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## The making of the CAP : towards a historical analysis of the EU's first major common policy

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# The Making of the CAP:

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## Towards a Historical Analysis

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### of the EU's First Major Policy

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N. PIERS LUDLOW\*

#### Abstract

*This article seeks to explain the emergence of the CAP between 1958 and 1968. It draws attention to four particular political factors that made the policy's birth possible, despite the vagueness of the Treaty of Rome commitment to an agricultural policy and the unpromising precedents of earlier attempts to integrate Europe's agriculture. These were the strength of the coalition pushing for the CAP's emergence (primarily composed of France, the Netherlands and the European Commission), the weakness and inconsistencies of their opponents (Germany and Italy), the favourable international context, and the incremental nature of the policy's development. The article further argues that the complexity of the bargaining over the farm support policy, and the manner in which CAP discussions often became entwined with other seemingly unrelated aspects of EEC decision-making, illustrate how even the early Community of the 1960s was sufficiently complex to require a radical change of approach from those who wish to study its historical development.*

For over four decades, the Common Agricultural Policy (CAP) has been the European Union's most expensive policy, consuming substantial proportions of the EU budget. For most of the first four of European integration's five decades of operation, moreover, the CAP was also incontestably the most complex, the most ambitious, and the most controversial undertaking by the European institutions. And yet amid all the voluminous writings on the CAP's exact manner of operation, its multiple faults and short-comings, and the way in which it might be or should be reformed, there has been relatively little analysis of how the policy was born. This is unfortunate, since the interplay of competing national and institutional perspectives that gave birth to the CAP also reveals much about the nature and workings of the early European Economic Community (EEC).

At least one prominent political science analyst of the EU has recently become aware of this. But while Andrew Moravcsik's extensive writings represent a thought-provoking stimulus to which historians should probably have responded more, his

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ideas about the origins of the CAP rest upon too simplified a reading of the early EEC.<sup>1</sup> For a start, his exclusive focus upon the actions and interests of the largest three EU member states – France, Germany and Britain – is ill-suited for a policy that was much more shaped by other players within the six-country Community of the 1960s than it was by a United Kingdom that proved unable to join before 1973. As will become clear below, neither the Netherlands nor the European Commission deserved the peripheral role in the CAP's emergence to which they were condemned by *The Choice for Europe*. Furthermore, Moravcsik's impressively multi-lingual coverage of a huge range of secondary sources about the EU's formative years, is not sufficient to compensate fully for the absence of detailed archival research. Almost all of the Community's founding member states now release their official papers after thirty years, as do the Community institutions themselves. It is therefore possible to examine the details of discussions within each of the member state capitals and between the Council members and the European Commission, in a fashion that even the most assiduous interviewer would find hard to match. By choosing not to do extensive archival research, Moravcsik thus denies himself the weapon which, though usually wielded by historians, is the most valuable in the armoury.

Quite how much he thereby missed is underlined by the most accomplished recent historical analysis of the early CAP – that by Ann-Christina Knudsen.<sup>2</sup> As yet unpublished, this does highlight how different the CAP's emergence appears when studied with the benefit of archival access and is the source of several of the ideas that will be outlined below. With its focus on 1958–64, however, it can inevitably only chart a portion of the eleven-year process by which the CAP came into being. In particular, its chronological span does not include perhaps the most celebrated crisis to be triggered by disagreements over the CAP, namely the so-called empty chair crisis of 1965–6. Furthermore, Knudsen's concern to explain the deeper socio-economic roots of the CAP sometimes limits the extent to which she can scrutinise the political struggles that surrounded the policy's emergence. This is especially so since the one great gap in her otherwise comprehensive archival coverage is France – the single, most ardent political champion of Europe's farm policy. A political overview of the whole 1958–69 period, which does make use of recent French archival releases, can therefore add significantly to Knudsen's path-breaking study.<sup>3</sup>

Clearly, a step-by-step description of how the CAP was born would require much more than a journal article. Its most famous interpreter in the 1960s, Leon

1 Andrew Moravcsik, *The Choice For Europe. Social Purpose and State Power from Messina to Maastricht* (London: UCL Press, 1998), 159–237; and 'De Gaulle Between Grain or *Grandeur*: the Political Economy of French EC Policy, 1958–1970', *Journal of Cold War Studies*, 2, 2 and 3 (2000), 3–43, 4–68.

2 Ann-Christina Lauring Knudsen, 'Defining the Policies of the Common Agricultural Policy. A Historical Study', PhD thesis (European University Institute, 2001).

3 A really detailed analysis of the multiple French archives relevant to the CAP's birth will have to await the publication of Gilbert Noël's forthcoming study. Unfortunately, this is likely to concentrate exclusively on the French role.

