zealand and Canada produced commodities which competed directly with domestic farmers, such as beef, lamb, dairy products, and cereals, the interests of Commonwealth producers were in direct conflict with and irreconcilable with those of British farmers.<sup>60</sup>

This means that strictly speaking it was unrealistic for the government to seek special arrangements for agriculture and Commonwealth producers of temperate products in negotiation with the Six. This flawed agenda underlay the conflict between Heath and Soames and how it worked to the detriment of the negotiations as a whole, leading to delays in the first instance and disagreement with the Six later, is explored in the second section of this chapter.

## Section Two

### **Why Was There No British Response to the Settlement of the CAP at the first ministerial meeting in Brussels, February, 1962?**

The whole trajectory of the agricultural negotiations would have been different if Britain had responded flexibly to the CAP that emerged in January, 1962.<sup>61</sup> Instead, in February 1962, Soames continued to speak to the Six in terms that had been shaped

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<sup>59</sup> Winnifrith, *The Ministry of Agriculture*, pp. 204-7

<sup>60</sup> PRO CAB 128/34 CC(60)41 Hare (Minister of Agriculture) to colleagues, 13.7.60

<sup>61</sup> Ludlow, *Dealing*, p. 249

in the latter part of 1961 before the details of the CAP were available. This study's new contribution is that it argues personal rivalries and party political issues played a significant part in the British refusal to respond with rapid concessions to the Six's new position on agriculture. Two patterns emerged from this period of the negotiations that would endure for the rest of the negotiations. The role of Butler within the CMNC was to be crucial to the defence of British agriculture and the rivalry between Soames and Heath became detrimental to the steady development of priorities. This study looks at how these patterns were manifest in three areas of the negotiations; the way that MAFF and Soames's strategic planning was over-ruled by Heath and the Foreign Office, how the CMNC altered tactics prepared by Heath and the Delegation, and where there was a lack of clear direction from Macmillan.

The argument that the Delegation over-ruled MAFF on agriculture is new. Existing literature tends to accept assertions, in Heath's memoirs, that the behaviour of MAFF officials in the conduct of the negotiations did not serve the national interest.<sup>62</sup> Heath contrasts MAFF officials to all other Whitehall departments, thus, 'at all official levels, from the most senior down, (MAFF officials) systematically opposed, to the bitter end, all pressures to alter the British agricultural system' and, he added, undermined Soames at every turn.<sup>63</sup> In fact this study can show that the agricultural briefs were changed in the face of opposition from MAFF officials and against Soames's advice. By March, 1962, there was an *impasse* in the agricultural negotiations and it was not until June, 1962, that Macmillan helped to bring about a breakthrough. Therefore although, as described in earlier chapters and the first section above, there were complex difficulties over the dynamics of Commonwealth and domestic farming interests, ultimately it was the reactions of ministers to these factors, including a large degree of political in-fighting, which prevented a rapid UK response to the CAP.

To begin this argument it is necessary to look briefly back to 1960-1 to describe and analyse the policies Soames and MAFF officials were advocating. Soames personally, found much to attract him in proposals for a changeover from the British to European systems, writing to Butler, mid 1961, that 'We do not want the Six to know that some of their proposals are really quite attractive to us'.<sup>64</sup>

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<sup>62</sup> Heath, *The Course of My Life*, p. 212

<sup>63</sup> *Ibid.*, p. 212

<sup>64</sup> Butler Archive, F123/10-11, Soames to Butler, 31.7.61

Nevertheless, MAFF also considered that the economic issues were more complicated than departments like the Foreign Office had formerly considered.<sup>65</sup> In 1960 MAFF was asked to draw up a report to decide MAFF's official attitude to any application to the EEC. The Roll Report showed that there was little for MAFF as a department.<sup>66</sup> Thus from very early on MAFF was under no illusion about its likely loss of status in any transfer of policymaking from the UK to Brussels.<sup>67</sup> The Roll Report showed great foresight over the formation of a CAP. It said

It may perhaps be argued that the reluctance of member-governments to surrender control of their national agricultural policy and the purely practical difficulties in the way of establishing a common policy mean that for a long time to come the commitment on methods and institutional procedures would be purely formal. In our view, however, it would be unwise to rely on this when assessing the effects of joining the common market. Similarly, we think it advisable to discount the hope that the negotiating power of the UK as a member of the common market would be great enough to secure different arrangements which would suit us better.<sup>68</sup>

From the outset therefore, MAFF officials were ready to make policy proposals based on the idea that they would have to accommodate the views of the Six rather than the other way around. This ensured that the department approached the negotiations from a managerial perspective, as Milward describes, rather than a matter of principle.<sup>69</sup> During the negotiations MAFF, having decided that the guarantee system was 'expendable,' was intent on ensuring that the extent and pace of change was acceptable to British interests.<sup>70</sup>

MAFF's initial negotiating briefs reflected the idea that there would have to be an acceptance of the CAP settled by the Six largely without British input. Significantly, however, MAFF did not envisage a complete surrender of agricultural policy to the Six immediately upon entry. Its negotiating strategy was based on two premises. The first premise was that in order to ease the changeover there would be a transitional period and during this time MAFF would be able to retain as many as possible of existing guarantees to farmers, enlarge the existing production grants, and

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<sup>65</sup> PRO MAF 255/958 Roll to minister's policy committee, 5.7.60

<sup>66</sup> PRO MAF 393/35 Private Office Files, point 2, 27.5.60

<sup>67</sup> Interview Franklin

<sup>68</sup> PRO MAF 393/12 Roll's Study Group, 2.6.60

<sup>69</sup> Milward, *The Rise and Fall*, p. 426

<sup>70</sup> PRO MAF 379/155 Analysis of the reasons behind UK farmers' apprehensions, 14.3.62

introduce new grants for efficiency and structural improvements. The second premise was that once within the Common Market, national governments would also be able to give help to national farmers, in the form of grants and subsidies for efficiency and improvements in structure, from the national Exchequer.<sup>71</sup> What MAFF was concerned about was its ability to manage the rate of change for all, not just the agricultural producer; this included realising market conditions which would enable UK farmers to obtain the target prices available to EEC producers, that consumers would not be faced with steep and rapid price rises, that traders and traditional trading partners would have time to adjust.<sup>72</sup> Without its guiding hand, MAFF considered that British farmers, depending on the extent to which Commonwealth interests and traditional trade patterns with third countries remained constant in the early years of transition, would be at some disadvantage compared to EEC farmers who did not have to compete with such quantities of imports to European markets.<sup>73</sup> Soames agreed with this analysis; he anticipated that during these first four or so years British guaranteed prices would remain for some years, that import controls would restrict the flow of goods from third countries and that some government grant aid to the producer would still be possible.<sup>74</sup>

MAFF's objectives sounded fine in principle but Heath and the Delegation's constant criticism of MAFF's strategy was that their proposals would not appeal to the Six. However, this was to ignore the redeeming point that MAFF and Soames regarded the length of the transitional period as negotiable. Initially, whilst MAFF officials had envisaged asking for a general transitional period of ten years, they had advocated a shorter time for some commodities.<sup>75</sup> MAFF's strategy, therefore, was to bargain the length of the transitional period for what it wanted over the nature of arrangements, particularly in the early years of accession. Nevertheless, as early as November, 1961, MAFF realised that the Six were looking to the UK to complete any transitional period at the same time as the Six, that is, by the beginning of 1970.<sup>76</sup> After the January, 1962, settlement of the CAP, MAFF officials agreed that compared

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<sup>71</sup> PRO MAF 375/53 Main objectives, 15.8.61

<sup>72</sup> PRO MAF 379/88 Soames to Six, 22.2.62

<sup>73</sup> PRO MAF 379/31 Minister meets three NFUs, 28.2.62

<sup>74</sup> PRO MAF 255/961 Soames to MAFF Policy Committee, 15.5.61

<sup>75</sup> PRO CAB 1314/1511 CMN(61)9 revise Copy no. 48, points 12 and 18, 17.10.61; PRO MAF 379/53 CMN(61)1 general negotiating brief, pt. 7, 15.8.61

<sup>76</sup> PRO MAF 379/114 Franklin memo, 24.11.6; PRO CAB 134/1511 CMN(61) Soames to CMNC, 26.9.61; Camps, *Britain and the EC*, p. 385

with the earlier proposals by the Commission for a CAP, the decisions of the Council of Ministers had introduced more flexibility of action for individual countries in the transitional period. This included fiscal rather than physical control (that is, managing the market through price levels rather than more interventionist measures such as quotas) which would be worked out over a three to four year period. This meant that the nature of the early years of the transitional period had improved from MAFF's point of view.<sup>77</sup> However, MAFF recognised that when it came to the length of the transitional period this flexibility for national governments meant that the chances of getting a long transitional period for the UK had been severely reduced.<sup>78</sup>

This makes it surprising that by the beginning of February, 1962, the length of the transitional period in MAFF negotiating briefs was still fifteen years. This study argues that it is clear from government records that MAFF had not asked for the transitional period to be extended to this degree and that concerns, about the Commonwealth on the part of other ministers and Whitehall departments, ensured a longer transitional period was imposed upon MAFF's side of the agricultural negotiations.

Ministers in Cabinet and the CMNC had always understood a transitional period to be a natural part of any British entry to Europe and in bilateral talks Sicco Mansholt, Vice-President of the European Commission responsible for agriculture, had not objected when a figure of twelve years of transition had been mentioned by the British.<sup>79</sup> In his opening speech Heath said that a shorter period would be sufficient for some commodities and in general the UK would like to keep pace with Six as far as possible.<sup>80</sup> But in the same speech Heath also mentioned a transitional period lasting from between 12 and 15 years from the point of British entry. Treasury files noted that the demand for 12-15 years was 'very much an opening position, and the original request by the Ministry of Agriculture was for a period of 10 years from the date of accession.'<sup>81</sup> In addition, an official memo says that from the Treasury point of view it too would have been able to accept the shorter transitional period MAFF had suggested for some commodities.<sup>82</sup> It was agreed in the CMNC that it was pressure of Commonwealth concerns that caused these alterations to MAFF's original

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<sup>77</sup> PRO MAF 379/81 CMSG, 30.1.62; PRO CAB 134/1512 CMN(62)1 Soames to CMNC, 15.1.62

<sup>78</sup> PRO MAF 379/81 CMSG, 30.1.62

<sup>79</sup> PRO MAF 379/82 Franklin to Roll, 12.10.61

<sup>80</sup> PRO MAF 379/139 Cereals brief, App.V, subsequent revision, paras. 12-36, 31.10.61

<sup>81</sup> PRO T 312/63 Lucas to J. G. Owen, 23.11.61

<sup>82</sup> *Ibid.*

proposals.<sup>83</sup> Soames reported that the general briefs on agriculture ‘the result of several drafts, were now under active revision in the light of the consultations with Commonwealth officials in London in September’.<sup>84</sup> However, because the Six viewed the length of the transitional period as a crucial issue, Soames was prepared to be much more adaptable than Heath, the Delegation or the majority of the CMNC. As one official said ‘Very privately, I get the impression that the Minister [Soames], always realistic – would in the end be prepared to accept a considerable reduction in the general transitional period which we have so far stipulated if we could get a safety net (long term assurance)’.<sup>85</sup> The length of the transitional period was to re-appear in September, 1962, and illustrate once more that it was not Soames or MAFF officials who held onto the demand for a transitional period that did not keep pace with the Six.

After this initial alteration a second set of pressures bore down upon MAFF from the Common Market Negotiations Steering Committee at Official level [CMN(SC)(O)], the Whitehall committee responsible for inter-departmental cohesion. In December, 1961, Roll’s place, as chief adviser to Soames on European matters, was filled by Frederick Bishop.<sup>86</sup> Bishop, (briefly Private Secretary to Eden and formerly Macmillan’s Principal Private Secretary and Cabinet Secretary) was one of Macmillan’s most trusted advisers and had been moved to MAFF much against Macmillan’s wishes.<sup>87</sup> Pro-entry in the early 1960s (although his views were to change profoundly as a result of the negotiations) Bishop, as described in Chapter Two, helped Soames to manage access to Macmillan in the pre-negotiating period, late 1960-early 1961. In January, 1962, Bishop found himself a lone voice arguing, in the CMN(SC)(O), for MAFF’s preferred strategy over the transitional period. Within the CMNC(SC)(O), Treasury and Commonwealth Relations Office, Commonwealth concerns were beginning to predominate; the former two departments anxious over the balance of payments implications of the CAP, the latter over the Commonwealth in general and New Zealand in particular.<sup>88</sup>

<sup>83</sup> PRO CAB 134/1511 CMN(61)4 Soames to CMNC, 30.10.61

<sup>84</sup> *Ibid.*

<sup>85</sup> PRO MAF 379/118 Bishop to Propper, 24.1.62

<sup>86</sup> PRO MAF 393/40 Private Office Files, 30.1.61

<sup>87</sup> Horne, *Macmillan*, Vol. II, p. 161

<sup>88</sup> PRO CAB 134/1547 CMN(SC)(62)1 meeting, 1.1.62; PRO CAB 134/1547 CMN(SC)(62)4 meeting, 12.2.62; PRO MAF 379/79 Bishop to Franklin, 22.12.62



Bishop faced two demands. First, that MAFF should now adjust its briefs to ensure third countries (as well as the Commonwealth) were not penalised by the CAP, and second, that MAFF should ask the Six to work out a new CAP.<sup>89</sup> In effect, what the CMNC(SC)(O) wanted was for MAFF to use its agricultural briefs to serve ends other than those of domestic agriculture.

Bishop pointed out that trying to force the Six to agree to concessions for third countries, in addition to the Commonwealth, would be dangerous from the point of view of the negotiations as a whole.<sup>90</sup> Nevertheless, despite Bishop's warnings the Committee decided that MAFF should once more adjust its negotiating briefs to favour Commonwealth interest in butter, beef, milk and mutton.<sup>91</sup> On Roll's intervention MAFF briefs were to contain the justification that in an enlarged community there would need to be alterations to the Six's arrangements for a CAP.<sup>92</sup> The record makes it clear that this formula was intended to camouflage British interests in imports from third countries as well as the Commonwealth.

Bishop put up a strong defence of MAFF's position, arguing in effect that Treasury attitudes were short-sighted, that the support it received from other departments was the result of laziness and an unrealistic attitude to the real implications of the Treaty of Rome and the kind of EEC Britain was attempting to join. In addition, he tried to point out the dangers to relations with the Six, of trying to please both Commonwealth and third countries.<sup>93</sup> In Bishop's view the difficulties which MAFF were facing in the CMN(SC)(O) stemmed from the

sudden recognition by other departments who should have seen it much earlier, of what the practical effects of our joining in a CAP are bound to be. ...Their reaction (if one can generalise) has been to back away from some of our specific proposals and to suggest that in one way or another we should put matters off or persuade the Six to start thinking again from the beginning.<sup>94</sup>

Thus before the February, 1962, meeting in Brussels, when agriculture was to be taken for the first time at ministerial level, Soames was left with a set of negotiating briefs which bore startling alterations in both its general request over the

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<sup>89</sup> PRO MAF 379/79 Bishop to Franklin, 2.1.62

<sup>90</sup> PRO MAF 379/79 Bishop to Franklin, 2.1.62

<sup>91</sup> PRO MAF 379/79 Graves-Smith to Propper, 9.2.62

<sup>92</sup> PRO CAB 134/1547 CMN(SC)(O) Roll to CMN(SC)(O), 1.1.62

<sup>93</sup> PRO MAF 379/79 Bishop to Franklin, 22.12.61, 2.1.62; PRO MAF 378/81 Propper report to CMSG, 2.3.62

<sup>94</sup> PRO MAF 379/79 Bishop to Franklin, 22.12.61

length of the transitional period and certain specific changes to some of the individual commodity demands. None of these changes to MAFF's policy briefs would advance the interests of domestic agriculture because none would be negotiable with the Six. In addition, these alterations meant that MAFF and Soames could no longer use what they considered, after meetings in 1961 with Mansholt and other members of the Commission, as one of their best bargaining mechanisms, the length of the transitional period. This meant that Soames and MAFF's preferred strategy and room for manoeuvre in dealing with the domestic side of the agricultural negotiations was in shreds.

Much in the alterations to MAFF briefs ran counter to earlier Whitehall planning for the negotiations. In particular, the wrecking of MAFF's domestic agriculture negotiations went against the Economic Steering Committee's (ESC) (an official body advising ministers in the run up to the presentation of the application) provision for agriculture to have special consideration second only to the Commonwealth.<sup>95</sup> While the ESC allowed that Commonwealth and British arrangements were interlinked and certain aspects would need to be discussed together, it did not suggest that British agriculture should be used as a stalking horse for Commonwealth interests.<sup>96</sup> In addition, the ESC document gave permission for a high bid as a negotiating tactic. It said that there when it came to negotiations on the manner of implementing the CAP (not the Treaty of Rome) there was no reason why the British should not put forward substantial demands at the opening stage to allow room for manoeuvre in negotiation.<sup>97</sup> This was subject to ministerial approval but there is no evidence that the official advice was rejected.

Having been obliged to accept a near impossible negotiating brief, Soames faced a catastrophic meeting with the Six because most of what he was to ask for was against the tenor of the CAP and the British brief had lost its element of compromise over the length of the transitional period. Soames was due to speak for the first time to the Six in February, 1962, and what he said at the meeting would go down like a lead balloon because it appeared that the British had no confidence in the newly constituted CAP.<sup>98</sup> At the meeting Soames began with the difficult issues, was blunt in his delivery, and made only a cursory reference to Heath's opening speech with its

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<sup>95</sup> PRO CAB 134/1511 CMN(61) 3 Note by secretaries, point 20-21, 4.9.61

<sup>96</sup> *Ibid.*, point 21

<sup>97</sup> *Ibid.*, point 15

<sup>98</sup> Ludlow, *Dealing*, p.103

emphasis on the ways in which the UK was ready to join a CAP. He did not go into individual commodity arrangements but dealt with the more general facets of the agricultural issue. The one exception was horticulture which was mentioned as a special case. He then progressed to the type of mechanisms the UK thought it would need to address these problems; a long transitional period, an annual review, and a long term assurance.<sup>99</sup> The Six's reaction was not favourable.

The position Soames found himself in was the outcome of the decision by the CMNC to go even further than CMN(SC)(O) officials in protecting British interests. Within the CMNC there was a refusal to prioritise items in negotiation and, as Audland noted, Heath was reluctant to confront his colleagues.<sup>100</sup> Soames made it clear to the CMNC that he accepted that the difficulties, attendant upon the decision of the Six's Council of Ministers for a CAP, meant that the Six would be reluctant to reopen agricultural issues.<sup>101</sup> In contrast, eighteen days later Heath told Cabinet that the government was not reconciled to the CAP being settled prior to British membership and without UK participation.<sup>102</sup> This was Heath was putting a high gloss on the real position, in order to stave off opposition from Cabinet colleagues.

The dominant interest was the Commonwealth. In 1961, last-minute discussions with Commonwealth representatives had been almost an invitation to increase the list of already complex requests. Rather than re-assuring Conservative politicians that Commonwealth interests were being taken care of, the effect had been to focus on concern over the weakening of traditional ties.<sup>103</sup> Trade with third countries was also a concern but in general CMNC ministers proved themselves more realistic than the CMN(SC)(O) over this issue. The balance of opinion was that, although they recognised that there were dangers to British interests, they should not attempt to address the interests of third countries in negotiation because this would prejudice the Commonwealth and domestic agricultural interests.<sup>104</sup> However, realistic discussion within the CMNC about third countries did not dampen the passion for safeguards for the Commonwealth. Sandys argued that the agricultural briefs for the Commonwealth did not go far enough because they did not provide room for future growth and that he would be looking for something for the

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<sup>99</sup> PRO MAF 379/8 Record of Soames speech to Six, 26.2.62

<sup>100</sup> Audland, interview

<sup>101</sup> PRO CAB 134/1512 CMN(62)1 Soames to CMNC, 15.1.62

<sup>102</sup> PRO CAB 128/36 CC(62)10 Heath to colleagues, 1.2.62

<sup>103</sup> Camps, *Britain and the EC*, p. 350

<sup>104</sup> PRO CAB 134/1512 CMN(62)1 general discussion, 15.1.62

Commonwealth after the end of the transitional period.<sup>105</sup> If this was accepted by the CMNC this was a real beefing up of the Commonwealth interests and potentially serious for domestic agriculture.<sup>106</sup> It also ran against a trend towards the diminishing advantage which the Commonwealth enjoyed within the British market and which long pre-dated the application to the EEC.<sup>107</sup> Soames would have to look for ways to protect domestic agriculture if there was to be a continued preference for the Commonwealth in UK markets in the single market stage.

Furthermore, Soames' position was affected by Butler's keen defence of not only agriculture, but all the issues which had troubled the CMN(SC)(O). In January, 1962, during a visit to MAFF offices Butler was given Soames' estimates of possible losses in the agricultural sector as a whole amounting to £100 million. Franklin's Diary recorded 'This set him back a bit and he asked the Minister whether in face of it he wanted to go on. Yes, was the answer. It's going to cost us a few seats, said RAB.'<sup>108</sup> After a meeting with Soames, Roll and Bishop, Butler recorded that he considered his own seat would be at risk.<sup>109</sup> He continued to press for very gradual change, describing the alterations to British agriculture, consequent upon entry to the EEC, as perhaps the biggest of all changes membership would demand.<sup>110</sup> In addition, in his summing up in the CMNC, Butler fully supported the claims of the Commonwealth and, against the run of much of the general CMNC discussion, stated that government policy should be to continue to promote the interests of third countries.<sup>111</sup>

Thus, in the run up to the first meeting with the Six in February, 1962, Soames and MAFF needed to devise strategies to cope with the alterations they were asked to make for non-agricultural interests. These strategies, when added to the long transitional period, were responsible for the Six's dismay at the degree of exceptionalism the British appeared to be demanding. The reaction of the Six to Soames's speech led to friction with Heath and the Delegation and after February, Heath made it clear he was reluctant to allow Soames to return to negotiate with the

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<sup>105</sup> PRO CAB 134/1512 CMN(62)1 Sandys to CMNC, 15.1.62

<sup>106</sup> PRO MAF 379/81 CMSG, 18.1.62

<sup>107</sup> Ogawa, H., 'Britain's Commonwealth Dilemma: Discussions with Australia, Canada, and New Zealand and Transition of British Trade Policy, 1956-59', *Contemporary British History*, Vol. 17, No. 3 (Autumn 2003) pp. 1-28

<sup>108</sup> Franklin's Diary, 12.1.62

<sup>109</sup> Butler Archive G38/16, meeting with Soames, Roll and Bishop, 24.1.62

<sup>110</sup> *The Times*, 22.2.62

<sup>111</sup> PRO CAB 134/1512 CMN(62)1 Butler in CMNC, 15.1.62

Six. Whilst it might be argued that Heath and the Delegation were responding to what they had found out about the attitude of the Six towards Soames's speech this chapter has shown that Soames was judged on the presentation of a brief that had been of the Commonwealth's and other ministers choosing, not his own.

Because of the conflict of interest between domestic agriculture and Commonwealth temperate food exporters, Soames needed to achieve something akin to what Sandys was after for the Commonwealth.<sup>112</sup> Both men had to find a general formula that would enable them to re-assure their respective audiences. The details of policy might then be approached from a much more flexible attitude. For Soames this led to the development of the principle of the 'safety net', the residual assurance', the 'long term assurance', all names for the formula by which Soames hoped to escape from the straight jacket imposed on him by the demand for an increase in the length of the transitional period, the alterations to the individual commodity briefs and Butler's personal pressure.

The concept of the long term assurance had begun life around the time of the meeting at Chequers in 1961. Butler referred to it as the 'safety net' which he and Soames laid down at this meeting, a concession to be obtained from the Six because it was essential for any commodities that would be, as Butler put it, 'left out in the cold'.<sup>113</sup> It was also mentioned in the strictest confidence to the NFU in November, 1961.<sup>114</sup> In addition, it was discussed at ministerial level in October, 1961, because Soames argued that when Heath had mentioned the concept in his speech of 10<sup>th</sup> October, 1961, the Six's reaction had not been unfavourable and that Pisani, in the autumn of 1961, had not ruled the concept out.<sup>115</sup> However, it would be fair to say that the concept lay relatively dormant until January, 1962, when Soames began to seriously develop the formula as one which might be taken to the February ministerial meeting. From the timing, this study concludes that it was a response to the interventions in MAFF's strategy rather than Soames's preferred option.

It is important to note that although the mechanism of the long term assurance was developed to defend domestic agriculture, MAFF also intended it to be a useful tool in negotiation with the Six. It would provide a general formula whereby the details of policy would not need to be so strictly spelt out. In January, 1962, after a

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<sup>112</sup> PRO MAF 379/81 CMSG, 21.5.61

<sup>113</sup> PRO FO 1109/262 Butler to Soames, 1.8.61

<sup>114</sup> PRO MAF 379/30 Woolley & Roll, 1.11.61

<sup>115</sup> PRO CAB 134/1512 CMN(62)3 Soames to CMNC, 15.2.61

meeting with Soames, Roll described the idea as novel and Bishop thought that it would be an attractive proposition because it would not be necessary to go too deeply into what sort of methods would be needed to implement it.<sup>116</sup> The nature of the long term assurance became an issue over which Heath and Soames argued for many weeks at the beginning of 1962 because they differed over the way in which it should be presented to the Six.

The long term assurance was the idea that national governments should have the right in the single market to top up the incomes of domestic farmers. The debate between the two ministers centred on the degree of national autonomy the formula should propose and whether it should be tied to existing income levels. If the Six accepted the formula it would enable Soames to claim that he could protect domestic agriculture regardless of the unknown terms that might be agreed for individual commodities and Commonwealth access. It would also protect Soames's position if the negotiations failed to give enough negotiating time to domestic agriculture and concluded with several crucial domestic areas given insufficient protection. In addition, Soames suggested, it would mean there would need to be less focus on specific terms when the time came to discuss individual commodity arrangements. For all of these reasons Soames considered the long term assurance had the potential to benefit the negotiations as a whole.

The device went through various different forms in the first six months of 1962 and Soames received ample support from ministers in the CMNC, except from Heath who was the sole minister to oppose Soames.<sup>117</sup> In early January, Butler supported Soames' request for the right to allow national exchequers to top up farm incomes if there were special difficulties within a particular national sector (the soft version).<sup>118</sup> In a subsequent meeting in January, 1962, Soames asked for a toughened up version; that it was necessary that national exchequers should have the right to propose to maintain the relationship of the standard of living for the farming population as a whole to that of the rest of the country.<sup>119</sup> This, as Treasury officials pointed out, was not guaranteed by the existing British support system.<sup>120</sup> However, whilst the CMNC noted that this version went a little further than the original brief it

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<sup>116</sup> PRO MAF 379/118 Bishop to Propper, 24.1.62

<sup>117</sup> PRO T 312/70 France to Heath, 14.2.62; Franklin's Diary, 16.2.62

<sup>118</sup> PRO CAB 135/1512 CMN(62)1, Butler to CMNC, Jan.62

<sup>119</sup> PRO CAB 134/1512 CMN(62)3, Soames in CMNC, 15.2.62; PRO MAF 379/88 CRO document, 26.2.62

<sup>120</sup> PRO T 312/70 France to Heath, 14.2.62

nevertheless agreed Soames might take it to the Six in his speech at the February, 1962, ministerial meeting.<sup>121</sup> The supportive attitude of the CMNC ensured that the long term assurance remained on the negotiating agenda although Heath continued to fight against it throughout the first six months of 1962 whilst Soames doggedly returned the issue to be discussed in its strongest form as late as June, 1962.<sup>122</sup>

Thus, throughout the first six months of 1962, an argument between Soames and Heath in the CMNC, was conducted against a background of other ministers who were prepared to give agriculture as much support as initiatives to defend the Commonwealth. The degree of support Soames enjoyed from his colleagues may be illustrated by the opposition he encountered (and faced down) in other quarters. First, Heath objected to the concept from the start, on the grounds that it would not fit with the CAP and thus would not be acceptable to the Six. Second, Treasury officials were also against the formula. Third, the NFU, rightly, did not think it would give the agricultural community the level of assurance of guaranteed prices, because it considered the Six would never allow national government's the autonomy to operate the formula.<sup>123</sup> In addition to the support of the CMNC, Soames had the backing of MAFF officials who felt that Soames had a strong argument to counter accusations by Heath and the Delegation that he was being overly ambitious. Bishop's *riposte* was that the Treasury and CRO were equally, if not more, sanguine in what they thought might be negotiated with the Six. In his view the proposals [which received support in both CMN(SC)(O) and in CMNC] to negotiate from the position of asking the EEC for guaranteed access to its markets for the Commonwealth, and possibly other third countries, was equivalent to asking the Six to place limits on European farmers' production.<sup>124</sup> Even if the access was restricted to a continuation of traditional trading patterns in the British market this would still impact on the expansion of EEC producers into the UK market. As Bishop pointed out, the idea of guaranteed access to the protected European market would be a very difficult idea to sell to the EEC.<sup>125</sup>

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<sup>121</sup> PRO CAB 134/1512 CMN (62)3 General discussion, 15.1.62; PRO MAF 379/88 Soames to Six, 26.2.62

<sup>122</sup> PRO MAF 379/109 MAFF' negotiating timetable, 10.5.62; PRO CAB 134/1512 CMN(62)11 CMNC, 19.6.62

<sup>123</sup> Milward, *The Rise and Fall*, p. 429; PRO MAF 379/30 conversation Winnifrith and Woolley, 1.11.61; PRO MAF 379/79 Agricultural commodity brief, CMN(62)9 pt. 9b, 15.1.62

<sup>124</sup> PRO MAF 379/79 Bishop to Franklin, 22.12.61

<sup>125</sup> PRO MAF 379/79 Bishop to Franklin 22.12.61

Heath and the Delegation therefore, were implying that their objectives for agriculture should over-ride priorities established by the CMNC, Soames and MAFF officials.

The Six's attitude was that the British would have to make the move to break the deadlock in Brussels. During the months following the February ministerial meeting in Brussels, discussions on domestic agriculture took place weekly within the Committee of Deputies' meetings but there was little common ground. On 12<sup>th</sup> April, 1962, the Deputies reported to the EEC Council of Ministers (the Clappier Report) and it was apparent that at this stage the negotiations in domestic agriculture had been fruitless.<sup>126</sup> The difficulty was that whilst the Clappier Report clarified the general approach to agriculture it had not been possible to define the problems clearly enough to give a mandate to working parties.<sup>127</sup> The Deputies were forced to leave agriculture, demanding that the UK point the way forward by suggesting how its agricultural requirements could be brought down to a level where there was common ground to negotiate.<sup>128</sup> A full account of the way in which the Six were thinking at this stage, and the difficulties the British would have in presenting a case that did not disturb the interests of one or other of the Six, is to be found in Ludlow.<sup>129</sup> There are three important points for this research. First, the Six considered that as the applicant (the '*demandeur*') the British should be flexible.<sup>130</sup> Second, the Six considered that the British must learn to trust the mechanisms of the CAP.<sup>131</sup> Third, was the comment of the French Minister of Foreign Affairs, Couve de Murville, that he could see no reason why British farmers needed special treatment because the changeover from national to European systems was to be difficult for all farmers in the EEC.<sup>132</sup> Thus the lessons Britain faced were that the Six were united in the view that the first move must come from the UK and that there was only a very limited room for concessions to UK domestic agriculture.

In strict negotiating terms, FO Delegation officials had the better argument. In addition to what British officials knew of the Clappier Report, FO officials had advised Heath at the beginning of 1962 of the kind of agreement the Six were looking for in agriculture and, according to Audland, this pretty much forecast what was on

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<sup>126</sup> Ludlow, *Dealing*, p. 104

<sup>127</sup> *The Times*, 22.3.62

<sup>128</sup> *Ibid.*

<sup>129</sup> Ludlow, *Dealing*, pp. 99-104

<sup>130</sup> *Ibid.*, p. 123

<sup>131</sup> *Ibid.*, p. 104

<sup>132</sup> *Ibid.*, p. 104



offer by the end of the negotiations.<sup>133</sup> At the beginning of March, 1962, Heath attempted to get the CMNC to respond to the Six by drawing together priorities for the negotiations as a whole for negotiations to July, 1962. For agriculture Heath wanted Soames to cast proposal for the annual review and long term assurance in terms which would be acceptable to the Six.<sup>134</sup> FO officials understood that Heath's objective was to have something to narrow the gap between the British and the Six for the 8-9<sup>th</sup> ministerial meetings on 29<sup>th</sup> May, 1962.<sup>135</sup>

However, as Heath appreciated more fully than his Delegation officials, the problem was not only a question of negotiating strategy and tactics in Brussels, but also a matter of persuading and altering the attitudes of Cabinet ministers in the CMNC. Heath encountered continued pressure within the CMNC against concessions and there is no evidence that Heath received support from Macmillan; whatever his personal views, Heath alone could not face down the determination of the CMNC to hold back on concessions. On 3<sup>rd</sup> March, 1962, Butler summed up the attitude of the CMNC when he concluded that there should be another look at tactics for agriculture, particularly the Commonwealth aspects, before concessions to the Six. In reply Heath could only attempt to be optimistic by reflecting that 'it might turn out that the longer term interests of all concerned would be better served by keeping all parts of the negotiations in play for a further period, before a final stage of substantive negotiations beginning possibly in May and June'.<sup>136</sup> As late as June, 1962, the CMNC continued to refuse to give Heath and the Delegation instructions to make concessions on domestic agriculture.<sup>137</sup> This attitude was linked, as described in the first section of this chapter, to Commonwealth aspects of agricultural policy. The inter-departmental CMN(SC)(O) supported the CMNC's position, arguing that it was important to avoid giving the Commonwealth the idea that the British were giving up too easily and therefore it would be necessary to argue once more for Commonwealth interests at the next ministerial meeting.<sup>138</sup> Thus the hiatus over agriculture between March-July, 1962, stemmed from the instructions of the CMNC.

One way to circumvent the attitude of the CMNC might have been for Heath to have come to some kind of personal arrangement with Soames which could have

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<sup>133</sup> Audland, C., *Right Place-Right Time* (Durham: The Memoir Club, 2004) p. 130; Interview Audland

<sup>134</sup> PRO CAB 134/1512 CMN(62)4, Heath to CMNC, 5.3.62

<sup>135</sup> PRO MAF 379/101 France to Roll, 27.3.62, France to Lavelle, Heath's private secretary, 27.3.62

<sup>136</sup> PRO CAB 134/1512 CMN (62)4 Heath to CMNC, 5.3.62

<sup>137</sup> PRO CAB 134/1512 CMN(62)11 CMNC, 19.6.62, 26.6.62

<sup>138</sup> PRO CAB 134/1547 CMN(SC)(61)21 point d., 5.6.62

given Heath more room for manoeuvre. Unfortunately personal rivalry, differences of background, temperament and political leanings, overlaid the policy issues and there was to be no *rapprochement* between Heath and Soames until late June, 1962. This study argues that political in-fighting between Soames and Heath engendered a negative aspect in policy formation and that this state of affairs was left to fester for far too long by Macmillan.

On the 1<sup>st</sup> May, 1962, Soames and MAFF presented detailed versions of the annual review and long term assurance which Heath, Roll and the Delegation promptly described as non-negotiable in Brussels.<sup>139</sup> It took from 1<sup>st</sup> May, 1962, to the week of the 20<sup>th</sup> June, 1962, for Heath and the Delegation to obtain versions of these formulae which they thought could be taken to the Six. During this stage of the negotiations MAFF officials exacerbated the difficulties between Heath and Soames by mounting a defence of domestic agriculture against Commonwealth interests to support Soames's position in the CMNC. Having had their primary negotiating tool, the length of the transitional period, destroyed earlier in the year, MAFF officials devised a new strategy known as the 'farm income complex' (sometimes referred to as 'the agricultural complex').<sup>140</sup> To prevent aspects of agricultural policy being whittled away one by one MAFF officials insisted that agricultural policy should be dealt with as a whole.<sup>141</sup> This caused problems for Heath because the farm income complex was wide ranging, incorporating the annual review, commodity guarantees, length of the transitional period, direct farming grants, the long term assurance and Community finance, only omitting the arrangements for individual commodities. To refuse to split these went against all that the Six, at ministerial level, were asking by way of limited, minimal requests. In addition, it contradicted the format of work at official level in Brussels, where the work of the Committee of Deputies split areas of policy for detailed analysis. Soames and MAFF, quite rightly, argued that all areas of policy were inextricably linked but in reality the farm income complex was a type of negotiation mechanism suited more to the final trading off stages of negotiations, the *vue d'ensemble* Heath envisaged taking place late July, 1962.<sup>142</sup> In contrast, what Heath needed March-June, 1962, was a flexible response to the Six, so that the

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<sup>139</sup> PRO MAF 379/118 Roll to Franklin, 20.6.62

<sup>140</sup> PRO MAF 379/118 Sparks to Bishop, 30.5.62

<sup>141</sup> *Ibid.*

<sup>142</sup> PRO MAF 379/101 France to Roll, 27.3.62, France to Lavelle, 27.3.62

*impasse* in the negotiations could be broken at a stage when it was important to maintain goodwill.

Initially in 1962 Soames was unwilling to alter his officials' strategy and this did not help relations with Heath. The personal rivalry between Soames and Heath, latent from the pre-negotiating period, began to manifest itself in squabbles over procedure. In February, 1962, Heath argued that Soames was taking too big a retinue to Brussels and after the intervention of Lee, Soames agreed not to take Bishop and a second MAFF official but only Arthur Propper, MAFF's representative on the Delegation and Franklin.<sup>143</sup> However, despite this concession, by 22<sup>nd</sup> February, 1962, Soames and Heath were '... scarcely on speaking terms'.<sup>144</sup> After the February, 1962, ministerial meeting the personal rivalry manifest itself in Soames's support for his officials' proposals for negotiating strategy. Soames remained aggrieved by the way his first presentation to the Six had been undercut by Commonwealth concerns which, although substantively agricultural and therefore linked to Soames's domestic problems, were primarily managed by Heath, the Delegation and the CRO. Undoubtedly Heath's pressures in favour of Commonwealth interests posed a threat to Soames's position as Minister of Agriculture, including both his reputation as the representative of domestic farmers and his personal interests of future high position within the Conservative Party. In 1962, Soames's particular concern was that he should be fully involved in negotiations in Brussels whenever domestic agriculture was on the agenda.