Lindberg, required over sixty pages to analyse its development between 1958 and 1962; Knudsen's account of 1958–64 is over 400 pages long.<sup>4</sup> Those wanting a sequential narrative charting the multiple agricultural marathons which punctuated the EEC's first decade should therefore still look either to the various historical introductions that were written before the governmental archives became available or to a number of memoir accounts left by participants in the process.<sup>5</sup> Likewise, the role in the CAP's development of non-state actors other than the European Commission, and the manner in which Brussels became a focal point for agricultural lobbyists and interest groups, constitutes a subject area too great to be explored here. But what this article can do is identify the key political conditions that explain why a policy whose outlines were only very dimly defined by the Treaty of Rome had, within eleven years, become the Community's flagship endeavour. An explanation will be advanced based upon four key arguments. First, the political strength of the coalition in favour of the CAP will be analysed. Second, the inconsistencies and weaknesses of their opponents will be highlighted. Third, attention will be drawn to the favourable international context. And, fourth, it will be explained why the incremental nature of the CAP's development was a vital element in its successful launch. Throughout, the argument draws upon the archives of the French, German, and Italian governments, as well as those of the European Commission and the Council of Ministers.

### A weak starting position

In order fully to appreciate quite how remarkable the successful emergence of the CAP was during the period between 1958 and 1969, it is important to grasp how weak was its base within the EEC's founding treaty and how unfavourable were all the precedents for agricultural integration within Europe. Agriculture had of course been debated at some length during the negotiations that had created the European Communities.<sup>6</sup> The promise of an integrated agricultural policy had indeed been one of the features that had helped secure political ratification for the Treaties of Rome in France.<sup>7</sup> But the actual legal stipulations contained within the EEC's founding charter were weak, vague and highly underdeveloped when compared to those for

4 Leon Lindberg, *The Political Dynamics of European Economic Integration* (Stanford: Stanford University Press, 1963), 219–82.

5 For two pre-archival accounts see Michael Tracey, *Government and Agriculture in Western Europe 1880–1988* (London: Harvester Wheatsheaf, 1989) and Edmund Neville-Rolfe, *The Politics of Agriculture in the European Community* (London: Policy Studies Institute, 1984). Memoirs include Michel Cointat, *Les couloirs de l'Europe* (Paris: L'Harmattan, 2001); Robert Marjolin, *Le travail d'une vie. Mémoires 1911–1986* (Paris: Robert Laffont, 1986); Siccó Mansholt, *La Crise. Conversations avec Janine Delaunay* (Paris: Editions Stock, 1974).

6 The most comprehensive account of the Treaty of Rome negotiations is Hanns-Jürgen Küsters, *Die Gründung der Europäischen Wirtschaftsgemeinschaft* (Baden-Baden: Nomos, 1982); see also his 'The Treaties of Rome' in Roy Pryce, ed., *The Dynamics of European Union* (London: Routledge, 1987), 78–104; and Edelgard Mahant, *Birthmarks of Europe: The Origins of the European Community Reconsidered* (Aldershot: Ashgate, 2004), 93–120.

7 Craig Parsons, *A Certain Idea of Europe* (Ithaca: Cornell University Press, 2003).

other crucial policy areas. Thus, article 39 set out a range of very general objectives for the CAP and made no attempt at all to explain how it might prove possible to resolve the inherent contradictions between ‘increasing the individual earnings of persons engaged in agriculture’, stabilising markets, guaranteeing supplies and ensuring ‘the delivery of supplies to consumers at reasonable prices’.<sup>8</sup> And articles 40, 41, 43 and 45 referred to various possible mechanisms that *might* be used to establish a European single market in agriculture without establishing which of these different tools ought to be employed or stipulating when such steps should be taken. The only two injunctions as to the timing of the CAP’s emergence were that the Commission was to submit its first proposals to the Council of Ministers within two years of the EEC’s start and that the policy should be up and running by the end of the transition period – that is 31 December 1969. This was very different from the section of the Treaty of Rome detailing how the EEC customs union should be established, which included a detailed breakdown of both the scale and the timing of each move towards the abolition of tariffs between Community member states and the alignment of national tariffs with the planned Common External Tariff.<sup>9</sup> In contrast, it was much more similar to the portions of the treaty devoted to transport or social affairs, both of which were subsequently to become notorious for the EEC’s failure to achieve the objectives it had set itself.<sup>10</sup> The emergence of the CAP cannot therefore be attributed to the clarity or comprehensiveness of its treatment within the Treaty of Rome.

Nor were the precedents for agricultural integration within Europe particularly encouraging. Intra-European trade in agricultural commodities had been extensively discussed during the 1950s.<sup>11</sup> The so-called ‘green pool’ negotiations had however been totally unable to bridge the divergent interests and visions of the multiple European countries involved. No first steps towards agricultural integration had been taken. Again, this was in stark contrast to the situation in the field of industrial liberalisation where negotiations in the framework of the Organisation for European Economic Cooperation, set up under the auspices of the Marshall Plan, had successfully blazed a trail in facilitating intra-European industrial trade that the EEC would subsequently extend and make irreversible.<sup>12</sup> Western Europe’s recent experience of attempted agricultural integration thus reinforced the grounds for pessimism about the CAP’s likely fate indicated by the largely detail-free treaty text, and made it appear highly improbable that Europe’s farmers would be affected by the EEC nearly as much or as quickly as their counterparts in manufacturing

8 Quotations from *Treaty establishing the European Economic Community* (London: Her Majesty’s Stationary Office, 1962), part 2, title II.

9 *Ibid.*, part 2, title I, chapters 1 and 2.

10 *Ibid.*, part 2, title IV and part 3, title III.

11 Gilbert Noël, *Du pool vert à la politique agricole commune. Les tentatives de Communauté agricole Européenne entre 1945 et 1955* (Paris: Economica, 1988); Alan S. Milward, *The European Rescue of the Nation State* (London: Routledge, 1992), 224–317; Guido Thiemeyer, *Vom ‘Pool vert’ zur Europäischen Wirtschaftsgemeinschaft: europäische Integration, Kalter Krieg und die Anfänge der gemeinsamen europäischen Agrarpolitik 1950–1957* (Munich: Oldenbourg, 1999).

12 Richard Griffiths, *Explorations in OEEC History* (Paris: OECD, 1997).

industry. That the CAP was fully operational by July 1968 – its start co-ordinated with the simultaneous beginning of fully liberalised trade of industrial products amongst the six founding EEC members – is therefore an outcome in need of much explanation.

### **A strong coalition in favour**

The first factor central to the way in which the CAP emerged much earlier than most expected was the strength of those pushing for the rapid adoption of a European agricultural policy. Of particular importance was the three-way alliance between France, the Netherlands and the European Commission.

French determination to secure a highly profitable arrangement for their farmers has often been singled out as *the* most important cause of the CAP's development. Moravcsik's recent setting-out of this argument is, in this sense, no more than an updating of the traditional claim, much used by early French analysts, that the EEC rested upon a tacit deal between the industrial interests of West Germany and the agricultural interests of France. As de Gaulle himself was reported to have told his minister of agriculture: '[an agricultural policy] is owed to us, in compensation of the serious risks which we have taken – perhaps incautiously or too early – in the industrial and commercial field.'<sup>13</sup> And while this statement is a major oversimplification (it ignores for instance the extent to which French industry gained from the EEC), it is certainly the case that France tried hard and largely successfully to put its stamp upon the nascent CAP.

French negotiators thus featured prominently in all of the successive Council marathons which finalised the details of the CAP. Edgard Pisani quickly emerged as perhaps the dominant member of the Agricultural Council of the mid-1960s and for the climatic moments of negotiation the French were also able to call upon the still more formidable horse-trading talents of their foreign minister, Maurice Couve de Murville.<sup>14</sup> It was the latter, for instance, who reacted most quickly to Germany's belated acknowledgement in December 1964 that it would have to accept the price level for cereals suggested by the Commission, putting forward a whole raft of procedural suggestions to build upon this German retreat despite the fact that it was ostensibly Kurt Schmücker, the German minister of finance, and not the French foreign minister who was chairing the meeting.<sup>15</sup> This French usurpation of the Presidency helped lead, within two weeks, to the crucial 'nuit du blé' (night of wheat), in the course of which agreement was finalised on the common price system vital to the operation of the CAP.

Nor was it simply through force of personality that the French negotiators were so often able to maximise their impact. The French civil service's method of

13 Cited in Edgard Pisani, *Le Général indivis* (Paris: Albin Michel, 1974), 64.

14 Couve's prowess as a negotiator was acknowledged by his long-term rival, Paul-Henri Spaak. See P.-H. Spaak, *Combats inachevés* (Paris: Fayard, 1969), vol. 2, 365–6.

15 Council of Ministers archives, Brussels (henceforward CMA), 1666/64, Procès-verbal de la 153<sup>ème</sup> session du Conseil CEE (30 Nov.–1 Dec. 1964).

co-ordination of European policy, centred upon the *Service Général de Coordination Interministérielle* (SGCI) was widely acknowledged to be the most effective amongst the Community's founder members, and ensured that all of the French officials and ministers who attended Brussels negotiations had the same clear goals and operated in a manner that reinforced rather than weakened each other's prospects.<sup>16</sup> The contrast with the Germans who were frequently to find their representatives contradicting one another could scarcely have been greater.<sup>17</sup> And this strong co-ordination enabled the French to perfect the technique of heading off potential opponents with well timed side-payments. In June 1965, for example, Valéry Giscard d'Estaing, the French minister of finance, arrived unexpectedly at a Council of Ministers meeting in Brussels to unveil a package of generous financial inducements designed to persuade the malcontented Italians from pursuing their campaign to prevent a deal on the financing of the CAP.<sup>18</sup> In the event it did not prove quite enough. It was nevertheless a striking example of the sense of timing and tactics that made the French so effective within the early EEC.