There was a degree of legitimacy to Soames's ambition. At the outset of negotiation it had been agreed with the Six that individual ministers, where appropriate, could accompany Foreign Office ministers.<sup>145</sup> In addition to a formal claim to a presence in Brussels, Soames believed his attendance in Brussels would speed up the pace of negotiation because he felt he had the greater political authority to take decisions on agricultural policy. In October, 1961, Soames had suggested to Heath that EEC Ministers of Agriculture be brought into the negotiations.<sup>146</sup> Heath had not shown any enthusiasm for this suggestion because he was worried that it would offend the Six. A settlement for the CAP in January, 1962, had only come as a result of Foreign Office ministers, who ditched much that was controversial in

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<sup>143</sup> Franklin's Diary, 19.2.62

<sup>144</sup> *Ibid.*, 1.3.62

<sup>145</sup> Ludlow, *Dealing*, p. 68

<sup>146</sup> *Ibid.*, 2.10.61

agricultural policy and postponed the rest, in order to get agreement. Handing agriculture back to Ministers of Agriculture as far as the Foreign Ministers of the Six were concerned would be tantamount to asking for the fragile accord of early 1962 to be dashed. Nevertheless, as early as February, 1962, Soames returned to the idea of involvement of the Ministers of Agriculture in a separate working party. He organised a series of bilateral meetings between January and May, 1962, to put this idea to the Six.<sup>147</sup> Over the next four months Soames had bilateral meetings with the Germans, French, Italians, and Dutch Ministers of Agriculture.<sup>148</sup> Although all the European Ministers of Agriculture agreed that negotiations on agriculture would make better progress if the Ministers of Agriculture dealt with the issues in separate meetings from Foreign and Finance Ministers of the Six, they accepted that this would only come once Foreign Ministers accepted the complexity of the issues.<sup>149</sup> The problem for Soames was that the Foreign and Finance ministers of the Six considered, with good reason, that Ministers of Agriculture were too susceptible to the pressures of organised European farming opinion. The Italians and Dutch were convinced that the Foreign Office ministers would only allow agriculture ministers to be brought in with strict instructions, say in July, 1962, to complete deals to a tight deadline.<sup>150</sup> As Soames's presciently remarked to Heath, if the negotiations were played this way then he feared that there would not be given sufficient time to Ministers of Agriculture to sort out the technical issues.<sup>151</sup> Nevertheless it was clear that the Foreign and Finance Ministers who were mainly in charge of the Council of Ministers meetings would not be keen on Soames's proposal and that this would prejudice it in Heath's eyes.<sup>152</sup>

Undoubtedly Heath was in a very difficult position, attempting to resolve differences between what he thought the Six would accept and the position the CMNC and Soames insisted should be maintained. However, Roll considered that Soames also had problems in reconciling the demands of the Six and the views of the UK agricultural community, problems that Roll thought Heath was pushing under the carpet. At the time Roll argued with Heath that Soames should be allowed to attend agricultural negotiations in Brussels and Roll recalled shouting matches over this

<sup>147</sup> PRO MAF 379/120 Franklin to Bishop, 27.2.62

<sup>148</sup> Franklin's Dairy 26.2.62, 12.2.62, 15.4.62; *Farmer and Stockbreeder*, 3.4.62, p. 59, 10.4.62, p. 54; PRO MAF 379/120, official record, 30.5.62; PRO MAF 379/120 Franklin to Bishop, 27.2.62

<sup>149</sup> PRO MAF 379/120 official record, 21.6.62, 30.5.62

<sup>150</sup> PRO MAF 379/120 Soames to Heath, 30.5.62, official record, 21.6.62

<sup>151</sup> PRO MAF 379/120 Soames to Heath, 30.5.62

<sup>152</sup> PRO MAF 379/120 official record, 21.6.62

matter between Heath and Soames, in restaurants in Brussels, until 2.00 a.m.<sup>153</sup> The part subsequently played by Roll, June, 1962, in creating a kind of reconciliation (described below) over MAFF officials' farm income complex strategy highlights the lack of foresight in Heath's unwillingness to put aside personal fears and rivalries, in the interests of coming to an early *rapprochement* with Soames. Due to intransigence on both sides, which might have been broken earlier by Heath showing some personal flexibility towards Soames's personal responsibility for agriculture, the friction between the two ministers dragged on towards the meeting in Brussels on 8<sup>th</sup> May, 1962, when agriculture was due to be taken at ministerial level for the first time since February, 1962.

The one person who needed to intervene was Macmillan, because only he could decide a clear course to show where the balance of authority over domestic agriculture. Butler was chairman of the CMNC but could legitimately argue that his main role was not to prioritise but to maintain unity and give voice to ministerial concerns. If Macmillan had wanted a more dynamic attitude within the CMNC he needed to take the chair himself or appoint a more pro-European chairman. At stake was the control of the domestic agricultural issue once it was taken to Brussels. Soames thought as Minister of Agriculture it should be his part of the negotiations, and this idea was, naturally, supported by MAFF officials on the grounds that the farming press and community would expect Soames's presence in Brussels.<sup>154</sup> There were also strong party political reasons why Soames should attend; Fred Peart, the Shadow Minister of Agriculture, was asking questions in the House of Commons about why Soames was not scheduled to attend the sixth ministerial meeting at the beginning of May, 1962.<sup>155</sup> However, Heath told Soames mid-April, 1962, that he did not want Soames to attend the next ministerial meeting in Brussels.<sup>156</sup>

It was only with the intervention of Butler, early May, 1962, that Macmillan became involved. Butler intervened on Soames' behalf and both ministers confronted Heath to request Soames's presence in Brussels, whilst Heath angrily said that he could not negotiate unless he took it 'all himself'.<sup>157</sup> Macmillan was in Canada but on his return Butler took the matter to the prime minister. At the meeting with

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<sup>153</sup> Interview Roll; Roll, *Crowded Hours*, p. 115

<sup>154</sup> *Farmer and Stockbreeder*, 1.5.62; Franklin's Diary, 18.4.62

<sup>155</sup> *Hansard*, Vol. 659, Cols. 427-9, 9.5.62

<sup>156</sup> Franklin's Diary, 18.4.62

<sup>157</sup> Franklin's Diary, 2.5.62

Macmillan it became evident that such disagreements between ministers could have only a detrimental effect on the progress of the negotiations. Heath told Macmillan that 'to make progress in the negotiations he had to keep the meetings small and if he were flanked by two other ministers, this would be more difficult.'<sup>158</sup> In response Macmillan decreed that Soames should not go to the ministerial meeting on the 8<sup>th</sup> May, 1962, so long as no individual member of the Six had a Minister of Agriculture present.<sup>159</sup> However, as a caveat to protect Soames, Macmillan said that there could be no concessions on domestic agricultural policy unless Soames was present.<sup>160</sup> Fundamentally, therefore, Soames had an effective veto over anything that was discussed in the meeting. Although it is true, as described in the introduction to this chapter, that agricultural negotiations at this point were impeded by the Six's pre-occupations with the implementation of the CAP and their reluctance to enter into discussions with the UK over domestic agriculture, this decision by Macmillan could only slow up the process of the formation of priorities for agriculture in London and in Brussels.

In the last weeks of June, 1962, there was a resolution to the political backstabbing but it did not come from Macmillan. Through Roll's good relations with Soames, Soames was persuaded to re-consider giving way over MAFF's defensive measures. Soames saw Roll on the 19<sup>th</sup> June, 1962, and agreed to revise aspects of his position on the annual review, the transitional period and the long term assurance formula.<sup>161</sup> What Roll was doing was to ask Soames to cast the long term assurance into a form which would be easier for the Six to adopt.<sup>162</sup> As Bishop pointed out to Soames what the Delegation wanted was concessions.<sup>163</sup> Soames allowed that the long term assurance could be taken out of MAFF's 'farm income complex'.<sup>164</sup> At the same time Commonwealth temperate foods were removed from MAFF domestic briefs and began to be dealt with separately from domestic agriculture as the Six originally intended.<sup>165</sup> This was a mixed blessing for Soames and MAFF. On the one hand it meant that MAFF could focus on domestic agriculture

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<sup>158</sup> *Ibid.*, 4.5.62

<sup>159</sup> *Ibid.*, 3.5.62

<sup>160</sup> *Ibid.*, 4.5.62

<sup>161</sup> PRO MAF 379/118 Franklin to Bishop, 19.6.62

<sup>162</sup> PRO MAF 379/118 Nield to Bishop, 7.6.62

<sup>163</sup> Franklin's Diary, 21.6.62

<sup>164</sup> PRO MAF 379/118 CODEL 231 Dixon to FO, 20.6.62

<sup>165</sup> PRO CAB 134/1512 CMN (62)11, point 2 domestic agriculture, 19.6.62

but on the other hand it opened up the possibility that matters would be settled for the Commonwealth whilst domestic agriculture would be forced into large last minute concessions in the interests of concluding the negotiations as a whole in July, 1962. Soames's concessions to Heath meant that MAFF officials' position on the 'farm income complex' was beginning to crumble. Soames's reward was a place at the next ministerial meeting when the government hoped to finalise agreement with the Six over the annual review and long term assurance.<sup>166</sup> Franklin recorded that it was unusual for Heath to change his mind like this.<sup>167</sup> The important point, central to the theme of this study, is that personal differences between ministers were allowed to colour and muddy the development of policy.

This study considers that with hindsight Heath must shoulder a large part of the blame for the rivalry with Soames. It was Heath's job as leader to make the negotiations work and if Heath considered a rapid development of policy to be significant for success in the negotiations and yet allowed personal animosities to get in the way of this objective much of the blame for this in-fighting must be laid at Heath's door. Heath's attitude, since Soames's February, 1962, speech, had been to keep Soames from Brussels. However, as this chapter has shown, this was unreasonable because Soames had had to present briefs which were, in the significant point of the very long transitional period, not of his own choosing. In effect Heath, in his implacable refusal to countenance Soames' presence in Brussels, was punishing a fellow minister for presenting policies which had been superimposed on MAFF's strategy. In addition, there was no word from the CMNC during these months to direct Soames to move on policy and Soames could legitimately claim he was representing the concerns of his colleagues. Thus, whilst Heath had a difficult task in these months, trying to bridge the gap the Clappier Report had exposed in domestic agriculture, it did not help matters that there was tension over personal authority and political ambitions.

The meeting to deal with domestic agriculture in June, 1962, did not turn out as the British had planned because the Six became bogged down in discussions over the Commonwealth and there was little time or inclination to turn to domestic agriculture.<sup>168</sup> However, progress in Brussels was not helped by the fact that there

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<sup>166</sup> PRO CAB 134/1512 CMN (62)11, note for the record, 26.6.62

<sup>167</sup> *Ibid.*

<sup>168</sup> Franklin's Diary, 1.7.62; PRO CAB 134/1512 CMN(62)16 Heath to Soames, 23.7.62

had been a delay for those eight critical weeks of the farm income complex, during May and June, 1962, to a large extent due to the failure of Soames and Heath to sort out personal relations, a political spat only Macmillan could over-rule.

A central tenet of this study is that although Soames and Heath were in conflict over the tactics to adopt in response to the CAP, their differences were exacerbated by the lack of a clear course mapped out and adhered to within the highest echelon of government. Strategic planning was muddled by Macmillan from the outset. In the second of the only two CMNC meetings he chaired in September, 1961, Macmillan said that it remained to be seen whether the existing agriculture briefs should be taken straight to Brussels or if the UK should adopt the option outlined by the European Steering Committee (ESC) [responsible for initial advice on strategy and tactics for the negotiations] of using these real objectives as fall back positions after a much stronger initial demand had been rejected.<sup>169</sup> Macmillan's problem was that the British feared that the Six would take advantage of a low initial bid to push the British lower.<sup>170</sup> Nevertheless, ESC officials had also cautioned that initial demands should avoid being unreasonable.<sup>171</sup> Thus Macmillan, as late as one month before Heath's opening speech to the EEC, appears not to have settled the style and tone in which his government and ministers should approach the negotiations with the Six. If Macmillan saw this as Heath's sphere of influence it would be folly for Macmillan to then fail to lend Heath support in the CMNC. This chapter has shown that Macmillan would not support Heath against Soames in order to allow the strategy Heath and his team of advisers considered essential to the conduct of the negotiations as a whole.

This was the nub of the conflict between Soames and Heath; that differences remained over what actually constituted government strategy. Soames and MAFF were enraged by the way in which strategy for agriculture had been manipulated by Heath and the CMN(SC)(O). In contrast, Heath would argue that with responsibility for the negotiations as a whole, he had to look at how each area could contribute to success and had a right to demand concessions in the light of his own officials' advice and their understanding of the views of the Six. The strategic and tactical situation was not helped by the CMNC. As chairman of the CMNC, Butler made full use of its

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<sup>169</sup> PRO CAB 134/1511 CMN(61)3 Note by secretaries of ESC, pt. 15, 4.9.61; PRO CAB 134/1511 CMN(61)2 Macmillan to CMNC, 26.9.62

<sup>170</sup> Camps, *Britain and the EC*, pp. 395-6

<sup>171</sup> PRO CAB 134/1511 CMN(61) Note by secretaries, pts. 15 & 17, 4.9.61



potential for moulding policy from within. Butler's custom, as chair of the CMNC, was to accept what Soames and Sandys were saying about the need for strong tactics in Brussels on both domestic agriculture and the Commonwealth and stipulate that Heath must look after both sets of interest.<sup>172</sup> This came however, at the price of adding to the list of items Heath would have to take to Brussels and meant that Heath was faced with negotiating policies which were in conflict. Butler's position was not questioned by the other ministers and he could claim that he was giving voice to the collective opinion of the CMNC. However, there were times when Butler made full use of his position to achieve personal objectives. As noted above, in January, 1962, despite general agreement in CMNC discussion that Commonwealth and domestic agricultural interests should predominate and that it would be unwise to agree to proposals from the CMN(SC)(O) about the needs of third countries, Butler, in his summing up, managed to include a reference to the need to protect the interests of third countries in the general question of the welfare of the British balance of payments.<sup>173</sup> Therefore, throughout these CMNC meetings, Butler, in the chair, was no impetus to the setting of priorities or to the resolution of the conflict of interest between domestic agriculture and Commonwealth temperate products. This illustrates the mistake Macmillan made, if he really wanted rapid progress once the negotiations began, in appointing Butler chairman of the CMNC.

Soames, in holding out until June, 1962, against concessions over the long term assurance, was something of the victor in the political in-fighting with Heath. In giving in to Roll and the Delegation in June, 1962, he ensured that his European credentials were kept alive, yet at the same time he knew he could rely on his officials, particularly Bishop, to put up a stiff departmental fight for what they saw as the best interests of agriculture and the negotiations as a whole. With this type of back up he could afford to be conciliatory. He was thus not undermined by his officials but rather Soames and his officials complemented each other in an effort to redress the damage caused to MAFF's strategy before the February, 1962, meeting in Brussels.

The tragedy was that there was no resolution of the innate conflict between domestic and Commonwealth agricultural interests on the British side before the negotiations began. However, the larger tragedy was that Macmillan was setting no

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<sup>172</sup> PRO CAB 134/1512 CMN(62)3 Butler conclusions, 15.1.62

<sup>173</sup> PRO CAB 134/1512 CMN(62)1 Butler to CMNC, 15.1.62

clear course from the top. In failing to give Heath his wholehearted support he made it impossible for the Head of the Delegation to negotiate. Also, in placing Butler as head of the CMNC Macmillan allowed the most senior minister with doubts about entry to have a huge influence on the formation of ministerial instructions to Heath. These were serious errors of judgement.

## **Conclusion**

Whilst describing and recognising the importance of the economic and technical difficulties, this chapter has emphasized the political factors that underlay the lessons the British did not learn from the CAP. It has shown that despite Soames's personal feeling that in the long run the CAP might serve British agriculture well and MAFF officials' verdict that the CAP settlement made it likely that they would be able to get more flexible arrangements in a transitional period, there were no immediate concessions to the Six and for a large part of 1962, to nearly the end of June, 1962.

The main argument of this chapter was that in the British formation of principles to guide strategy, in the tactics employed to implement this strategy, and in the tone of the application, there was no clear course emerging from the top of government. This lack of a clear course inhibited progress in Brussels in the first six months of 1962. In January-February, 1962, in particular, Macmillan, Whitehall and the CMNC failed to consider the implications of MAFF's distinction between what the British were looking for over the nature of the transitional period in the first years of membership and the length of the transitional period. In addition, from February-June, 1962, Heath did not take a level-headed approach to Soames's difficulties. Soames was eager to match agricultural policy to what the Six were demanding; what he needed was a rational analysis of where and when domestic agricultural needs could be accommodated in the Commonwealth side of the negotiations not a political in-fight that could lead only to the impairment of policy formation. A more even-handed attitude by Heath could have paid dividends in terms of policy development.

This is a central chapter in this study because it illustrates clearly the degree to which the lessons of the CAP were not accepted by British ministers and that it was this that prevented concessions to the Six. Butler was giving voice to the legitimate

concerns of ministers whilst Macmillan was not prepared to sanction priorities and risk giving them his political support. The price that Macmillan paid for this was that the domestic side of the negotiations was left drifting under the triple pressures of CMNC ministers who were very cautious about European policy (for example, Butler), CMNC ministers who had particular interests (agriculture, the Commonwealth and trade with third countries) to defend, and a leader of the Delegation initially unwilling or unable to take on his colleagues in the CMNC.

## Chapter Five

### Holding Back

#### June-August, 1962

'It is the necessary nature of a political party in this country to avoid, as long as it can be avoided, the consideration of any question which involves a great change ... The best carriage horses are those which can most steadily hold back against the coach as it trundles down the hill'.<sup>1</sup>

Mid-summer, 1962, Macmillan faced difficulties in the defence and economic spheres that limited his room for manoeuvre over Europe and exposed weaknesses in the British application over and above the strategy and tactics devised in London. In January, 1962, de Gaulle revisited a plan for West European foreign and security policy. The Fouchet Plan was first drawn up in 1961, and it is generally taken as an example of de Gaulle's geopolitical view of the future of Europe.<sup>2</sup> It reflected his dissatisfaction with elements of the Treaty of Rome, and proposed an institution without supranational powers to coordinate European foreign and defence policy. In April, 1962, prior to the build up to the final ministerial meetings in Brussels before the summer recess, discussions based on the Fouchet Plan were broken off by the Dutch and Belgians.

The difficulty was that the British could be linked in a provocative light in de Gaulle's mind through the reactions of other members of the Six who wanted British entry for reasons unconnected with the economic negotiations in Brussels. The Fouchet Plan was linked to the British application because the Dutch and Belgian governments feared a political union dominated by France and Germany with a tendency (from France) to pull away from the Atlantic Alliance. These smaller nations insisted on the successful conclusion of the negotiations in Brussels and British participation in any future political union, as preconditions for their continued involvement with the Fouchet discussions.<sup>3</sup> Macmillan's diaries show that he was attracted to de Gaulle's ideas and in discussions with de Gaulle he was to suggest that the two countries should co-operate closely in the field of defence, with an outer

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<sup>1</sup> Trollope, A., *Phineas Redux*, (1874) Ch. 4

<sup>2</sup> Moravcsik, 'Between Grain and Grandeur', p. 34

<sup>3</sup> Kaiser, *Using Europe*, p. 123

economic organisation.<sup>4</sup> In addition, Macmillan feared that political union along de Gaulle's lines would inevitably lead the US to look to a united Europe, rather than Britain, as its preferred European ally.<sup>5</sup> Both de Gaulle and Macmillan were conscious that this was an argument over the leadership and future shape of Europe.

The Fouchet Plan was part of the dialogue Western Europe faced in security choices about defence and security. The US preference was for non proliferation of nuclear weapons and for NATO to be firmly under central control (which in reality would mean US control). Although Britain, after amendment to the McMahon Act, was allowed access to nuclear research and development, the US still considered a multilateral force (MLF) with all weapons, including nuclear, under central US command of NATO the way forward.<sup>6</sup> As Chapter Two pointed out the nuclear issue was at the heart of one of Macmillan's strategies for persuading France that Britain should be allowed to join the EEC. In a written communication to the US, Macmillan suggested that the US and UK should consider offering the French technical information and warheads and discuss the production of nuclear delivery vehicles under a French force committed to NATO.<sup>7</sup> The problem for Macmillan was that this did not suit either the Americans or the French.<sup>8</sup> This meant that to some extent the British entry negotiations in Brussels were caught between the obdurate positions of the French and the US.

By summer, 1962, a breakthrough on agreements over non-agricultural products took place at the seventh ministerial meeting, 29-30<sup>th</sup> May, 1962, and encouraged Heath to hope that the negotiations might be wound up by the end of July, 1962, in a *vue d'ensemble*.<sup>9</sup> Agreements ranged over issues as diverse as manufactured products from the developed Commonwealth to British imports from India, Pakistan and Ceylon and the rules to govern the association of some British former territories in Africa, although there were still large areas of policy to be dealt with, such as voting arrangements, neutrals and EFTA, and all domestic agriculture issues and Commonwealth interests in temperate food imports.<sup>10</sup> In addition, the CAP's financial regulations remained unsettled.

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<sup>4</sup> BOD MS Macmillan, Dep. 41, 29.1.61

<sup>5</sup> Ludlow, *Dealing*, pp. 108-9

<sup>6</sup> Ashton, *Kennedy, Macmillan*, pp. 135-7

<sup>7</sup> *Ibid.*, pp. 137-8

<sup>8</sup> *Ibid.*, p. 144; Macmillan, *End of the Day*, p. 121

<sup>9</sup> Ludlow, *Dealing*, p. 136

<sup>10</sup> *Ibid.*, pp. 125-137

Whilst the Delegation was hopeful, within MAFF there was the sense that the negotiations were becoming more not less difficult and the CMSG considered that there was the strong possibility that the negotiations were near to failure.<sup>11</sup> The first agreements on domestic agriculture came at the ninth ministerial meeting, 20<sup>th</sup> July, 1962, but a large range of issues remained outstanding. Heath and the Delegation faced a difficult set of negotiations and concessions would be asked of all Whitehall departments. Soames would be under great pressure to settle agricultural at the tenth ministerial meeting (the last scheduled before the summer break) in the interests of the negotiations as a whole.

This chapter looks at the agricultural negotiations mid-summer, 1962, when all attention was on the run up to the ninth and tenth ministerial meetings after which the negotiations would break for the summer recess. It focuses on the fight over the agenda to be taken to Brussels. The first section describes the way in which the NFU attempted to influence policy before Heath's final negotiating strategy was settled. A second section deals with MAFF's strategy for the ninth and tenth ministerial meetings and the way in which the conflict, between the interests of domestic farmers and Commonwealth producers of temperate agricultural products, could be contained no longer and burst into bitter tactical manoeuvres on MAFF officials' side to prevent what they saw as damage to domestic agriculture and the position of Soames. The third and fourth sections analyse the extent to which party politics impacted on the negotiations during this period, restricting the government's room for manoeuvre on the domestic side and storing up trouble for the future.

## Section One

### **The NFU visit Macmillan, July, 1962**

July, 1962, was when the NFU made its strongest attempt to influence the formation of policy prior to the next round of negotiations with the Six. Farmers' leaders were beginning to be restive, Soames told the CMNC in June, 1962, and he contrasted this with the reasonably easy run the NFU had given MAFF and the government in the first six months of 1962, keeping its promise to await the outcome of the negotiations

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<sup>11</sup> PRO MAF 379/81 Nield to CMSG, 2.7.62

before giving its verdict.<sup>12</sup> A look at MAFF's in-house magazine the *British Farmer* clearly indicates that the quantity of articles on the European issue was negligible in comparison with the same period in 1961 and the tone less acerbic. It was true that in March, 1962, the NFU issued a press release which agreed with the analysis of the CMN(SC)(O) that the CAP would not be suitable for an enlarged EEC.<sup>13</sup> In addition, at the beginning of April, 1962, Woolley made a speech in which he voiced disappointment over the settlement of the CAP, describing it as 'sketchy and inadequate'.<sup>14</sup> Nevertheless, it would be fair to say that in general the NFU had remained true to its word.<sup>15</sup> In July, 1962, however, the NFU gave Soames and Macmillan a bit of a jolt.

In July, 1962, it was still not clear, before the ninth and tenth ministerial meetings if the negotiations would succeed or fail. Sir Pierson Dixon, Ambassador to France, had told Macmillan in May, 1962, that he thought de Gaulle had definitely decided to exclude Britain if he could, although Dixon thought it was still possible to outwit de Gaulle, by putting him in an untenable position within the EEC.<sup>16</sup> To outwit de Gaulle would mean swift British concessions in a last minute package deal and if this was the case then the outlook for agriculture was bleak because nothing had been settled by the beginning of July, 1962.

To strengthen Soames against immediate concessions in Brussels, Woolley wrote an unusually sharp article about the EEC and CAP in the *British Farmer* which was picked up, as Woolley intended, and given wider coverage in the general press.<sup>17</sup> There was disquiet over this article within MAFF; some officials saw it as preparatory to the NFU taking the public stance that the government would fail to secure adequate safeguards for British agriculture.<sup>18</sup> In addition, it was a provocative act because MAFF had seen the article prior to publication and asked Woolley not to go ahead with its publication. Soames met Woolley to impress upon him that it would do great harm to his negotiating position if Woolley were to declare in the run up to the ninth ministerial meeting that the NFU had no confidence in the government's ability to

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<sup>12</sup> PRO CAB 134/1512 CMN(62)13, Soames to CMNC, 4.7.62

<sup>13</sup> PRO MAF 379/30-31 draft of letter to Woolley, 5.3.62

<sup>14</sup> *The Times*, 7.4.62

<sup>15</sup> PRO CAB 134/1512 CMN(62)1 Soames to CMNC, 15.1.62

<sup>16</sup> BOD MS Macmillan, Dep. 46, 19.5.62

<sup>17</sup> *British Farmer* 7.7.62, 4.8.62

<sup>18</sup> PRO MAF 379/31 Brief for Prime Minister's Meeting with Mr. Woolley, 5.7.62

fulfil its pledges.<sup>19</sup> After three frank discussions with Winegarten, Bishop concluded that there was a real danger that Woolley would come out with a statement before the meetings in Brussels to the effect that he was already convinced that the government would either fail to insist upon, or fail to secure, adequate safeguards for British agriculture.<sup>20</sup>

The NFU's natural anxieties had been inflamed by an insensitive oversight by Heath. In a speech at Luton Hoo on the state of negotiations in Brussels, Heath had focused on the need to obtain safeguards for the Commonwealth and failed, in what was perhaps a 'Freudian' slip on the cusp of the *vue d'ensemble*, to mention domestic agriculture once.<sup>21</sup> The only certain way, in Bishop's opinion, to prevent damage to the government's position would be a personal assurance from Macmillan that the government would only take a decision to enter the EEC after considering whether it had achieved the safeguards necessary for British agriculture as well as its objectives for the Commonwealth and EFTA.<sup>22</sup>

In a meeting with Macmillan in the second week of July, 1962, Woolley, despite Macmillan's attempts to shift the discussion onto the wider political issue at stake, focused doggedly on the details of agricultural policy as the yardstick for the NFU's eventual verdict on the negotiations.<sup>23</sup> Although Macmillan met Woolley on the advice of Bishop, there was no sense within MAFF that this meant that Soames was bound to tighter terms as result. As described in the previous chapter, Soames was to agree on a number of concessions with Roll and the Delegation and go ahead with agreement on the annual review and long term assurance (an idea Woolley had never liked) at the ninth ministerial meeting on the 20<sup>th</sup> July, 1962, as if Woolley's meeting with Macmillan had not occurred. The annual review was watered down to better suit the Six and the long term assurance, as MAFF officials expected, was fashioned into a European formula that diluted much of its usefulness to Soames in the domestic context; Soames conceded that the long term assurance for farm incomes might apply in areas but not (explicitly) in countries.<sup>24</sup> As one eye witness of Soames's moment of decision said 'The Minister was terribly stewed up – with the Delegation – Eric, Roddy Barclay, Gorell Barnes – all breathing down his neck and

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<sup>19</sup> PRO MAF 379/31 report by Bishop, 28.6.62

<sup>20</sup> PRO MAF 379/31 Note by Bishop, 5.7.62

<sup>21</sup> PRO MAF 379/31 Andrews to Bishop, 5.7.62

<sup>22</sup> PRO MAF 379/31 Note by Bishop, 5.7.62

<sup>23</sup> PRO PREM 11/3635 Macmillan and Woolley meeting, 9.7.62

<sup>24</sup> Ludlow, *Dealing*, pp. 130-1



urging to give'.<sup>25</sup> Thus, despite NFU pressure, the annual review and long term assurance were settled with concessions on the British side.

Nevertheless, the agreement to retain the annual review meant that the NFU would be likely to maintain some of its pre-eminence in domestic politics. For the remainder of the negotiations this would allow the NFU the option to pursue a reasonable attitude if it chose; if it was to look to a future of working with government in its usual manner then it might not wish to go too far in its criticism of the government's European policy.

## Section Two

### **What kind of an EEC do we want to join?**

#### **July-August, 1962**

In discussions in the CMNC, three days after the ninth ministerial meeting on the 20<sup>th</sup> July, 1962, Heath made a clear choice between the interests of domestic farmers and the Commonwealth temperate producers. Soames urged that domestic agriculture should figure prominently at the tenth ministerial meeting.<sup>26</sup> Heath's response was that the main purpose of the *vue d'ensemble* was to provide a basis for the Commonwealth Conference and this would have to be the priority. Although he said he would make as much progress as possible on domestic agriculture there was little sense that he saw this as having the same urgency as Soames.<sup>27</sup> Heath and the Delegation were pursuing the agenda set out by the ESC's general negotiating brief accepted by the CMNC in September, 1961. In this agriculture was second on the negotiating list after matters arising from the Commonwealth.<sup>28</sup> However, the ESC brief allowed that some Commonwealth arrangements were linked with domestic agriculture and that there would be times when the two would need to be discussed together. Thus, Soames and MAFF were within the lines laid down by the general negotiating brief in their insistence that domestic agriculture kept pace and at times was taken concurrently with Commonwealth aspects.

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<sup>25</sup> Franklin's Diary, 24.7.62

<sup>26</sup> PRO CAB 134/1512 CMN(62)16 Soames to CMNC, 23.7.62

<sup>27</sup> PRO CAB 134/1512 CMN(62)16 Heath to CMNC, 23.7.62

<sup>28</sup> PRO CAB 134/1511 CMN(61)3 general negotiating brief, points 20 and 21

Soames now faced the prospect that his concessions over the annual review and residual assurance had set a precedent and that in the interests of the negotiations as a whole, he would be asked once again to conclude a package deal that would leave him open to charges that he had neglected the objectives set out in MAFF's original negotiating briefs.<sup>29</sup> This was the downside of a high opening bid that left Soames with expectations in excess of the realities of the negotiations. However, Soames could not afford, politically, to have the agricultural issue entirely neglected; not only would it impact on his standing within the Conservative Party but it would do the government no favours to have to explain to its backbenchers why nothing was settled for domestic agriculture. There was sense therefore in Soames and MAFF officials' insistence that the Delegation should not exclude agriculture from the final phase of negotiation in the summer of 1962. What Soames and MAFF officials faced was a Delegation trying to put together a response to the Six's Colombo Plan (see below) introduced at the end of May, 1962.<sup>30</sup> The Delegation was now aware that much of the discussion would have to take place on the basis of the Six's terms rather than their own. However, the Delegation had not relinquished its long term objective of securing special treatment for the Commonwealth in the transitional period and perhaps into the single market stage. This was despite the fact that Macmillan recognised in conversation with de Gaulle at Champs, the beginning of June, 1962, that Commonwealth producers might have to be content with higher prices for a lower volume of imports and de Gaulle had admitted that once the common market was fully established there might be no longer be room for Commonwealth temperate products.<sup>31</sup> Whilst Heath and the Delegation were prepared to use the Six's Colombo Plan as a basis for discussion they intended, under pressure from the Commonwealth and Cabinet ministers such as Sandys, to amend its contents so as to secure the hoped-for 'comparable outlets' for Commonwealth agricultural exporters.

The Colombo Plan set out for the first time a coherent response from the Six towards Commonwealth temperate agricultural products. The Plan, named after the Italian chairman of the Six's Council of Ministers, allowed that during the transition period some special treatment of British Commonwealth temperate imports would be permissible. This would diminish fairly rapidly to ensure that Commonwealth

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<sup>29</sup> PRO CAB 128/36 CC(62)48, Discussion, 19.7.62

<sup>30</sup> PRO CAB 134/1512 CMN(62)16 CMNC, 23.7.62; Ludlow, *Dealing*, p. 133

<sup>31</sup> PRO PREM 11 3775 Record of conversation Macmillan and de Gaulle, 2/3.6.1962

countries would be treated like any other third country by 1970. During the period after 1970, the Six would pursue a reasonable price policy and enter into world commodity agreements that would provide the Commonwealth with access to EEC markets.<sup>32</sup> Voting in the transition stage would cease to be unanimous after the end of Stage II of the Six's transitional period (forecast to be 1966) and this, the Six hoped, would re-assure the British that no one member would be able to obstruct a liberal policy towards third country imports into the EEC.<sup>33</sup> In contrast, the British still hoped to pursue two key objectives. First, the British wished to ensure that world wide commodity discussions would take place within the framework of continued access to European markets for traditional suppliers. Second, if no world commodity agreements emerged, the British wanted to allow the Commonwealth the same trading preferences on the internal EEC market that members would give each other up to 1970 and continue them after the end of the transitional period.<sup>34</sup> Thus, despite agreeing to talk with the Six on the basis of the Colombo Plan, the gap between what the British were hoping for and what the Six intended to concede was as wide as it had ever been.

MAFF officials in the CMSG had anticipated the dangers to domestic agriculture from the mixing of the Commonwealth and domestic issues and had begun strategic planning in June 1962, designed first, as a holding measure to prevent concessions, and second, to counter the Six's proposals. MAFF officials wanted to respond to the Six's proposals for the Commonwealth by pushing the Six to admit that the tendency of the CAP towards autarchy would have wide ranging implications for world trade and make agreement in the next GATT round difficult.<sup>35</sup> MAFF officials' arguments were intended as destructive although they acknowledged that if the Six so wished they could be used as a constructive base for re-appraisal.<sup>36</sup> The way in which these plans emerged showed that officials were beginning to openly question the viability of British entry to the CAP and, by implication, the wisdom of entry to an EEC that Britain had not shaped and that did not suit British traditional ways of doing business with the rest of the world.

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<sup>32</sup> Ludlow, *Dealing*, p. 133

<sup>33</sup> *Ibid.*, p. 133

<sup>34</sup> Camps, *Britain and the EC*, pp. 402-3

<sup>35</sup> PRO MAF 379/81 Bishop to CMSG, 14.6.62

<sup>36</sup> PRO MAF 379/81 Nield to CMSG, 2.7.62

There were high stakes over these issues because of the international implications, the need to avoid offending the US and other trading partners, as well as concerns over the British economy. The Colombo Plan was the Six's alternative to the UK's comparable outlets formula. It was designed to link with the French-inspired Baumgartner Plan, which consisted of proposals for bridging the gap between EEC and world trading arrangements under GATT. The British government was opposed to the Baumgartner Plan because it considered that the UK would end up being the biggest contributor to a plan that aimed to remove surpluses from Western markets through subsidised exports to developing countries.<sup>37</sup>

MAFF officials certainly had their own agenda because they considered that it would be better to save some of the British system of agricultural support to barter at GATT negotiations, due in 1964, rather than trade all away in the EEC negotiations.<sup>38</sup> However, MAFF concerns had legitimacy because their anxieties were shared by the Treasury. At the same time as the MAFF was drawing up its strategy for opposing the Six's proposals, the Treasury was circulating a paper in Whitehall emphasising the need to keep Commonwealth and domestic agriculture together.<sup>39</sup> What the Treasury was concerned about was that in the financial arrangements for the funding of the CAP, the British economy would end up losing more in the transfer of levies to the EEC than it saved on the removal of the support of the British agricultural system. Milward describes the financial contributions to FEOGA which were set out in a 'key' that related them to the proportionate total budget contributions specified in Article 200 of the Treaty of Rome.<sup>40</sup> The important point was that there was no agreement on whether the arrangements in place for the first three years of the Six's transitional period would remain the same in subsequent years. Thus, the Treasury did not want to abandon the comparable outlets formula, or any negotiating position in Brussels that defended the British interest in obtaining the lowest possible costs in membership of the EEC. MAFF's CMSG planned to submit a paper on agriculture to the CMN(SC)(O) to run in tandem with arguments the Treasury wanted to emphasize.<sup>41</sup>

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<sup>37</sup> Camps, *Britain and the EC*, p. 405

<sup>38</sup> Milward, *The Rise and Fall*, p. 354

<sup>39</sup> PRO MAF 379/81 Nield to CMSG, 2.7.62

<sup>40</sup> Milward, *The Rise and Fall*, p. 424

<sup>41</sup> PRO MAF 379/81 CMSG, 2.7.62

In addition, this study argues that Macmillan may have condoned Bishop and MAFF's tactics. Bishop and MAFF's primary objective June-July, 1962, was to avoid compromises over the Commonwealth issue catching domestic agriculture in what he described as 'a pincer movement,' leaving British agriculture without a rational negotiating position and facing demands for wholesale concessions over outstanding issues.<sup>42</sup> Bishop wanted to ensure a presence in the tenth ministerial meeting for domestic agriculture so that it, as well as the Commonwealth interest, could take advantage of any last minute deals.<sup>43</sup> This implied that he did not want to settle everything at the re-scheduled ninth ministerial meeting (when the annual review was agreed), at which extra time had been set aside for agriculture. Bishop employed tactics to ensure that MAFF kept control of the agricultural agenda and these ranged from Soames agreeing with Heath that they would by-pass the CMN(SC)(O) (enabling Bishop to avoid antagonism from other Whitehall departments), laying down narrow limits within which Heath and the Delegation could operate, requiring Heath to keep strictly to the texts which MAFF had drawn up, detailing essential objectives and summaries of the points of substance for individual commodities, to demanding that Commonwealth and domestic agricultural aspects should be taken together commodity by commodity.<sup>44</sup>

By far the most significant tactic was, however, Bishop's refusal to allow Delegation officials to use anything without the express permission of the CMNC.<sup>45</sup> This allowed Butler and the CMNC a veto over specific details of agricultural policy, a strategy which was not intended to be within the brief of the CMNC at its formation. This over-rode the responsibility Heath was to have had over day to day matters with the CMNC only appealed to over matters of fundamental strategy. No doubt Bishop (and Butler) would argue that the line between underlying strategy and daily tactics might be blurred, but the fact remains that Bishop's device would inevitably slow down the decision making process for agriculture.

It could be argued that MAFF's tactics were a blatant example of a department putting its own particular interests above the wider interests of the negotiations. However, this study has found evidence which implies Macmillan was aware of

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<sup>42</sup> PRO MAF 379/122 Bishop to Franklin and CMSG, 3.7.62

<sup>43</sup> *Ibid.*

<sup>44</sup> PRO MAF 379/81 CMSG discussion, 16.7.62; PRO MAF 379/122 Nield's report of CMSG meeting, 28.6.62; PRO MAF 379/81 Franklin to Bishop, 5.7.62, Nield to CMSG, 2.7.63

<sup>45</sup> PRO MAF 379/122 Bishop to Franklin, 6.7.62

Bishop's tactics. Although Bishop, in later life, said he was not in regular contact with Macmillan through the course of the negotiations, Franklin's Diary makes it clear that Macmillan did telephone Bishop in June, 1962, whilst the argument raged about whether Soames should attend agricultural negotiations in Brussels.<sup>46</sup> The ostensible reason for Macmillan's call was to consult Bishop about the National Economic Development Council (NEDC) which Bishop had worked on when in the Cabinet Office. However, Bishop subsequently claimed to Franklin that he had been influential in Macmillan's decision to allow Soames to go to Brussels, so he had evidently been talking to Macmillan about the progress of agriculture in the negotiations.<sup>47</sup> Bishop was the most outspoken of officials.<sup>48</sup> He was unlikely to hold back at a time when he had a growing unease about the application to the EEC.

If this study wishes to defend MAFF's actions it is necessary to look briefly at Bishop's European credentials and the way in which Macmillan relied on his judgement. A subtle, diplomatic figure, Bishop came to MAFF from the Cabinet Office (1959-61).<sup>49</sup> Before that Bishop had been Macmillan's trusted principal private secretary, a 'tower of strength' in the aftermath of the Suez Crisis.<sup>50</sup> As private secretary and Cabinet official he was close to Macmillan from 1953-6 and his promotion to Under-Secretary at MAFF left Macmillan with feelings of resentment at the loss of a trusted adviser. Bishop had been in the thick of the government's turn to Europe advising Macmillan on strategy and tactics for the negotiations.<sup>51</sup> One of Bishop's last tasks was to prepare a paper on the three matters most pressing in June, 1961; Europe, Berlin and policy towards the Soviet Union, and the British economic position, which he considered were all related.<sup>52</sup> Bishop was a personal friend of Frank Lee, Permanent Secretary at the Treasury, in the years Lee developed new Whitehall proposals for British relations with the EEC, and was one of the three secretaries to the ESC.<sup>53</sup> He was, therefore, no home-grown MAFF man. In retrospect former FO officials have argued that Bishop was an arch-Europhobe.<sup>54</sup>

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<sup>46</sup> Written communication from Bishop to author 2003; Franklin's Diary, 21.6.62

<sup>47</sup> Franklin's Diary, 26.6.62

<sup>48</sup> Franklin's Diary, 22.10.62

<sup>49</sup> Horne, *Macmillan, Vol. II*, p. 161

<sup>50</sup> Evans, *Downing Street Diaries*, p. 29

<sup>51</sup> PRO CAB 134/1511, Negotiating Briefs, 4.9.61

<sup>52</sup> PRO PREM 11/3317 Bishop to Macmillan, June, 1961; PRO PREM 11/3317 Bishop's Last Will and Testament, 4.12.61

<sup>53</sup> Milward, *The Rise and Fall*, p. 331; Tratt, *The Macmillan Government*, p. 91

<sup>54</sup> Audland, *Right Place*, p. 126

However, this was not true at the outset of the negotiations. Bishop was initially a pro-European, in a limited fashion, believing that Britain needed to re-define its policy on Europe in some way.<sup>55</sup> He had been in close touch with the agricultural issue in February, 1961, when he provided Soames with access to Macmillan.<sup>56</sup> It was the course of the negotiations that altered his views and it is correct that he was certainly not one of the younger generation of officials, identified by Young, who kept alive the idea of integration in the aftermath of the failure of the negotiations.<sup>57</sup>

However, Roll considered that Bishop was very much aware of the requirements of the CAP and was much more realistic than most in Whitehall, realising that the Six would not accept the bulk of what the British were asking for agriculture.<sup>58</sup> Bishop's attitude underwent a radical change early in 1962 because it was at this point it was brought home to him just how weak the British position was.<sup>59</sup> Bishop makes it clear in later life, that he received a distinct shock when he realised in the early months of 1962, just how much emphasis the Six put on the UK as the 'demandeur' and that there would be no room for any British elements of agricultural support in the final stage of the CAP.<sup>60</sup> Bishop's comment to Roll at the time was that generally the British had entered into negotiation, in his words, 'under a complete misconception'.<sup>61</sup> By mid-summer, 1962, Bishop now disliked the form in which the EEC was beginning to cast itself on grounds of the damage it would do to world relations. He said

it became clear to me and many of my colleagues that the CAP, when completed, would be likely to be an extremely protective and inward-looking system. Frankly, I disliked it, both for its uncertainties, and for its selfish character.<sup>62</sup>

As Bishop pointed out he was not alone in this opinion in Whitehall.<sup>63</sup>

It appears likely therefore, that in his telephone conversation with Macmillan, Bishop made the prime minister fully aware of how MAFF saw agricultural policy

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<sup>55</sup> Tratt, *The Macmillan Government*, p. 94

<sup>56</sup> PRO PREM 11/3195 Bishop to Macmillan, 18.5.61

<sup>57</sup> Young, *This Blessed Plot*, pp. 172-214

<sup>58</sup> Interview Roll

<sup>59</sup> In an interview with Franklin, it was stressed that others within MAFF came to this conclusion earlier, after a meeting with Mansholt, before Bishop joined MAFF.

<sup>60</sup> Bishop letter to Neville-Rolfe, 20.11.87, shown to author by Sir Michal Franklin

<sup>61</sup> *Ibid.*

<sup>62</sup> *Ibid.*

<sup>63</sup> *Ibid.*

developing in the final stages of the summer negotiations. Bishop's position and tactics did not alter throughout July-August, 1962, so it can be reasonably argued Macmillan tacitly agreed that Soames, MAFF and Bishop should continue to pursue terms for British agriculture that would enable the government to argue it had done the best for British farmers. This would be of a piece with Macmillan's behaviour earlier in the year when, as described in the previous chapter, Macmillan had given support to Soames, against Heath's wishes.

This seems all the more credible an argument when the tone, of Macmillan's own words, May-June, 1962, is re-called. When in Canada, Macmillan is reputed to have said 'they (the Six) will have to make it easy for us,' suggesting that concessions were expected to flow from the Six not in reverse.<sup>64</sup> In his diary, Macmillan recorded that 'It (British entry) cannot be done without much discussion and negotiation or without disturbing some of the agreements so painfully arrived at by very hard bargaining between the Six.'<sup>65</sup> With these views, Macmillan's support would have tended towards Soames, Bishop and MAFF rather than Heath and the Delegation.

From Soames's perspective, mid-summer, 1962, there were both strategic and tactical problems. Soames resented the way that the Delegation repeatedly pressed him to change MAFF proposals before they had been put to the Six and he was concerned that Heath and the Delegation, in its pursuit of a final settlement in Brussels before the summer recess, would leave him in an untenable position with terms that he could not defend to farmers, backbenchers and the wider Conservative Party. There was justification for this anxiety. For example, in July, 1962, Soames was particularly annoyed by the Delegation's decision to drop some words of presentational value to MAFF.<sup>66</sup> Soames knew that Heath was irritated by the attention to the exact terms of the agreement rather than the general principles, that, as Soames put it he 'was being too lengthy and worrying too much about detail and all that'.<sup>67</sup> However, as Soames pointed out it was this type of detail which would help carry the agricultural industry, who were used to dry technical agreements, with him. Soames wanted it down 'in black and white', as he put it and was concerned to make a deal with the Six that could be taken back to the general agricultural sector,

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<sup>64</sup> Ludlow, *Dealing*, p. 123

<sup>65</sup> Macmillan, *At the End*, p. 121

<sup>66</sup> Franklin's Diary, 12.7.62

<sup>67</sup> Soames's Private Papers, kind permission of Churchill College, Cambridge



including wholesalers, millers as well as farmers.<sup>68</sup> Soames's attitude to the details of policy would stand Heath in good stead once there was a settlement with the Six which had to be taken back to Cabinet colleagues, backbenchers and the Conservative Party, the British public and the farming community. In addition, Soames felt that it would be too much to ask that he should make huge concessions in domestic agriculture in the tenth ministerial meetings, only to find that the Commonwealth Conference rejected the terms on offer.<sup>69</sup> This would entail Soames exposing his own and MAFF's position in a way that could irretrievably damage relations if, upon Commonwealth rejection of the terms, the negotiations subsequently failed. Soames intended to make major changes to the British system whether or not the negotiations succeeded and his task would be easier if he had the goodwill of the NFU and general farming community.<sup>70</sup> This did not mean that he was held captive by the attitudes of the NFU or farmers. It was more a matter of timing. If the outcome of the Commonwealth Conference had been clearer, or if it had been held prior to the final meetings in Brussels for the summer then, Soames claimed in later life, he would have pushed through a settlement for domestic agriculture before the summer recess.<sup>71</sup>

In addition to the friction created between MAFF and the Delegation over the impossibility of protecting the interests of both domestic agriculture and the producers of temperate agricultural commodities, Macmillan faced personal difficulties over another item of agricultural policy, the potentially explosive political issue of guarantees to horticulturalists.

### Section Three

#### **Macmillan, Butler and Horticulture**

Section Three presents new evidence to show that the horticultural issue presented particular personal problems for Macmillan and Butler. It argues that whilst Macmillan might have put these personal difficulties aside in the interests of entry to the EEC, it was unlikely Butler would. It could be said that promises made by the two senior Conservatives to backbenchers in 1959 were out of date by 1962-3 and that they were intended only to govern good relations with horticulturalists in the 1959

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<sup>68</sup> *Ibid.*

<sup>69</sup> *Ibid.*

<sup>70</sup> PRO PREM 11/3635 Soames to Macmillan, August, 1962

<sup>71</sup> Soames's private papers, kind permission of Churchill College, Cambridge

general election. However, there was also a pre-election pledge to farmers in 1959, and this assurance was referred to in discussions between the NFU and MAFF in the years after the election.<sup>72</sup> As Chapter One pointed out, horticulture was guaranteed by the 1947 Agriculture Act the same degree of protection as agriculture and therefore personal promises that the government would stick to legislation continued to be taken seriously by the recipients in 1962.

As explained in Chapter One, horticulture was a particular problem for the British. During March and April, 1962, Roll had argued in the Deputies' meetings that the British should be allowed a special set of conditions for horticulture; a five year standstill period in which the tariff could remain against the Six, followed by a further period of five to seven years transition, amounting to a transitional period which would run far past the Six's transitional end date of 1969.<sup>73</sup> In addition, Roll requested that during the years of transition, the UK government should have the right to give direct assistance to enable structural changes to make British horticulture more competitive, the right to use minimum prices and the retention of the tariff for as long as the UK considered necessary.<sup>74</sup> Where there was a Commonwealth interest, the UK proposal was that there should be some preferential access.<sup>75</sup> The Delegation proposed duty free access as late as the seventh ministerial meeting (7/8<sup>th</sup> June, 1962) by which time the Six had refused the concept of comparable outlets and made their own definition for the basis of discussing Commonwealth issues. This led to an *impasse* and the matter of horticulture was divided into four typical products and investigated by a working group of officials on the 15<sup>th</sup> and 22<sup>nd</sup> June with a MAFF official in attendance.<sup>76</sup> In the second meeting of this group, the MAFF official offered quota restrictions on some Commonwealth imports during the Six's summer market but this was not accepted by the officials of the Six. The issue was due to return to ministerial level at the tenth ministerial meeting but the crowded agenda and long debate on cereals left no time for horticulture. Only unofficial discussions took place in the remainder of the negotiations so the matter was unresolved.<sup>77</sup>

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<sup>72</sup> NFU Archive, Cyclo. 2026/61, G.P. 55/61, Minutes of a meeting of the President's Committee, 18.9.61, point 2 (a)

<sup>73</sup> PRO MAF 379/122 Draft paper for CMNC, point 5, 18.7.62

<sup>74</sup> PRO MAF 379/122 Draft paper for CMNC, point 5, 18.7.62; MAF 207/134 Heath, 2.4.62

<sup>75</sup> PRO MAF 207/134 CMSG notes CMSG(62)46 and 47, 2.4.62

<sup>76</sup> PRO MAF 379/187 MAFF History of Negotiations, p. 110

<sup>77</sup> *Ibid.*, p. 111; PRO CAB 134/1547 CMN(SC)(O)26 note for record, 17.7.62

This was serious matter for the British application. The Dutch and Italians had strong interests in opening up the British market to their products. A British refusal to allow the run down of the UK tariff, against fellow Community members early in a transitional period, would make it look as if Britain was not prepared to bow to the sense of Community membership. The negative reaction to British proposals for special treatment was lead by the Agriculture Minister of the Netherlands, Victor Marijnen, and the Secretary-General of the Italian Ministry of Foreign Affairs, Attilio Cattani, both of whom enjoyed the strong support of Mansholt. The Delegation complained that Soames's insistence that it should seek a formal assurance to allow the UK to give aid to horticulture within a transitional period to bring it to a more competitive position, was asking for too much. In the Delegation's view this request was similar to MAFF's request to retain direct farming grants and would be immediately rejected by the Six.<sup>78</sup> The Delegation considered that the only concession the Six were likely to make was over government aid for national restructuring, because they expected to grant it to their own farmers and growers, but it was unlikely that they would go much beyond a private understanding in a restricted session at ministerial level.<sup>79</sup>

Differences between the UK and Six over horticulture struck at the very heart of what it would mean to join the EEC. The attitude of the Six was that the UK must, to a large degree, take a step in faith. What this meant was that the EEC was working out policies bit by bit and so the Six (and to some extent the British Delegation), argued that a lack of assurance at the point of entry did not mean that the Community would not alter its policies as new patterns of horticultural and agricultural products emerged in an enlarged community.<sup>80</sup> The fact that British difficulties over horticulture could not be attributed to the French, but rather to two other members of the EEC largely in favour of UK entry, suggested that there was something radically amiss with the nature of the UK's application bid. Although both the Dutch and Italians were strongly in favour of the British application, and therefore it was possible they would look favourably on concessions as the negotiations reached the final stages, it was by no means certain that domestic farming opinion would allow

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<sup>78</sup> PRO MAF 379/134 Draft for CMNC 'Public Presentation of Effect on UK Agriculture of Accession to EEC', point 10, Sep-Oct.1962

<sup>79</sup> PRO FO 1109/263 Owen to Lavelle, 17.8.62

<sup>80</sup> PRO FO 1109/263 The Effect on UK Agriculture, 17.8.62

them to make the really substantial concessions the British were looking for in horticulture.

The position of horticulture in Whitehall was peculiar. The horticultural tariff was organised within Whitehall and Westminster through a Tariffs Advisory Committee. The protective tariff for horticulture ran counter to the policy of imports free at the point of entry and the NFU had always been at pains to play down this aspect in public.<sup>81</sup> In Whitehall there was similar reticence. A Tariffs Advisory Committee did not officially exist and the body that did meet to deal with tariff matters was composed, in a fashion entirely out of the usual Whitehall practice, of members who acted as individuals rather than representatives of their departments. Its existence was strictly confidential and the conclusions reported solely to the Prime Minister.<sup>82</sup>

Political pressure by Conservative backbenchers was exerted through this secret committee. In February, 1959, Heath, then Chief Whip, organised a meeting between Macmillan and backbenchers to discuss the issue of raising the tariff on cut flowers; the involvement of the Chief Whip, indicated the serious party political nature of the meeting.<sup>83</sup> The irritation of Bishop, then working in the Private Office, also illustrated the political pressure and the general sensitivity of the issue for Macmillan. Bishop complained that because the meeting had been arranged personally by the whips, he had no record of the issues that would be raised and it was causing him problems with the press.<sup>84</sup> At the meeting, members of parliament, led by Sir Anthony Hurd, Chairman of the Conservative Agriculture Committee and Major Legg-Bourke and Greville Howard, Chairman and Vice-chairman respectively, of the Horticulture Sub-Committee, complained that in addition to the specific issue of cut flowers, they suspected there was a link between government policy towards the Common Market and repeated refusals to increase the tariff. They pointed out that the prime minister should not assume that economic considerations alone could

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<sup>81</sup> NFU Archive: Private and Confidential Memo from Leslie Clark, NFU Horticultural Secretary, November, 1949

<sup>82</sup> PRO PREM 11/2591 Macmillan personal note to Bishop, 11.2.62

<sup>83</sup> PRO PREM 11/2591 Bishop note for record, 11.2.59

<sup>84</sup> PRO PREM 11/2591 Bishop note for record, 10.2.59; PRO PREM 11/4086 Private Office to MAFF, 2.12.59

guide decisions in this matter.<sup>85</sup> A measure of Macmillan's concern was that he had a study made of the issue by Heath.<sup>86</sup>

Macmillan's response was to make a series of promises that would compromise his room for manoeuvre when it came to the negotiations with the EEC. First, Macmillan declared that although he intended a further study of alternative methods of support for horticulture, the tariff would remain the main instrument of government policy.<sup>87</sup> (This would not be possible if Britain entered the CAP.) Second, Macmillan continued to imperil his future position by re-assuring his backbench members that to dispense with the tariff would be a change of policy and that if this were to occur the government would take care to carry the (Conservative) Party with it.<sup>88</sup> Macmillan certainly realised that there was a link between his promises to continue the tariff and an application to the EEC; he recorded that continuing to protect British horticulture with a tariff would cause 'more and more trouble' in future relations with Europe and that to rectify this the government should consider a system of price support comparable to the agricultural structure.<sup>89</sup> Nevertheless, his actions in 1959 showed that he would respond to political rather than economic pressure. Bishop had understood Macmillan was to tell the backbench members that each application for the raising of the tariff (which was the right of the NFU as the proposing body) would be judged strictly on economic grounds.<sup>90</sup> However, the government subsequently set a precedent in political not economic terms when it bowed to political pressure by rescinding its decision not to raise the tariff on cut flowers.

The political pressure of 1959 was still present in 1962 through the continued presence of certain Conservative members of parliament. The key point is that some of the backbenchers, who represented constituencies where horticultural interests were strong in 1959 and 1962, also took an antagonistic line on European policy. For example, Derek Walker Smith, a former minister, was one of these backbenchers and in 1960 reminded Macmillan in no uncertain terms that personal pledges should not be neglected for European objectives.<sup>91</sup> Throughout the negotiations with the Six

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<sup>85</sup> PRO PREM 11/2591 Bishop note for record, 11.2.59

<sup>86</sup> *Ibid.*

<sup>87</sup> *Ibid.*

<sup>88</sup> *Ibid.*

<sup>89</sup> PRO PREM 11/4086 Macmillan's minute, serial number M445/59, 20.11.59

<sup>90</sup> PRO PREM 11/2591 Bishop note for record, 10.2.59

<sup>91</sup> PRO PREM 11/4086 D. Walker-Smith to Macmillan, 22.4.60

Walker Smith was active, with Robin Turton, also a former minister, in leading the Anti-Common Market Group in the Conservative Party. Both had considerable standing in the Conservative Party and constituencies and would command respect if they criticised arrangements negotiated for horticulture.<sup>92</sup>

Macmillan was not alone in this complicit relationship with horticultural representatives. Macmillan had been urged into his position by Butler, and Butler, through his personal involvement, also had much to lose if horticulture was sold short in the negotiations. Butler had been putting pressure on Macmillan in the late 1950s and early 1960s. Promises to intervene on behalf of his constituents in Saffron Walden and the position of the good faith of the government were the main themes in a spate of Butler's letters to Macmillan in the years immediately prior to 1961. In addition, Butler's position was publicly known. He had made his views clear in Cabinet, committed himself in writing to constituents, and made references to his support for horticulture in speeches.<sup>93</sup> He had been in close touch with the backbenchers during their lobbying of Macmillan in 1959-60 and, in his role as head of the Conservative Research Department, advised them personally on how to pitch their demands. This included references to support for horticulture in the manifesto of 1959 and copies of letters to go to Heath as Chief Whip.<sup>94</sup> Butler therefore, was as caught in the political-personal pledges as Macmillan. To leave horticulture without defence against its chief competitors in the EEC so soon after the promises of 1958-9 could be used by political opponents, as Butler said, to portray a complete breach of trust.<sup>95</sup>

It is true that July, 1962, saw Macmillan enduring a faltering economy, many foreign policy setbacks, and the general wilting of a Party too long in government, in comparison with which the issue of horticulture might appear slight. However, there are two important points to be noted. First, whilst Macmillan might have been tempted to dispense with the support of the backbench members to secure agreement in Brussels, Butler would not. Butt points out that Butler had a 'strong personal interest in establishing himself with the rank and file of the party which had by-passed

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<sup>92</sup> Butt, *The Power of Parliament*, p. 235

<sup>93</sup> PRO FO 1109/140 Letter from constituent to Butler, 10.11.58, reply by Butler, 14.11.58, MAF paper on dumping to Butler, 21.12.58, handwritten letter Butler, undated, in series 1959

<sup>94</sup> PRO FO 1109/140 Series of communications with horticulture sub-committee, 29.7.59

<sup>95</sup> PRO FO 1109/140 Butler handwritten note, in series of 1959 letters and memos

him once for the Leadership.’<sup>96</sup> This personal ambition would increase his willingness to act as the guardian of backbench opinion and would also, once negotiations resumed after the summer recess, lead him to continue to reflect and promote the views of backbenchers. Second, whilst Macmillan shared Butler’s personal vulnerability over horticulture but would himself have been more inclined to place the larger issues above horticulture, nevertheless, he would have understood that Butler had the stronger interest in horticulture. The horticultural factor, as Chapter Seven will show, was to haunt Macmillan in the last month of negotiation, January, 1963.

## Section Four

### **Cabinet Re-shuffle: Macmillan loses authority**

#### **July-August, 1962**

After the ninth ministerial meeting, 20<sup>th</sup> July, 1962, at which agreement was reached over the annual review and the long term assurance, Heath said (rightly) that although what was on offer fell short of the government’s objectives at the outset, it could still be presented as an improvement upon the arrangements by the Six.<sup>97</sup> It was, he said, grounds upon which the farming community could be asked to suspend judgement until further progress had been made in the negotiations on other agricultural items.<sup>98</sup> Unfortunately for the negotiations, these items were extensive and included all individual commodity arrangements, horticulture, British participation in the future discussions for products the CAP had not dealt with in January, 1962, and the length and nature of a transitional period.

There had also been agreement on non-agricultural products and Heath and the Delegation were hoping that the negotiations might be wound up by the end of July, 1962, in a *vue d’ensemble*. There were encouraging signs because a measure of agreement had come in May and June, 1962, through the methodical working out of technical issues.<sup>99</sup> Agreements ranged over issues as diverse as manufactured products from the developed Commonwealth to British imports from India, Pakistan and Ceylon and the rules to govern the association of some British former territories

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<sup>96</sup> Butt, *The Power of Parliament*, p. 227

<sup>97</sup> PRO CAB 129/110 C(62)135 notes by Heath, 17.8.62, 21.8.62

<sup>98</sup> *Ibid.*

<sup>99</sup> Ludlow, *Dealing*, p. 136

in Africa, although there were still large areas of policy to be dealt with, such as voting arrangements, neutrals, EFTA, and all domestic agriculture issues.<sup>100</sup> The policies with the closest links to agriculture remained unsettled; Commonwealth interests in temperate food imports and the CAP's financial regulations. As the summer recess approached, Soames had no wish for domestic agriculture to be blamed for failure in the negotiations and Cabinet was convinced that the UK could not be seen to break over a domestic issue.<sup>101</sup> Yet the worries Soames carried from mid-1961, that he might not be able to carry the Conservative parliamentary with him, re-surfaced with equal force.

The existing historical argument is that Macmillan became politically vulnerable in late autumn, 1962, and that this restricted him in the support he was able to offer Heath and European policy.<sup>102</sup> This study argues that this trend began much earlier in the negotiations and was a pronounced development, in August, 1962, rather than a gradual increase over the autumn and that it had implications for the defence of agricultural policy from July, 1962, onwards.

The 'Night of the Long Knives,' in which Macmillan summarily dismissed seven members of his Cabinet, has gone down in political history as one of the most dramatic moments in post-war government.<sup>103</sup> There was an element of long term planning for the reshuffle that should not be over looked. Alderman cogently brings out the fact that Macmillan, in the face of losses in by-elections and poor opinion polls, was planning a new look to his administration, but under pressure mishandled it badly.<sup>104</sup> Macmillan's dual purpose, in the second week of July, 1962, a week prior to the ninth ministerial meeting in Brussels, was to make a change in economic policy and at the same time revive Tory fortunes in the opinion polls.<sup>105</sup> In March 1962, the Conservative stronghold of Orpington had been lost to the Liberals and Macmillan faced a series of press reports suggesting disquiet at the very top of the party with his continuing leadership.<sup>106</sup> Late May, 1962, Butler returned from a short government visit to Africa to find reports from his private secretary that

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<sup>100</sup> *Ibid.*, pp. 125-137

<sup>101</sup> PRO CAB 129/110 C(62)135 notes by Heath, 17.8.62, 21.8.62

<sup>102</sup> Ludlow, *Dealing*, pp. 195-6

<sup>103</sup> Alderman, K., 'Harold Macmillan's 'Night of the Long Knives', *Contemporary Record*, Vol. 6, No. 2 (Autumn 1992), p. 243

<sup>104</sup> *Ibid.* p. 250

<sup>105</sup> BOD MS Macmillan, Dep. 46, 22.6.62; Evans, *Downing Street Diaries*, p. 202

<sup>106</sup> Butler, *British General Elections since 1945*, p. 19; BOD MS Macmillan, Dep. 46, 17.5.62



A great deal has happened in the Party while you have been away. Party morale is at its lowest ebb particularly since the disastrous local election results ... with five hundred seats lost across the country.<sup>107</sup>

It was reported that Macmillan burst into tears during a speech to a Women's Conservative Group and clearly felt under immense pressure. Butler's private secretary, Paul Channon, sensed that the mood of the parliamentary party was for change and quickly, otherwise loyalties would become increasingly strained.<sup>108</sup> Ramsden describes the way in which backbenchers concerned by the state of the Party, convened their own Committee on By-Election Results, April, 1962, under the chairmanship of Richard Nugent. Criticisms from backbenchers ranged from the number of Macmillan's relatives and old Etonians in the government to unpopular policies, weakness and incompetence.<sup>109</sup>

There is evidence that Macmillan consulted for weeks in advance of the reshuffle and that Butler was also pushing strongly for change. On 21<sup>st</sup> June, 1962, Macmillan lunched with Butler to discuss the standing of the government and its future direction.<sup>110</sup> As ever Macmillan found Butler 'calm and helpful'.<sup>111</sup> Butler's opinion was that the government's economic policy was responsible for the very bad showing the polls and that drastic action was needed. On 6<sup>th</sup> July, Macmillan and Butler, joined this time by Martin Redmayne, Chief Whip, met again to discuss Maudling as Lloyd's replacement, the future of the government and plans for the Brussels negotiations.<sup>112</sup> On the 10<sup>th</sup> July, 1962, Butler and Macleod, still Leader of the House and Chair of the Conservative Party, called on Macmillan to express their view that there should be a more reflationary economic policy.<sup>113</sup>

However, there was one aspect of the re-shuffle that was part of the continued pattern of Macmillan attempting to sabotage Butler's chances of becoming prime minister. Once more Butler had to be persuaded to take a demotion. Butler was to step down from the Home Office and be given the title of First Secretary of State, and 'act' as Deputy Prime Minister.<sup>114</sup> This was regarded by him as loss of power and

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<sup>107</sup> TRC Butler Archive, F96/2-5, Paul Channon to Butler, 23-24.5.62

<sup>108</sup> *Ibid.*

<sup>109</sup> Ramsden, *The Making of Conservative Party Policy*, p. 223

<sup>110</sup> Horne, *Macmillan, Vol. II*, p. 341

<sup>111</sup> *Ibid.*, p. 342

<sup>112</sup> BOD MS Macmillan, Dep. 46, 6.7.62; Shepherd, *Iain Macleod*, pp. 278-9; Evans, *Downing Street Diaries*, pp. 339-350

<sup>113</sup> Shepherd, *Iain Macleod*, p. 278

<sup>114</sup> Evans, *Downing Street Diaries*, p. 205

status. In his memoir he was to write that the loss of the services of a Whitehall department meant the lack of organisational and psychological support and a lessening of authority within Cabinet.<sup>115</sup> It also meant that his duties were at the disposal of the prime minister and not set out in a departmental brief. Butler was asked to take on the negotiations to resolve the problems in Central Africa that had defeated both Macleod and Maudling and caused much ministerial bickering in 1961. Butler had been aware of this proposal since at least March, 1962.<sup>116</sup> It was a problem which Macmillan had tried to paint as leading to the succession although Macmillan admitted it was as likely to end in failure as success and was thus a poisoned chalice.<sup>117</sup> Running throughout the re-shuffle was Macmillan's obdurate antagonism to Butler's ambition to be the next prime minister.

Despite the longer term aspects to the re-shuffle, it is apparent in accounts of the 'Night of the Long Knives' that Macmillan, to a large degree, panicked over his Cabinet reshuffle because of fears that a plot, centred on Butler, was developing within Cabinet. Many politicians, at the time, agreed with the sacked Lord Chancellor, Lord Kilmuir, that their impression was that Macmillan was 'extremely alarmed about his own position and was determined to eliminate any risk for himself by a massive change of government'.<sup>118</sup> This alarm was directly linked to the state of play in Brussels. As Macmillan saw it, if the EEC negotiations failed Butler would insist that Macmillan should resign, whilst if the negotiations succeeded only after major concessions by the UK, Butler would claim the government had sold out Commonwealth and domestic interests and also demand Macmillan's resignation.<sup>119</sup>

In addition to Alderman, details of the way in which Macmillan implemented the Cabinet changes are to be found in a variety of other biographical accounts.<sup>120</sup> Macmillan knew that at least six Cabinet members had indicated they would be prepared to step down because of age and long service, although they did not expect this to happen immediately.<sup>121</sup> The 'Night of the Long Knives', 12<sup>th</sup> July, 1962, was the occasion on which Macmillan decided to remove all these ministers at one go, thus creating the largest Cabinet reshuffle of modern times. Even for a prime minister

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<sup>115</sup> Butler, *The Art of the Possible*, p. 203

<sup>116</sup> TRC Butler Archive, G38/2 The Africa choice, 10.3.62

<sup>117</sup> Turner, *Macmillan*, p. 186

<sup>118</sup> Horne, *Macmillan*, Vol. II, p. 247, p. 257, p. 345, p. 253, p. 358

<sup>119</sup> Sampson, *A Study in Ambiguity*, p. 201; Horne, *Macmillan*, Vol. II, p. 353

<sup>120</sup> Fisher, *Iain Macleod*, pp. 220-1; Howard, *RAB*, p. 291

<sup>121</sup> Horne, *Macmillan*, Vol. II, p. 341

intent on providing a more modern look to his government this was an act of political suicide because it made Macmillan look as if he had lost control. Sixteen ministers left the government, including seven from Cabinet, and this necessitated changes in the occupancy of 39 out of 101 ministerial posts, involving 52 people. Only 8 ministers survived with their original portfolios, only 6 of the government's 28 separate departments emerged without any changes and 5 departments saw the entire ministerial team changed.<sup>122</sup>

The important point was that overnight Macmillan's reputation for unflappability and sound judgement was considerably damaged. In the press on July 22<sup>nd</sup>, 1962, the headlines included, 'His Own Executioner?' and 'For Mac the Bell Tolls.'<sup>123</sup> Macmillan was met with a stony silence in the House of Commons whilst Lloyd was applauded; an indication of how serious Macmillan felt his position to be came in the highly unusual step of going to a weekly meeting of the 1922 committee to try to placate backbench feeling.<sup>124</sup> It might be argued that to a degree Macmillan's loss of standing in the country at large could be mitigated within Cabinet by the presence of much younger men who relied on the prime minister's patronage.<sup>125</sup> However, such a drastic culling of ministers meant that Macmillan could not risk another Cabinet reshuffle and to this extent he was prisoner of his Cabinet, particularly in its more senior appointments.<sup>126</sup> Neither had Macmillan solved the problem of Butler as a potential rallying point for disaffected ministers; Butler's perception that he had lost authority in the reshuffle was not shared by his followers and this point is returned to in more detail in Chapter Five.<sup>127</sup> In addition, the political impossibility that Macmillan could make a second reshuffle Cabinet meant that the positions of the newly appointed Chancellor of the Exchequer, Maudling and incumbent ministers in the CMNC, were secure.

An important question that arises over strategy and tactics in July, 1962, in the aftermath of the 'Night of the Long Knives,' was whether Macmillan saw the completion of negotiations by July, 1962, as desirable. At the time suspicions fanned by the press were that the British government intended to return, in the light of a

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<sup>122</sup> Alderman, 'Night Of the Long Knives', pp. 247-8

<sup>123</sup> Evans, *Downing Street Diaries*, p. 203

<sup>124</sup> Alderman, 'Night Of the Long Knives', p. 257

<sup>125</sup> Fisher, *Iain Macleod*, p. 221

<sup>126</sup> Alderman, 'Night of the Long Knives', p. 259

<sup>127</sup> Howard and West, *The Making of the Prime Minister*, p. 54; *The Guardian*, 17.1.64

ensorious Commonwealth Conference, to ask the Six for better terms.<sup>128</sup> If this were the case then it would be important for Macmillan not to come to agreement with the Six in the tenth ministerial meeting. If Macmillan had never intended the negotiations to end in July, 1962, then much of the blame for the final demise of the British application could be laid at Macmillan's door not de Gaulle's.<sup>129</sup>

The evidence supports the view that Macmillan did not intend to complete the negotiations before the outcome of the Conference of Commonwealth Heads of State which had been scheduled earlier in the year for September, 1962.<sup>130</sup> Macmillan's diary suggests that he saw advantages to not having a cut and dried solution before the Commonwealth Conference.<sup>131</sup> In later life he was to claim that he had always doubted the negotiations could be completed by the end of July, 1962.<sup>132</sup> Ludlow argues convincingly that Macmillan had no intention, by July, 1962, of allowing the tenth ministerial meeting to end the negotiations.<sup>133</sup> He quotes a report from Heath to Macmillan that strongly suggests Heath was instructed not to bring the negotiations to a successful conclusion at the tenth ministerial meeting and that thus it was the British as well as the French who should bear responsibility for the incomplete state of negotiations in the summer of 1962.<sup>134</sup> According to Heath a document emerged from the final ministerial meeting before the summer recess that in his opinion met the needs of the Commonwealth but that he had only accepted it as a provisional basis for discussion with the Commonwealth because these were his instructions from London.<sup>135</sup> Reilly's memoir adds something to this debate. He remembers that sometime in July, 1962, there was much talk in Whitehall that 'the knives were out for Heath', and attributes this to the fact that at some stage Heath made a concession which was held to be beyond his authority.<sup>136</sup> If Heath had been insistent that the Six's paper represented a real opportunity for settlement, although it contained terms vastly inferior to those which had been sought at the outset, then this would have brought upon him the wrath of Cabinet colleagues.

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<sup>128</sup> PRO CAB 128/36 CC(62)48 Cabinet discussion, 19.7.62

<sup>129</sup> For an eye witness account of de Gaulle's views at this point, see Dixon, P., *Double Diploma: The Life of Sir Pierson Dixon, Don and Diplomat* (London: Hutchinson, 1968), pp. 288-292

<sup>130</sup> PRO CAB 128/36 CC(62)25 Macmillan to Cabinet, 30.3.62

<sup>131</sup> BOD MS Macmillan, Dep. 46, 5.8.62

<sup>132</sup> BOD MS Macmillan, *At the End*, p. 113

<sup>133</sup> Ludlow, *Dealing*, p. 154

<sup>134</sup> *Ibid.* p. 154

<sup>135</sup> PRO CAB 134/1512; CMN(62)49, record of meeting at Admiralty house on 6.8.62, 8.8.62

<sup>136</sup> BOD Reilly, P., A Memoir, Folio 244-5

Heath received a measure of support for British concessions to end the negotiations in July, 1962, from Macleod and Redmayne who for party political reasons wanted as early a settlement as possible, considering that Party loyalties could not stand much more uncertainty.<sup>137</sup> However, in the CMNC, Butler, Maudling, Sandys and Soames were all for sticking firm to the government's position and forcing the Six to make concessions.<sup>138</sup> Soames's concessions, at the ninth ministerial meeting (over the long term assurance), came in an all night session finishing at 4 a.m. on the morning of the Saturday, 20<sup>th</sup> July, 1962. In the following week, on Tuesday, 24<sup>th</sup> July, 1962, before he returned to Brussels, and anticipating demands from the Delegation for further concessions, Soames saw Butler. Butler sent a message on ahead of Soames' arrival in Brussels to Heath to tell him to hold back.<sup>139</sup> These instructions infuriated Heath and Propper, MAFF's representative in Brussels, felt the full force of his rage before Soames was due in Brussels. Soames had arranged to lunch with Mansholt upon arrival but Heath insisted on seeing him as soon as his plane touched down.<sup>140</sup> At the CMNC meeting on the 23<sup>rd</sup> July, 1962, there been no discussion of the British position on horticulture, hence Heath's fury in Brussels when he received Butler's message to hold back on concessions.

Thus, by the beginning of August, 1962, Macmillan's position was veering away from support for Heath and towards the rest of the CMNC who were dissatisfied with the type of EEC the negotiations had revealed. This was not only the result of strategic planning but also a rational response by Macmillan to his diminished authority in Cabinet. The following chapter shows how this loss of authority continued throughout the autumn of 1962, and was a prominent factor in events that linked the agricultural issue to the final stages of the negotiations as a whole.

## Conclusion

Mid-summer, 1962, NFU attempts to pressurize the government were stronger than earlier in the negotiations. Woolley succeeded in engineering a meeting with Macmillan but the prime minister's objective was to deflect NFU criticisms of the

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<sup>137</sup> *Ibid.*

<sup>138</sup> Franklin's Diary, 29 or 30.7.62

<sup>139</sup> Franklin's Diary, 24.7.62

<sup>140</sup> *Ibid.*

terms on offer in Brussels whilst offering no guarantees about the nature of the agreements for the annual review and residual assurance. When it came to the settlement of these items of agricultural policy they were in a weak form and the NFU's attempt to influence policy was relatively unsuccessful.

The strife between MAFF and the Delegation at official level was a reflection of the lack of priorities at the very top of government. The incompatibility of the interests of domestic and Commonwealth producers, and the way in which both Macmillan and Butler were personally involved in pledges to the horticultural industry, showed the fundamentally flawed basis upon which the government was attempting to rush into the EEC.

Despite the difficulties the government was enduring on the international and economic fronts, it was also heavily restricted by the way in which party politics impacted on its room for manoeuvre. This chapter focused on the ebbing away of Macmillan's authority, due to the loss of confidence in his government, and the prime minister's loss of nerve over his Cabinet re-shuffle. As Chapters Six and Seven will show, this loss of authority was to have a direct impact on the way agricultural policy was formed and executed in the final stages of the negotiations.

## Chapter Six

### Ministers Rebel

#### September-November, 1962

'Change is not made without inconvenience, even from worse to better'.<sup>1</sup>

In the course of autumn, 1962, Macmillan's personal popularity ratings plummeted and in the season of party conferences beginning with the Liberal Party in the last week of September, the Labour Party in the first week of October, and finishing with the Conservative Party in the second week of October, 1962, the government was threatened with a further drubbing in opinion polls.<sup>2</sup> The government became increasingly unpopular with the general public and this was part of a worrying trend that had been visible since the Orpington by-election, March, 1962, when a Conservative stronghold was lost to the Liberals with three more Conservative seats to fall to Labour before the end of the year.<sup>3</sup> The government was threatened by hostile reactions to its European policy in five by-elections, billed by the Press as a test of the new-look Cabinet and Macmillan's leadership, to be held on the 22<sup>nd</sup> November, 1962.<sup>4</sup> On November 22<sup>nd</sup>, 1962, three of the by-elections in safe Tory seats were narrowly won, whilst Glasgow Woodside and South Dorset were lost. The latter was a rural seat where defecting Conservative votes went to the anti-Common Market candidate exactly as Cabinet had feared and the anti-EEC candidate received nearly 3% more votes than forecast in pre-election polls.<sup>5</sup> Although South Dorset was very much a special case (where there were particular internal constituency matters which caused Conservative defections) it did illustrate that real difficulties could potentially be created if a well-known member of Cabinet broke ranks.<sup>6</sup> Coupled with

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<sup>1</sup> Samuel Johnson quoting Richard Hooker, *Of the Laws of Ecclesiastical Polity*, IV, XIV

<sup>2</sup> *Farmer and Stockbreeder*, 27.11.62; Ludlow, *Dealing*, p. 99

<sup>3</sup> Butler, D. and Sloman, A., *British Political Facts* (London: Macmillan, 1995), p. 19

<sup>4</sup> Evans, *Downing Street Diaries*, p. 230

<sup>5</sup> Lieber, *British Politics and European Unity*, p. 214

<sup>6</sup> Crowson, N. J., 'Lord Hinchinbrooke, Europe and the November 1962 South Dorset By-election', *Contemporary British History*, Vol. 17, No. 4 (Winter 2003), pp. 43-64

other by-election defeats of 1962, the loss to Labour of a previously safe Tory seat did not help Macmillan's personal position in the Party.