Similarly, Paris proved highly adept at turning the mechanisms of the EEC system to its own advantage. This was perhaps most obvious in the way in which successive French presidencies used their ability to set the Community's agenda to prioritise CAP advance at the expense of other issues. It was no coincidence that that the 1962 and 1968 agricultural marathons were concluded with a French minister occupying the Council chair, as were the vital, if ultimately unsuccessful, negotiations of June 1965. But it was also apparent from Paris's willingness to moderate its loudly proclaimed aversion to supra-nationality on occasions where Commission control would strengthen the agricultural policy. Thus, in 1964, the French joined forces with the Commission to repulse a determined German attempt to reduce the authority of the Commission-chaired management committees that ran the CAP on a day-to-day basis.<sup>19</sup> From a government whose leader had already spoken so dismissively of supra-nationalism that a number of centrist ministers had resigned over the issue and who would within months embark upon a sustained guerrilla war in Brussels to curb the powers and political ambitions of the European Commission, this was remarkable institutional pragmatism in pursuit of an effective CAP.<sup>20</sup>

16 The SGCI's operation can be traced through the committee's own archives: Archives Nationales Contemporaines, Fontainebleau, (ANF), SGCI files, multiple versements. See also Anne de Castelneau, 'Le SGCI: une réponse administrative aux défis européens de l'après-guerre' in Laurence Badel, Stanislas Jeannesson and Piers Ludlow, eds., *L'adaptation des administrations nationales à la construction européenne: Une approche historique (1920-1975)* (Brussels: Peter Lang, forthcoming 2005).

17 The problem of Bonn's ill co-ordinated aims is discussed further below.

18 CMA. R/850/65, Procès verbal de la réunion restreinte tenue à l'occasion de la 172ème session du Conseil CEE (28 Jun.-1 Jul. 1965).

19 European Commission Historical Archives, Brussels (ECHA), BDT 214/1980, Coreper reports, multiple documents.

20 For de Gaulle's May 1962 press conference that provoked several MRP resignations see Charles de Gaulle, *Discours et Messages* (Paris: Plon, 1970), vol. 3, 406-9; for a discussion of some of the struggles between the French and the Commission preceding the 1965 crisis, see N. P. Ludlow, 'Frustrated Ambitions: The European Commission and the Formation of a European Identity, 1958-1967',

Away from Brussels, the French were every bit as forceful. Especially notable was the manner in which Paris played upon memories of the 1950s, when French opposition had sunk the ambitious European Defence Community project, and threatened to leave the Community were their CAP demands not met. Thus in the run-up to the 1963 agricultural marathon, the French president used one of his regular press conferences to announce that ‘the development of the whole entity will be stopped’ were the CAP time-table not honoured.<sup>21</sup> The following year the tactic was employed again, with Alain Peyrefitte, the presidential spokesman, telling the press that ‘France will stop participating in the European Economic Community if the agricultural Common Market is not organised in the way that was agreed’.<sup>22</sup> And then in 1965, as Germans, Italians and Dutch had been showing increasing signs of being ready to call France’s bluff, the French took matters one stage further by actually withdrawing their representatives from Brussels and initiating a boycott of the Community in the aftermath of the June 1965 failure to reach the scheduled deal on CAP finance.<sup>23</sup> France, in other words, was not prepared to let its partners believe that, in the light of its earlier successes in Brussels, it was now so firmly committed to the EEC experiment that its allegiance could be taken for granted.

Use of the metaphorical stick was backed up by the carrot. The French repeatedly told their partners, and the Germans in particular, that concessions on the CAP would be matched by gains elsewhere. Thus in December 1961 – as the final stage of the second great agricultural marathon approached – the French President wrote to Konrad Adenauer, the German Chancellor, promising that: ‘If the agreement upon the rules and regulations that has so far proved elusive can be achieved, France will certainly not obstruct the developments foreseen by the Treaty of Rome, the essential basis of Europe’s political action.’<sup>24</sup> France, in other words, would look kindly upon Germany’s Community priorities were the Federal Republic to be co-operative on the CAP. Likewise, the French dropped multiple hints to Adenauer’s successor, Ludwig Erhard, that progress towards European political union, which he so energetically pursued, would be the likely result of German flexibility over agriculture. In June 1965, for instance, de Gaulle seemed suddenly very open about the possibility of re-starting dialogue amongst the Six about foreign policy co-ordination, despite the fact that only three months earlier the French had refused to discuss this topic on the grounds that no progress was likely.<sup>25</sup> That a new CAP

in Marie-Thérèse Bitsch, Wilfried Loth and Raymond Poidevin, *Institutions européennes et identités européennes* (Brussels: Bruylant, 1998), 322–4.