During this period there was also considerable alteration in the attitude of the general public to entry to the EEC.<sup>7</sup> Opinion polls showed that across the country, support for entry to the EEC had fallen from 43% in July, 1961, to 29% by the last months of 1962, with opposition, in the same period, having increased from 20% to 37%.<sup>8</sup> There was some comfort for Macmillan in the poll results. Bucking the national trend, potential Conservative voters showed a pattern, constant since April, 1962, of a 58% majority in favour of entry, with only 22% opposed.<sup>9</sup> Within the Labour Party there was a marked drop with only 27% in favour whilst those against reflected the swing in the country at large, up to 36% by December, 1962. This drop in support began to be reflected in an increasingly anti-Common Market stance by Hugh Gaitskell, the Leader of the Opposition and Heath considered this to be very bad for the government's negotiating position in Brussels.<sup>10</sup> Without cross party support it would be hard for the Delegation to argue that Britain was fully behind closer moves to Europe. In fact when it was rumoured in October, 1962, that Gaitskell had threatened to disown any settlement Macmillan ordered his staff to clear the decks for going to the country.<sup>11</sup> The rumour proved groundless but the episode indicated to Macmillan that entry to the EEC was increasingly a party political matter.

The loss of cross party support presented problems for any vote in the House of Commons upon a treaty of accession to the EEC. Whilst the government had opened negotiations in Brussels to seek the terms of entry, final agreement would depend on a vote in parliament.<sup>12</sup> The size of the Conservative majority (64 seats in 1959) was the biggest majority since the war and it allowed Macmillan to contemplate backbenchers voting against government policy.<sup>13</sup> However, in certain conditions disloyalty could not be countenanced and the European issue was one such issue. As Butt points out revolts against the government cannot succeed without a consensus in the House of Commons or within the country.<sup>14</sup> Thus, the role played by opposition

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<sup>7</sup> Lieber, *British Politics and European Unity*, p. 214

<sup>8</sup> *Ibid.*, p. 232

<sup>9</sup> *Ibid.*, p. 232

<sup>10</sup> PRO CAB 128/36 CC(62)48 Heath to Cabinet, 19.7.62

<sup>11</sup> Evans, *Downing Street Diaries*, p. 221

<sup>12</sup> Ramsden, *An Appetite for Power*, p. 373

<sup>13</sup> Butt, *The Power of Parliament*, p. 231, p. 323

<sup>14</sup> *Ibid.*, p. 233



parties would be crucial because the danger for the Macmillan government 1961-3 was that a vote on the terms negotiated in Brussels might take on the aura of a vote of confidence in the government. In this case the government could find itself facing a three line whip in the Labour Party with disaffected Conservative backbenchers voting with the Opposition. The likelihood that this might occur is illustrated by Sir Jeremy Thorpe's account of the history of the second reading of the European Communities Bill on 17<sup>th</sup> February, 1972.<sup>15</sup> The Labour Party, regardless of the principle of entry to the EEC, decided that in view of likely defections within the Conservative Party, there was an opportunity to bring down the government. Thorpe concludes that it was only a deal with the Liberals that enabled Heath's government to avoid a tie at best, defeat at worst.<sup>16</sup> Without cross party support, Macmillan's leadership within Cabinet, where key ministers needed be counted on to convince and persuade their backbench followers, was crucial, particularly as Macmillan eschewed the idea of campaigning publicly whilst the negotiations were ongoing in Brussels.

Finally, the long drawn out negotiations in Brussels were beginning to impact on thoughts about the next general election, to be held by October, 1964, at the latest.<sup>17</sup> There was little doubt in the Conservative Research Department that Europe would be a divisive issue, particularly over agriculture.<sup>18</sup> Instead of using the issue of entry to the EEC in 1963 as a triumphal issue in a general election campaign, Macmillan faced the possibility that the general election would turn into a referendum on his European policy.<sup>19</sup>

Commonwealth Heads of State were to meet in London on the 10<sup>th</sup> September, 1962, for ten days and this was to be a difficult period for the government as it sought to persuade the Commonwealth that what was on offer from the Six represented the best that could be negotiated. There remained the opportunity for the government to return to the negotiations in Brussels to look for more for the Commonwealth under the guise of individual commodity arrangements rather than the comparable outlets formula and, as Ludlow points out, it appears Macmillan's strategy was to turn the inconclusive end to the tenth ministerial meeting to British advantage as far as possible by suggesting to the Commonwealth that it left the door open for a further

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<sup>15</sup> Thorpe, J., *In My Own Time: Reminiscences of a Liberal Leader* (London: Politico, 1999), p. 185

<sup>16</sup> *Ibid.*, p. 186

<sup>17</sup> *The Farmers' Weekly*, 27.11.62

<sup>18</sup> Ramsden, *The Making of Conservative Party Policy*, p. 213

<sup>19</sup> Beloff, *The General Says No*, pp. 133-6; Lieber, *British Politics and European Unity*, p. 233

appeal to the Six.<sup>20</sup> A dramatic eyewitness account of the Commonwealth Conference may be found in Evans, whilst historians agree that the result was a public relations success for Macmillan.<sup>21</sup>

After the triumphs of the Commonwealth and the Conservative Party Conference, Macmillan claimed that he was 'in the straight.'<sup>22</sup> Pursuing his equine metaphor, Macmillan argued that the Commonwealth and party conferences were formidable 'jumps' and that now UK entry to the EEC depended upon the outcome in the Brussels negotiations rather than domestic or Commonwealth issues.<sup>23</sup> This chapter argues that this may have been a credible reaction in the immediate wake of the Conservative Party Conference, but it was unrealistic to claim that domestic pressures would no longer present difficulties for his European policy. This chapter will argue that over agricultural policy the chief of Macmillan's 'jumps' would now be Cabinet opinion, particularly the views of the CMNC.

## Section One

### **Ministerial attitudes lead to rebellious talk**

#### **August-December, 1962**

In the weeks preceding the Commonwealth Conference, Soames had good reason to fear that if the Heads of State approved the settlement on offer from the Six, then domestic agriculture would be left with very little of what MAFF had looked for earlier in the negotiations. After the tenth ministerial meeting Norman Brook, Cabinet Secretary, wrote to Macmillan

If the Commonwealth Meeting goes reasonably well, there would be less support for any attempt to prevent or delay our entry for the sake of our domestic agriculture, and an increasing tendency to accept the view that we might have to reach a decision on the general merits of joining the Community and then, as a member, make the best arrangements we can for our own farmers.<sup>24</sup>

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<sup>20</sup> Ludlow, *Dealing*, p. 154

<sup>21</sup> Evans, *Downing Street Diaries*, pp. 212-221; Kaiser, *Using Europe*, p. 185

<sup>22</sup> Macmillan, *End of the Day*, p. 141

<sup>23</sup> *Ibid.*, p. 141

<sup>24</sup> PRO PREM 11/3635 Brook to Macmillan, 21.8.62

Macmillan would have found support for this idea from Heath, Redmayne and Macleod, who had been keen 'for an early decision (in favour of entry)' at the ninth and tenth ministerial meetings.<sup>25</sup> In addition, Soames was out of favour with Macmillan; despite sending Macmillan radical ideas for the future of agricultural policy should Britain fail to enter the EEC, Soames was dropped from speaking at the Commonwealth Conference.<sup>26</sup> Even if the negotiations failed, Soames planned to recast domestic policy closer in a form closer to the arrangements for the CAP in order to provide the basis for a second application to the EEC.<sup>27</sup> This was both a lesson learned from the negotiations and a follow up to the 1960 White Paper on Agriculture.<sup>28</sup> (It was in 1961 that Soames had asked for a study in order to relieve the Exchequer of the unlimited liability of the existing agricultural support system, a piece of work it was envisaged would take the next eighteen months.<sup>29</sup>) His plans involved transferring the burden of agricultural support from the taxpayer to the consumer.<sup>30</sup> To do this he would need to erect barriers to imports similar to the external levy of the CAP and he anticipated a long process of negotiation with the Commonwealth; Commonwealth duty-free entry for meat was unrestricted until 1967 and although other duty-free entry was subject to only six months notice of termination, winning support for such change would be a lengthy and difficult procedure.<sup>31</sup> Such a change would bring Soames into direct conflict with Australia, Canada, and New Zealand and he suggested to Macmillan that the Commonwealth Conference would be the point at which to announce to the Commonwealth heads of state that there would be important changes to policy even if the UK failed to join the EEC.<sup>32</sup>

Soames may have thought that this would pressure the Commonwealth into a more positive frame of mind about entry but it was a tactic unlikely to recommend itself to Macmillan. First, Macmillan anticipated the Conference with a sense of romance and drama.<sup>33</sup> It was inconceivable that he would wish to approach what seemed a momentous occasion on the British if not world stage, armed with technical

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<sup>25</sup> Franklin's Diary, 29.7.62

<sup>26</sup> PRO PREM 11/3635 Soames to Macmillan, August, 1962

<sup>27</sup> PRO PREM 11/4090 Soames to Macmillan, 19.7.62

<sup>28</sup> *Ibid.*

<sup>29</sup> PRO CAB 128/35 CC(61)71 Study to be undertaken, 12.12.61

<sup>30</sup> PRO PREM 11/3635, 112818, Soames to Macmillan, August, 1962

<sup>31</sup> *Ibid.*

<sup>32</sup> *Ibid.*

<sup>33</sup> Macmillan, *End of the Day*, p. 128

details about agricultural products. Second, Macmillan needed to take great care over the presentation of domestic agriculture to the Commonwealth heads of state. He could not risk using an agricultural minister who wished to talk about future relations between the UK and Commonwealth in terms that suggested there would be less opportunity for Commonwealth imports. Soames was excluded from the Conference and Butler was asked to speak on the domestic agricultural aspects of the negotiations in his place.<sup>34</sup> Butler was considered the safer option because he appeared to have substantially altered his position.

Existing historians accept that Butler underwent a complete change of mind mid-summer, 1962.<sup>35</sup> The facts of the apparent change of mind were that in July, 1962, Butler arranged to dine with Macmillan in the middle of August, 1962. It was clear, so Macmillan recorded in his diary, that it was intended to be an occasion.<sup>36</sup> Butler told Macmillan that it was too late to turn back now and the EEC should be seen as a big opportunity to maintain British wealth and strength.<sup>37</sup> By this Butler meant that the UK would be strengthened in economic terms by entry to the EEC and in so doing her foreign policy and world position would be enhanced. Butler's announcement implied that he would now give Macmillan positive support in Cabinet, the CMNC and public speeches. Indeed in Cabinet, the day after his 'staunch declaration,' Butler was firm but gloomy when he relayed his intention of refusing to turn back on the matter of entry to Europe.<sup>38</sup> Butler now explained that there could not be terms that would command general approval in the UK and certain parts of the farming community would have to settle for less than had been promised at the outset.<sup>39</sup>

In contrast to existing accounts, this study argues that Butler had gone for a change in tactics but this did not mean Butler was prepared to give unquestioning support for the concessions Heath considered essential to get agreement with the Six in Brussels. Although he might have embraced the principle of entry to the EEC Butler could still object to the terms that would be offered by the Six. At the very meeting in which he set out his support for Macmillan's European policy Butler left plenty of room for manoeuvre in the list of items he said it was still necessary to

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<sup>34</sup> Franklin's Diary, 8.9.62

<sup>35</sup> Ludlow, *Dealing*, p. 172

<sup>36</sup> Macmillan, *At the End of the Day*, Diary note, 21.8.62, p. 128

<sup>37</sup> *Ibid.*, p. 128

<sup>38</sup> *Ibid.*, p. 128

<sup>39</sup> PRO CAB 128/36 CC(62) Butler to Cabinet, 22.8.62

secure for agriculture. These items included significant and controversial items such as the individual commodity deals, special arrangements for mutton in areas of regional deprivation, and horticulture.<sup>40</sup> The important point is that this still committed the government to look for terms that would lead to conflict with the Six. In addition, as Chapter Three pointed out, individual ministers' concerns were not one dimensional and Butler admitted to Macmillan that he retained at least two other major reservations about European policy; securing the interests of the Commonwealth and the danger of an irreversible split in the Conservative Party.<sup>41</sup>

Rather than a long term shift, Butler was responding to the unpopularity of the reshuffle within the parliamentary party, particularly the treatment of Lloyd, and the growing unpopularity of the government within the country.<sup>42</sup> Although care of domestic agriculture and the Commonwealth were central to his personal political values, Butler was renowned also for his constant watch over internal party politics. Butler's doctorate had been on the fate of Sir Robert Peel in the nineteenth century and he was, in later life, to allude regularly to the danger that electoral losses usually followed divisions within a political party.<sup>43</sup> In Cabinet meetings after the tenth ministerial meeting in Brussels it was clear that his objective was to ensure that Cabinet did not split over Europe and that some compromises would have to be made for the time being to carry the government through the autumn's array of political events. This is the context within which his speech at the Conservative Party Conference, a *riposte* to Gaitskell's description of British entry to the EEC as the end of one thousand years of history, and his defence of Macmillan against attacks from other ministers, described below, should be taken.

This study uses the argument about the conditional nature of Butler's change of mind to make significant points in a subsequent chapter so it is important to substantiate the present argument as thoroughly as possible. Personal characteristics as well as practical political interests made it highly unlikely that it was intended to be a staunch declaration with an open ended attitude to compromise with the Six. First, Butler told his principle private secretary (at the Foreign Office) that his favourite character in literature was Pierre Bezuhov in 'War and Peace' because his own

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<sup>40</sup> PRO CAB 128/36 CC(62)55 Part Two, Butler to Cabinet, 22.8.62

<sup>41</sup> Macmillan, *End of the Day*, p. 128

<sup>42</sup> A suggestion of this argument comes in Wilkes, G., 'The Commonwealth in British European Policy', in May, (ed.), *Britain, the Commonwealth and Europe*, p. 58

<sup>43</sup> Butler, *The Art of the Possible*, p. 17

personality had much in common with Tolstoy's creation.<sup>44</sup> Bezuhov's attitude to the French invasion of Russia, 'to delay and withdraw', epitomized the affinity Butler felt for the fictional character whose maxim was '*reculer pour mieux sauter*'.<sup>45</sup> Thus, a declaration of faith could appear a forward move but in practise might turn out to be a temporary sideways shift. Second, his official biographer, Howard, makes the point that Butler never favoured putting all bets on a horse until one was sure it would be a runner.<sup>46</sup> In August, 1962, it looked very much as if the application to the EEC might end in failure and therefore another explanation rather than commitment is needed to explain Butler's decision to support Macmillan at this stage in the negotiations with the Six. Third, Butler was temperamentally inclined to procrastination. This was not an exercise in indecision, but rather the choice to avoid a decision until the issues became clearer or irrelevant. Once and for all policy choices were not his normal style.<sup>47</sup> Fourth, Butler was capable of pursuing conflicting ends and of biding his time before action and had 'patient if unglamorous tenacity', with a sense of the advantages of 'the long haul' at all times.<sup>48</sup> Thus in August, 1962, Butler was moving to shore up the position of the government but this did not mean he relinquished his objectives for domestic agriculture in the longer term.

There is a further personal factor in Butler's behaviour mid-summer, 1962. To show solidarity at a critical moment in the aftermath of the Night of the Long Knives, would impress Macmillan with the sense of Butler's value to the government in general and Macmillan personally. Butler's private papers show this to be the correct interpretation. He said that his staunch decision to go with the Common Market would enable him to be a friend and 'confidant' to Macmillan.<sup>49</sup> Declaring himself to be with Macmillan would also allow Butler to influence the next stage of negotiations through close working relations with the prime minister.

In addition to personal traits and ways of working, Butler's actions over the EEC must be seen against the jockeying for the leadership of the Conservative Party. As early as January, 1962, there had been whisperings in the Cabinet against Macmillan. Butler mentions Maudling, Macleod, and Enoch Powell, 'on whose lips

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<sup>44</sup> Henderson, *The Private Office*, p. 73

<sup>45</sup> Butler, *The Art of the Possible*, p. 31

<sup>46</sup> Howard, *RAB*, p. 296

<sup>47</sup> *Ibid.*, p. 74

<sup>48</sup> James, (ed.), '*Chips*', p. 349

<sup>49</sup> TRC Butler Archive G38/31, Note for the record, 23/X/62

the word resignation flitted'.<sup>50</sup> Macmillan's reaction was to divide and rule, talking up the chances of one senior minister against the other.<sup>51</sup> This had been a pattern throughout 1962 and was to go on into 1963 with Lord Hailsham.<sup>52</sup> In January, 1962, Butler recorded a discussion in which Macmillan vowed to go on for until as long as he was able because politics was his life, but he could not resist baiting Butler by discussing the chances of his rivals. Macmillan said that there were at least two possibilities for the succession. If his resignation came before the next general election the leadership, Macmillan said, would inevitably fall to Butler, but if after the next general election then this would be unlikely.<sup>53</sup> To prevent Butler thinking that in this case Macmillan's fall could not come quickly enough, Macmillan attempted to convince Butler that he would be tied to Macmillan and undoubtedly fall from office if the Conservative Party failed to win the next general election.<sup>54</sup> However, by August, 1962, with Macmillan severely damaged by the botched reshuffle, the problem for Butler was that if the end to Macmillan's premiership was to come in the ensuing months he would inherit a Tory Party split over the leadership, entry to the EEC and loyalties to the Commonwealth. Annoyingly for Butler, his political inheritance in August, 1962, depended on him offering support to Macmillan's beleaguered position.

Butler was also concerned with his position in comparison with other contenders for the leadership. Political commentators at the time considered Butler's position as 'commanding and unassailable'.<sup>55</sup> However, Butler did not see it like that. There was something to be said in support of his attitude. There were three counts against him; that although seven years junior to Macmillan he might be passed over for a younger man, that the Conservative Party Right Wing would prevent his succession at all costs, and that Macmillan was personally against him. Butler could do little about the first two but in August, 1962, he had particular reasons for considering that he might take steps to attempt to lessen Macmillan's animosity. In the re-shuffle in July, 1962, Butler had been removed from a Whitehall department,

<sup>50</sup> TRC Butler Archive, G38/16, note for the record 24.1.62

<sup>51</sup> TRC Butler Archive, G40/7, Macmillan to Butler, 8.1.63

<sup>52</sup> Hailsham, Lord, *The Door Wherein I Went* (London: Collins, 1975), pp. 195-6; *Hailsham, A Sparrow's Flight*, pp. 332-3

<sup>53</sup> TRC Butler Archive, G38/16, meeting with Macmillan, 24.1.62

<sup>54</sup> *Ibid.*

<sup>55</sup> TRC Butler Archive, G38/17, Howard, *New Statesman*, July, 1962; G38/24, Statist 'Cabinet of RAB's Men Around Macmillan'

given the title of First Secretary of State and invited to act as deputy prime minister (although this was not a formal title); these were sideways moves through which Butler could claim he was personally unwounded by the 'Night of the Long Knives'.<sup>56</sup> A measure of Butler's concern over this move out of the Home Office was that it had taken some time for Macmillan to persuade Butler to agree.<sup>57</sup> Butler also was uneasy at the way it had been rumoured (correctly it is now accepted) that he had leaked some of the details of the re-shuffle, in particular the sacking of Selwyn Lloyd, the Chancellor.<sup>58</sup> Butler felt he needed to repair his relationship with Macmillan, maintain some kind of relationship at a senior level and endeavour to persuade Macmillan that he was the natural successor.

The declaration of faith in the application to the EEC was part of these underlying complex motivations. Butler recorded that he had pitched the choice for Europe as a choice for the future (like the India Bill) and that Macmillan had been pleased with this sense of destiny.<sup>59</sup> Butler's declaration for Europe was therefore, less a conversion of principle than a choice in which personal traits and several shrewd political judgements were engaged. Furthermore, it was executed in such a manner as to leave ample room for prolonging the negotiations, at some later stage, on the grounds that the necessary terms had not been secured.

Despite his personal fears and anxieties over the succession, some of which were justified, Butler's position in Cabinet in August, 1962, was reasonably secure for the time being. The complexion of the re-shuffled Cabinet meant that Butler's equivocal attitude over Europe was sustainable. Contemporary commentators fell over themselves in descriptions of Butler's increased influence in Cabinet, with headlines such as 'Cabinet of RAB's Men Around Macmillan'.<sup>60</sup> In fact it was true that whilst the next generation of Cabinet ministers, Maudling and Macleod, aspired to the leadership, they were also wedded to the type of Tory Party Butler represented and to a large extent were also his protégées and acolytes. As Henry Fairlie (*The Spectator*) put it, the dominant influence was the Conservative Party's post-war Research Departmental ethos of the 'One Nation Group', of Tory men with Whig

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<sup>56</sup> Butler, *The Art of the Possible*, p. 234

<sup>57</sup> Evans, *Downing Street Diaries*, pp. 203-9

<sup>58</sup> Horne, *Macmillan*, Vol. II, p. 342

<sup>59</sup> TRC Butler Archive, G38/31, note for the record, 23.X.62

<sup>60</sup> TRC Butler Archive, G38/24, *Statist*, 'Westminster Commentary', undated



measures, was very much a Butler creation.<sup>61</sup> In August, 1962, Butler, Maudling and Macleod headed an intellectually cohesive group within Cabinet, with junior men such as Powell, Boyle, Boyd-Carpenter and Joseph, also Butler's satellites.<sup>62</sup> In terms of attitude to Europe, there was some constraint on outright anti-European attitudes because the younger men were mainly pro-European. Nevertheless, the new Cabinet gave Butler personal and political loyalties that could operate against the substantive issues, should he wish to row back from his 'staunch declaration' of August, 1962. The personal influence that accrued to Butler through the new Cabinet was such that *The Spectator's* analysis at the time correctly described Butler's position:

Because of the new balance it is now obvious that Mr. Butler had emerged overnight as the Minister possessing the greatest personal influence and power; in any choice of emphasis or approach or a sense of moral purpose as between different policies which will be coming from Cabinet in future one may feel more and more certain that the final imprint will be RAB Butler's.<sup>63</sup>

This is not by any means to suggest that Butler was in a position to ride roughshod over policy towards Europe but that in subtle ways in Cabinet policy was now susceptible to the Butler touch. This wider Cabinet position could only increase Butler's power within the CMNC.

This section has argued that Butler wished to shore up the government, autumn, 1962, at a time when it was enduring widespread criticism; at the prime minister's personal request he helped out over agriculture at the Commonwealth Conference, and again at the Conservative Party Conference. In addition to his public support he defended the prime minister in private from attacks by ministers who, this study argues, were beginning to use the agricultural issue to express disquiet over the application in general as well as unease over agricultural policy. This idea, new to this study, is now explored in depth.

Milward describes the nature of the mini-revolt in Cabinet in the autumn of 1962 as serious.<sup>64</sup> Hailsham, with long standing objections to the role of Britain's nuclear deterrent in the EEC application (described in Chapter Three), rolled this out into an objection on agricultural grounds. From the wording of his letter it is clear that he was speaking with the full agreement of other ministers after two difficult

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<sup>61</sup> TRC Butler Archive, G38/18, Fairlie in *The Spectator*, undated

<sup>62</sup> TRC Butler Archive, G38/24 *The Statist*, 'Westminster Commentary', undated

<sup>63</sup> *Ibid.*

<sup>64</sup> Milward, *The Rise and Fall*, p. 417

Cabinet meetings.<sup>65</sup> 'A Fellow of All Soul's who combined intellectualism with a talent for popular oratory' Hailsham had played a large part in 1950s electoral victories.<sup>66</sup> Hailsham's readiness to express objections to government policy, in a letter to Butler, was significant in two ways. First, with his standing in the Party, Hailsham would have been a considerable asset to the pro-EEC cause because Macmillan had not been able to persuade him to come out publicly in support of the government's line.<sup>67</sup> Hailsham was a populist politician and his views would have carried weight in Cabinet and the Party. He was well versed in agricultural politics, drawing authority from the publication, when Minister of Science, of the Zuckerman Report on the scale of enterprises in UK farming.<sup>68</sup> Second, Hailsham was recognised as a potential leader of the Party and this added weight to his opinions and increased the threat to Macmillan and his government's policies.

In a letter to Butler, Hailsham insisted that the last two Cabinet meetings had convinced him that the most important issue for Cabinet was the terms that might be negotiated for domestic agriculture. He said that if the agricultural constituencies remained unconvinced then the government would not get an accession bill through the House of Commons.<sup>69</sup> Commenting on Hailsham's letter Soames agreed that this meant Cabinet would be inclined to measure success in Brussels in agricultural terms. Hailsham backed his critique of the position of domestic agriculture with a reference to backbench opinion arguing that it was absolutely necessary for any vote in the House of Commons to be taken in an atmosphere of general public acquiescence.<sup>70</sup>

Mustering the vote in the House of Commons was the most pressing and serious issue for the government. It was the undecided backbench Conservative members who were the focus of government concern because they could pose a threat to voting patterns within the House of Commons.<sup>71</sup> It was accepted by Macmillan that the diehards against entry, whose views were based on objections to membership in principle, would remain unmoved but he hoped to prevent their influence spreading to those who were undecided. If he could not secure the votes from the centre ground

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<sup>65</sup> PRO PREM 11/3635 Hailsham to Butler, 21.9.62

<sup>66</sup> Beloff, *The General Says No*, p. 109

<sup>67</sup> *Ibid.*, p. 109

<sup>68</sup> PRO MAF 255/1227 Zuckermann Report, 26.7.60

<sup>69</sup> PRO PREM 11.3635 Hailsham to Butler, 21.9.62

<sup>70</sup> *Ibid.*

<sup>71</sup> Butt, 'The Common Market and Conservative Party Politics, 1961-2', *Government and Opposition*, 2 (1967), p. 383

of his party then he ran the risk of having to rely on pro-European votes from the other two main parties.<sup>72</sup> Hopes of a continued cross party consensus were destroyed at the Labour Party conference when Hugh Gaitskell, Labour Party Leader, came out strongly against the entry to the EEC. Although Gaitskell's speech was largely directed by internal Labour Party matters, and he rowed back from some of its implications shortly afterwards, it did put clear water between the two parties. Although this might in the longer run have advantages for the government, in the shorter term it had serious repercussions for the Conservative position on any accession vote. It was also too risky to assume that the Liberals pro-entry stance would over-ride party politics.<sup>73</sup> Thus, the government's ability to get cross-party support in House of Commons was potentially less than it had been earlier in the negotiations and it had become vital that the government could rely on as many as possible of its own members of parliament. Suspicions by backbench members of the Conservative Party, that entry to the EEC was not an electoral advantage, would mean that the Macmillan government could face difficulty getting its European legislation through the House of Commons.

When it came to backbench opinion and domestic agriculture Macmillan faced a numerically strong agricultural lobby amongst the Conservatives in the House of Commons and House of Lords. In the 1959-64 parliament the Conservative Party had by far the greatest number of members who were farmers and on this measure it could justifiably claim to be the farmers' party.<sup>74</sup> This brought backbench pressures and Butt considers there were over 100 anxious Conservative members of parliament who, although not anti-European integration in principle, nevertheless wanted sufficient safeguards for agriculture before their concerns would be calmed.<sup>75</sup> Wilkes emphasises the importance of strong links between backbenchers and Cabinet, if backbench views are to be taken seriously.<sup>76</sup> As Chapter One described, backbench level members had the benefit of a forum for the expression of dissent, in the Conservative Committee on Agriculture, lead by the redoubtable Sir Anthony Hurd, with strong links to ministers. The members of the Committee combined unparalleled

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<sup>72</sup> Thorpe, J., *In My Own Time*, pp. 183-9

<sup>73</sup> *Ibid.* pp. 183-9

<sup>74</sup> Self and Storing, *The State and the Farmer*, p. 195

<sup>75</sup> Butt, *The Power of Parliament*, p. 238

<sup>76</sup> Wilkes, G., 'The Commonwealth and British European Policy,' in May, (ed.), *Britain, the Commonwealth and Europe*, pp. 58-9; Self and Storing, *The State and the Farmer*, p. 195; Baston, *Reggie*, p. 238

technical knowledge with access to the highest level of government and in October, 1962, a group representing the Conservative Agriculture Committee visited Brussels to discuss the future of the CAP with Mansholt.<sup>77</sup> Members professed horror at how little the Commission appeared to understand British agricultural difficulties.<sup>78</sup> On other occasions, Hurd made it abundantly clear that he was unhappy with the CAP as it stood.<sup>79</sup> It was likely that these protests were designed, in some measure, to strengthen the hand of Heath against the Six, but if these opinions hardened then it could mean disaster for the government when it came to the vote on a Treaty of Accession in the House of Commons.<sup>80</sup> The potential for growing unrest of backbench members to burst into open rebellion was evident in a House of Commons motion, 13<sup>th</sup> December, 1962, urging the government to look for an alternative to its European policy.<sup>81</sup>

In addition, the government had to take into account how backbenchers interpreted opinion at constituency level and what conclusions they drew for the impact of agricultural views upon individual electoral chances. Here there was a strong shared interest between Cabinet and backbenchers in the run up to the by-elections in November, 1962. In the autumn of 1962 it was considered that the European issue had the potential, in the short term, to cause the loss of seats in by-elections, and in the longer run, the next general election. This would affect the government's position in the next general election and also the seats of individual members of parliament. This was of particular import to the Conservative Party because rural constituencies were, in the main, Tory not Labour seats and it was considered that these rural seats were governed by the 'agricultural vote.' The term 'agricultural vote' is used to express the perception of Conservative politicians that a significant degree of their support came from farmers and that in rural areas farming interests influenced the rest of the electorate, where many types of income derived from industries dependent on the prosperity of farming. There are two important points; first, what constituted an 'agricultural vote' and second, was this an accurate analysis.

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<sup>77</sup> Franklin's Diary, 31.10.62; *The Farmers' Weekly*, 9.11.62

<sup>78</sup> Franklin's Diary, 31.10.62

<sup>79</sup> *The Times*, 24.11.62, 13.12.62, 14.12.62

<sup>80</sup> Wilkes in May (ed.), *Britain, the Commonwealth and Europe*, p. 60

<sup>81</sup> Butt, *The Power of Parliament*, p. 238

The basic definition of an agricultural vote was a constituency where agriculture was the touchstone which would determine voting patterns. Pennock considers it a myth that the safest rural seats were ever at risk and that only those seats which might be termed marginally rural could be said to be significant in electoral terms.<sup>82</sup> Upon this premise he calculates that only 12-16 (at most) could be called marginal in contrast to the 40-50 thought to be at risk by politicians within the Conservative Party in the early 1960s.<sup>83</sup> Pennock and Benyon and Harrison reinforce this point by identifying that the terms on which the constituency was fought would affect the significance and that in many of the rural constituencies the contest would be less important if it was between the Conservative and Liberal Parties rather than Conservative and Labour head to head.<sup>84</sup> In addition, marginal seats were often to be found in regional areas where nationalist issues might play a more important part than agriculture issues. Howarth makes a more sophisticated analysis of the agricultural constituency, distinguishing between the farmer and the agricultural vote. He saw the farm-worker as little influenced by government agricultural policies and only the farmer as the employer, who would be influenced by agricultural policy.<sup>85</sup> Above all Howarth emphasises the fact that even when disgruntled by agricultural policies, the farmer would often still vote for the Conservative Party.<sup>86</sup>

Some academics are happy to consider the agricultural vote a 'myth.'<sup>87</sup> They qualify this attitude with the idea that the perception of the agricultural vote was a powerful pressure just because contemporary politicians perceived it to be so. This study considers this attitude to be misplaced and that there were strong realities which lead Conservative politicians in the early 1960s to rationally believe that a Conservative government might be threatened should it lose the support of the agricultural community, particularly its economic and political leaders, the farmers.

As Self and Storing point out, one of the critical factors with the agricultural vote was whether the Labour Party was making a determined effort to woo the agricultural community. This had occurred within the memory of those in the 1945

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<sup>82</sup> Pennock, 'The Political Power of British Agriculture', p. 293

<sup>83</sup> *Ibid.*, p. 295, p. 293. See also Benyon and Harrison, 'The Political Significance', p. 12, who consider only 14 might be termed agricultural constituencies.

<sup>84</sup> Pennock, 'The Political Power of British Agriculture', p. 296; Benyon and Harrison, 'The Political Significance', p. 18

<sup>85</sup> Howarth, 'The Political Strength of British Agriculture', pp. 458-469

<sup>86</sup> *Ibid.*, pp. 458-469

<sup>87</sup> Self and Storing, *The State and the Farmer*, p. 202; Camps, *Britain and the EC*, p. 462; Crowson, *The Conservative Party*, p. 94

parliament, when the Attlee government had inaugurated the 1947 Agriculture Act which gave great favours to farmers rather than the more natural ally of the Labour Party, the NUAW.<sup>88</sup> In the 1950s there was not the rural-urban voting pattern split between the two main parties, and Butler points out that in the 1955 election the Labour Party was elected in 12 rural seats and came close to being elected in several others that might be termed an agricultural.<sup>89</sup> Furthermore, the Conservatives could ill afford to offend sections of the rural community where there was a constituency mix of urban and rural. As Ramsden shows, the distribution of Tory support in the 1950s and 1960s meant that electoral chances, in a large number of marginal constituencies, were threatened much more than in the 1930s. Some of these constituencies had been created by a re-organisation of boundaries and former county seats now included industrial areas with agriculture.<sup>90</sup> At a time when the Conservatives needed to broaden its appeal and avoid looking like the narrow social class-based party of the 1930s, it could not afford to neglect traditional farming supporters or to fail to address the concerns of rural voters, in Wales or Scotland, where agriculture was strongly linked to specific regional issues. Perceptions that the agricultural vote mattered were heightened in 1950 when the rural vote came in for the Tories late at night after Labour had obtained real successes in suburban areas.<sup>91</sup>

When it came to agriculture and the first application therefore, Conservative politicians were justified in considering that the behaviour of the Labour Party could be significant. If the Labour Party did not keep to a cross party consensus over the European issue then those Conservative voters, disaffected by the future for agricultural policy within Europe, could be considered at risk of altering lifelong allegiances. With increasingly anti-European statements by the Labour Party in 1962, it was entirely rational for ministers and backbench members of parliament to be nervous about the voting intentions of rural areas which had in the past been considered safe. This hypothetical context turned to reality in the autumn of 1962 when the Labour Party leader, Hugh Gaitskell, made his famous 'end of one thousand years of history' speech at the Labour Party Conference. A tactical change of position by Gaitskell, at a time when the negotiations were not going well in Brussels, meant

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<sup>88</sup> Self and Storing, *The State and the Farmer*, p. 20

<sup>89</sup> Butler, *British General Elections*, p. 56

<sup>90</sup> Ramsden, *An Appetite for Power*, p. 355

<sup>91</sup> Baston, *Reggie*, p. 74

an increasingly difficult electoral and parliamentary context against which Edward Heath, Leader of the UK Delegation, had to forge the terms of entry with the EEC.

The government's problems were inflamed by the actions of the Beaverbrook press.<sup>92</sup> As one eye witness put it, the by-elections were built up to a mini general election, a test of the new Cabinet and Macmillan's personal credibility.<sup>93</sup> This threatened to unite opposition to Macmillan's European policy from the left wing of the Conservative Party, with the right wing, where concerns over the Commonwealth were paramount.<sup>94</sup> The Beaverbrook campaigned heavily on the theme that rural constituencies should use the by-elections as a vote against the government's European policy. Even the NFU President, Harold Woolley, in the run up to the November, 1962, by-elections, commented that it should not be assumed that farmers would always vote Conservative.<sup>95</sup>

Butler helped to defuse the potentially very dangerous situation beginning to appear in Cabinet. In a reply to Hailsham's letter, Butler built a strong attack on Hailsham's position based solely on the impossibility of maintaining the agricultural status quo whether or not Britain entered the EEC. De Zulueta was to describe this support for government policy as a 'devastating' reply to Hailsham's critique and Macmillan thought Butler's response 'very encouraging' for the government's position in domestic and European policy.<sup>96</sup> Despite the focus on agriculture, what Butler was also dealing with was the danger Hailsham's intervention posed for the survival of the government. Although attending many meetings of the CMNC in the early months of 1962, Hailsham had not spoken out so strongly for agriculture when it appeared under threat in the negotiations before the summer recess; speaking out over agriculture at this point was a means to ensure Macmillan took note of the general unease amongst the Cabinet about the government's European policy. In addition, there was the presence of Lloyd on the backbenches. Whilst Lloyd's biographer makes it clear that Lloyd remained technically loyal to the leadership, his allegiance to Macmillan personally was irreparably damaged.<sup>97</sup> Thorpe describes how, in a meeting on the 1<sup>st</sup> August, 1962, engineered by Macmillan, Lloyd's perception was

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<sup>92</sup> Bromund, 'From Empire to Europe', pp. 233-8

<sup>93</sup> Evans, *Downing Street Diaries*, p. 230

<sup>94</sup> Wilkes in May (ed.), *Britain, the Commonwealth and Europe*, p. 56

<sup>95</sup> *British Farmer*, 18.9.62; *Farmer and Stockbreeder*, 18.9.62; *The Farmers' Weekly*, 20.11.62; NFU G. P. Minutes, 11.12.62; *Farmer and Stockbreeder*, 13.11.62

<sup>96</sup> PRO PREM 11/3635 de Zulueta's & Macmillan's memos, 27.9.62

<sup>97</sup> Thorpe, *Selwyn Lloyd*, p. 354

that Macmillan was utterly ruthless and only offered the former Chancellor a return to government at some point, 'because I had become a possible danger.'<sup>98</sup> Lloyd enjoyed friendship and support from Home (who brought Lloyd back into government in 1963) and a rebellion within the Cabinet might spread rapidly throughout the parliamentary party and focus on Lloyd as prime minister. Thus, it was in Butler's interests to prop up Macmillan whilst the negotiations with the EEC remained unfinished.