21 de Gaulle, *Discours et messages*, vol. 4, 128–9; the threat was later reiterated bilaterally to the Germans: *Documents Diplomatiques Français 1963* (Paris: Imprimerie Nationale, 2000), vol. 2, document 253.

22 *Le Monde*, 22 Oct. 1964.

23 French motivations are well analysed in Maurice Vaïsse, ‘La politique Européenne de la France en 1965: pourquoi “la chaise vide”?’ in Wilfried Loth, ed., *Crises and Compromises: The European Project, 1963–1969* (Baden-Baden: Nomos, 2001), 193–214.

24 Charles de Gaulle, *Lettres, Notes et Carnets* (Paris: Plon, 1985), vol. 9, 174.

25 *Documents Diplomatiques Français 1965* (Brussels: Peter Lang, 2003), vol. 1, document 271; the contrast is clearest with de Gaulle’s comments to the Dutch ambassador earlier in the year, document 112.



deadline was looming and German co-operation was once more required is the most likely explanation for this sudden, apparent, change of heart.

For all their energy and ruthlessness, however, the French would not have been able to secure a working CAP had they alone been pushing for European co-operation in agriculture. In a multilateral setting like the early EEC, even the most powerful member state needed allies, if only to reinforce the message that the CAP was a European venture, and not just a mechanism for subsidising French farmers. It was therefore vital that they were joined in their crusade by continental Europe's other most effective agricultural exporter, the Netherlands. The Dutch, after all, were actually *more* successful exporters of farm produce throughout the 1960s than were the French, and had every reason to want a system that would make irreversible their ability to sell agricultural products to their European partners in much the same way that the EEC customs union guaranteed the Netherlands access to the market for industrial products in Germany and the rest of the Six.<sup>26</sup> It was true of course that Dutch agricultural priorities were not identical to those of France. Horticulture, for instance, was much more important to the Netherlands (and Italy) than it was for France. And the Dutch would have preferred an agricultural system that would assist their agriculture while at the same time allowing them to go on importing low-cost cereals from outside the EEC. But the shared desire to see the rapid establishment of a working European agricultural policy outweighed such differences between Paris and The Hague.

The Dutch hence threw themselves into the pursuit of a CAP with just as much determination as the French. Indeed, the Netherlands pioneered the tactic of refusing to permit EEC advances in non-agricultural areas unless parallel moves were made towards CAP objectives. In December 1960, the Dutch held hostage the planned 'acceleration' of the tariff-removal timetable which was being championed by the Commission and the French but was widely supported by the other member states, unless and until the Germans ended their foot-dragging on the principle of variable levies – the first major building block in the planned agricultural policy.<sup>27</sup> Their eventual success may well have encouraged the French to follow suit in subsequent years. And the principal Dutch negotiators – Joseph Luns, the long-serving foreign minister, but also Victor Marijnen and Biesheuvel who were successive ministers of agriculture – rivalled Pisani or Couve de Murville in their forcefulness and impact in Brussels.

The real importance of the Dutch to the politics of the CAP's birth, however, went beyond their direct impact in the course of Council discussions. For there were two crucial ways in which The Hague's advocacy of a CAP altered the dynamics of debate

26 OECD figures make clear that the Dutch sold more farm produce to their EEC partners than did the French throughout the 1960s. The argument that Dutch support for the EEC derived from a desire to make irreversible their access to the German market in particular is in Milward, *The European Rescue of the Nation-State*, 173–96.

27 Johan Molegraaf and Ralph Dingemans, 'The Netherlands and the Common Agricultural Policy, 1958–1963' in Anne Deighton and Alan Milward, eds., *Widening, Deepening and Acceleration: the European Economic Community, 1957–1963* (Baden-Baden: Nomos, 1999), 156–8.

on this issue amongst the Six. The first was that the Netherlands helped Germany to go on believing that a European agricultural policy might not necessarily be highly disruptive to the Community's position in world trade for far longer than would have been the case had France alone been the key mover behind the CAP. Throughout most of the 1960s, West Germany had a highly jaundiced view of French commercial instincts, believing Paris to be incorrigibly protectionist and intent on creating the whole of the EEC in its own image.<sup>28</sup> The Dutch, however, were seen in a very different light, since they, like Germany, were a low-tariff country with a good record of taking the 'liberal' side in most discussions in Brussels. It was therefore of some importance in the agonised German debate about the CAP that the Dutch as well as the French were in favour of an agricultural policy, and that Dutch representatives seemed to believe that an agricultural policy could be devised that was not necessarily unduly protectionist. In the late autumn of 1963, for instance, as the Germans braced themselves for yet another round of agricultural discussions in Brussels, the Dutch permanent representative in Brussels, Dirk Spierenburg, sought to send a reassuring message to Bonn that the Netherlands too held EEC trade with third partners to be of vital importance and that The Hague believed that the CAP could be adjusted so as not to disrupt these commercial links.<sup>29</sup> Bonn's subsequent (ill-placed) faith that it had succeeded in building vital reassurances about the CAP's impact upon third parties into the December 1963 accords makes much more sense in the light of these Dutch reassurances.<sup>30</sup>