In an idea new to this study, it is argued that Hailsham's sense of disquiet was shared by members of the CMNC, including Heath. At a meeting of the CMNC in November, 1962, when Butler, Heath and Soames were the only full Cabinet ministers present, a discussion of the future nature of the EEC took place through the medium of an agricultural issue. At this meeting on the 27<sup>th</sup> November, 1962, it appeared even Heath could not sustain a positive view of the future shape of the EEC in relation to the rest of the world, although, as Chapter Seven will show, this did not necessarily dampen his enthusiasm for entry. Heath also recognised at this meeting that the provisional agreement for the Commonwealth would be worthless if the Six went ahead with a policy of high prices for cereals.<sup>99</sup> He accepted that nothing could be done immediately because the British needed to retain German support for the financing of the Agricultural Finance Regulation. A high cereal price was a particular objective of the German government to satisfy pressure from its own farming community. If the British argued that the EEC should pursue a low cereals price it would inevitably bring conflict between Britain and Germany. Heath's fervent hope was that external pressure from the US would force the EEC to reconsider.<sup>100</sup>

Soames's view was a bleak assessment after his enthusiasms of early 1961. He thought that the Six were aiming at autarchy and that there was nothing to stop the EEC raising cereals prices at any time, even if they were slightly lowered for British entry. He cited an FAO survey that estimated the EEC would be in surplus in cereals (and possibly butter) by the end of the transitional period. If this was so, then the EEC would be competing, with the advantage of subsidised exports, on world

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<sup>98</sup> Thorpe, *Selwyn Lloyd*, p. 354

<sup>99</sup> PRO CAB 134/1512 Heath to Butler, Soames and Deedes, 28.11.62

<sup>100</sup> *Ibid.*



markets.<sup>101</sup> This would further restrict opportunities for other agricultural producers to find new markets.

This discussion led the three senior CMNC ministers to question the nature of the EEC the government was attempting to enter. It was a sobering moment in which two of the ministers at least, had to come to terms with what the negotiations had revealed of the future of the EEC, with or without Britain. For Heath, as noted above, this did not deter his sense that Britain should continue to press for entry. Doubtless his personal ambition to lead a successful negotiation and what Roll describes as the inevitable trap in any prolonged negotiation whereby ‘... the sporting instinct begins at some point to take over and how easy it is then to forget the original objective’ played a part.<sup>102</sup> For Soames however, the realisation that the UK might not be able to influence the trajectory of the EEC as it wished, at the point of entry and, more significantly, even once a member, was a sobering thought to temper his original enthusiasm. Evidence from another source supports the idea that Soames was beginning to feel that in agriculture the price was set too high for British entry. In the MAFF office, a day after the discussion with Butler, Heath, Soames told his officials that the government was wedded to getting terms even though they would be inadequate when measured against British expectations at the outset.<sup>103</sup> Bishop agreed with the analysis that emerged from the meeting of ministers and added that it did not necessarily follow that even as a member Britain would be able to induce the EEC to become the type of organisation the UK wanted.<sup>104</sup>

Although in the conversation between the three senior ministers of the CMNC Soames talked of the domestic difficulties high cereal prices would cause, because it would unbalance production patterns between the south, the east and the rest of the country, and result in high prices for the feedstuffs of livestock farmers, it was the external aspects he emphasised as the gravest concern. The idea the ministers were pursuing was that an EEC without a large degree of external trade, in other words, the ‘regionalisation of world economics,’ would be undesirable.<sup>105</sup> This discussion reflected the sentiments of MAFF officials, particularly Bishop (described in Chapter Five), where the conversation had, what Bogdanor and Skidelsky identify as a ‘moral

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<sup>101</sup> PRO CAB 134/1512 Soames to Butler, Heath, Deedes, 28.11.62

<sup>102</sup> Roll, *Crowded Hours*, p. 247

<sup>103</sup> Franklin’s Diary, 29.11.62

<sup>104</sup> *Ibid.*

<sup>105</sup> Kaiser, *Using Europe*, p. 40

quality,' to the desire for status in the world; the wish to keep trade as open to the nations of the world in order to link modern and developing countries rather than split into wealthy regional blocs protected from imports from poorer regional units.<sup>106</sup> It was however, in contrast to the autarchic tendency of much of the CAP.

These views were consistent with Soames and MAFF's attitude since the application was first mooted; in 1961 it was agreed within MAFF that once a member MAFF's job would be to push for freer trade against the over-protectionist tendencies of the CAP.<sup>107</sup> This meeting was also a spur to doubts that had been gathering in Soames's attitude to the negotiations since the summer. It was not that he was any less keen on the idea of a united Europe but that he was not prepared to countenance this style of CAP and EEC. Franklin noted in his diary two days after this meeting, that

the Minister sees the possibility that he will have to lead a revolt in Cabinet against the terms. Maudling would, he thinks, be an ally. RAB would join if it seems that the game was running that way. On the other hand, the new members of the Cabinet like Joseph and Boyle are pro-marketeers.<sup>108</sup>

Thus the unity of the government was beginning to crack at Cabinet level and Butler was part of discussions with Soames and Heath in which major criticisms of the policy of entry to the type of EEC on offer, were voiced. On the explicit instructions of Butler as chairman of the CMNC Macmillan was made aware of these views.

In addition to Hailsham's mini-revolt, there were alterations to the CMNC, consequent upon the Cabinet re-shuffle which lessened the chances that Macmillan would be able to offer Heath support for radical concessions in agriculture. The composition of the CMNC in the final phase of the negotiations was to be critical because it was here that the real battle over the substantive issues took place, recommendations were made to full Cabinet and instructions given to Heath and the Delegation. It was here that Butler, as the chairman, received a major fillip to his leadership credentials and his chances to influence the negotiations in Brussels. The CMNC now comprised the old regulars, Butler (in the chair), Heath, Sandys and Soames. These were joined by Reginald Maudling, Chancellor of the Exchequer (moved from Colonial Department), Deedes, Minister without Portfolio responsible

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<sup>106</sup> Bogdanor and Skidelsky (eds.), *The Age of Affluence*, p. 219

<sup>107</sup> PRO MAF 255/1287 Talks with Irish, 18.7.61

<sup>108</sup> Franklin's Diary, 29.11.62

for presentation of European policy, and Frederick Erroll, President of the Board of Trade.<sup>109</sup> These three ministers formed a natural 'Maudling' unit, with Erroll usually following Maudling's lead and Deedes also a 'Maudling man'. The important point about the Maudling *coterie* was that Maudling himself was of the mind to work closely with Butler. As Chapter Three described he had been a political ally of the older man since the early 1950s and now elevated to the Chancellorship he provided a solid base of support for Butler in the CMNC.

In the new CMNC Heath and Sandys formed an alliance of sorts, both pro-entry and wishing to get the best terms for the Commonwealth. However, there were limits to the support Sandys would give Heath; should the terms for the Commonwealth prove unsatisfactory or the Commonwealth leaders refuse to endorse them, then any alliance of this nature would alter radically. As a pro-European Soames hovered in the middle of the group but with domestic agriculture conflicting with Commonwealth temperate foods, he would stay close to Butler. In the initial autumn phase, Butler appeared to move towards a middle position but in reality his personal reservations and varied objectives, as described above, meant that he could not be relied on to give support to entry in the face of poor terms for agriculture.

Aspects of Maudling's attitudes have been highlighted but more needs to be done to bring out the full implications of what it might mean to have a Chancellor who did not want entry to the EEC at a time when this was government policy.<sup>110</sup> It is important to note that the natural increase in Maudling's status upon promotion was enhanced by three specific factors. First, Maudling was the one Cabinet minister who could provide Macmillan with a credible alternative policy should the negotiations fail. He had always been sceptical about the idea of approaching the EEC and this had not altered by September, 1962.<sup>111</sup> Second, Maudling also had a reputation for economic competence and Macmillan was relying on him to implement an expansionist domestic policy designed to bring success at the next general election. In July, 1962, Maudling had written to Macmillan to suggest an about turn in economic policy from the 'restrictionist' policies pursued by Lloyd.<sup>112</sup> This came at the moment when Macmillan had finally lost patience with the restraint Lloyd was

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<sup>109</sup> Deedes, W. F., *Dear Bill, W. F. Deedes Reports* (London: Macmillan, 1997), p. 154

<sup>110</sup> Milward, *The Rise and Fall*, p. 349, p. 377, pp. 410-11

<sup>111</sup> *Ibid.*, p. 291, p. 333, p. 344, p. 351, p. 389, p. 416

<sup>112</sup> Cairncross, A., *Managing the British Economy in the 1960s. A Treasury Perspective* (London: Macmillan, 1996), p. 57

maintaining.<sup>113</sup> Whilst Macmillan and Maudling were never close personally, Macmillan recognised Maudling's competence in economic affairs.<sup>114</sup> Since 1955 Maudling had been a member of the Bilderberg Group, a private discussion group which examined world economic matters, a sign that he was taken seriously by influential leaders in Europe and the US.<sup>115</sup> In addition, many of Maudling's ideas, about the dangers of the development of a highly protectionist European customs union, for world trade liberalisation, were shared by international figures such as the German Economic Minister, Ludwig Erhard. Although, as Kaiser points out, the British should have been wary about the influence Erhard would be able to exert in Germany in the face of the political objectives of the German Chancellor, Konrad Adenauer, these shared ideas gave Maudling plausibility in the international setting.<sup>116</sup> Third, Maudling's position within Cabinet was very secure because Macmillan could not afford to sacrifice a second Chancellor. This gave Maudling a freedom within Cabinet and the CMNC to express and act upon his personal attitudes even where they were inimical to British entry to the EEC.

The context in which Maudling approached the EEC negotiations and the agricultural issue was one of growing unease and a tendency to rebellion, amongst ministers, after August, 1962. Heath disliked talk of anxiety and departmental planning for action if the negotiations should fail; a memo said that 'LPS (Heath) is worried by all this departmental activity – thinks departments should concentrate on Brussels negotiations'.<sup>117</sup> This was a perfectly reasonable attitude except for the fact that Heath already had his own private studies in progress.<sup>118</sup> In addition to this ministerial activity there were calls for an alternative policy from those Conservative members of parliament who opposed entry in principle. This represented a stepping up of the campaign within the Conservative Party against entry.<sup>119</sup> Therefore, Maudling took up his promotion to the Chancellorship with a pre-disposition to be sceptical about entry and at a time when alternatives were being canvassed.

The part Maudling played in international finance in the autumn of 1962 shows Maudling did not hesitate to promote policies which had the potential to impact

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<sup>113</sup> Brittan, *The Treasury Under the Tories*, p. 239

<sup>114</sup> Baston, *Reggie*, p. 119

<sup>115</sup> *Ibid.*, p. 100

<sup>116</sup> Kaiser, *Using Europe*, p. 39, p. 51

<sup>117</sup> PREM 11/4090 de Zulueta to Macmillan, 8.8.62

<sup>118</sup> *Ibid.*

<sup>119</sup> Crowson, *The Conservative Party*, p. 179

badly upon the negotiations with the Six. This is an important argument because in Chapter Seven it will be suggested that Maudling was unlikely to have qualms about disturbing the course of the negotiations when it came to resistance over agricultural concessions in the final phase.

Maudling, and some officials in the Treasury, would have liked to have relinquished sterling's role as a reserve currency.<sup>120</sup> In Maudling's view this could have a beneficial effect on the British balance of payments.<sup>121</sup> This idea was the stimulus for 'The Maudling Plan', which rested on the principle that to improve international liquidity (and thus facilitate a growth in world trade) there should be a transfer of part of the international reserve liability to the main international institution, the International Monetary Fund.<sup>122</sup> In his memoirs Maudling says that the Plan was concocted by Treasury officials but it is clear from Baston that Maudling was committed to it and that he saw it as a way to become a serious authority in international finance.<sup>123</sup> As the newly appointed Chancellor, Maudling was present at the CMNC between 23<sup>rd</sup> July, 1962 and 10th August, 1962. After that he was absent until 1<sup>st</sup> November, 1962. During these eight weeks of absence in September and October, 1962, Maudling was attending a meeting of the International Monetary Fund (IMF) and other meetings in the US, where his proposals were presented.

These international finance meetings had the potential to damage UK relations with the EEC and the US, at a delicate stage in the negotiations in Brussels when Heath would not want to antagonise the Six, because some of the implications of Maudling's proposals would particularly irritate and concern the French. Schenk makes it clear there was a divergence among the Six over how the pressure on the sterling area, consequent upon entry to the EEC, would impact on the development of the Common Market.<sup>124</sup> However, the French attitude was clear cut; de Gaulle and Couve de Murville feared that with a policy of domestic expansion, the pressures of the sterling balances and the problems of the British balance of payments, the UK could face economic and financial domestic collapse on accession to the EEC and that

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<sup>120</sup> Schenk, C., 'Sterling, International Monetary Reform and Britain's Applications to Join the European Economic Community in the 1960s', *Contemporary European History*, Vol. II, 3 (August 2002), p. 358, p. 368; Maudling, *Memoirs*, p. 105

<sup>121</sup> Brittan, *The Treasury Under the Tories*, pp. 248-262

<sup>122</sup> Maudling, *Memoirs*, p. 106

<sup>123</sup> *Ibid.*, p. 105; Baston, *Reggie*, p. 186

<sup>124</sup> Schenk, 'Sterling, International Monetary Reform', pp. 356-7; Kandiah and Staerk, in May, (ed.), *Britain, the Commonwealth and Europe*, p. 125, p. 127

under the mutual aid provisions, members of the EEC would have to pay the price to support sterling.<sup>125</sup> Matters were not helped by the fact that the British proposals were unacceptable to the French.<sup>126</sup> In addition, whilst the sterling problem also provided areas of friction between Britain and the US, at the same time France suspected the UK of double dealing the EEC in secret financial meetings with the US.<sup>127</sup> Thus matters of international finance clouded relations between Maudling and the French at a time when it was essential that good relations with France should be preserved.

Rebuttal by the French (and some argue by the US) in these international talks did not encourage Maudling to decide that the only viable policy would be to develop closer ties with the EEC. Instead there were two factors that influenced Maudling in the opposite direction. First, the new Permanent Secretary at the Treasury, William Armstrong, appointed in July, 1962, was much less a protagonist of EEC entry than his predecessor Frank Lee. Second, French attitudes to Maudling's proposals at the World Bank Conference in autumn, 1962, including their lack of movement towards Maudling's position and their concerns over sterling within the EEC, served to confirm Maudling's long held suspicions that the negotiations were bound to fail. These factors encouraged Maudling to continue to take an extremely negative approach to entry to the EEC.

Maudling also gained increased authority in the domestic context by the fact that he had been sent overseas with Macmillan's blessing. Although Maudling did not have the backing of the Bank of England (whose governor and officials were wedded to the idea of the pound as a currency of international exchange in a similar fashion to the dollar), Maudling's scheme for changes to the role of sterling had been worked on by a Bank of England adviser with the Treasury, in the full knowledge that it was best to run with a policy which had the patronage of Macmillan.<sup>128</sup> Macmillan was interested as Maudling in improving international liquidity as the key to preventing a large contraction of international trade, in creating conditions that would favour the UK balance of payments and in finding a way to prevent gold-dollar parity

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<sup>125</sup> Schenk, 'Sterling, International Monetary Reform', pp. 356-7; Maudling, *Memoirs*, pp. 105-106

<sup>126</sup> Brittan, *The Treasury Under the Tories*, pp. 249-272; *The Times*, 20.9.62; Maudling, *Memoirs*, pp. 102-106

<sup>127</sup> Schenk, 'Sterling, International Monetary Reform', p. 353

<sup>128</sup> Brittan, *The Treasury Under the Tories*, p. 277

inhibiting his objectives for an expansionist domestic policy.<sup>129</sup> These were long standing interests that pre-dated the application to the EEC and Macmillan was prepared to take gambles with economic policy.<sup>130</sup> He would not have been averse to taking risky steps on the international scene if he thought it would secure longer term objectives which would benefit the British economy.

In addition, by this stage in the negotiations, Macmillan was looking at the conditions under which the next general election would take place and the needs of the election would impact on what he hoped to do with the application to the EEC. To help Conservative chances, Macmillan wanted to rectify the flaws which had appeared in the British economic cycle. Crowson points out that Macmillan did not consider the EEC to be a vote winning issue for the next general election because he believed the economy to be 'what people always worry about'.<sup>131</sup> Harold Wilson agreed, remarking that Macmillan always saw the Treasury as the means to create a favourable financial system for winning elections and adding 'had the trade cycle never existed, he would have invented it and used it for elections'.<sup>132</sup> Although the cynicism of a political rival seeps through in this comment, it was also the view of the respected economic journalist, Samuel Brittan, that Macmillan's emphasis on an 'expansionist' economic policy, was not only based on Macmillan's experiences as member of parliament for Stockton in the recession of the 1930s but also upon a credible economic analysis of the value of general prosperity and high levels of employment, and the threat posed to these by the position of sterling as a reserve currency.<sup>133</sup> All key economic questions of this period, including the balance of payments, were overshadowed by the question of policy towards sterling.<sup>134</sup> When Cabinet Secretary, Bishop regularly advised Macmillan on the constraints of sterling as a reserve currency, 'It is coming to be realised, though only gradually, that it is this

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<sup>129</sup> Maudling, *Memoirs*, p. 103; Brittan, *The Treasury Under the Tories*, p. 180

<sup>130</sup> PRO PREM 11/3305 Meeting at Chequers on Economic matters, 14.1.61

<sup>131</sup> Crowson, *The Conservative Party*, p. 147

<sup>132</sup> Wilson, H., *A Prime Minister on Prime Ministers*, (London: Weidenfeld and Nicolson, 1977), p. 315

<sup>133</sup> PRO PREM 11/3305 Frank Lee summarises Macmillan's views for Robert Hall, 16.1.61; Brittan, *The Treasury Under the Tories*, p. 180

<sup>134</sup> Brittan, *The Treasury Under the Tories*, p. 307. For analysis of Macmillan and economic aspects of his premiership see Hennessy and Seldon (eds.), *Ruling Performance*, p. 137. For general British economic policy see Cairncross, *Managing the British Economy*; Dow, J. C. R., *The Management of the British Economy, 1945-60* (Cambridge: Cambridge University Press, 1964); Bogdanor and Skidelsky (eds.), *The Age of Affluence* (London: Macmillan, 1970); Roll, E., *Where Did We Go Wrong?* (London: Faber and Faber, 1995); Alford, B. W. E., *British Economic Performance, 1945-1975* (Cambridge: Cambridge University Press, 1995); Black, L. and Pemberton, H. (eds.), *An Affluent Society? Britain's Post-war 'Golden Age' Revisited* (Hampshire: Ashgate Publishing Ltd., 2004)

– the duties which the role of sterling as a fixed exchange reserve currency involves – which hinders a steady and satisfactory rate of economic growth.’<sup>135</sup> Thus, where there was a conflict between the longer term advantages of membership of the EEC and shorter term rewards to the economy and electoral chances, Macmillan would not necessarily sacrifice the domestic short term gain for the longer term international objectives. Where Maudling was concerned, this allowed him the opportunity to ‘fly a kite’ with the French and US, a freedom he might not have been allowed earlier in the negotiations.

Therefore, in the autumn of 1962, Macmillan was exploring a range of policy options in international and domestic finance, some of which were not based on British membership of the EEC. This would represent a platform for alternative strategies should the negotiations fail. With Macmillan’s encouragement and support, Maudling had little incentive to look beyond immediate domestic policy interests when he returned to the CMNC in November, 1962. As such he would be a powerful member of the group of those in the CMNC who were against the rapid movement that the British Delegation considered essential to progress in Brussels.

## Section Two

### **The NFU’s position in the final phase of negotiation**

In addition to ministers, the NFU also harboured particular anxieties about domestic agriculture and in the run up to the Commonwealth Conference Soames could look to the NFU as an ally against Commonwealth interests, and the pressures of Heath, Brook, Macleod and Redmayne for quick concessions. Nevertheless, this study continues to argue that NFU influence was not as pervasive as existing scholarship, discussed earlier, suggests. This study presents evidence to show three new aspects; first, that Soames recognised subtleties in the NFU position which he could turn to his advantage, second, that he was also pressured by other factors running counter to the NFU and third, that there were other voices within the farming community competing with the NFU for leadership of the farming community.

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<sup>135</sup> PRO PREM 11/3477 Last Will and Testament of F. Bishop, 4.12.61



It is true that the potential for the NFU to influence policy increased in the weeks following the summer break because the negotiations moved to the individual commodity arrangements. This involved discussion of the details of policy, where the NFU was accustomed to exert influence over domestic policy. A second development in September, 1962, also had the potential to increase NFU pressure. In the aftermath of the tenth ministerial meeting the government faced up to the realities of the presentational problems it would face with a general public it had deliberately kept under informed. From the outset Macmillan had feared that a groundswell of public opinion in favour of joining the EEC would put Britain in a weaker negotiating position with the Six.<sup>136</sup> This study considers it was just as likely Macmillan feared his ministers breaking Cabinet collegiality and speaking against his European policy and until mid summer 1962, Macmillan refused to allow ministers to openly advocate entry to the EEC or directly educate public opinion.<sup>137</sup> As late as January, 1963, he continued to lament that he could not 'unleash' this propaganda.<sup>138</sup> From the start Butler regretted this approach and had attempted to deal with the details of policy with the farming community in 1961 but had been restrained by Soames.<sup>139</sup>

Heath and Macleod were very conscious of this aspect and their view, that a campaign to educate and convince the parliamentary party and the general public should be started as soon as possible, was one of the factors underlying Heath's emphasis on finishing the negotiations before the summer vacation.<sup>140</sup> Macmillan did go on television on the 20<sup>th</sup> September, 1962, to communicate the outcome of the Conference of Commonwealth Heads of State and, in effect, tell the nation why it should join the EEC, but it was too little, too late.<sup>141</sup> The dangers of this strategy in the domestic context are clear in Crowson's comment, that whilst local Conservatives felt 'the government's obsession with the EEC was distracting from the real issues of economic and social policy' this was more from lack of information than from antagonism.<sup>142</sup>

<sup>136</sup> Crowson, *The Conservative Party*, p. 32; Butt, R., 'The Common Market', p. 385

<sup>137</sup> Ludlow, N. P., Lecture at ICBH, 'The Selling of Europe: Explaining the EEC to the British Public, 1961-75'; Crowson, *The Conservative Party*, p. 136

<sup>138</sup> PRO CAB 128/36 CC(62)57 general discussion, 20.9.62; PRO CAB 128/36 CC(62)61 Macmillan to Cabinet, 23.10.62; MS Macmillan, Dep. 48, 11.1.63

<sup>139</sup> TRC Butler Archive, F123/10-11, Soames to Butler, 31.7.61

<sup>140</sup> PRO CAB 128/36 CC(62)44 Heath to Cabinet, 5.7.62; Shepherd, *Iain Macleod*, pp. 285-6

<sup>141</sup> Butt, 'The Common Market', p. 384

<sup>142</sup> Crowson, *The Conservative Party*, p. 221

As late as October, 1962, it was Macmillan who still insisted that Cabinet use indirect means to promote its policy on Europe.<sup>143</sup> What he meant by this was that nongovernmental groups should be encouraged by government to put forward the case for entry so that public opinion was convinced by the expert advice but that at the same time the government remained uncommitted in the eyes of the Six.<sup>144</sup> This however was a strategy which could be profitably retained only for a very short time. Once it came to the conclusion of the negotiations, as Butler pointed out to Cabinet in August and September, 1962, the government would have to look to securing public support. Butler considered that because the complex texts of a treaty of accession would be difficult to interpret the public would rely on the attitude of the Commonwealth leaders to guide their opinions.<sup>145</sup> In the same way it was considered that in a campaign for the acceptance of the terms secured in Brussels, 'in the last resort the reaction of our own farming community might be decisive.'<sup>146</sup> This did not necessarily mean that the NFU and farming opinion would dominate Cabinet attitudes to the negotiations as a whole but that in the narrow, although important, area of 'selling' the agricultural aspects to the farming community and the general public, it could be very useful to have NFU and farming opinion on the government's side.

In later years there was a recollection that officials 'overestimated the political difficulty of carrying the UK farming lobby along with the abandonment of our familiar price support system.'<sup>147</sup> However, with his ministerial role, his commitments to the electorate and his pro-European enthusiasm and personal loyalty to Macmillan, Soames had more varied concerns than his officials and these served to contain NFU influence. In addition, over the previous eighteen months Soames had amassed plenty of evidence of the more subtle aspects of the NFU's strategy. Soames understood from Woolley at the outset of negotiations that the NFU did not intend to fight the government over the principle of entry but it would confine itself to reviewing the terms secured.<sup>148</sup> By the middle of 1962, Soames was convinced that Woolley was personally very anxious not to have to oppose the government. Franklin's diary records 'The feeling now is that Woolley personally is very anxious

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<sup>143</sup> PRO CAB 128/36 CC(62)61 Macmillan to Cabinet, 23.10.62

<sup>144</sup> Crowson, *The Conservative Party*, p. 136

<sup>145</sup> PRO CAB 128/36 CC(62)55 Part One, Butler to Cabinet, 22.8.62

<sup>146</sup> PRO CAB 128/36 CC(62)57 General discussion, 20.9.62

<sup>147</sup> Bishop to Neville-Rolfe, 20.11.62

<sup>148</sup> TRC Butler Archive F123/10-11, Soames to Butler, 31.7.62

not to have to oppose a settlement and that if the CW PMs [Commonwealth Prime Ministers] acquiesce, Woolley will not be able to say that we shouldn't go in'.<sup>149</sup>

The question that must be answered is, if Woolley, in 1962, was as anti-European as he has been portrayed, why did he not ally himself and the NFU with the Beaverbrook press? In October, 1962, with the Beaverbrook press using the agricultural issue as a reason for government to reject the terms on offer from the Six, this could have been a sensible option for someone determined to oppose government policy.<sup>150</sup> Instead Woolley, over 1962, consistently distanced himself and the NFU from the *Daily Express* and *Farming Express*, owned by Lord Beaverbrook. The editors of these papers had taken an aggressively anti-European stand and on several occasions had attempted to enlist NFU support.<sup>151</sup>

Just as significantly, Woolley refused to take advantage of criticisms of the government by restive elements within the NFU. In August, 1962, Woolley refused to use the protests of Devonshire farmers about the 1962 Annual Review settlement. Lead by a vocal Devonian farmer, Wallace Day, Devon farmers held a meeting with Fred Peart, the Shadow Minister of Agriculture, and conducted a march of 800 farmers to Westminster to call for Soames' resignation.<sup>152</sup> Far from harnessing this anger with government domestic policy, Woolley went out of his way to ensure that it went no further than the march and the presentation of a bundle of letters and protest resolutions to the Ministry of Agriculture.<sup>153</sup> In the NFU Council report, Woolley was shown managing and moulding NFU opinion and attitudes, getting advice from the charismatic former NFU leader, Lord Netherthorpe, calming and attempting to contain protests against the government within the closed circle of MAFF and the NFU.<sup>154</sup> Finally, in late 1961 and late 1962 Woolley was to undertake visits to German and Italian farming unions, to discuss issues arising from the EEC negotiations, with instructions and encouragement from Soames.<sup>155</sup> Therefore, the idea that Woolley was solely interested in fomenting unrest and stirring up trouble for the government within the agricultural community and was unprepared to take a

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<sup>149</sup> Franklin's Diary, 26.6.62

<sup>150</sup> Lieber, *British Politics and European Unity*, pp. 214-5

<sup>151</sup> Bromund, 'From Empire to Europe', pp. 233-8

<sup>152</sup> *Farmer and Stockbreeder*, p. 73, 8.5.62

<sup>153</sup> *Farmer and Stockbreeder*, p. 59, 8.5.62

<sup>154</sup> *British Farmer*, p. 24, 7.4.62 & p. 19, 9.6.62

<sup>155</sup> NFU Cyclo 2891/61 G.P. 84 (Econ.R.210) meeting at Agriculture house, 8.12.61; PRO MAF 379/32 Winniffrith note for the record 12.10.62

reasonable personal attitude, does not stand up to closer analysis of the internal workings of the NFU at that time. In the autumn of 1962, Soames correctly understood Woolley's carefully nuanced position.

In addition, in the autumn of 1962, Soames received private information about the type of terms on which the NFU might be prepared to approve. Winnifrith, after a meeting with Woolley, identified four crucial areas where some details of arrangements with the Six would sway NFU opinion behind the government.<sup>156</sup> Winnifrith's opinion is highly significant. Although both Soames and Franklin testify that Winnifrith, as a civil servant of the old style, supported his minister, it was also understood that his heart was not really in the application to the EEC.<sup>157</sup> In retirement he confirmed his personal vehemence against the CAP in particular and entry to the EEC in general.<sup>158</sup> This meant that there were moments in MAFF offices when Winnifrith might obtain a confidence from Woolley within the confines of MAFF offices particularly at moments when the NFU leader felt aggrieved.<sup>159</sup> By mid October, 1962, Winnifrith considered that the NFU's minimum requirements were stronger intervention arrangements for eggs, egg products, and pigmeat, the promise that there would be an intervention system for beef, some point of principle on liquid milk and a Participation Formula, to govern those commodities the Six had not yet agreed CAP regulations.<sup>160</sup> This was a very moderate list of demands when compared with what MAFF had suggested might be obtained at the end of 1961. If the Six were disposed to be just a little generous it might be that the NFU would consider these details, to add to the agreements for the annual review and long term assurance, as a face saving solution for both NFU and government. Thus, Soames realised that he had a realistic agenda from the NFU to pursue in Brussels.

Even if he had wanted to oppose government policy, it would have been dangerous for Woolley's personal position because several different sources show that the farming community would not unite behind him. By mid summer 1962, other organisations from the agricultural community were beginning to challenge the NFU's right to speak for the sector as a whole. Confirmation of a fragmentation of attitudes within the agricultural community came from at least four authoritative

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<sup>156</sup> PRO MAF 379/32 Winnifrith to Nield, Franklin, Bishop, 18.10.62

<sup>157</sup> Soames' private papers, kind permission of Churchill College, Cambridge; Interview Franklin

<sup>158</sup> Jay, D., *Change and Fortune* (London: Hutchinson, 1980), p. 439

<sup>159</sup> Interview Franklin

<sup>160</sup> PRO MAF 379/32 Winnifrith to Nield, Franklin, Bishop, 18.10.62

sources; Butler knew there was a plurality of views within the agricultural community, the influential Milk Marketing Board was reserving its position, and the Country Landowners Association (the second biggest farmers' organisation) was actively pro-entry.<sup>161</sup> In addition, and potentially much more seriously for Woolley, within the NFU there was a pro-European element. The Scottish NFU (SNFU), which to a large extent administered its own Union and was only prepared to be led by the English and Welsh Union if circumstances suited it, was cautiously pro-entry.<sup>162</sup> Within the English and Welsh NFU there was also a body of opinion in favour of entry to the EEC.<sup>163</sup> For example, a survey showed that within the NFU 60% of the larger farmers, men who ran the NFU committees and the richest County Branches, were in favour of entry.<sup>164</sup> There was a bias in the survey to the larger farmer but, nevertheless, this showed a high percentage in the number of larger farmers supporting entry to the EEC in contrast to the opinions of the general public.<sup>165</sup> The memory of Lord Plumb, then a young member of the NFU Council, was that many farmers were more open to entry to the EEC than the NFU portrayed in public and it is conceivable that Woolley would have faced some difficulty, in the final phase of negotiations, in bringing the NFU out against government policy.<sup>166</sup> Therefore the government had an audience already in line with government policy and did not need to necessarily rely on the NFU to interpret policy to the farming community.<sup>167</sup>

If personal inclination did not dominate Woolley's actions in August-November, 1962, then it is necessary to explain more fully the motivations behind the NFU's publication of 'The Farm and Food Plan', in late August, 1962, that went ahead against pressures by the SNFU to withhold publication.<sup>168</sup> This publication was a strong defence of the existing British system and traditional trade links that ran counter to arrangements envisaged in the CAP. It was circulated for the benefit of the intelligentsia but also created a stir in the national and agricultural press. There were two factors at work here. First, Woolley argued the publication was a short term

<sup>161</sup> PRO PREM 11/3635, Butler to Hailsham, 26.9.62; *Farmer and Stockbreeder*, p. 55, 22.5.62; *The Farmers' Weekly*, p. 65, 19.10.62

<sup>162</sup> Interview D. Scott Johnstone

<sup>163</sup> *Farmer and Stockbreeder*, p. 56, 14.8.62

<sup>164</sup> *The Farmers' Weekly*, poll by Nottingham University, p. 64, 19.10.62

<sup>165</sup> Ludlow, *Dealing*, p. 172

<sup>166</sup> Plumb, *The Plumb Line*, p. 25

<sup>167</sup> PRO FO 1109/263, 112818, Soames to Butler, 27.9.62

<sup>168</sup> *British Farmer*, September, 1962; PRO PREM 11/3635 Farm and Food Plan, September, 1962

measure to strengthen Soames' hands against those, like Macleod, Redmayne, Brook and Heath, who wished to see rapid concessions in agriculture.<sup>169</sup> Second, Woolley (correctly) considered that the Six had found the CAP so difficult to construct that they would be unlikely to make substantial changes, that UK membership would be likely to make the working of the CAP more not less difficult and therefore British membership would lose some of its attractions in the eyes of some of the Six, and finally that there was no unanimous support within the Six for British entry.<sup>170</sup> This led Woolley to feel Britain would be unlikely to succeed in the negotiations with the Six. In this event, the NFU's primary aim would be to protect its position upon a return to the domestic arena by a strong defence of the existing system. Not only was this a realistic assessment of the chances of the success of the membership bid but it also had a firm base in the context of government activity in August and September, 1962. This was a time when there were discussions of alternative policies within Whitehall, a Queen's Speech which focused on the re-shaping of the farm support system, and MAFF had an arrangement that the National Economic Development Council (NEDC) should consider discuss future policy with the NFU on the basis that there would not be entry to the EEC.<sup>171</sup> These elements combined to reinforce the NFU's focus on the preservation of its domestic position should the negotiations fail.

Furthermore, Soames did not have to face the strength of the NFU's arguments alone. The general and farming press was quick to criticise in no uncertain terms. *The Economist* described the closing pages of 'The Farm and Food Plan' as 'waspish autarchy.'<sup>172</sup> *The Financial Times* attacked the NFU's proposals as unrealistic, because of the difficulty of coming to agreement on the type of international commodity agreements the NFU suggested as an alternative to the levy arrangements of the CAP.<sup>173</sup> Even within the farming press the NFU was criticised by *The Farmers' Weekly* on the grounds that the NFU should leave long term plans to the government and get down to immediate practical issues facing farmers and

<sup>169</sup> NUF Cyclo No. 2191/62 G.P.87 (Econ. Q. 161), 22.8.62

<sup>170</sup> PRO PREM 11/3635, Woolley to Macmillan, 9.7.62

<sup>171</sup> PRO PREM 11/3635 Soames to Macmillan, August, 1962; *The Farmers' Weekly*, p.41, 26.10.62; PRO MAF 393/38 Sparks in MAFF Private Office Files, 2.10.62; PRO MAF 393/38 internal office files, 2.10.62; also for longer discussion of NEDC and NFU relations, see Ringe, A. and Rollings, N., 'Responding to Relative Decline: the Creation of the National Economic Development Council', *Economic History Review*, LIII, (2000) pp. 342-3; PRO PREM 11/4209 Bishop to Macmillan, 25.11.60; PRO PREM 11/3841 Bishop to Macmillan, 12.7.61; Brittan, *The Treasury under the Tories*, p. 216, p. 243; Horne, *Macmillan*, Vol. II, p. 249; Grant, *Business and Politics*, p. 158

<sup>172</sup> *The Economist*, p. 678, 25.8.62

<sup>173</sup> *The Financial Times*, 24.8.62

growers whether in or out of the EEC.<sup>174</sup> These factors meant that by autumn, 1962, Soames had a fair measure of the length to which the NFU was prepared to go to upset government plans and it was neither as far as existing scholarship implies nor as effective.

## Conclusion

This chapter refutes the idea that the NFU pressures were always against entry and that Soames felt constantly constrained to bow to its wishes. This shows that there were more important considerations at ministerial level which impacted on the agricultural side of the negotiations. It was ministerial perceptions, and the attitudes and positions adopted as a result of these perceptions, which were at the centre of policy developments in the autumn of 1962.

One of the central themes of this chapter was to supply evidence to bolster the argument from the preceding chapter that Macmillan lost authority within Cabinet. This chapter has shown that there was a new dynamic within the government from mid summer onwards whereby Macmillan was exposed to ministerial opposition to the government's European policy, an opposition which was voiced openly and energetically. Butler was worried that this might lead to splits in the government and lent his support to Macmillan. However, this did not mean that he was a full convert to British entry to the EEC or that he would go along with what Heath wanted in the way of concessions for domestic agriculture in the final stages of negotiation with the Six. Butler, in his customary style left himself plenty of room for manoeuvre in agricultural policy even at the moment when he was making his staunchest declarations to Macmillan over European policy. Butler's reply to Hailsham was convincing; much of what he said to Hailsham was correct and much of it was, in theory, what Butler had come to believe about agriculture in relation to the EEC. This letter, however, was the work of the short term. It was expedient for Butler to shore up Macmillan's position at that moment, and to ensure that the opinions of Hailsham and ministers who conferred with him did not spread to the wider parliamentary party. In Butler's opinion neither his ambitions nor the interests of the Conservative Party

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<sup>174</sup> PRO MAF 379/128, leader in *The Farmers' Weekly*, 3.9.62

would be helped if there was a split over Europe in the middle of the government's third term of office and at a time when the government was increasingly unpopular in the country.

This study has also argued that Hailsham was using the agricultural issue to express worries about the course the negotiations were taking as a whole. Hailsham was undoubtedly worried about the impact of poor terms for agriculture on the standing of the Party but this was also a useful code to express concern about the general direction of government policy and the leadership. The search for an alternative future to membership of the EEC, was a theme taken up in the meeting of the three ministers, Butler, Soames and Heath. This yearning for an alternative was not, as Chapter Three pointed out, an unrealistic longing for the past or trying to avoid the inevitable fate of the EEC. With Maudling as Chancellor there was an attempt at a re-invention of the one world strategy, the preferred option of Butler and Macmillan in the mid 1950s, fashioned into a new shape. Maudling's search for a different monetary option, particularly the desire to alter the role of sterling, was the search for a different kind of future not a return to the past or the defence of the status quo, both contexts in which the role of sterling was sacrosanct. At the very least the expressions of concern and the search for other options was an indication that ministers wanted a different kind of EEC to that emerging on the continent. The alternative policies Maudling was authorised to explore had some attraction for Macmillan because they contained elements that would allow him to begin an expansionist phase of economic policy in the run up to the next general election. Thus, the movement in Macmillan's position towards Butler and away from Heath, noted in the previous chapter over horticulture, continued in autumn, 1962, when ministers began to rebel against the choice of membership of an EEC which was increasingly viewed as undesirable in international terms and dangerous in the parliamentary context.



## Chapter Seven

### A Quiet British Veto

#### September, 1962-January, 1963

'Thou too sail on, O ship of state!  
Sail on, O Union, strong and great!'<sup>1</sup>

Macmillan's domestic difficulties increased in the final stages of the negotiations in Brussels. The general unpopularity of the government did not abate as 1962 drew to a close. In addition to lack of enthusiasm for a Conservative Party that had been in power for nearly a decade, in October, 1962, the government's public relations worsened after a spat with the press. The occasion was the Vassall case, in which a medium grade civil servant was accused of espionage and in the handling of the press Macmillan's reputation within the country, for probity and good government, was eroded.<sup>2</sup> The government's standing within the Conservative Party also suffered. Although Macmillan described hysterical reporting as the root of his troubles, he acknowledged that to a degree the Conservative Party appeared to be, as he put it, 'losing its nerve.'<sup>3</sup>

International events also lent an unsettled feel to domestic politics both during and after the Cuban Crisis, which ended 28<sup>th</sup> October, 1962.<sup>4</sup> The Cuban Crisis called into question the degree to which the UK would be involved in major decisions in the event of a nuclear stand off between the US and USSR.<sup>5</sup> Ashton's verdict on the nuclear aspects of the Cuban Crisis was that Macmillan was kept informed and this privileged access was not accorded to any other Western leader but that this stopped short of being a measure of the status of a major player in the crisis.<sup>6</sup>

Anti-American feeling within the UK had become a prominent feature of political life in the early 1960s, with the Campaign For Nuclear Disarmament (CND), demonstrations at US Air Force bases, December 1961, and subsequent draconian legislative measures by the government to prevent trespass, the establishment of the US Polaris in Scotland, and the idea that Britain was being exploited by the US (the

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<sup>1</sup> Longfellow, H. W., 'The Building of the Ship'

<sup>2</sup> Butler, *The Art of the Possible*, p. 235; Hailsham, *The Door Wherein I Went*, p. 195

<sup>3</sup> Macmillan, *At the End of the Day*, p. 333; Evans, *Downing Street Diaries*, pp. 230-2

<sup>4</sup> Evans, *Downing Street Diaries*, pp. 224-7

<sup>5</sup> Turner, *Macmillan*, pp. 163-6

<sup>6</sup> Ashton, *Kennedy, Macmillan*, p. 88

'brain drain') and the Americanisation of Britain.<sup>7</sup> There was a general feeling of change with pressure from a younger generation that did not share the certainties of those who had fought in the Second World War.<sup>8</sup>

Within the Conservative Party Macmillan had to guard against the latent anti-Americanism of the right wing. This would be a significant worry in December, 1962, when he was negotiating with Kennedy, at Nassau, December, 1962, to retain some kind of British nuclear deterrent. In addition, Macmillan was highly conscious of the sensitivity, of the nuclear issue and the US role, for Cabinet politics where the very junior role Britain increasingly played in the 'special relationship' with the US irked his colleagues.<sup>9</sup>

Concern over what the Cuban Crisis meant for nuclear deterrence was widespread across West European governments and later, in 1963, de Gaulle referred back to the Cuban Crisis four times in his speech in which he vetoed British membership.<sup>10</sup> Grosser argues that Cuba, not Nassau, allowed de Gaulle to take a tough stand against what he saw as the Americanisation of Europe. Grosser argues that once US superiority had been demonstrated at Cuba, this allowed France to show more toughness in the West and this included a more clearly defined position towards the US, paving the way for the veto on British entry in 1963.<sup>11</sup> Two other factors combined to strengthen de Gaulle. First, the Gaullist electoral victory of 18<sup>th</sup> November, 1962, gave him an unparalleled domestic position and second, the close relationship that developed with Adenauer, after de Gaulle's visit to the German Republic, September, 1962, left de Gaulle with a free hand over Europe.<sup>12</sup> There were no simple links however, between European policy and nuclear and defence issues. As Winand points out, in January, 1963, the day on which de Gaulle was, in effect, to veto British entry to the EEC, was the day on which de Gaulle was saying no to Kennedy's grand design for Europe, whilst at the same time saying yes to Franco-German co-operation when Adenauer was accepting the principle of the MLF.<sup>13</sup> The relationship, between European policy and security issues was always, therefore, susceptible to conflicts and contradictions.

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<sup>7</sup> *Ibid.*, pp. 25-7

<sup>8</sup> Bogdanor and Skidelsky (eds.), *The Age of Affluence*, pp. 221-253

<sup>9</sup> Ashton, *Kennedy, Macmillan*, p. 76, p. 86; Turner, *Macmillan*, pp. 163-6

<sup>10</sup> Camps, *Britain and the EC*, p. 479

<sup>11</sup> Grosser, *The Western Alliance*, p. 199

<sup>12</sup> Kaiser, *Using Europe*, pp. 185-6

<sup>13</sup> Winand, *Eisenhower, Kennedy*, p. 328

The purpose of this opening analysis was to set the agricultural negotiations within the wider defence, foreign policy and security context. To examine the final months of the negotiations this chapter is divided into three sections. A first section looks at differences between Soames and Heath over British strategy and tactics for the October, 1962 ministerial meeting, examining the extent to which choices made by Macmillan and Butler contributed to deadlock in Brussels. The second section argues that Macmillan's Cabinet position was in a calamitous state by the beginning of January, 1963, and that this had significant implications for the support he was able to offer Heath. A third section analyses in detail the technical issues under discussion in Mansholt Committee (set up to deal with agriculture) and argues that despite the claims of Macmillan and Heath in later life, the agricultural negotiations were not near to completion at the time of the breakdown of negotiations.

## Section One

### **The negotiations resume Autumn, 1962**

From September, 1962-January, 1963, agriculture was at the top of the negotiating agenda and therefore it was imperative that strategic planning for the agricultural issues should go a long way towards bridging the gaps between the British and the Six identified, May, 1962, in the Clappier Report. However, by October, 1962, the negotiations over agriculture had stalled and were responsible for a dramatic souring of relations between the UK and the EEC.<sup>14</sup> At first glance it appears that the Six were mainly to blame for the continued difficulties over agriculture because the first meeting, 25-6<sup>th</sup> October, to take agriculture at ministerial level since July, 1962, on 25<sup>th</sup>, saw disagreements between the Six prior to the adoption of a common position. By August, 1962, the Commission had made a study of the British proposals and Commission officials were later to say that it was only at this point that they realised the full implications of British requests for exemptions from the CAP and that earlier in the year they relied too much on general statements by the British that it could accept the CAP subject to some exceptions.<sup>15</sup> MAFF records imply that much of this misunderstanding was due to the fact that Foreign Office ministers in the EEC Council of Ministers misunderstood the technical difficulties.<sup>16</sup> Mansholt confirmed

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<sup>14</sup> Camps, *Britain and the EC*, p. 460; Ludlow, *Dealing*, pp. 181-3

<sup>15</sup> PRO MAF 379/187 MAFF History of the Negotiations, pp. 84-5

<sup>16</sup> PRO MAF 379/81 Bishop to CMSG, 21.11.62

as much to Heath when he told him in a private meeting in November, 1962, that the Council of Ministers had been ill prepared over the issues and that against Mansholt's advice the Six had attempted to speed up the negotiations.<sup>17</sup> Thus, on the face of it, British agriculture was held up by divisions among the Six.

Ludlow agrees that the internal divisions within the Six were responsible for some of the difficulties and Camps criticises the Six for being 'gratuitously tough' on the British instead of exercising the forbearance shown to one another in the formative stages of the CAP.<sup>18</sup> In October, 1962, the Germans, Dutch and Italians felt that the EEC should be more generous to the British but because of their different vested interests could not agree on how this should be undertaken. The Commission felt that the time for concessions by the Six had not yet come whilst the French called aggressively for a defence of the existing position.<sup>19</sup> The October, 1962, meeting became an 'ill-tempered affair' and, in an effort to start negotiations the disunited Six hardened their common position to cover all internal views.<sup>20</sup> Heath reacted with anger and disappointment, claiming that the Six had failed to incorporate the progress made at the meetings of Deputies over the nine months of 1962.<sup>21</sup> In subsequent days the atmosphere, between the Six and the British and the Six, became uncompromising. The agricultural side of negotiations had reached *impasse* by the end of October, 1962, and hopes of an early conclusion to the negotiations as whole were in jeopardy.

Although the fragmentation of the Six did not help, this study argues that between September and December, 1962, British attitudes and tactics were also responsible for this crisis. In addition, the events described in this first section need to be read against the context described in Chapter Six, which showed how the government found itself in the autumn of 1962 in a worsening political position. The looming Commonwealth Conference, the Party Conference season, the by elections in November, 1962, Hailsham's protests to Butler and the knowledge that Maudling was in the US making suggestions that could be taken as an alternative policy to Britain in Europe, were the backdrop against which the events leading up to the October agricultural *impasse* unfolded.

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<sup>17</sup> PRO T 312/408 Mansholt to Heath. 1.12.62

<sup>18</sup> Ludlow, *Dealing*, p. 183; Camps, *Britain and the EC*, p. 460

<sup>19</sup> Ludlow, *Dealing*, p. 183

<sup>20</sup> *Ibid.*, pp. 182-3

<sup>21</sup> *Ibid.*, pp. 181-3

The October agricultural *impasse* in Brussels came as the result not just of the attitude of the Six, but as the outcome of relentless disagreement between MAFF and the Delegation over how to tackle agriculture once negotiations resumed at official level in September, 1962 and MAFF officials entered this phase of negotiation with a festering resentment over the interference with its negotiating briefs. As Bishop put it in a memo to Winnifrith on the 22<sup>nd</sup> August, 1962, 'I think all those in MAFF share the general feeling that we should no longer strive to pick the Commonwealth's chestnuts out of the fire, nor should we take the lead in persuading them that the formula on temperate foods has as much validity as the ten commandments'.<sup>22</sup> It was appreciated by MAFF officials that there was some urgency because there were only four ministerial meetings scheduled for the rest of the year and understood that the government wanted all outstanding issues negotiated by the end of 1962.<sup>23</sup> However, MAFF officials were unprepared to let agricultural issues be brushed aside after the treatment they had received in the earlier negotiating sessions despite a lack of support within Whitehall for their position.<sup>24</sup> To counteract the problems he was having in the CMN(SC)(O) Bishop suggested that policy should, for the remainder of the negotiations, be dealt with between Soames and Heath without recourse to the CMN(SC)(O).<sup>25</sup> This was accepted by both ministers. It is apparent from MAFF records that Bishop intended this to strengthen MAFF's hands rather than to expedite policy.

Bishop's view was that the arrangements for dealing with agriculture in Brussels were flawed. Bishop was aware that at the ongoing agricultural discussions at Deputies' level in September, 1962, it was unlikely that the Six would take decisions at that level.<sup>26</sup> Although the Six were proposing more meetings of Deputies and experts, the CMSG thought this was a 'useless' tactic if all decisions of major importance were to go to Foreign Office ministers who did not always understand or take notice of the results of these meetings.<sup>27</sup> Once more Bishop was determined to preserve MAFF's position until a UK minister (preferably Soames) could fight the British corner at a ministerial meeting. Thus, in MAFF officials' eyes it was

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<sup>22</sup> PRO MAF 379/187 MAFF History of the Negotiations, p. 52

<sup>23</sup> PRO MAF 379/81 Nield to CMSG, 21.9.62

<sup>24</sup> *Ibid.*

<sup>25</sup> *Ibid.*

<sup>26</sup> PRO MAF 379/81 Propper to CMSG, 21.9.62

<sup>27</sup> *Ibid.*

necessary to defend as much as possible of the agricultural negotiating agenda in the weeks of September and October, 1962.

To a very large extent Soames shared many of the views of his officials. On the one hand, Soames was intent on preventing the government pledges to agriculture being over-ruled and he agreed with MAFF officials that control of the British system in a transitional period was crucial.<sup>28</sup> On the other hand he had a more complex set of personal and political interests vested in the successful conclusion of the negotiations as a whole than his officials.<sup>29</sup> He had not turned his back on his consistently pro-entry views, in his own words he, 'was mad keen to get in' and thus was right behind the government's policy of membership.<sup>30</sup> How to marry these various objectives was Soames' dilemma, which was a reflection in microcosm of the government's problems with domestic and European objectives.

Soames's solution was to pursue three strategic points to reconcile the conflicts between his longer term objectives. First, he wished to establish a Participation Formula to give the British a voice in the development of the CAP, between the signing of a treaty of accession and membership. There was some sensitivity over this issue in the Six. It was closely linked to the 'unborns,' those commodities essential to British agricultural patterns which had no regulations under the CAP. The Six had proposed that the problem of the 'unborns' be solved by a procedural device which would postpone substantive decisions until a later date after the negotiations.<sup>31</sup> This did not suit Soames because he needed to be able to say something about the future of the 'unborn' commodities and the Six appeared unwilling to develop the formula to the extent which he considered necessary. A Participation Formula could prevent the UK being left out of the Six's CAP discussions as it had been in 1961 and it would be of great presentational value with the NFU and farming community. In addition, Soames wanted to negotiate the right to re-open issues once Britain was in the EEC if it had problems with a CAP created without significant British input.<sup>32</sup> The danger was that this would open the British up to the charge of trying to hold up the EEC's harmonisation process. However, in discussions with Heath, France, [Treasury, Third Secretary who chaired the

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<sup>28</sup> PRO MAF 393/38 Winniffrith Private Office Files, 30.10.62

<sup>29</sup> *Ibid.*

<sup>30</sup> Soames's private papers, kind permission of Churchill College, Cambridge

<sup>31</sup> PRO MAF 379/187 MAFF History of the Negotiations, p. 81

<sup>32</sup> Soames's private papers, kind permission of Churchill College, Cambridge

CMN(SC)(O))] supported Soames, arguing that no-one in their senses would sign a contract which left a large part of the business to be settled by one of the two parties without the other party having any say.<sup>33</sup>

Second, Soames wanted to get stronger intervention arrangements for pigmeat and eggs to set a precedent for those commodities which had no arrangements under the CAP.<sup>34</sup> Soames' understanding was that the NFU leadership accepted that change was coming. The problem for the NFU and Soames was how to get from the one system to the other. As Soames put it, the NFU were persuaded that they should change horses but they wanted to see the next horse they had to agree to get on.<sup>35</sup>

In contrast, Heath's attitude was that far from keeping everything together in hopes of a package deal, it would be best to pare down the negotiating agenda. Heath told MAFF that what he had in mind was something like two general points and possibly a specific reference to the issue of direct grants. In response MAFF officials rushed out a list of thirteen points similar to one Soames had given to Cabinet after the *vue de'ensemble*.<sup>36</sup> In defence of these lists, Soames said that this was based on advice from the Dutch chairman of the Council of Ministers and was designed to prevent the French inserting what the Dutch called 'jokers' into the agenda.<sup>37</sup>

All of these factors described above were important but the key issue, over which Soames and Heath fought, was the length and nature of any transitional period. Soames remained as convinced as he had been in 1961 that the Six laid great stress on the completion of the transitional stages of the CAP and would be prepared to make concessions in other areas if the British would only compromise on the length of the transitional period.<sup>38</sup> Astonishingly, in September, 1962, Heath was arguing that the request for a transitional period of 12-15 years should not be abandoned 'so far and so fast, without a shot fired'.<sup>39</sup> This was an extreme position for Heath to adopt over the transitional period so late into the negotiations and yet Heath's view was supported by the two officials in attendance at the meetings, Roll and France, who both considered

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<sup>33</sup> PRO MAF 379/187 MAFF History of the negotiations, p. 81

<sup>34</sup> Soames's private papers, kind permission of Churchill College, Cambridge

<sup>35</sup> *Ibid.*

<sup>36</sup> PRO MAF 379/134 Bishop Report, 27.9.62 ; PRO MAF 379/187 MAFF History of the Negotiations, p. 82; PRO CAB 129/110 CMN (62) 55 Revise, Memo by Soames, to Cabinet Committee on Agriculture, 20.8.62

<sup>37</sup> PRO MAF 379/187 MAFF History of the Negotiations, p. 84

<sup>38</sup> *Ibid.*, p. 82

<sup>39</sup> *Ibid.*, p. 80

Soames's plan far too ambitious.<sup>40</sup> Heath's proposal was to hope that a long transitional period could be used in some way to help the position of the Commonwealth once Britain was a member of the EEC, but it was a method that had been tried and failed in the first phase of negotiation.

It is difficult to attach blame to either party in this conflict because both ministers were operating in an ill defined context beset by advice which, even where it was meant in good part, confused the British position. For example, Hoogwater, the Dutch chairman of the ministerial group in Brussels, suggested that the British need not be too literal in how they described the arrangements they wished to implement in a transitional period.<sup>41</sup> In this spirit, one month earlier, Soames had proposed to announce that the Agricultural Acts could stay in force within the transitional period without the authorization of the Six.<sup>42</sup> On the other hand on Heath's side, there were grounds for reasonable disquiet. Soames's insistence on keeping agricultural policy as one long list of points all of equal value was hindering the formation of priorities in the CMNC, priorities Heath needed if he was to speed up agreement with the Six. However, with a policy of a 15 year transitional period after 12 months of negotiation, Heath could hardly accuse Soames and MAFF of being the only ones guilty of intransigence or short sightedness.

For Heath and the Delegation were wrong, over a matter which might have altered the whole course of the agricultural side of the negotiations. In January 1963, Bishop was to triumphantly remark that it was 'gratifying to see that the views, which this department has held that the Six attach very great importance to 1970 and that we may well be able to force them into a concession on intervention, may turn out to be right'.<sup>43</sup> This was in response to a memo from Christopher Audland (an official with the Delegation) which reported that the Six had indicated that the length of the transitional period was *the* difficult issue.<sup>44</sup> Bishop's reaction was that 'as usual, our Department's assessment of the position is turning out to be far more correct than that of the Delegation, or the central machine in Whitehall.'<sup>45</sup> The problem was that by the time the Delegation reached this conclusion the atmosphere in Brussels had soured

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<sup>40</sup> Ibid., p. 80

<sup>41</sup> PRO MAF 379/114 Bishop report, 5.10.62

<sup>42</sup> PRO MAF 379/129 draft paper for CMNC, undated but just after the publication of the NFU's 'Farm and Food Plan in late August, early September, 1962

<sup>43</sup> PRO MAF 379/178 Bishop to Nield, 10.1.63

<sup>44</sup> Ibid.

<sup>45</sup> Ibid.



and it was less likely that the British would reap the full benefit of a concession on the length of the transitional period than if it had come much earlier in negotiation as Soames and MAFF had suggested.

On 27<sup>th</sup> September, 1962, after a lunch-time meeting between Heath and Soames, at which there was no movement on either side, both ministers were invited to meet with Macmillan and Butler.<sup>46</sup> This study argues that at this point Macmillan failed to make a clear choice between two alternatives each of which had some dynamic elements that might have appealed to the Six. An uneasy compromise emerged, in which Macmillan attempted to appease both ministers, allowing agricultural policy to become static. Heath presented the outcome of this meeting to the Deputies of the Six sometime between September, 1962, and the ministerial meeting of 25-6<sup>th</sup> October, 1962. In it the Britain jettisoned the negotiating points MAFF officials had prepared and replaced it with a general account of the British system of agricultural support and the difficulties the British would have in adapting to the CAP. It included reasoned arguments for British requests over a transitional period for commodities already arranged by the Six but in the case of other commodities there was no development of negotiating points.<sup>47</sup> It preserved the long transitional period Heath had wanted and all of Soames's points but completely failed to offer the new start that the Six might have hoped for. For the Six it would have appeared to be a re-hashing, as indeed it was, of the points which had proved so troublesome earlier in the year. There was some attempt to meet the concerns of the Six with the omission of any reference to the participation formula and the 'unborns' but as a whole it was a British centred presentation at a time when it must have been apparent to all that this method had already failed.<sup>48</sup>

This was an unrealistic British approach. At the time the difficulties of the Six over the British position were clearly recognised; if the Six agreed to the British terms for the transitional period then Britain would have more control in the transitional period over CAP matters than the Six would have over the UK.<sup>49</sup> The problem was that on the one hand Macmillan would not support Heath's radical stripping back of negotiating points yet on the other hand he refused adopt the dynamic elements of Soames's approach. For the Six the British approach represented an affront to all that

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<sup>46</sup> PRO MAF 379/187 MAFF History of the Negotiations, pp. 83-4

<sup>47</sup> *Ibid.*, p. 84

<sup>48</sup> *Ibid.*, p. 84

<sup>49</sup> PRO MAF 379/81 Bishop to CMSG, points 3 & 5, 29.10.62

had been understood about British adoption of the CAP, for Heath it destroyed his hopes of rapid progress and for Soames it left him looking like a drag on the Delegation's attempts to develop policy.

To defend this decision by Macmillan, in the weeks of October, 1962, Soames built up a picture of the pressure MAFF faced through the operation of the 1947 and 1957 Agriculture Acts.<sup>50</sup> Soames was prepared to allow that there would have to be amendments, possibly a repeal of many aspects of these Acts, but he was adamant that it would be impossible to allow the Six full control of the arrangements for a transitional period because that would prejudice MAFF's attempts to re-assure farmers and to achieve the harmonised price levels of the CAP.<sup>51</sup> It was an issue of trust which cut both ways.<sup>52</sup> In Brussels the Six argued that if the UK system of guaranteed prices remained there would be less incentive for a speedy move to the CAP regime. In London there was no trust of the CAP with Soames, in the CMNC, calling it a series of policies that did not add up to a coherent whole.<sup>53</sup> Heath had his own mistrust of the Six. At a meeting of the CMN (SC)(O) two days before twelfth ministerial meeting, 2507<sup>th</sup> October, 1962, it was understood that 'Heath was anxious to avoid giving the impression of working to a deadline since the Six were showing signs of sitting back and waiting for us to jettison our demands in order to speed up the negotiations'.<sup>54</sup> And later 'The situation should be carefully watched during the course of the next ministerial session and it might be desirable – in order to dispel any illusions that we were weakening in our determination to secure our objectives – for us to make no agreement at that session rather than to arrive at agreement that involved substantial concessions'.<sup>55</sup> In January, 1963, Heath rounded on Bishop and attacked him for being held back too long on agriculture.<sup>56</sup> However, it was not the MAFF official or Soames who had called the halt on concessions over agriculture by December, 1962, but, as the following analysis will show, it was Macmillan.

After the failure, October, 1962, to move on the agricultural negotiations, Heath wanted a quick end to the negotiations in domestic agriculture but his

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<sup>50</sup> PRO CAB 134/1512 CMN(62) 21 Soames to CMNC, 2.10.62

<sup>51</sup> PRO CAB 134/1512 CMN(62) 21 Soames to CMNC, 2.10.62; PRO CAB 134/1512 CMN(62) 23, Soames to CMNC, 1.11.62

<sup>52</sup> Ludlow, *Dealing*, pp. 183-7

<sup>53</sup> PRO CAB 134/1512 CMN(62) 27 General discussion, 5.12.62

<sup>54</sup> PRO CAB 134/1547 CMN(SC)(O) (62)33 general discussion, 23.10.62

<sup>55</sup> *Ibid.*

<sup>56</sup> Franklin's Diary, 13.1.62

difficulties with Macmillan increased. Heath saw Macmillan on the 1<sup>st</sup> December, 1962, and before and after dinner they discussed the membership bid.<sup>57</sup> At the subsequent CMNC meeting on the 5th December, 1962, Heath outlined a position that must have been agreed with Macmillan at the 1<sup>st</sup> December, 1962, meeting. In the CMNC Heath made it clear that there would now be no occasion for making further concessions because these would be left to the final, as he put it, 'political' stage of the negotiations.<sup>58</sup> Paul-Henri Spaak, the Belgian minister due to take over the chair in Brussels in the new year, suggested that the ministerial meeting at the end of December, 1962, should close the negotiations but Heath refused to set a specific date, only allowing a general understanding that it would be sometime early in 1963.<sup>59</sup> It was true, as Ludlow points out, that many individual members of the Six were keen to come to a conclusion and Heath might with some justification attempt to take advantage of this, but in reality it was as likely to work in the opposite direction with the Six expecting the UK to make all the running.<sup>60</sup>

On the 9<sup>th</sup> December, 1962, Heath's plans were to be disrupted by an unanticipated intervention from Macmillan. Despite what he had said to Macmillan on 1<sup>st</sup> December, 1962, about holding back on concessions, Heath needed to find issues to put on the agenda for the two ministerial sessions with the Six in December, 1962. This was difficult because neither the Six nor the UK wished to give way on issues so close to the time of the final political bargaining. Heath turned once more to agriculture and decided to look again at formulating concessions for the agricultural transition period. However, constantly vigilant over threats to the position of agriculture, Butler waylaid Soames for a 'political' talk after the CMNC meeting, Wednesday 5<sup>th</sup> December, 1962 and on Saturday, 8<sup>th</sup> December, 1962, Soames went to see Macmillan at Birch Grove, the Prime Minister's private country home.<sup>61</sup> The following day, 9<sup>th</sup> December, 1962, Macmillan sent a memo to Heath. In this anxious memo Macmillan told Heath that 'control of agricultural policy in a transitional period was vital from the point of view of internal politics'.<sup>62</sup> It is not stretching the boundaries of cause and effect too greatly to see the instructions sent to Heath as the

<sup>57</sup> Macmillan, *At the End of the Day*, p. 338

<sup>58</sup> PRO CAB 134/1512 CMN(62) 27 Heath to CMNC, 5.12.62

<sup>59</sup> *Ibid.*

<sup>60</sup> Ludlow, *Dealing*, pp. 200-1

<sup>61</sup> Franklin's Diary, 5.12.62

<sup>62</sup> PRO PREM 11/4522 Macmillan to Heath, 9.12.62

result of this sequence of meetings. Once more an alliance between Butler and Soames had resulted in irresistible pressure, this time upon the Prime Minister.

Macmillan was bowing to domestic pressure. On 5<sup>th</sup> December, 1962, three days before Soames went to Birch Grove and four days before the memo to Heath, Franklin recorded a discussion with Tim Bligh, Macmillan's private secretary: 'Tim Bligh said the PM was beginning to have doubts about the CM.'<sup>63</sup> Macmillan's instruction to Heath, to keep control of the transitional period, was a much more explicit instruction than the fudge Heath had been given to take back to the October, 1962, ministerial meeting and this study considers Macmillan's memo clear evidence of the impact of Cabinet politics on European policy. On the day of the anxious memo he was warned by one of his private secretaries of severe political difficulties.<sup>64</sup>

It was at this point that Macmillan's journey from Heath to Butler, discussed in Chapters Five and Six, was complete. There is no doubt of Macmillan's regard for Butler's judgement. Barnes considers that although less close to Macmillan than Heath, Butler carried more weight and where domestic issues were concerned Macmillan would turn to him last of all for the final words of advice.<sup>65</sup> Macmillan himself described Butler's counsel as Delphic but profound.<sup>66</sup> The evidence in Macmillan's memo to Heath suggests that Macmillan now agreed with Butler's continued concerns over the tight link between the government's survival and those within Cabinet and the wider parliamentary Conservative Party, who were prepared for a variety of reasons, to speak out for the farming interest. The Prime Minister was responding to the criticism he was receiving from all quarters and his Diary entry for the 9<sup>th</sup> December, 1962, reveals an almost hysterical reaction.<sup>67</sup>

By the end of December, 1962, the negotiations in Brussels were in trouble. Significant participants considered that the negotiations had been on a life support machine since August.<sup>68</sup> Nevertheless, there were also many that considered the precedents of EEC negotiations, where success came in political deals at the last moment.<sup>69</sup> Agriculture was not the only outstanding issue. Other issues included the

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<sup>63</sup> Franklin's Diary, 5.12.62

<sup>64</sup> PRO PREM 11/3716 Bligh to Macmillan, 9.12.62

<sup>65</sup> Barnes in Hennessy and Seldon, *Ruling Performance*, p. 120

<sup>66</sup> Macmillan, *Riding the Storm*, p. 703

<sup>67</sup> BOD MS Macmillan, Dep. 48, 9.12.62

<sup>68</sup> Ludlow, *Dealing*, p. 205

<sup>69</sup> *Ibid.*, p. 205

Financial Regulation, zero tariff items, processed foods and others.<sup>70</sup> Fundamentally, the Six were asking the British to make a significant change to the British system of agricultural immediately upon entry, partly to ensure the British would make the changes and partly as a symbolic gesture to show it was willing to make the kind of alterations necessary to fit into the CAP. The Six called for strict measures for UK agriculture immediately upon entry including an immediate cessation of guaranteed prices upon entry and the use of consumer subsidies in appropriate to mitigate sharp food increases.<sup>71</sup> Consumer subsidies were unacceptable to the Conservative Cabinet on ideological grounds, having been elected in 1952, on a platform devoted to the end of government intervention in purchasing and war time controls, and thus by the end of December, 1962, Britain had persuaded the Six to move from an insistence on subsidies to consumers to producer subsidies.<sup>72</sup> The Six also agreed that producer subsidies need not replace the British guarantees until the end of the existing parliament, 1964 at the latest, as this would allow the Conservatives to keep their 1959 pre-election pledge. By Soames's reckoning it would be 1966, before legislation amending the Agriculture Acts could be in place. However, the means by which the UK would pay producer subsidies on imports was highly controversial from the British point of view because it would mean that the British taxpayer was paying to subsidise EEC and possibly third country imports.

## Section Two

### **The Cabinet and the nuclear issue: its effect on Macmillan's position in Cabinet, December, 1962-January, 1963**

The UK's relationship with the US soured in the last months of 1962. Hard on the heels of the Cuban crisis came the infamous speech by Dean Acheson, formerly Eisenhower's Secretary of State, at the end of December, 1962, in which he asserted that the UK had lost an Empire but not yet found a new world role and that the idea of the UK with its three traditional spheres of influence was 'about played out'.<sup>73</sup> Acheson's speech about the loss of Empire hit home just at the time when members of

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<sup>70</sup> *Ibid.*, p. 189

<sup>71</sup> PRO CAB 134/1512 CMN(62) 23 Soames to CMNC, 1.11.62

<sup>72</sup> PRO CAB 134/1517 CMN(63) 1 Soames to CMNC, 7.1.63; Butterwick and Neville-Rolfe, *Food, Farming and the Common Market*, p. 88

<sup>73</sup> Camps, *Britain and the EC*, p. 463

the CMNC and Cabinet were being asked to agree to the outcome of the Nassau meeting between Kennedy and Macmillan over the future of the British independent nuclear deterrent.

This study argues that the way in which Macmillan settled the deal with the Americans in Nassau used up what was left of his political capital in relation to his Cabinet colleagues. In Nassau Macmillan had to bargain for the continued supply of warheads to maintain British nuclear power, and the manner in which he was forced to plead for an alternative to the defunct Skybolt missiles in a personal appeal to Kennedy, and the fact that this was settled before Macmillan could consult Cabinet, did not make for an easy return for Macmillan to his colleagues. Some Cabinet colleagues were concerned about the public 'nakedness,' as Mangold puts it, of Britain's defence policy, and feared it might threaten the future of the government.<sup>74</sup> To this were added longstanding Cabinet doubts and Whitehall questions over the future of British possession of a nuclear capability.<sup>75</sup> Before he had left Britain Macmillan's private secretary had advised him that the best plan would be to keep existing plans going for another year to eighteen months to avoid the political difficulties at home.<sup>76</sup> On 3<sup>rd</sup> January, 1963, Cabinet discussed the Nassau agreement, with Macmillan recording that his colleagues backed him up but did not much like the deal.<sup>77</sup>

Despite Macmillan's optimistic assessment this was not the end of the issue, with haggling over costs and logistics causing Macmillan several sleepless nights before the end of the month.<sup>78</sup> Redmayne was to call the cancellation of Skybolt, the biggest political problem the government faced.<sup>79</sup> It called into question Britain's independent nuclear deterrent, its relationship with the US and Europe and Britain's future world role.<sup>80</sup> In the aftermath Macmillan acknowledged to his Cabinet that the agreement could be criticised on grounds that it would not give a wholly independent national deterrent and fell short of full integration with NATO.<sup>81</sup>

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<sup>74</sup> Mangold, *The Almost Impossible Ally*, p. 188

<sup>75</sup> Macmillan, *At the End of the Day*, pp. 341-345; Hennessy, *Having It So Good*, pp. 577-594

<sup>76</sup> Ashton, *Kennedy, Macmillan*, p. 70

<sup>77</sup> BOD MS Macmillan, Dep. 48, 23.12.62

<sup>78</sup> *Ibid.*,

<sup>79</sup> TRC Butler Archive, G40/3, Butler lunch with Chief Whip, 10.1.63

<sup>80</sup> Kaiser, in Brivati and Jones, (eds.), *From Reconstruction to Integration*, pp. 144-165

<sup>81</sup> Hennessy, *Cabinets and the Bomb*, p. 167; Butt, *The Power of Parliament*, pp. 240-246

The settlement managed to offend both ministers who felt nuclear power was too costly in the new missile age, and those who considered that if Britain went on with a nuclear programme it should be with France.<sup>82</sup> Maudling reserved his position on the costs.<sup>83</sup> Hailsham was particularly disconcerted and displeased at the way Macmillan and Butler had managed the decision and by-passed real Cabinet discussion and the House of Commons.<sup>84</sup> Macmillan tried to brush the matter off, in some of his diary entries, noting that he had the support of significant ministers, Hailsham and Butler, whilst letting drop that he knew Redmayne was very worried.<sup>85</sup>

However, despite Macmillan's attempts to camouflage or ignore the disquiet, the nuclear issue was serious because it combined with a deep unease within Cabinet which had been building up throughout autumn, 1962. Macmillan needed Cabinet support for three reasons, first, because his agreement at Nassau was a significant shift in defence policy, second, because Cabinet agreement was more than a formality and third, because the commitment to a multilateral force was a contentious issue.<sup>86</sup> Furthermore, a Gallup poll, published 10<sup>th</sup> January, 1962, when the CMNC was to discuss concessions in Brussels for agriculture, was to show that public opinion was anti-American and 67% considered that Britain depended too heavily on the US.<sup>87</sup> In his memoirs Macmillan recalled the Beaverbrook press fanning the issue 'into something like hysteria.'<sup>88</sup> (On 4<sup>th</sup> February, 1962, the right wing of the Conservative Party was to call for Macmillan to resign over the issue.<sup>89</sup>)

What this study argues is that the way in which Macmillan had to appeal for Cabinet loyalty in the face of his unilateral actions at Nassau, would make it very difficult for him to call for loyal support for deep concessions in agriculture in the first week of January, 1962, once ministers had already dug deep into their reserves of collective responsibility in December, 1962, over the nuclear issue. For the moment Macmillan had used up his reserves of personal goodwill and it would be impossible for him to go back to plead for deep concessions over agriculture in an atmosphere

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<sup>82</sup> Reynolds, 'A 'Special Relationship'?', p. 12

<sup>83</sup> Ashton, *Kennedy, Macmillan*, p. 188

<sup>84</sup> Evans, *Downing Street Diaries*, pp. 224-7; Ashton, *Kennedy, Macmillan*, pp. 127-151; Bange, *The EEC Crisis*, pp. 73-85

<sup>85</sup> BOD MS Macmillan, Dep. 48, 24.12.62

<sup>86</sup> Ashton, *Kennedy, Macmillan*, p. 183

<sup>87</sup> *Ibid.*, p. 184

<sup>88</sup> *Ibid.*, p. 343

<sup>89</sup> BOD MS Macmillan, Dep. 48, 4.2.63

resentful over his nuclear policy. This is a very important point for the conclusions of the final section of this chapter.

### Section Three

#### **No more negotiation**

#### **January, 1963**

Milward describes a sense that, with the exception of Maudling and Hailsham, Cabinet members from midsummer 1962 onwards had an increasing awareness that the EEC was the only port in the international storm.<sup>90</sup> Camps does not go that far, suggesting that despite the general xenophobic mood in the country at large, there was an intellectual acceptance that Britain was entering a new situation, which had not yet translated into the conviction that something would have to alter.<sup>91</sup> This study contends that for the most powerful ministers in the CMNC the idea of *this* EEC as *this* port in *this* storm had become as unacceptable as it was undesirable. In addition, Kaiser argues that the agricultural side of the negotiations could have been finished if de Gaulle had not intervened with his press conference.<sup>92</sup> Macmillan, himself, was to claim in his memoirs that the negotiations showed that there could be agreement over agriculture and that 'The end came not because the discussions were menaced with failure. On the contrary, it was because they threatened to succeed.'<sup>93</sup> As the following evidence will show, this study does not agree with either Kaiser or Macmillan.

Macmillan's version of the breakdown of the negotiations was that de Gaulle rejected the UK bid because the negotiations had come too close to success.<sup>94</sup> Where agriculture was concerned this assertion rested on the argument that the Mansholt Committee had produced a report that offered the prospect of a settlement to domestic agriculture and that public opinion would have accepted some sacrifice of domestic interests as the price of a comprehensive settlement.<sup>95</sup> This implied that if there had to be concessions in agriculture after the Mansholt Committee then Cabinet and the CMNC would have been prepared to have made them. The CMN(SC)(O) also

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<sup>90</sup> Milward, *The Rise and Fall*, p. 416

<sup>91</sup> Camps, *Britain and the EC*, p. 463

<sup>92</sup> Kaiser, *Using Europe*, p. 186

<sup>93</sup> Macmillan, *At the End of the Day*, p. 340, p. 366, p. 369, p. 377

<sup>94</sup> PRO CAB 128/37 CC(63)5 Macmillan, 22.1.62

<sup>95</sup> *Ibid.*



suggests that it was generally accepted that the agriculture differences between the Six and the British were bridgeable.<sup>96</sup> Through an in-depth analysis of the issues on the agricultural agenda this study suggests a different interpretation, one that fits with the idea (which has been a central focus of this study) of the recalcitrant attitudes of certain Cabinet ministers.

The Mansholt Committee grew out of talks between Heath and some of the Six, and was suggested by Mansholt as a way to prevent the total breakdown of the agricultural side of the negotiations.<sup>97</sup> It was similar to the idea Soames had promoted earlier in 1962 that agriculture might be discussed in a committee independent of the ministerial meetings of Foreign Office ministers. The Mansholt Committee was significant because it was the first time the Six discussed issues with the UK without forming a common position beforehand.<sup>98</sup> Mansholt hoped this would lead to flexibility on both sides.<sup>99</sup> The terms of reference were restricted, on the insistence of the Six, to agricultural commodities that had existing regulations in the CAP; cereals, pigmeat, eggs, poultrymeat with the addition of the length and nature of the transitional period. There was to be no negotiation only a period in which the issues would be re-examined.<sup>100</sup> On the British insistence, and in the face of French resistance, British proposals as well as those of the Six, would be discussed.<sup>101</sup> Until the Committee completed its work there would be no movement on agriculture.