Still more important was the way in which the Netherlands' interest in seeing a CAP develop deprived those hostile to the policy of support from the member state that was least adverse from clashing openly with Paris. As will be explained below, both Germany and Italy had strong political reasons to avoid too overt a confrontation with the French. They were therefore wary about taking their efforts to challenge the French over the CAP too far. The Dutch did not share these qualms: whether over political union or EEC enlargement, Luns and his ministerial colleagues seemed almost to relish their frequent confrontations with de Gaulle.<sup>31</sup> The French returned the compliment, repeatedly identifying The Hague as their most persistent, and formidable, opponent on Community matters. But on the CAP, shared economic self-interest pushed both countries onto the same side of most debates, thereby placing all the onus for resisting the policy onto Bonn and Rome. The repeated German and Italian climb-downs that were to characterise the decade during which the CAP was created were the inevitable result. And it is surely no coincidence that on the one occasion when the French found that they were *not* able to prevail and were forced

28 See for instance *Akten zur Auswärtigenpolitik der Bundesrepublik Deutschland 1963* (henceforward *AAPD 1963*), document 78.

29 Bundesarchiv, Koblenz (BAK), Bundeskanzleramt files (BKA), B136, Band 2589, Bömcke note, 26 Nov. 1963.

30 BAK, BKA, B136, Band 2589, Kurzzusammenfassung der Ergebnisse des Ministerrats der EWG vom 16–23 Dec. 1963.

31 Luns' memoirs contain a chapter proudly entitled 'My no to de Gaulle'. Joseph Luns, *Ik herinner mij . . .*, (Leiden: A. W. Sijthoff, 1971), 139–63.

in response to carry out their threat to withdraw (albeit partially and temporarily) from the Community was in the 1965 negotiations over CAP finance when the Dutch had temporarily switched sides and aligned themselves with the Germans and Italians.<sup>32</sup>

The 1965 negotiations also highlight the importance of the third member of the pro-CAP coalition, namely the European Commission. For, as with the Dutch, the discussions over CAP finance that triggered the empty chair crisis were notable for being the one occasion during the 1960s when the Commission and the French found themselves on opposite sides of a CAP debate. Again, therefore, the exception rather underlines the rule: on most CAP negotiations the French (and the Dutch) were greatly helped by the support that they received from the EC's self-styled 'executive'. Indeed, one participant in the 1961–63 membership discussions with the British – significant portions of which revolved around protecting the nascent CAP – described the relationship between the Commission and the French as being akin to that between the pope and the Holy Roman Emperor.<sup>33</sup> Both the reasons for the Commission's enthusiasm about the CAP and those that made such enthusiasm so important for the successful emergence of the agricultural policy do therefore need to be examined a little more closely.

The Commission's reasons for desiring a CAP were highly political. Under its first president, Walter Hallstein, the Commission saw itself as the vanguard for a sweeping transformation of the way in which Europe was governed, which would eventually culminate in full political federation.<sup>34</sup> In order to hasten this process, however, the Commission needed to press ahead with at least one ambitious common policy. Negative integration, such as the removal of tariff barriers, would not suffice, since it would not require the same degree of common decision-making and common governance as a fully-fledged common policy, and would not therefore exercise the same transformative influence over the governments and peoples of Europe. Instead, it could be carried out by the sort of light-weight secretariat that characterised less ambitious European structures such as the European Free Trade Association (EFTA). A major common policy, by contrast, would require a degree of political and bureaucratic activism, and a common budget high enough to emphasise that the Commission was a political player and not just an international civil service.

Of all the possible candidates for Commission activism, none seemed more promising than agriculture. For a start, agriculture was a deeply problematic sector, where change of some sort was almost certainly necessary. It was very different from

32 For details see Anjo Harryvan and Jan van der Harst, 'For Once a United Front. The Netherlands and the "Empty Chair" Crisis of the Mid-1960s' in Loth, *Crises and Compromises*, 173–92.

33 Cited in Nora Beloff, *The General Says No* (London: Penguin, 1963), 123; for the centrality of the CAP to the enlargement discussions, see N. Piers Ludlow, *Dealing With Britain: The Six and the First UK Application to the EEC* (Cambridge: Cambridge University Press, 1997), esp. 92–104.