In terms of the negotiations as a whole, agriculture was at the top of the agenda in January, 1963, holding up the resolution of other areas and its significance was such that Heath was certain that agriculture must be settled before moving onto other outstanding issues. These other areas included voting arrangements, Hong Kong and Central Africa, where Heath recognised there would be hard bargaining, and the full legal implications of joining the EEC.<sup>102</sup> There were a number of very important issues which were linked to agriculture but would have to wait until the very end of the final negotiation. These included arrangements to be settled for EFTA, the Financial Regulation, the Participation Formula for non-agricultural

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<sup>96</sup> PRO CAB 134/1547 CMN(SC)(O)(63)1discussion, 9.1.63

<sup>97</sup> PRO CAB 134/1512 CMN(62)27 5.12.62; PRO T 312/408 Heath and Mansholt, 30.11.62

<sup>98</sup> PRO T 312/408 conversation Heath and Mansholt, 1.12.62

<sup>99</sup> PRO MAF 379/187 MAFF History of Negotiations, p. 97

<sup>100</sup> PRO MAF 379/146 Interim, 19-20.12.62 & final 14.1.63 reports of Mansholt Committee

<sup>101</sup> PRO CAB 134/1512 CMN(62)28 Heath to colleagues, 18.12.62; Franklin's Diary, 11.12.62

<sup>102</sup> PRO CAB 134/1517 CMN(63)3 Heath, 10.1.63; White Paper on the Legal implications of Entry into the European Communities, CMN(63)3 - for full discussion see Milward, *The Rise and Fall*, pp. 442-461

interests, and some kind of a special general protocol for New Zealand that would not offend Australia and cereals price policy.<sup>103</sup> This was a formidable list in itself and involved areas where it was possible the talks still might break. The planned sequence of events in January, 1962, was that the Mansholt Committee should report to ministers on the evening of 14<sup>th</sup> January, 1962. After consideration of the Report there would be discussions with the UK on the 15<sup>th</sup> January, 1962, then a short break whilst some outstanding non-agricultural items were taken on 16<sup>th</sup> January, 1963. The rest of the week would be given over to domestic agriculture on the 17<sup>th</sup> and 18<sup>th</sup> January, 1963.<sup>104</sup> The Six were pushing for an early settlement of the negotiations and therefore, it was very important for a settlement on domestic agriculture to emerge so that the rest of the talks could be taken at a package deal session.<sup>105</sup>

This study argues that there were strong signs before January, 1963, that there would not be agreement on domestic agriculture because of the attitude of the CMNC. Looking back to December, 1962, it was evident in a discussion of what would be suitable breaking points that there was a strong feeling within the CMNC that the problems of domestic agriculture might be intractable and lead to a breakdown in talks. It was agreed that government policy was that public opinion would not be happy if the negotiations broke over domestic agriculture.<sup>106</sup> This had been government policy since the recommendations of the ESC back in 1961. However, it was clear from the CMNC meeting that this policy did not mean that the negotiations would not break over domestic agriculture. In December, there was a long discussion in the CMNC over how to place cereals price policy onto the agenda in Brussels to provide an issue which could be used to camouflage a break which was substantively over domestic agriculture.<sup>107</sup> This indicated that although government policy was not to break over agriculture, the CMNC recognised that this might occur and that it should be prepared to have another issue on hand to disguise the real cause of failure. Thus in the weeks before de Gaulle's veto there was a realisation on the British side that the domestic agricultural negotiations might fail and be the occasion of a dangerous breakdown in the talks.

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<sup>103</sup> PRO CAB 134/1512 CMN(62)27 Heath to CMNSG, 5.12.62

<sup>104</sup> PRO CAB 134/1517 CMN(63)2 Heath to CMNC, 10.1.63

<sup>105</sup> PRO CAB 134/1517 CMN(62)1 Heath to CMNC, 7.1.63

<sup>106</sup> PRO CAB 134/1512 CMN(62)28 CMNC, 18.12.62

<sup>107</sup> *Ibid.*

This last point is important because it shows continuity in CMNC attitudes and lays a foundation for the following analysis. This chapter now builds up a picture of how far away the CMNC was from agreeing to concessions in agriculture to secure the conclusion of the negotiations as a whole. It uses three measures, the attitudes of individual ministers, the substantive issues, and the dynamics of the CMNC.

In the last weeks of 1962, and the two weeks of January, 1963, before the report of the Mansholt Committee, there was no suggestion in public or private that Butler or Soames considered the UK was near to bridging the gap in agriculture which had been exposed in negotiations throughout 1962. Butler made two speeches to NFU branches and although his tone was measured, reminding the NFU members of the necessity for a strong economy to support agriculture, wider political objectives and the need to seize the opportunities the CAP offered, he also re-pledged government to securing the best interests of agriculture and insisted that there was still some way to go before agricultural negotiations were complete.<sup>108</sup> In a television interview Soames said that there was a long way to go because they had *hardly started* (my italics) on the agricultural side.<sup>109</sup> In CMNC in December, 1962, Soames made a strong attack on the terms on offer from the Six and it was generally agreed that anything the Six had suggested, such as the replacement of consumer subsidies with producer subsidies, was only a bridgehead and that more movement to the British position was needed.<sup>110</sup>

The sense of a lack of progress in agriculture was carried over into private communications. In a completely new piece of evidence this study has unearthed, Soames expressed grave misgivings at the state of negotiations in the Mansholt Committee. On the 3<sup>rd</sup> January, 1963, in a handwritten letter of three pages, Soames described to Butler, in no uncertain terms, the differences between the UK and the Six over agriculture. The important point was that his conclusion was that matters were getting worse, in his words 'We battle on, but it looks as if it is getting harder rather than easier as the days go by'.<sup>111</sup> Soames's letter went on to cover a lack of progress in the Mansholt Committee. All of Soames's objections to the way the Mansholt Committee was turning out rested on the significance they had for the government

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<sup>108</sup> TRC Butler Archive, F124/368 Speech to Essex NFU 21.12.62; G40/4 (21)draft notes for speech to Dunmow NFU, 11/1/63

<sup>109</sup> TRC Butler Archive, F124/363 Soames to 'Gallery', 8.11.62

<sup>110</sup> PRO CAB 134/1512 CMN(62)27, 5.12.62, CMN(62)28, 18.12.62

<sup>111</sup> PRO FO 1109/269 Soames to Butler, 2.1.63

politically. Soames picked out the wheat *fourchette* (the means by which the Six would calculate the harmonised price of cereals) describing what the Six were proposing as 'Crazy – and horrifying politically'. On the matter of consumer subsidies which had been part of the problems of the October, 1962, ministerial meeting, the Six's proposals for producer subsidies on imports by the UK government, Soames commented forcefully 'Can you see us selling this ?!!' On the price levels of butter and margarine it appeared that the Six wanted the UK to impose a tax which would mean a rise in UK butter prices of 100% with margarine, as Soames, put it having 'to rise in sympathy'. His aside on this was 'Crazy like a fox?'<sup>112</sup>

Thus, although it was conceivable that between the 3<sup>rd</sup> and 10<sup>th</sup> January, 1963, there could be a breakthrough in relations within the Mansholt Committee it would have to be against the trend of the negotiations and Soames's comments of 3<sup>rd</sup> January, 1963. In addition, Soames was to re-iterate in later life, that although there might be amiable comments made in the aftermath of the Mansholt Committee, and he himself said that domestic agriculture was not going to be a bar to British entry, this was not the same as getting an agreement down in black and white.<sup>113</sup> For all the goodwill that the Mansholt Committee generated therefore, good intentions could be still be de-railed.

This section now turns to the crucial days before and after de Gaulle's veto to examine the way in which Heath attempted to push for rapid concessions for a settlement in agriculture whilst Butler and his allies in the CMNC refused to allow Heath the freedom to develop policy within the negotiations in Brussels but insisted that he should return to CMNC for further negotiating instructions. This was to be a crucial aspect of the final stage of the agricultural negotiations.

The two CMNC meetings at the beginning of January, 1962, before de Gaulle's veto, illustrate the difference Butler's voice made to strategy. On the 7<sup>th</sup> January, 1962, Butler had not returned to London from the Christmas break, Heath was in the chair, Maudling had been attending CMNC since the beginning of December, 1962, Iain Macleod, Chairman of the Conservative Party and Leader of the House, and Redmayne Chief Whip, were present. Redmayne had attended at regular intervals, particularly moments when crucial decisions were necessary but,

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<sup>112</sup> *Ibid.*,

<sup>113</sup> Soames' private papers, kind permission of Churchill College, Cambridge

significantly, Macleod had not attended since moving from the Commonwealth Relations Office. At this meeting, the emphasis on the political implications of failing to reach a settlement in Brussels came to the fore. It was suggested that rapid progress now might revive the enthusiasm generated at the Conservative Party Conference with the warning that any long drawn out negotiations would see the Party lose patience with the issue.<sup>114</sup> It is difficult to avoid the conclusion that Macleod had been drafted in to push the CMNC into a forward thinking frame of mind. This political emphasis was in stark contrast to the meeting on the 10<sup>th</sup> January, 1962, when Macleod was not present and Butler once more took the chair.

In full Cabinet on the morning of the 10<sup>th</sup> January, 1962, Heath gave an upbeat assessment of the situation in Brussels.<sup>115</sup> He was looking for general acceptance of his negotiating strategy and hoping that Cabinet would endorse concessions very rapidly in agriculture once the final ministerial meeting on agriculture opened on the 15<sup>th</sup> July, 1963 so that he could move onto the rest of the outstanding items.<sup>116</sup> Heath's remarks at the full Cabinet meeting on the 10<sup>th</sup> January, 1963, were based on what he described as the marked change in atmosphere in Brussels, except in relation to France. Heath was in part referring to his meetings with the Dutch, Germans, Belgians, and the Commission, 4-9<sup>th</sup> January, 1963, because his meeting with the French, who voiced the chief opposition to British proposals, was not until 11<sup>th</sup> January, 1963. Therefore this assessment was unreasonable from the start. Heath's overtures to full Cabinet were part of the need to convince all members of the government that entry was both possible and desirable. But it was not full Cabinet which would give Heath his instructions and that same afternoon Heath had to secure authority from the CMNC for concessions in agriculture.

In the afternoon of the 10<sup>th</sup> January, 1962, the CMNC met to, in effect, decide if it would authorise major concessions for the following week's negotiations in Brussels. The CMNC discussed a paper prepared by MAFF listing eleven issues outstanding on the agricultural side of the negotiations. This research has made a careful study of the economic aspects of the issues taken at this meeting, the paper by MAFF, contrasted these with the general discussion in CMNC and with Soames's comments in his accompanying personal paper to the CMNC, and weighed up the

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<sup>114</sup> PRO CAB 134/1517 CMN(63)1 Macleod to CMNC, 7.1.62

<sup>115</sup> PRO CAB 128/37 CC(63)3, Heath to Cabinet, 10.1.63

<sup>116</sup> PRO FO 1109/269 J. Hodgson to Butler, 9.1.63

implications of Butler's summing up.<sup>117</sup> It presents the conclusions from this analysis in two forms. First, it discusses what the CMNC was saying about the substantive issues involved and second it looks at those issues through the eyes of the individual participants of the CMNC. By matching policies and politics in this way it will be able to reach secure conclusions.

This research concludes that there was considerable British movement on some of the issues under discussion. These were the issues which had been discussed in the Mansholt Committee where the Six had restricted the agenda to those aspects of agricultural policy it had arrangements for under the CAP. First, for the wheat fourchette and the EEC's future cereals price policy, the CMNC were agreed that this was fundamentally a Commonwealth issue because the interests of domestic producers could be satisfied with a variety of technical means.<sup>118</sup> In his summing up Butler made it clear that the CMNC agreed that this could not be dealt with in the negotiations but that it would have to be re-opened once the UK became a member. Heath could return to Brussels with the news that the British were no longer insisting on the wheat fourchette being widened as part of the membership terms.<sup>119</sup> Second, the CMNC was ready to fall in with MAFF and Soames's suggestion of a shorter transitional period to end on the last day of 1969 in conjunction with the Six.<sup>120</sup> Third, over intervention arrangements there was a measure of hope that a settlement would emerge. For pigmeat and eggs Soames said that there were now signs that the Six would use a liberal interpretation of Article 9 (1) to ensure that for pigmeat at any rate, there would be greater re-assurances for farmers.<sup>121</sup> However, this was putting quite a high gloss on what the Six had said in the Mansholt Committee. In the Mansholt Committee's Report it was clear that the Six were reserving the right to leave decisions about tighter intervention arrangements, should market circumstances dictate, until later in the transitional period, and were continuing to resist the idea that guaranteed prices could be retained during the transitional period (once legislation to amend the British Agriculture Acts was enacted).<sup>122</sup>

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<sup>117</sup> CAB 134/1517 CMN(63)2 Common Market Negotiations Memo by the Minister of Agriculture, 9.1.63

<sup>118</sup> PRO MAF 379/178 Bishop memo, point 5, January, 1963

<sup>119</sup> PRO CAB 134/1517 CMN(63)2 Butler conclusion, 10.1.63

<sup>120</sup> PRO CAB 134/1517 CMN(63)2 length of transitional period, 10.1.63

<sup>121</sup> PRO CAB 134/1517 CMN(63)2, Brief CMN(63)1 point 13, 10.1.63

<sup>122</sup> PRO MAF 379/146 Committee of Investigation, RU/CI/15/63, 14.1.63, pp. 26-28

There were several areas where the CMNC were unwilling to move but showed that they might do so in the last resort. In his summing up Butler reflected the absolute political dislike by the CMNC of the idea of producer subsidies to be paid to imports from the Six (possibly third countries as well) in exchange for the right to replace UK guaranteed prices with producer rather than consumer subsidies. Butler gave Heath no authority to negotiate on this point at this stage although it was allowed that in a last resort this might have to be agreed.<sup>123</sup> In addition, Soames agreed that although he needed some assurance from the Six that there would be a role for producer controlled marketing boards he might be persuaded by guarantees that he would be able to say this in the UK rather than getting it down in black and white.<sup>124</sup>

The CMNC's agreement to these areas from the Mansholt Committee's discussions, were real concessions which had not been on offer from the British in October, 1962. However it is very important to realise that the impact of these concessions were limited by the remaining issues and by the fact that this meant that the CMNC would be looking for some movement from the Six on the outstanding issues. There still remained issues as critical as horticulture, 'unborn' commodities, the Marketing Boards, the Participation Formula, the Financial Regulation and direct farming grants. As earlier chapters have explained these were the most sensitive of all agricultural issues. There was no sense at the CMNC that ministers had come to a decision that they would be abandoned. On the contrary, the issue of horticulture continued to be regarded as sacred and Soames said that 'in the absence of reasonable arrangements (and these would include a substantial 'standstill' [on existing British arrangements]) the total agricultural package would not be a presentable one'.<sup>125</sup> On the issue of the alignment of barley and wheat prices Soames was adamant that there could be no concessions because this would disrupt the income and production patterns of UK livestock producers.<sup>126</sup> The CMNC did not disagree. The highly contentious issue of the Financial Regulation was to be hived off until later in the negotiations. Heath indicated would not be taken at this point because the Six had not yet agreed on a formula amongst themselves.<sup>127</sup> This did not mean that it was settled. The CMNC also decided that the Participation Formula would have to be left until the

<sup>123</sup> PRO CAB 134/1517 CMN(63)2 Butler to CMNC, 10.1.63

<sup>124</sup> PRO CAB 134/1517 CMN(63)2 memo by Soames, point 21, 10.1.63

<sup>125</sup> PRO CAB 134/1517 CMN(63)2 point 14, Soames' memo, 10.1.63

<sup>126</sup> *Ibid.* point 10; PRO MAF 379/146 Committee of Investigation, RU/CI/ 15/63, 14.1.63, pp. 12-16; PRO CAB 134/1517 CMN(63)2 point 9, 10.1.63

<sup>127</sup> PRO CAB 134/1517 CMN(63)2 CMNC, 10.1.62

very end of negotiations because other non-agricultural areas would need to be covered. The issue of direct farming grants was not to be broached because Soames considered this to be so sensitive an issue (to both Six and UK) that it could not be discussed in Brussels.<sup>128</sup> Nevertheless he indicated he was still looking for the freedom to tell UK producers that these would continue to be available in the CAP.<sup>129</sup> Producer Marketing Boards also fell into this sensitive category, and Soames had hoped to avoid discussion of them but the Egg Marketing Board was mentioned during the Mansholt Committee discussions so that it now had to be on the agenda.<sup>130</sup> In addition there remained the issue of New Zealand and the CMNC were undivided in the opinion that there must be special arrangements for its exports to Europe or the UK. Each of these issues was intractable and taken together they represented a formidable obstacle to progress.

Thus, it was correct to say that the Mansholt Committee had produced results, not formally at the Committee stage but in terms of what Soames was prepared to agree to in the negotiations to come on the limited number of CAP commodities that had been discussed. The problem was that this covered roughly speaking only 50% of UK agricultural production and the other issues, as described above, remained a vital part of MAFF's negotiation settlement.

This chapter now turns to look at the last days of the agricultural side of negotiations through the eyes of senior ministers and the dynamics of the CMNC. The points to be noted before this is attempted are that Butler was firm in his summing up that only those areas designated by the CMNC should be conceded in Brussels, that Heath must report back before other concessions could be agreed with the Six, and that the entirety of Soames' paper, CMN(63)2 was supported by the CMNC. This represented a strong restraint upon Heath's freedom to allow concessions. It brings this study to the point, made in an earlier chapter, that in order to substantiate claims about the influence of ministers it is vital to identify alliances rather than individual voices. This research now turns to what individual ministers were thinking at the time, where their allegiances lay, and what this might mean for agriculture and the negotiations as a whole.

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<sup>128</sup> PRO CAB 134/1517 CMN (63)2 Soames to CMNC, 10.1.62

<sup>129</sup> *Ibid.* point 2

<sup>130</sup> *Ibid.* point 21



By January, 1963, having fought so hard through such difficult negotiating briefs to reach the final package point, Heath was clearly looking for considerable concessions in domestic agriculture to get what he wanted for the negotiations as a whole. On 5<sup>th</sup> December, 1962, he had warned that there would be a number of important questions for settlement in January, 1963, and 'the most important of these would be the whole range of problems affecting British agriculture *including* (my italics) horticulture'.<sup>131</sup> In January, 1963, Heath made a slip on television, as he had done in the speech in August, 1962, at Luton Hoo, when in an attempt to put an optimistic gloss on the state of negotiations, he omitted to re-assure the farming community that he was still looking for better terms for agriculture.<sup>132</sup> This evidence suggests that Heath was prepared to push through an agreement with the Six even if it meant wholesale concessions in domestic agriculture.

Maudling was present at the CMNC meetings from the beginning of December, 1962. His absence at international economic and finance meetings, as described in Chapter Six, had coincided with the immense difficulties of the October, 1962, ministerial meetings. His renewed presence lent Butler support. In general policy terms he had always been a Butler ally and he saw his future as closely tied to the senior politician. In 1963, when he rather than Butler was tipped to replace (or displace) Macmillan, he was to approach Butler with ideas about the sharing of power once Macmillan resigned.<sup>133</sup> This indicated how seriously Maudling took Butler's claims to the leadership, his respect for the older man and his willingness to run with Butler on personal as well as policy issues. In December, 1962, he made a statement to the press (along with Erroll from the Board of Trade) that it would not be a disaster if the UK failed to join the EEC.<sup>134</sup> This has usually been taken as window dressing in the event of failure but in fact by this point, as Chapter Six illustrated, Maudling had tied his own political position to alternatives to the EEC. In addition, his new Permanent Secretary, William Armstrong, was busy preparing a paper to be circulated in Whitehall on the progress of the negotiations.<sup>135</sup> The costs of entry to the EEC were to be highlighted in this report.<sup>136</sup> MAFF was to contribute to the Treasury paper and Bishop was instructed by Soames, as early as November, 1962, to ensure

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<sup>131</sup> PRO CAB 134/1512CMN(62)27 Heath Future Course, 5.12.62

<sup>132</sup> PRO MAF 379/32 Winniffrith to Soames, 11.1.63

<sup>133</sup> Howard, *RAB*, p. 302

<sup>134</sup> Camps, *Britain and the EC*, pp. 465-6

<sup>135</sup> Hennessy, *Whitehall*, pp. 219-220; Brittan, *The Treasury under the Tories*, p. 210, p. 251

<sup>136</sup> Brittan, *The Treasury under the Tories*, p. 210

that he began to discuss alternatives which involved the EEC within a wider European framework.<sup>137</sup> Thus there was little doubt that Maudling (taking Erroll and Deedes with him) would support Butler's line, not out of consideration for agricultural policy but from a wish to pull back on concessions to the Six over economic policy and objections to entry to the negotiations in general.

Butler was, as Chapter Five made clear, implicitly involved in personal pledges to horticulture. Chapter Five described what the British were looking to secure and horticulture had been left after the tenth ministerial meeting in Brussels, August, 1962. Although unofficial approaches (through the NFU) were made to the Dutch and Italians the discussion on horticulture was never formally renewed.<sup>138</sup> Although at this point Butler was increasingly pre-occupied with his responsibilities for Central Africa it is difficult to believe that he could afford to neglect his personal pledges to the industry or the wide concerns over agriculture he had displayed for so long. The CMNC was the government policy forum in which he could exert maximum influence over these issues and other ministers. In his refusal to give Heath the right to develop policy in Brussels in the final meetings Butler showed that once again he was prepared to act, as he had done in August, 1962, to prevent the rapid concessions in Brussels that Heath wished to make.

By January, 1963, Soames was in no doubt that the terms on offer for agriculture (and the Commonwealth) were too high a price for the government to pay in political terms. His behaviour both immediately prior and subsequent to the de Gaulle veto indicates this. In the CMNC just prior to the de Gaulle veto, Soames said that whilst he thought there was still room for some British concessions on domestic agriculture as part of a package deal, he implied that there must be movement from the Six also. He said 'if concessions are made on all or most of the elements, the final package can hardly be a presentable one.'<sup>139</sup> This suggests that whilst prepared to attempt to negotiate, Soames did not see that there was much more room for manoeuvre after the CMNC had agreed on concessions on almost all issues under discussion in the Mansholt Committee (as described above). His actions prior to the CMNC meeting indicated that he was unlikely to agree to more concessions. For example, he tightened MAFF officials' initial brief for the CMNC meeting on the 10<sup>th</sup>

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<sup>137</sup> Franklin's Diary, 29.11.62

<sup>138</sup> PRO MAF 379/187 MAFF History of Negotiations, p. 111

<sup>139</sup> PRO CAB 134/1517 Memo to CMNC by Soames, 9.1.63

January, 1963 in respect of point 14 which dealt with horticulture.<sup>140</sup> In addition, he put down a marker with the Six when, in a ploy by Heath to help Mansholt present the Mansholt Committee report in as optimistic a fashion as possible to the Council of Ministers, Soames insisted that this subterfuge must exempt British horticulture in any undertaking about a shorter transitional period.<sup>141</sup>

On the domestic scene Soames at first appeared to have some flexibility. Bishop had sounded the NFU out over amendments to the Agriculture Acts during the transitional period and reported that Woolley was surprisingly amenable so long as the CAP arrangements could be shown to be capable of delivering stable and profitable marketing arrangements during and after the transitional period.<sup>142</sup> However, Woolley exploded in a 'white heat' of rage when Heath once more failed to mention terms for agriculture this time in a television interview.<sup>143</sup> This could be used by Soames to bolster his refusal to give concessions over a variety of agricultural issues.

In Brussels, relations with the Six gave Soames every reason to mistrust the Germans and the French, whatever the apparent outcome of the Mansholt Committee, and to encourage him to refuse to make further concessions. The Germans had rarely been able to deliver on bilateral promises and Pisani continued to renege on private agreements. In the Mansholt Committee Pisani had said that he had no objections to UK proposals but once he returned to Paris he told the press that the positions were so far apart he could see little prospect of an agreement.<sup>144</sup> Thus Soames knew that it would be very difficult to rely on promises which were not part of written agreements and those written agreements were unlikely to be forthcoming from the Six in a form that would give the CMNC what it was looking for.

As well as his position on domestic agriculture, Soames was concerned that the CAP's tendency to autarchy would mean political and economic difficulties with third countries. In particular he considered that the terms on offer for the Commonwealth were unacceptable because in practise the economic trends in the EEC would mean that there would not be the opportunities the Six were promising.<sup>145</sup>

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<sup>140</sup> PRO MAF 379/178 Bishop memo, note 11, January, 1963, compared with PRO CAB 134/1517 CMN(63) Soames memo point 14, 10.1.63

<sup>141</sup> PRO MAF 379/181 Codel 22 Heath to FO, point 5, 15.1.63

<sup>142</sup> PRO MAF 379/82 Bishop to CMSG, 21.11.62

<sup>143</sup> PRO MAF 379/ 32 Winniffrith to Soames, 11.1.63

<sup>144</sup> Franklin's Diary, 13.1.63

<sup>145</sup> Franklin's Diary, 29.11.62

In his letter of 3<sup>rd</sup> January, 1963, Soames was very anxious to settle tactics with Butler in a meeting prior to Cabinet and CMNC on 10<sup>th</sup> January, 1963, to co-ordinate an approach.<sup>146</sup> These views made it likely that in the CMNC Soames would support Sandys who, in the final months of 1962, had shown signs of wanting to re-open the general outline agreement of from August, 1962, for the Commonwealth. This would only exacerbate the conflicting interests of the Commonwealth and domestic agriculture and would not help Heath towards a swift conclusion. Soames's attitude towards the Commonwealth issue at this point reflected the multi dimensional aspects, described in Chapter Three, that underlay ministerial views and made the issues so difficult to resolve.

By January, 1963, Sandys' links to Heath were reaching breaking point. In theory anything that settled domestic agriculture rapidly with a significant amount of British concessions over guaranteed prices would be good for the Commonwealth and Sandys. As a pro-European Sandys would have wished to give Heath his support for the outline settlement of mid-summer, 1962, particularly after what he described as the miraculous ending to the Commonwealth Conference.<sup>147</sup> Thus, Sandys would tend to support Heath over the matter of substantial concessions in domestic agriculture. However, if the individual commodity briefs, due for negotiation with domestic agriculture, threw up concessions for domestic producers in products where the Commonwealth had an interest then Sandys would be forced to ask Heath to re-open the summer outline understanding with the Six.<sup>148</sup> The interests at stake consisted of small amounts of imports from all three temperate producers in pigmeat, dried egg, fruit, and much larger quantities of Australian cereals and New Zealand mutton, lamb and dairy products.<sup>149</sup>

Furthermore, since the Commonwealth Conference as discussed in Chapter Six, Sandys's position had altered in the light of the threat to temperate producers' interests from the Six's price policy for cereals. Higher cereal prices would rapidly lead to autarchy within the EEC and the Commonwealth would be forced to look for new markets. The one faint glimmer of hope for Sandys was that the EEC's refusal to meet British demands might be partly to reserve its position until international world

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<sup>146</sup> PRO FO 1109/269 Soames to Butler, 3.1.63

<sup>147</sup> Evans, *Downing Street Diaries*, p. 218

<sup>148</sup> Chapter Four described the fundamental conflict between the interests of domestic and Commonwealth producers.

<sup>149</sup> PRO MAF 379/134 individual commodity briefs, 2.4.62

commodity agreements which were to take place in the mid 1960s.<sup>150</sup> Once these international commodity agreements were under way Sandys could hope that Commonwealth interests would be addressed within them but this did not offer any surety in 1963.<sup>151</sup>

New Zealand was the area where Sandys was known to have very strong personal views because of family links. There were difficulties in representing New Zealand as an individual special case because the French had objected to this, although the French might have had difficulty in holding the line on this with the Five.<sup>152</sup> The biggest problem for Sandys was that whatever the Five's good intentions towards New Zealand, there would be no quick fix. As Heath said, 'The proposed Special Protocol for New Zealand would also have to be considered, but not until detailed commodity arrangements had been settled and stock could be taken for their effect on her trade.'<sup>153</sup> In addition, there were objections from Australia for special treatment for New Zealand. For mutton and lamb (commodities for which there were no EEC regulations and which were very unlikely to be settled before the UK decision would have to be taken) there was a complex conflict of interest between Australian, UK and third country interests as well as New Zealand.<sup>154</sup>

Fundamentally the New Zealand problem was so complex that it was not going to be finished in any time scale that would enable Sandys to give the New Zealanders any real re-assurance their needs would be dealt with sympathetically by the EEC. If the summer outline agreement was anything to go on then it indicated a pattern of the Six putting their own domestic agricultural interests and national political pressures before those of the rest of the world. Everything the British could suggest for New Zealand would impact either on the Six's arrangements for the variable levy or the British transitional period or both.<sup>155</sup> For example, as *The Times* pointed out, New Zealand agriculture could cope with an external tariff of up to 30% provided that the subsidies paid to British producers were immediately and entirely removed upon entry.<sup>156</sup> However, this would hardly be an acceptable negotiating

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<sup>150</sup> PRO CAB 134/1512 CMN(62)26 Heath to Butler and Soames, 27.11.62

<sup>151</sup> Camps, *Britain and the EC*, pp. 391-406

<sup>152</sup> PRO CAB 134CMN(63)4 New Zealand Protocol, point 3, 17.1.63

<sup>153</sup> PRO CAB 134/1517 CMN(63)1, Heath to CMNC, 7.1.63

<sup>154</sup> PRO CAB 134/1517 CMN(63)4 New Zealand: Special solution, 17.1.63; Cab 134/1517 CMN(63)2, 10.1.63

<sup>155</sup> PRO CAB 134/1517 CMN(63)4 New Zealand: Special solution, points 8, 9, 10, 17.1.63

<sup>156</sup> *The Times*, 6.9.62

position for Soames. In the CMNC on the 7<sup>th</sup> January, 1963, Heath proposed it might be possible to insert a preamble into the Commonwealth outline agreement. This, he hoped, would allow that arrangements for New Zealand should not be settled until the Six had completed the commodity arrangements for all areas where New Zealand had an interest.<sup>157</sup> In addition, Heath anticipated that the Participation Formula might allow the British to have a voice in these arrangements and re-visit the Commonwealth issue in general and New Zealand in particular.<sup>158</sup> However, this did not yet offer Sandys any concrete advantages for New Zealand.

Matters for Sandys were further complicated by the fact that Heath would have to take Commonwealth considerations at some point in the negotiations on domestic agriculture and this would make the domestic negotiations more sensitive. This was because the Six were determined not to allow the British to use the individual commodity arrangements as a back door to get what they had wanted in the way of comparable outlets. Over the Christmas break Sandys' position on New Zealand toughened.<sup>159</sup> In full Cabinet meeting on the morning of the 10<sup>th</sup> January, 1963, he did not mince his words saying he found it

difficult to reconcile existing price levels in the Community with assurances given in the summer of 1962 by the EEC and elaborated by HMG to the Commonwealth. It could not be maintained that assurances to the Commonwealth on price were existing in the EEC at present. If the EEC's policy did not change (on price) then it might be necessary to re-open discussion on questions of major principle that had been regarded as settled.<sup>160</sup>

For Sandys the economic and technical issues were beginning to reflect his political views that not enough had been done for the interests of temperate producers.

Thus Sandys's position was the most complex of all. He would want to use the individual commodity arrangements to get what had been denied at the time of the rejection of the comparable outlets formula. However, this would require the agreement of Soames at a time when he was seeking measures for UK farmers which were in direct conflict with temperate imports. The agricultural negotiations were about to encounter the inherently flawed strategy of trying to satisfy both Commonwealth and domestic producers at a time when the system which had

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<sup>157</sup> PRO CAB 134/1517 CMN(63)1 Heath to CMNC, 7.1.62

<sup>158</sup> PRO CAB 134/1517 CMN(63)4 New Zealand: special solution, 17.1.63

<sup>159</sup> Ward in May (ed.), *Britain, the Commonwealth and Europe*, p. 171

<sup>160</sup> PRO CAB 128/37 CC(63)3 Sandys to Cabinet, 10.1.63

reconciled those differences (the British) was being taken apart. The need for MAFF's idea of gradualism and control of the transitional period had never been greater.

It is difficult to avoid the conclusion that the majority of the CMNC was close to giving a quiet British veto to the terms on offer for domestic agriculture at the time of de Gaulle's press conference. Heath was willing to make concessions and Sandys was stuck firmly in no man's land. However, in an alliance of Butler, Soames, Maudling, Erroll and Deedes, the CMNC was committed to very little more movement towards the Six at the point of de Gaulle's veto. The view in Cabinet after de Gaulle's veto, that the public would have been willing to have given up on claims by agriculture to special treatment, if there was the prospect of an overall package, suggested that full Cabinet might have allowed concessions. But Cabinet was not to be given the opportunity to express this view because the CMNC pre-empted the discussion of the details of agricultural policy. There was thus a trend in the CMNC which suggested the powerful triumvirate of Butler, Maudling and Soames was leading the two other ministers, Erroll and Deedes, into a quiet slipping away from the concessions which would be necessary in domestic agriculture to secure agreement with the Six.

Having illustrated the type of attitudes that were present in the CMNC in the final days of negotiation it is necessary to briefly look at whether there is any evidence that the Six had moved or were likely to move in the final stages in order to get agreement. It is difficult to get this type of evidence because in the aftermath of the veto it was the larger political questions which occupied ministers of the Six and there is a full account of these in Ludlow.<sup>161</sup> However, without this somewhat speculative approach to the attitudes of the Six it will be difficult to assess how much further the British would have been required to move in any negotiation which had remained uninterrupted by de Gaulle.

Heath admitted in a CODEL communication with the Foreign Office that there was little movement on the details of policy in the Mansholt Committee.<sup>162</sup> An examination by this study, of the Mansholt Committee's Interim and Final Report,

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<sup>161</sup> Ludlow, *Dealing*, pp. 213-223

<sup>162</sup> PRO MAF 379/181 Heath to FO, CODEL No.22, 15.1.63

showed that there was nothing formally agreed over the details of policy.<sup>163</sup> However, as Bishop was aware, there was considerable movement in informal discussions which was not all on the British side.<sup>164</sup> There were rumours of a secret agreement between Mansholt, Heath and Soames but this research has found no evidence that of this.<sup>165</sup> In later years Franklin categorically denied that there was any such agreement.<sup>166</sup> There is a distinction to be made here. When it was claimed later by Heath and Macmillan that the domestic agricultural negotiations were near to completion this was based on the argument that the Mansholt Committee had so altered the tone of the negotiations from the hostility of late December, 1962, that it was possible to hope to make progress. The difficulty was, however, as Soames implied, to translate this into firm agreements. Soames's comments later in life do not indicate that there was any further movement within the Mansholt Committee on the details which would be so critical in any final settlement. Soames said that although agriculture was not going to stop the UK going in and that he wanted the Six to know this, in his opinion this was quite another matter from saying that everything was agreed; as he put in his equine metaphor, it was one thing to agree to get off a horse yet it might be impossible to do so.<sup>167</sup> Bishop, made a different point in the aftermath of the de Gaulle 'veto' when he noted that it was impossible to tell whether the relaxation of tension engendered in the Mansholt Committee was of any real value when balanced against the larger political issues.<sup>168</sup> He considered de Gaulle's press conference had exposed genuine political differences which underlay the technical discussions.

One important point was that any optimistic appraisal of the Mansholt Committee rested mainly on the attitude of the Germans, who had proved so unreliable in the past negotiations. In addition, when it reported to the Council of Ministers, the Mansholt Committee would come up against the Foreign Office ministers, who had the interests of the development of the EEC as a whole, not the agricultural objectives of European Ministers of Agriculture, firmly at the front of policy development. Unless the British were prepared to make major concessions

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<sup>163</sup> PRO MAF 379/141 Interim Report, 21.12.62; PRO MAF 379/146 Committee of Investigation Report, 14.1.63

<sup>164</sup> PRO MAF 379/ 146 Bishop: state of Brussels negotiations, 21.1.63

<sup>165</sup> Beloff, *The General Says No*, p. 146

<sup>166</sup> Franklin email to author

<sup>167</sup> Soames' private papers, kind permission of Churchill College, Cambridge

<sup>168</sup> PRO MAF 379/146 Bishop note for record, 21.1.63



after the presentation of the Mansholt Committee then, as a Foreign Office document made clear, there would be no agreement.<sup>169</sup> As described above, the CMNC did respond to the Mansholt Committee with concessions for Heath to take to Brussels. However, on this evidence it looks unlikely that this would be met with concessions by the Six on the other outstanding matters. The CMNC would be asked to go on to make further concessions if a settlement was to be reached, concessions that ministers' attitudes in January, 1963, indicated would be unforthcoming..

This survey of the position of agriculture on three measures, the opinions of individual ministers, the substantive issues, and the dynamics of the CMNC, has presented evidence to show that on the London side there was a real readiness to take a veto on more concessions in agricultural policy before de Gaulle's press conference. Macmillan is the one politician whose attitudes are needed to finish the jigsaw of senior ministerial attitudes.

Macmillan was under no illusion about the strength of French opposition and what this might mean for the British membership bid. De Zulueta, who had accompanied Macmillan to a meeting with de Gaulle at Rambouillet, 15<sup>th</sup>-16<sup>th</sup> December, 1962, commented that 'the best that could be said of his (de Gaulle's) attitude was that he was doubtful whether the difficulties could be overcome'.<sup>170</sup> Historical accounts and Macmillan's Diary confirm this gloomy assessment of de Gaulle's attitude at Rambouillet; that de Gaulle would insist on hard terms for British farmers and the dire implications of this for British entry to the EEC.<sup>171</sup>

In addition, Macmillan accepted that to a large extent his weight in Cabinet depended on Butler's attitude. In a letter to Butler after Macmillan's return from Nassau, Macmillan said

We resumed Cabinet later in the afternoon in order to have a discussion about the Bahamas talks. Your forecast about the Cabinet attitude proved correct. In these things it is the direction of the initial train of thought which counts for so much, and I would like to say again how grateful I am for the way in which you handled the telegram which I had to send at such short notice.<sup>172</sup>

Thus Macmillan was indebted to Butler for smoothing over Cabinet reactions, in December, 1962, to the Bermuda talks, whilst he had been negotiating with the

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<sup>169</sup> PRO FO 1109/269 Hodgson to Butler, 9.1.63

<sup>170</sup> Franklin's Diary, 17.12.62

<sup>171</sup> Ludlow, *Dealing*, pp. 195-199; BOD MS Macmillan, Dep. 46, 27.5.62

<sup>172</sup> TRC Butler Archive, G40/6/1, Macmillan to Butler, 3.1.63

Americans. It was not that Macmillan would have felt particularly loyal to Butler on this account; it was more that he would have feared the loss of Butler's support and also feared Butler's increasingly powerful position in Cabinet and the CMNC in comparison with his own. Macmillan's instinct with Butler was always to bluff, never to conciliate. The two men met at Buck's on the 8<sup>th</sup> January, 1963 and the talk turned to the succession. Macmillan, always anxious to dismiss Butler as the heir apparent said that in comparison with the Labour Party (whose leader Gaitskell had been rushed to hospital) the Conservative Party had a number of men who would all be very good leaders. He mentioned Home, Hailsham, Maudling and Heath and as Butler said 'he was kind enough to mention myself'.<sup>173</sup> Once more Macmillan left Butler with little sense of personal loyalties between the two men. Thus Butler was given no incentive to counter his instinct to protect domestic agriculture and Commonwealth interests and need have no compunction in withholding CMNC instructions to Heath for the rapid and radical concessions he said he needed to take to Brussels.

The idea there remained a wide gap between the Six and the British over agriculture is reinforced by written evidence from January, 1963, that contrary to what he insisted in his memoirs, at the time the prime minister did not think the agricultural negotiations were near to agreement. In response to Butler's request for permission to travel abroad in his role as negotiator over independence in Central Africa, Macmillan wrote

I was most grateful for your kind letter written on New Year's Day. ...Of course I agree about your going to Africa, and I think the dates are the best that can be found in all the circumstances. I am sure that Brussels *will slip* (my italics) and I do not at present feel it likely that any important decisions on this will need to be taken while you are away.<sup>174</sup>

Butler had arranged to go away the last days of January to about the 12<sup>th</sup> or 13<sup>th</sup> February, 1963. This suggests that Macmillan expected that the negotiations would have slipped back to a date much later than January, 1962, hardly an endorsement of the idea that agricultural policy was near to a settlement at the time of de Gaulle's veto.

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<sup>173</sup> TRC Butler Archive, G40/7, Note of meeting with Macmillan, 8.1.63

<sup>174</sup> TRC Butler Archive, G40/6/1, Macmillan to Butler, 3.1.63

But the most significant point to support the argument that Macmillan allowed a veto over agricultural policy is that in the first week of January, 1963, Macmillan fully understood that he had expended his final drop of political capital, for the time being, over the nuclear issue. At the point when the CMNC was prepared to withhold concessions from Heath over agriculture, Macmillan had no power left to lean on his colleagues to support any other policy. An appeal for Cabinet unity over the nuclear issue had already strained his influence to the utmost and there was no goodwill in Cabinet left for the EEC negotiations. Young describes Macmillan as 'terrified' of the threat the nuclear deterrent talks with the US could pose to his already weakened position in Cabinet.<sup>175</sup> Macmillan had chosen the grand international security and defence issue to use up what remained of his ascendancy over Cabinet (with support from Butler) and he had chosen defence and security over his European policy. This was consistent with the pattern of his attitude throughout the negotiations where he had focused on the wider political issues and failed to give Heath the support he needed over the economic and domestic factors.

Finally, whilst there is no doubt, as Bishop said, that Macmillan continued to be committed to getting into the EEC in principle, this does not preclude the argument that Macmillan was seriously worried about the repercussions if the negotiations ended without terms that could be taken successfully back to his parliamentary party.<sup>176</sup> As Chapters Five and Six showed, during the autumn, 1962, Macmillan had moved steadily closer to the position of Butler and Soames over agriculture, recognising and accepting the pressures exerted on ministers by the Conservative parliamentary party. With concern over his vulnerable position in Cabinet after Nassau Macmillan could not risk adding fears of a backbench rebellion over agriculture to add to Cabinet disillusionment with his leadership.

## Postscript

In the winding up of the negotiations with the Six, Cabinet showed that it was unprepared to allow Heath latitude in Brussels once de Gaulle had made his position clear. An agreement that the scope of any future negotiations with the Five (the Six without France) should be settled in advance in London (that is, not by Heath and the Delegation in Brussels) showed that the momentum of the negotiations was firmly in

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<sup>175</sup> Young, *This Blessed Plot*, p. 143

<sup>176</sup> Written communication from Bishop to the author

London.<sup>177</sup> In the same Cabinet meeting Soames made it clear that he favoured no negotiations without France because this would be unreal, lack conviction and be rejected by France.<sup>178</sup> Thus, Soames was the natural ally Macmillan could turn to if he thought that there was no point in going on with negotiations. On the 26<sup>th</sup> January, 1963, Soames, whilst in MAFF's office, received a phone call from Macmillan telling him that he should be in Brussels with Heath.<sup>179</sup> Soames interpreted this as one of two things; either that Macmillan wanted a 'watch dog' over Heath or that Macmillan wanted him to be in Brussels so that he would be tied to policy developed by Heath.<sup>180</sup> The contents of the telephone call are best recorded in Franklin's words

They discussed the outcome of Cabinet and the PM seemed just as clear as the Minister that (a) if there was to be a break it should come soon, (b) if the Five tried to water down our conditions the Lord Privy Seal should report back to the PM and Cabinet and (c) if it were possible to go on, the Six would have to give us better terms than before, not worse (as the Delegation expect). The PM then invited the Minister to work out a formula which would safeguard our position. This he did with Freddie Bishop, and Michael Fraser who also happened to be in the office, and sent a copy over to the PM. The Minister will have to show it to the Lord Privy Seal when we get over there tomorrow.

I foresee some fireworks.<sup>181</sup>

It is clear from this, and other diary entries, that in contrast to Soames, Heath favoured looking at what might be done to sustain the negotiations.<sup>182</sup> When Heath was finally given the message to halt discussions with the Five there were signs that Heath wished to go on negotiating and only reluctantly agreed that in the circumstances this would be impossible.<sup>183</sup>

Thus these final events show that although dismayed at the failure of the Brussels talks and privately making a diary note that all his policies were 'in ruins' and that there was no alternative to joining the EEC, in reality Macmillan rallied and made swift decisions to shore up his position.<sup>184</sup> Whilst waiting to see how the rest of

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<sup>177</sup> PRO CAB 128/37 CC(63)7 Cabinet, 25.1.63

<sup>178</sup> CAB 128/37 CC(63)5, Soames to colleagues, 22.1.63

<sup>179</sup> Franklin's Diary, 26.1.63

<sup>180</sup> Franklin's Diary 26.1.62, 2.3.63

<sup>181</sup> Franklin's Diary, 26.1.63

<sup>182</sup> Franklin's Diary, 19.1.63, 23.1.63

<sup>183</sup> Franklin's Diary, 2.3.63

<sup>184</sup> BOD MS Macmillan, Dep. 48, 20.1.63; Macmillan, *At the End of the Day*, p. 367

the Six reacted to de Gaulle's veto, Macmillan was intent on holding back Heath from any precipitate agreement. Macmillan's actions suggest that although in no way changing his mind over the need to enter the EEC, and whilst waiting to see how the wind was blowing in Brussels, he had come to the conclusion there could be no agreement with a Six pressing ahead with a CAP which would inevitably lead to an inward looking EEC which his Cabinet increasingly feared and disliked.

## **Conclusion**

This chapter has argued that once negotiations resumed, autumn, 1961, Soames and Heath disagreed over strategy and tactics for dealing with the remainder of the agricultural issues. As a result of the political infighting in London Heath was left in an exposed position at which point he was abandoned by Macmillan because the prime minister could not allow Heath to make concessions which would antagonise Soames who was backed by Butler, the CMNC and many within the wider parliamentary party. At the same time Macmillan would not give Soames the backing to try out his transitional period strategy and thus Macmillan must bear a measure of responsibility, for an unsatisfactory curtailment of the agricultural side of the negotiations, despite the undoubted complex and intractable nature of the issues.

As well as backbench pressures, the issue of agriculture was used by Cabinet members to express general unease and outright opposition to European policy. It was only with Butler's support that Macmillan headed off rebellion in the autumn of 1962.

At the time of de Gaulle's veto, Butler and the CMNC were in a powerful position and the majority of the CMNC were in no mood to give Heath the instructions he wanted to take to Brussels. Domestic agriculture was one of a number of outstanding items on the agenda in Brussels but it was the one which was causing the hold up. Thus, agriculture was centre stage at the time of de Gaulle's veto. This chapter has argued that the CMNC stood close to issuing a veto against further concessions in agricultural policy, which would have prevented the negotiations moving forward even if de Gaulle had not given what amounted to a French no. This is not to argue that agriculture was the cause of the failure of the negotiations as a whole, for as this study has illustrated the negotiations were clearly subject to wide international and domestic pressures and composed of complex economic and

technical issues, but to highlight the party political aspects, particularly ministerial attitudes, that created the main difficulties over agricultural policy in the first British application.

## Final Conclusions

After the failure of the application, there was agreement on both sides of the Channel that agriculture had been a problem. Monnet, in October, 1963, told Ludwig Erhard, German Minister for Financial Affairs, that the negotiations broke down over the question of agriculture.<sup>1</sup> Internal Whitehall histories of the negotiations also pick out agriculture as a central flaw in the negotiating process on the British side.<sup>2</sup> Although an extensive range of other items remained unresolved agriculture was recognised as a stumbling block to agreement on these remaining issues. In contrast to the Six Britain did not off load agriculture, a difficult national issue, to the European dimension.<sup>3</sup>

There has been little disagreement about the underlying reasons for the trouble agriculture presented on the British side. Lieber's view, that the NFU was responsible for pressure on the government has been accepted for the last thirty or so years.<sup>4</sup> This study has rejected this view on the grounds that the NFU's attitude was not a sufficient condition to explain how agriculture became an obstacle to the government's international policy.<sup>5</sup> This study has also dismissed the idea that agriculture was a special case, disagreeing with Milward when he argues that the fate of domestic agriculture was a more easily manageable political problem than that of the Commonwealth.<sup>6</sup> Instead one of the main arguments has been that agriculture was inextricably intertwined with Commonwealth issues.

Turning from the idea of the NFU as the primary influence on agricultural policy, this study has looked to the links between agriculture, internal Conservative Party politics and Cabinet opinion. It agrees with Butt, when he argues that ministers recognised there would be a serious struggle inside the Conservative Party over agriculture.<sup>7</sup> In addition, Ramsden considers that agriculture was so divisive within the Conservative Party, that in the opinion of the Conservative Research Department's Committee on Agriculture and the Party in general, there was no doubt the ultimate failure of the negotiations removed, 'a serious source of political friction.'<sup>8</sup>

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<sup>1</sup> Milward, *The Rise and Fall*, p. 474

<sup>2</sup> PRO T 312/405 C.C.Lucas report, 9.4.63

<sup>3</sup> Knudsen, 'Defining the Policies', p. 428

<sup>4</sup> Lieber, *British Politics*, p. 130. See also Ludlow, *Dealing*, pp. 185-6

<sup>5</sup> Lieber, *British Politics*, p. 130

<sup>6</sup> Milward, *The Rise and Fall*, p. 433

<sup>7</sup> Butt, 'The Common Market', p. 5

<sup>8</sup> Ramsden, *The Making of Conservative Party Policy*, pp. 212-3

Existing historical accounts do highlight the impact of ministerial views upon the course of the negotiations in Brussels. Camps considers that, 'It was clear that Mr. Macmillan, and the ministers and officials most directly concerned with the decision to open negotiations, had made a choice and were prepared to accept the implications of their choice.'<sup>9</sup> This presents a dilemma over the outcome of the agricultural side; if ministers had made a choice (presumably for Europe) then why was agriculture not settled in the early months of negotiation. One of the current historians of Britain and European integration, Milward, is in a similar quandary. Milward argues that by mid-summer, 1962, 'all ministers, with possibly two exceptions, had come to see the EEC as "a port in the storm."<sup>10</sup> Once more the question is, how then did ministers fail to ensure agriculture was settled mid-summer, 1962, and allow it to remain outstanding in January, 1963. Milward's assertion that, 'When it came to the crunch in Cabinet, there would be no group which argued that Britain should stay out of the Community to save its farmers from the comfortable fate of the CAP,' boxes him into an even more paradoxical corner when taken in conjunction with the fact that agriculture was still under negotiation after fourteen months.<sup>11</sup>

On the other hand, the effect of Cabinet opinion upon the negotiations as a whole, has been noted and, correctly, linked with ministers' failure to accept there would need to be radical change on the British side.<sup>12</sup> For example, Ludlow says there were 'too many initial conditions, a failure to alter tactics swiftly when the Six were inflexible, demands for detailed undertakings and the lack of new UK ideas or concessions to meet the Six's terms.'<sup>13</sup> Although the French were undoubtedly intransigent and the Five were unable or unwilling to deal satisfactorily with French tactics, the British contributed most to slow the pace of the talks.<sup>14</sup>

Crowson's description of the dynamics of internal Conservative Party opinion over Europe suggests that the parliamentary party was critically important. He concludes the impression, that opposition to European policy was largely restricted to the Westminster arena, is accurate.<sup>15</sup> This study agrees with this emphasis on the

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<sup>9</sup> Camps, *Britain and the EC*, p. 370

<sup>10</sup> Milward, *The Rise and Fall*, p. 416

<sup>11</sup> Milward, *The Rise and Fall*, p. 433

<sup>12</sup> For an account of the effect of sceptical ministerial views on European policy in the 1950s, see Ellison, *Threatening Europe*, p. 60

<sup>13</sup> Ludlow, *Dealing*, pp. 244-9

<sup>14</sup> *Ibid.*, pp. 246-7

<sup>15</sup> Crowson, *The Conservative Party*, p. 153



parliamentary character of the opposition to the government's European policy and seeks to add to Crowson's analysis of the ideological aspects of Conservative attitudes to Europe, by looking in depth at ministerial opinion in relation to agriculture.<sup>16</sup>

However, the general trend for historians is to note the impact of ministerial and party politics but neglect to look at the idea in detail. For example, Butt concludes that 'Surveying the domestic politics of this period it is difficult to escape the conclusion that conservative feeling had circumscribed the government's approach to negotiations and in so doing had contributed towards their eventual failure.'<sup>17</sup> Deighton mentions that failure by the British government came about because it was hamstrung by domestic considerations and that since Macmillan was determined to carry as many of the Conservative Party as possible with him, this would decrease his room for manoeuvre.<sup>18</sup> Kaiser talks of the 'prejudices' and 'historical mental barriers' preventing the political elite from giving Macmillan wholehearted support.<sup>19</sup> In his view, this added up to a first application that was a desperate attempt to assume the political leadership of Europe (in order to stay the principal ally of the US) and represented an 'inherently conservative approach to Britain's position in the world'.<sup>20</sup>

The central focus of this study has been to radically extend existing accounts of Cabinet opinion and, furthermore, to explain the impact of ministers' doubts and opposition upon the course of the first application. In so doing, this study has implications for a wider historical concept. In his most recent work, Milward argues that the first application was the last throw of a national strategy which attempted to create a world wide framework of prosperity and security for Britain. This national strategy, Milward argues, is a model, by which to judge where a country is heading and for what purpose, and was a reality in the UK, 1945-62. Milward refines this concept of a national strategy, adding that by 1950 at the latest, it consisted of a set of fixed, coherent objectives against which the value of all elements of the strategy could be decided.<sup>21</sup> The evidence presented in this study raises questions about the extent to which the first application may be said to be the final part of a British national post-war strategy.

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<sup>16</sup> *Ibid.*, pp. 221-5

<sup>17</sup> Butt, 'The Common Market', p. 386

<sup>18</sup> Deighton, (ed.), *Building Postwar Europe*, p. 121

<sup>19</sup> Kaiser, *Using Europe*, pp. 205-6

<sup>20</sup> Kaiser in Brivati and Jones (eds.), *From Reconstruction to Integration*, p. 149

<sup>21</sup> Milward, *The Rise and Fall*, pp. 6-8

This study looks at the political elite more thoroughly and consistently over the period of the negotiations, than existing accounts. It does this by looking at the agricultural issue because it was here that the Conservative government had particular party political difficulties. In so doing, it offers a new approach to the study of the first application, albeit still working in the much worked over national and political approach to the conduct of the negotiations. It draws four conclusions.

The first conclusion of this study is that, contrary to Macmillan and Heath's assertions in later life, the agricultural issue was not near to completion at the time of de Gaulle's veto. Agriculture was a problem in negotiations with the Six because of technical, economic and political factors. However, the prime reason for failure was that senior Cabinet ministers were prepared to come close to giving a quiet British veto over policy in London. Although there was a willingness in the CMNC to make British concessions after the Mansholt Committee there remained a wide and substantial gap over the issues which had not been addressed by the CAP. There was certainly a chance that this problem might be overcome by a strong Participation Formula and thus pave the way for last minute package deals but this study argued that it was unlikely. This was because Butler and Soames were not prepared to give on horticulture. In addition, Macmillan would have understood that even if he had been prepared to take the risk, Butler would not. It would have been an unrealistic gamble because members of the Six, like the Italians and the Dutch who strongly supported UK entry, were not be able to give the UK what it needed for horticulture because the demands were too extensive and ran counter to central principles of the CAP (which would make it easy for the French to use it to block agreement). There were other areas of agricultural policy which would be difficult to address in package deals, such as the relative interests of New Zealand and domestic producers, marketing boards, direct grants and the ratio of barley and wheat prices. Therefore, in claiming that it was all the fault of the French, Macmillan was being disingenuous in an effort to spread the blame for the failure of the talks.

It was not just a matter of the underlying issues at the moment of any British 'quiet veto', difficult though they were. As Chapter One illustrated, the tenor within Whitehall (and to a certain degree in the initial stages of the application, within the Labour Party) was to off load the problems of the support of domestic agriculture to the European dimension. Nevertheless, this study has argued that for Soames to have done this precipitously would have endangered political relations between the

Conservative Cabinet and rank and file Conservative Party members of parliament. Moving British agriculture into the CAP without a transitional period with adequate arrangements to smooth the way, could have lead to a split in the parliamentary Conservative Party with the large agricultural section and the centre ground pushing for the replacement of Macmillan with Butler. Butler saved Macmillan in midsummer 1962, in both his 'staunch decision' to lead the Cabinet towards a united front at the Commonwealth Conference and the Conservative Party Conference, and in his ongoing support against the mini revolt voiced by Hailsham. This did not however, blind Macmillan to the true state of affairs if he should seek to push Butler into the massive concessions in agricultural policy which Heath wanted in the autumn of 1962. Butler would then be forced to choose between his characteristic support for the agricultural section of the Party which pleased backbenchers whose backing he needed in a future bid for the leadership, and once more attempting to rally the Party for Macmillan in the interests of a policy he had wished to see pursued in a different fashion. The likely outcome of the latter choice would see Butler tied to Macmillan's unpopularity and going down and out with him. Thus, the incentive for Butler, if pushed too far over agriculture, would be to maintain support for farmers and take the leadership if it could be done without splitting the Party.

Macmillan was unable to back concessions in agriculture, September to December, 1962, that Heath considered necessary to conclude the negotiations with the Six. This was because Macmillan's loss of authority after the Cabinet re-shuffle prevented him from assisting Heath. However, agreement also failed to materialise because Macmillan was increasingly loathe to dismiss the claims of Butler and Soames, that the Party would split if agriculture was settled without decent terms. This is a convincing argument because Redmayne and Macleod had always made it clear to Macmillan that midsummer was their preferred option for the end to the negotiations precisely because they could not guarantee that Party opinion would be willing to deal with much more uncertainty. In addition, as described in Chapter Seven, after the Nassau agreement Macmillan's political capital, in relation to requests for Cabinet to bend to his will, was spent for the time being.

Thus the position of Heath and Soames over agriculture was a microcosm of the negotiations as a whole. On agricultural policy Heath knew what the Six wanted and Soames knew what the Conservative Party would give and the gulf between remained too wide at the time of de Gaulle's veto for a settlement to be on the brink

of emerging. A simplistic interpretation which looks only at the economics of the issues is misplaced. The agricultural issue became more not less political as the negotiations went on and in the final analysis it was the gulf between the stern political will of the Six acting in unison and the needs of UK party politics which was the source of the lack of agreement over domestic agriculture. The effect of this gap in agricultural policy on the negotiations as a whole was that, over the course of the negotiations and building up to four critical months in the final phase of negotiations, political reasons prevented the solution of the agricultural problem *in London*. This meant that agriculture was still on the agenda in Brussels in the first month of 1963, causing a major block to the rest of the negotiations at the breakdown of the talks with the Six.

The second conclusion is that whilst Ludlow was correct in assuming tactics were badly out of kilter with the government's objective of getting into the EEC, it was strategy that was principally to blame for the fact that agriculture remained on the negotiating agenda at the time of de Gaulle's veto.<sup>22</sup> Undoubtedly tactics were badly managed. First, there were serious flaws in the tactical deployment of ministers. The fight over ownership of the agricultural issue in Brussels was ill advised yet it occurred at key points in February, July, and September, 1962. As Chapter Two pointed out, Soames was one of the Cabinet members predisposed to look favourably on UK entry to the EEC and it was a mistake that this impulse was not more built upon. On the other hand it would be fair to say that a certain degree of sympathy might be extended to Heath; so long as both politicians harboured ambitions for the leadership of the Conservative Party, and Soames by-passed Heath in personal requests and discussions with Macmillan, the first application would become one of the contexts in which these personal aims were fought out.

As Chapters Four, Five and Six make clear, the reason tactical difficulties between ministers were not cleared up was because Macmillan was unprepared to give his support unequivocally to one minister. Having appointed Heath Head of the Delegation it seems odd that on critical occasions he failed to support Heath in establishing authority over agriculture in Brussels. There were several reasons for this. First, initially, Macmillan was intrigued by the genuine potential of Soames's new agricultural perspective for European policy. Second, he was unwilling to

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<sup>22</sup> Ludlow, *Dealing*, p.247

disturb Soames's domestic authority because then problems with Butler would have returned. Third, he was unable to move against Butler in the CMNC in the final months because of his weakened authority in Cabinet, and this study has argued, he fully appreciated the depth of trouble the agricultural issue might stir up amongst backbenchers at a time when he could not afford a rebellion. Whilst the failure to resolve the relationship between the two ministers impacted adversely on tactics in Brussels, it also prejudiced policy development. The lack of a bond between the two younger politicians meant that when the moment for choices and decisions came, Soames was not inclined to trust Heath's intentions but instead consistently turned to Butler. In August, 1962, and in January, 1963, this meant that despite his pro-European views Soames would side in the CMNC with Butler. Equally, Macmillan was unwilling to offer Soames unstinting support. In September and October, 1962, he would not give the go ahead for Soames to make a radical change to the length of the transitional period in the hope that this would engender a sense among the Six that the British were prepared at the outset of membership to adopt some of the requirements of the CAP. This meant that tactics were blurred and became *ad hoc* responses to the demands of the immediate context.

Macmillan's greatest tactical error in the deployment of ministers was the appointment of Butler to the chairmanship of the CMNC. The chairmanship of the CMNC enabled Butler to wield a disproportionate influence over the instructions to the Delegation, instructions which became crucial to the outcome of the whole application. Butler's long term personal objective of becoming Macmillan's successor meant that there were moments at which his choices would depend on factors that were outside of the European issue. In the case of the courting of backbench opinion this meant Macmillan was constantly exposed to Butler's advice about the need for this tactic. It was true that the backbenchers were a serious concern for parliamentary party unity but a man less concerned with appeasing them might have looked for ways to circumvent or negate their influence. To be fair to Butler, if he had had his preferred tactic of educating the Conservative Party and the general public prior to an application, then Macmillan might not have been faced with as many difficulties.

The second area where there were serious problems over tactics was in the manoeuvres employed to present the British case. The sheer quantity of requests to the Six over British agriculture, the failure to make early concessions, a lack of trust

in EEC institutions, and the tendency to aggressively pursue MAFF interests, were all responsible for generating an atmosphere in which the Six were not inclined to be generous. For the agricultural issue this was particularly apparent in MAFF's initial high bid, presented to the Six at the February, 1962, ministerial meeting, as well as the lack of a flexible and reasonably rapid response to the implications of the CAP, March-June, 1962, and later to the outline settlement for the Commonwealth, September-December, 1962. On this reading therefore MAFF officials' and Soames's tactics in agriculture were misplaced, unhelpful and downright obstructive to reconciling UK agriculture with the CAP and thus to the progress of the negotiations as a whole.

However, this study argues for a new interpretation of these events because it concludes that it was strategy which governed the tactical mismanagement of the agricultural side of the negotiations. The failure to decide between asking the Six for concessions for either the Commonwealth or domestic agriculture was at the root of the British tactical problems. The predicament for Soames was that he was being asked to take British agriculture into a CAP; this remit was intended to off load the UK agricultural system to the CAP, the European rescue of the nation-state, and in so doing it would facilitate the successful conclusion of the negotiations as a whole. For the UK however, this was not a simple task because as soon as the UK system of agricultural support was removed the old conflict between Commonwealth temperate imports and domestic production, as explained in Chapter Four, would once more be exposed.

Soames's initial strategic impulse was the correct one. In the pre-negotiating period and after the Six's January agreements over the CAP, Soames understood that the British needed to tailor their requests to the needs of the EEC. Throughout the negotiations Soames's first impulse was to suggest ways around deadlock. First, Soames was personally convinced of the need for changes to the British support system. This belief was evident in the pre-negotiating plans for letting go of the existing support system and in the proposals he made to Macmillan in August, 1962, and which he wished to introduce at the Commonwealth Conference. Second, when he came up against opposition from Butler and other elements within the domestic arena to his ideas for radical change, he was pragmatic and developed a new bargaining position which was again designed to ease agriculture into the CAP. It is possible to criticise Soames, as Roll did, that it was not clear that some of his

concessions, such as a shortening of the request for a transitional period, would count against the numerous requests for special treatment for the UK. However, Soames was never allowed the luxury of trying his policy out at the February, 1962, ministerial meeting, the moment at which it would have been most opportune. Instead, throughout the negotiations he had to carry the long transitional period policy which was not a MAFF objective. Third, the long term assurance was designed to be flexible for the negotiations as a whole despite being a defence of UK agriculture and Soames showed that he was prepared to be realistic in the framing of the issue once it was accepted by Heath that it would be taken to Brussels. Personally, therefore Soames intended that agriculture should be solved so that the negotiations as a whole might be successful and he was prepared to devise the means to achieve this.

However, Soames was hindered by the pattern of the Commonwealth needs intruding on MAFF briefs throughout the negotiations. As Chapter Seven illustrated, the autumn of 1962 turned into a replay of autumn 1961 with Heath insisting on the long transitional period whilst Soames argued for a different approach to one which had failed at the beginning of the year. In the same period, Macmillan repeated the same old mistake when the only option he left Heath was a re-presentation of the negotiating briefs for individual commodities barely unchanged since the Clappier Report.

From Heath's perspective he faced complex economic problems and needed to consider the negotiations as a whole all the time, whereas Soames was principally responsible for the single issue of agriculture. For example, in the autumn, 1962, Heath was lumbered with the negotiation of requests from the Commonwealth for the period after transition. Heath knew this to be entirely unacceptable to the Six, except perhaps in the case of New Zealand. It is unsurprising, therefore, that Heath wanted a transitional period that went on for as long as possible because this would push back the date at which Commonwealth temperate producers would face final changes to traditional trade patterns. In this way a long transitional period could be substituted for firm arrangements once the transitional period ended.

Thus Soames was held hostage over strategy by the depredations of the Commonwealth issue whilst Heath struggled with the need to look after the wider issues of the negotiations. The British system had reconciled these differences but on its demise the anomalies in British trading patterns, as described in Chapter Four, would return. In addition, Soames could legitimately claim that he had the backing of

the official strategy for the negotiations to prevent the Commonwealth dominating the agricultural issue. As Chapter Four points out, this meant that agriculture was an issue in its own right and to be dealt with second only to the Commonwealth. The official strategy did not suggest that the agricultural interest should be sacrificed for Commonwealth gain. It might be argued that this initial strategy document should have been amended in response to what the negotiations had revealed about the intentions of the Six but to a large extent the government was bound by statements made to the House of Commons at the beginning of the application.

However, the solution to this problem could never be found in trying to satisfy two competing claims in one set of negotiations. The underlying flaw was that there was little or no direction, no clear course emanating from the very top of government to solve the innate conflict between domestic and Commonwealth temperate agriculture. At the time of de Gaulle's veto this conflict remained unresolved for the New Zealand issue, where an examination of the individual commodity arrangements most important for New Zealand (dairy products, mutton and lamb) revealed the technical impossibility of reconciling interests to the satisfaction of all parties.

In fact, Soames's position was much stronger than Heath's. Not only did Soames have the backing of the ESC but he also could employ the argument that he was looking after the strategic interests of the government and the Conservative Party. In sticking out for terms that might be acceptable to Conservative backbench members concerned over agriculture, Soames was protecting Heath from securing agreement with the Six on terms that were inconsistent with what was known of Conservative opinion back in Britain.

The third and main conclusion is the basis for the two earlier conclusions; the underlying reason for ministers' willingness to come close to issuing a quiet British veto and Macmillan's failure to craft a successful strategy, was that the first British application came too early in the development of Cabinet attitudes towards the EEC to succeed. This study has shown that there are grounds upon which it might be said that ministers' attitudes had altered but this change was limited and in its infancy.

Where agriculture was concerned a measure of transition may be seen in the agreement that the British system of agricultural support should be replaced by European wide arrangements such as those in the CAP. As this study shows, there were signs of alterations in Cabinet views. Soames and MAFF had agreed that much of the agricultural system was expendable and that the only problem was how to get



from the one system to the other. By 1962, other ministers in the CMNC, Butler, Sandys, Maudling, Hailsham, did not express a wish to retain the agricultural system as it was, but merely challenged the idea that it would be quick and easy to move to the arrangements of the CAP in one step immediately upon entry. Thus, although Soames, MAFF and ministers in the CMNC were worried about how to effect change, the principle of change was accepted and, therefore, this study concludes that although beset with party political worries and anxieties, there was a measure of change in ministerial attitudes to agricultural policy.

However, the evidence presented in this study also leads to the conclusion that the extent to which the CMNC was prepared to go to protect domestic agriculture suggests that other factors were uploaded to the agricultural issue. This would be a measure of the infancy of ministerial views towards general change, suggesting that the application came too early to gain the wholehearted support of ministers. Areas in which change would need to take place included the primacy of regional over world trade and finance, interdependence and nuclear co-operation within NATO, a recognition that ties with Europe would take precedence over the Commonwealth, and the willingness to look to European partners rather than the US.

As this study has shown there was discussion at ministerial level about the degree to which the interests of the Commonwealth and British relations with third countries would be damaged by the strictures of the CAP. This was described as Cabinet looking at the shape of things to come in the CAP and making inferences about its autarchic and inward looking tendencies. The important point is that ministers in the CMNC saw European integration as a narrowing down of Britain's future (from a world perspective) not as the opening up and liberalising of trade and the economy. In terms of European integration this was a paradox because fundamentally integration was meant to free-up not constrict. In economic terms it should have meant that intra-European trade restrictions were lifted and measures to enlarge trade facilitated, and in political and security terms, it was intended to relieve the anxieties over future European wars. The problem for British ministers was the emerging nature of the EEC, particularly the shape of the CAP, represented a contraction of British interests to the continent rather than a world perspective. In addition, as the negotiations unfolded the implications of agricultural policy and the CAP, suggested to ministers that Britain would not necessarily be able to influence

policy as it wished even once a member. The negotiations had revealed a new dynamic within the Six, one not susceptible to British influence.

As the historiographical review pointed out, it is mostly assumed that opponents to British entry to the EEC were looking *backwards*, partly to a time when Britain was an imperial power, partly to a golden era when British financial services were unrivalled or even a period when Britain claimed to have maintained a balance of power on the continent in the nineteenth century. This thesis concludes that it was not so much what might have to be relinquished but what might have to be adopted which caused these ministers to baulk at the prospect of joining an EEC with all the implications of an autarchic agricultural policy for the future. Thus the exploration of alternative options, described in Chapter Six, was undertaken not as the search for another port in the storm, but as a positive means of looking to the future with a different national route for the EEC to the emerging European trajectory.

Looking at the ministers individually, Macmillan, Sandys, Soames, remained convinced of the need for innovation in British policy but, from a European perspective, it was in terms of a kind of halfway house, whereby the CAP (and by implication the EEC) would be reset in a British mould. Butler was still very cautious, for domestic reasons, about European policy. This study has shown that it was not only Butler's opposition to the principle of entry which was his guiding motivation but that he remained unconvinced that this was the right approach to the question of closer integration with the EEC. Instead Butler would have preferred to have been charged by Macmillan with the job, in 1960, just after the 1959 election, which would have given the government around four full years, to bring about a sea change in British attitudes towards Europe as he had done with the Conservative Party in the post-war years. In this way Macmillan the 'big ideas' politician would have given over the execution of policy to Butler whom Macmillan always considered the competent backroom man. Even by the time Butler was installed as chairman of the CMNC, autumn, 1961, it was not too late for this style of approach whereas Macmillan's attempt to talk to the nation after the Commonwealth Conference, autumn, 1962, was long overdue. The point is that it was not inevitable that Butler would be as intransigent as he often appears in this study.

Heath was the one exception who remained positively and unequivocally in favour of entry to the EEC. His conviction, despite the misgivings he expressed to Butler and Soames, late 1962, seemed to increase in January, 1963, at the very same

time as his colleagues' belief in the government's European policy receded. It is safe to conclude that Heath's views during the negotiations with the Six developed in a positive manner and became an ingrained part of his political make up.

For the two members of the CMNC who had given no indication throughout the course of the negotiations that they would like Britain to enter the EEC, Maudling and Hailsham, it was the acceptance that an application might be attempted that marked a degree of innovation in their views. However, this compromise with Macmillan's European policy illustrates how primitive their position was in comparison with Heath. Maudling and Hailsham expected, and were ready to take steps to ensure, that the government made it clear to the Six that only the most generous of terms would allow Britain to enter the EEC. In fact what Maudling and Hailsham wanted, and at many times Macmillan shared their views (particularly mid-summer, 1962, when he talked of the Six making it easy for British entry), was for the EEC to metamorphose into the form ministers considered the desirable shape of Europe. It was the realisation that the Five, even without France, had no intention of letting Britain barge into the CAP and alter their hard won agricultural policy, that illustrated to Maudling and Hailsham how far the idea, that Britain could alter arrangements when once a member, was an illusion. Once the decision to apply, as a gesture of goodwill towards the EEC, was shown to be not nearly far enough down the road to what the Six wanted from Britain, then in their continued opposition to entry, the infancy of Maudling and Hailsham's views about closer ties with Europe was laid bare.

Returning to ministers' shared attitudes, it is possible to see that what remained constant was the lack of movement towards the idea of Britain in a European bloc rather than in a world role. Ministers rowed back against the adoption of the CAP because they objected to the implications the CAP had; cutting off food imports, or at least discouraging them, onto the UK market, would, so ministers thought, damage relationships across the world, with the Commonwealth, the US and third countries. This was a sign that ministers were treading water in the development of their views, although not 'backward looking' (an unnecessarily pejorative critique). The attitude of the two pro-European ministers confirms this. Although both had moved significantly from ideas about Britain not being part of Europe, were convinced there should not be a divided Europe, and were sure that Britain should be part of the EEC, Soames and Sandys still wished for an EEC with certain

characteristics. In particular they hoped for a Europe that was outward looking with ties and trade with the rest of the world. This was not merely a matter of economics but rather a question of principle for them, almost a tenet of faith.

Even Macmillan, the one minister (always excepting Heath) who might be expected to have recast his views into a European shape, did not have developed European views that could stand the test of party political pressures. In the final months of the application, when Macmillan was in the most vulnerable position since he became leader of the Conservative Party shortly after the crisis over Suez, he acted according to the two central tenets of Conservative Party government, as identified in the introduction; that the primary impulse of the Conservative Party is to be the governing party and to achieve this it is prepared to make policy sacrifices for the sake of party unity. Butler was in this tradition when he closed ranks with Macmillan in the summer of 1962, and Macmillan acted in this fashion when he refused to support Heath in the autumn of 1962. To act in any other fashion would have split the Conservative Party, destroyed the government and threatened the outcome of the next general election. As Barnes describes, the way in which a Conservative leader deals with factional dissent if it threatens to appeal to the central mass of the Party, is to take over elements of the faction's grievances or ideas, in order to prevent the capture of the central majority. Thus, by December, 1962, Macmillan was prepared to throw in his lot with those CMNC ministers whose attitude had created the most problems over agricultural policy. In the time honoured fashion of Conservative Party leaders, he was able to survive by adopting the attitudes of his ministers and thus maintain ascendancy over the central mass.

In one sense the infancy of ministers' views bolsters Milward's idea that the move to join the EEC was the final throw in a British national strategy in the post-war era. Once EEC developments had the potential to shut the UK out of Western Europe it was essential to apply for membership. British objectives, of certain levels of prosperity and security, would not be achieved through a world wide political and economic framework if the European political economy was not susceptible to British bargaining and influence. Membership of the EEC would keep open one of the worldwide areas so necessary to the British world arena of activity; favourable access to the EEC's intra European trade developments and the attitude of the EEC within the world context, as a benevolent, or non-inimical, force for British interests in other areas of the world, had to be maintained. This was just the sort of EEC Macmillan,

Sandys, Soames appeared to want to enter or to create as members. Once only a European style option emerged, at the terms on offer for the Commonwealth mid-summer, 1962, it was only Heath who appeared to wish to settle with the Six. Macmillan pulled back from this option because it would not service British objectives within the one-world model of a national strategy.

However, the fourth conclusion of this study is that the idea of a national strategy should be re-visited. If ministerial views were too undeveloped over agriculture for the application to succeed, this calls into question the value of the application as part of a national strategy, the commitment to the national strategy and, all told, the existence of a national strategy. The fact that ministers uploaded the Commonwealth issues to agriculture, and hence were expressing the one-world national strategy in a refusal to come to terms with the Six over Commonwealth temperate products, does not negate the real party political concerns about domestic farmers. The point is that attempting to hedge the negotiations around with demands for domestic and Commonwealth farmers was an incoherent fashion by which to achieve the objective of membership of the EEC. After the failures of the FTA and EFTA, change and bargaining for change was fundamental, if there was a national strategy, and that would mean choosing between the conflicting interests of domestic and Commonwealth farmers. Whilst Macmillan, Butler, Heath, other CMNC ministers and many Whitehall officials clearly wanted advantages for the Commonwealth, the fact that party politics, favouring the domestic farmer, was one of the factors that kept agriculture in the negotiations until the beginning of 1963, suggests that any national strategy was submerged under domestic issues which threatened the value of the application. A national strategy with its value weakened, as this study has shown, by the strategy and tactics employed before and during the negotiations, calls into question the value of the application bid as the final throw in the post-war era. Without a clear course plotted for agriculture, there could be no realistic application and without realism the idea of a strategy diminishes. With Macmillan, at the peak of a long political career, unable or unwilling to give the leadership to back Heath, the lack of coherence in the application suggests that Cabinet ministers in the CMNC had no conception of the idea of a national strategy in any sense that could be termed national or strategic. Until it is possible to identify where the national strategy was located in the governing body, the reality of the model in Britain, 1961-3, is called into question. This analysis, based heavily on the

agricultural issue, can only raise but not develop this thought. Nevertheless, the evidence of this study suggests that the usefulness of the model of a national strategy for Britain in the post-war era, should be reviewed.

Conservative policy for Europe retreated over agriculture because of domestic party political pressures. It is true that these domestic pressures were always flanked by foreign policy and security matters. As described in Chapter Seven, Macmillan chose the primacy of nuclear policy over European and it was Nassau and not a domestic issue that left him without an avenue of influence within the CMNC. Therefore this study is not claiming a clear primacy of domestic issues on European matters. What it does maintain is that although there were signs of change, the application came too early in the development of ministers' views. The agricultural issue became the repository of Cabinet anxieties and grievances over European policy and this was a major domestic factor in the willingness of the Conservative CMNC to countenance saying 'not on these terms' to Europe before de Gaulle said no to their government, and is a measure of the impact of Cabinet politics upon foreign policy.

## **Appendix One**

### **Interviews**

Lord Roll, Deputy Leader of the British Delegation at official level, 14.06.2000

Sir Michael Franklin, Principal Private Secretary to the Minister of Agriculture,  
15.10.2002

Sir Christopher Audland, official in the British Delegation, 2004

Michael Strauss, NFU Economist, 7.12.1999

David Scott Johnstone, Chief Economist and General Secretary, SNFU, 26.09.2000

Robin Hicks, Radio 4 'Farming Today' producer, 2000

R. Winegarten, wife of Asher Winegarten, NFU Chief Economist

### *Telephone conversations*

Sir Roger Laval, Principal Private Secretary to Edward Heath, 2006

Charles Capstick, MAFF official, 8.11.01

Barney Holbeach, NFU official, 2000

### **Miscellaneous**

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Centre for Contemporary British History, 25.11.04

'British Agriculture and the UK Applications to Join the EEC'

Chair: N. P. Ludlow   Research: D. M. Twining

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Gordon Kingham, NFU official, 21.2.03

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