34 The best public source for Hallstein's vision is Walter Hallstein, *Europe in the Making* (New York: Norton, 1972). Much of its content, however, was set out in innumerable speeches while Hallstein was still Commission President. See ECHA, speeches collection.

the monetary field, for instance, where in the late 1950s and early 1960s the Atlantic institutions of the Bretton Woods system seemed to be working sufficiently well for there to be little need of European activism. Furthermore, it was a sector with strongly organised professional bodies, with whom the Commission might, over time, be able to build the type of relationship necessary to break the purely national mould of European politics.<sup>35</sup> And finally, and perhaps most importantly, it was a policy area where Commission activism was likely to be viewed favourably by the country most crucial to the success of the European experiment, namely France. As the 1950s had shown, France was the member state most able to make or break the European integration process.<sup>36</sup> With de Gaulle back in power, moreover, its commitment to the treaties signed by the government of Guy Mollet could not be taken for granted. An operational CAP would therefore help, in Hallstein's telling metaphor, to entangle de Gaulle in so many threads that the French president would be unable to break up the EEC.<sup>37</sup> Self-interest and self-protection thus blended with a genuine belief that an integrated approach to agriculture could improve the lot of Europe's still sizeable rural population to persuade the early European Commission to concentrate much of its energies upon the quest for a CAP.

The Commission's contribution to the making of the CAP was threefold. The first, and perhaps most distinctive, feature was its role in providing the basic ideas upon which the agricultural policy was based. This went far beyond its treaty-given role to draft all EC legislation, and instead encompassed most of the creative thought that went into establishing the CAP. Moravcsik is hence entirely wrong to talk about the shaping of the CAP constituting 'a straight defeat' for the European Commission.<sup>38</sup> Instead, as Knudsen demonstrates convincingly, both the underlying structure of the policy and numerous vital details such as the price level selected for cereals (a decision which then set the tone for all subsequent price decisions) were the work of the Commissioner responsible for agriculture, Sicco Mansholt, and the small but high-calibre team he had assembled in Brussels.<sup>39</sup> Naturally, some of the Commission's ideas underwent a degree of modification in the course of the fraught Council negotiations that transformed Commission proposals into European law.<sup>40</sup> And equally it is true that, as Moravcsik points out, the Commission in general and Mansholt in particular would have liked a policy that had less disruptive effects on global trade

35 For a discussion of the influence over the early European Commission of neo-functional thought, including the belief that a rapport with professional bodies and interest groups was central to the integration process, see Jonathan P. J. White, 'Theory Guiding Practice: the Neofunctionalists and the Hallstein EEC Commission', *Journal of European Integration History*, 9, 1 (2003), 111–31.

36 See for instance the Italian diplomat's comments cited in Milward, *The European Rescue of the Nation-State*, 223.

37 *Foreign Relations of the United States 1964–8* (Washington: US Government Printing Office, 1995), vol. 13, 112.

38 Moravcsik, *The Choice for Europe*, 208–17.

39 Knudsen, *Defining the Policies*, 148–224, 368–76.

40 See, for instance, the number of special subsidies that the Germans, Italians and Luxembourgers managed to claim in the course of the final days of the grain price negotiation in 1964: CMA, R/1269/64, Procès-verbal de la réunion restreinte tenue à l'occasion de la 154<sup>ème</sup> session du Conseil CEE (12–15 Dec. 1964).

patterns.<sup>41</sup> For this reason the Commissioner would certainly have wanted to see more money devoted to the structural improvement of European agriculture in such a way that Europe's remaining farmers would require less commercial protection in the medium term.<sup>42</sup> But the fact that the policy did not function in practice quite as the Commission had hoped in no way alters the historical reality that Mansholt and his team were the principal authors of the legislation that brought the CAP into being.

The second Commission contribution was as a key player in the multiple Council negotiations that established the agricultural policy. Here too, Moravcsik's claims that these negotiations represented the triumph of intergovernmentalism and the defeat of the Commission's views does not tally with archival evidence.<sup>43</sup> Instead, it makes much more sense to view these negotiations as a clash of national interests certainly, but one where the input, both technical and political, of the Commission was a crucial factor in their eventual outcome. Mansholt in particular was a heavy-weight player in virtually all of the Council negotiations over agriculture, not least because of the way in which his grasp of the intricate mechanisms of the nascent policy was vastly superior to that of all others. At one stage of the British membership negotiations he even had to get out a blackboard to explain some particularly recondite point to the assembled ministers.<sup>44</sup> The political impact of his November 1963 intellectual demolition of the German case against the early CAP is a clear case in point: once he had finished talking, none of the German suggestions for reform made a month earlier remained upon the Council agenda.<sup>45</sup> And such technical expertise was flanked with a good sense of political timing. In virtually all of the key marathons, the Commission intervened at a crucial point with a compromise package designed to even out the national losses and gains that the legislation would cause.<sup>46</sup> Almost invariably the final outcome of the talks bore a close resemblance to this final Commission package. Little wonder therefore that even the French – who for ideological reasons were seldom generous in their praise of the Commission – repeatedly acknowledged the vital contribution that Mansholt and his colleagues had made to the CAP's emergence.<sup>47</sup>

41 Moravcsik, *The Choice for Europe*, 210.

42 Mansholt's single biggest defeat was the emasculation of his 1968 plan for structural reform – but this came *after* the rest of the CAP had been successfully put in place.

43 Moravcsik, *The Choice for Europe*, 212–17.

44 N. Piers Ludlow, 'Influence and Vulnerability: the Role of the Commission in the Enlargement Negotiations' in Richard Griffiths and Stuart Ward, *Courting the Common Market: The First Attempt to Enlarge the EEC 1961–1963* (London: Lothian Foundation Press, 1996), 144.

45 CMA, 1496/63, Procès-verbal de la 115<sup>ème</sup> session du Conseil de la CEE, 12–15 Nov. 1963. For the German attack on the CAP, see CMA, 1368/63, Procès-verbal de la 112<sup>ème</sup> session du Conseil de la CEE, 15 Oct. 1963.

46 See by way of example the package deal that brought the May 1966 talks to a successful end: CMA, R/609/66 Procès verbal de la réunion restreinte tenue à l'occasion de la 185<sup>ème</sup> session du Conseil CEE (4, 5, 9–12 May 1966).

47 See for instance de Gaulle's (grudging) comments in the wake of the December 1964 accords: cited in Alain Peyrefitte, *C'était de Gaulle* (Paris: Fayard, 1997), vol. 2, 273. Rather less jaundiced were

Finally, the Commission also played a fundamentally important role in creating the widespread belief that the fortunes of the CAP and the fortunes of the whole European integration process were inextricably bound together. As will be argued further below, this linkage mattered immensely, since it blunted many of the sharpest attacks on the CAP, whether from internal sceptics like the Germans or Italians, or from external critics such as the United States. But it would have been much less convincing a view-point, if it had emerged at all, had the policy really been a simple product of French (and perhaps Dutch) national interests, championed exclusively by two out of the six member states. It was thus of great significance that the most high-profile advocate of CAP advance was an institution ostensibly designed to speak for the 'European interest' and generally held in high political esteem in those capitals, Bonn, Rome and Washington in particular, from which the strongest dislike of the nascent CAP emanated. No French spokesman could have had the same impact in a meeting of German farmers with the claim voiced by a Commission representative: 'No price alignment – no agricultural policy – no European unity.'<sup>48</sup> The manner in which an attack on the CAP came to be equated with an attack on European integration as a whole, was a direct and vital result of the energy with which the Commission had adopted the creation of the CAP as its central early task.

#### **The weaknesses and inconsistencies of its opponents**

The leading internal malcontents with the CAP were the Germans.<sup>49</sup> Economically, the Federal Republic was a major agricultural importer, with little interest in paying artificially high prices for its food. Its own farmers, moreover, while much too inefficient to survive in a fully liberalised agricultural market, were scarce enough and unproductive enough to have been effectively protected by a much less grandiose and expensive system than the CAP. Bonn thus resented paying over the odds primarily to subsidise agricultural production elsewhere in Europe. Furthermore, the international repercussions of the CAP were contrary to the interests of western Europe's most successful industrial exporter. Any disruption to global trade patterns caused by Europe's farm policies was likely to cause disproportionate harm to Germany's successful exporters. Indeed, one early casualty of the CAP was Bonn's deliberate policy of buying much of its food requirements from countries such as the United States, to which it wanted to sell its own industrial products. And intellectually, the dominant figure of postwar German economic policy-making, the long-serving minister for economics and then chancellor, Ludwig Erhard, was a persistent and

Boegner's comments a year earlier: ANF, SGCI files, versement 900638, article 25, Boegner to Couve, tel. no. 23/DE, 3 Feb. 1964.

48 Cited in Ann-Christina Lauring Knudsen, 'Creating the Common Agricultural Policy. Story of Cereal Prices' in Loth, *Crises and Compromises*, 131.

49 For the background to Bonn's approach see Thiemeyer, *Vom "Pool vert" zur Europäischen Wirtschaftsgemeinschaft* and Gisela Hendriks, *Germany and European Integration. The Common Agricultural Policy: an Area of Conflict* (Oxford: Oxford University Press, 1991).

vocal critic of the CAP.<sup>50</sup> Successive ministers of agriculture and leaders of the German farmers' union (the *Deutscher Bauernverband*) were also hostile towards most of the agricultural policies that came out of Brussels although not necessarily to the principle of a European agricultural policy.<sup>51</sup>

This mixture of economic, political and intellectual discomfort with the emerging CAP, fed through into both foot-dragging within the Council of Ministers and several abortive pushes for root and branch reform. The former would perhaps reach its apogee over the question of cereal prices in 1963 and 1964 – due to dogged German opposition to any early move towards common prices, the first internal deadline of April 1964 was missed and the second, of 15 December 1964, was only met after massive international pressure was placed upon the Bonn government – but was in fact a feature of virtually every agricultural marathon from 1960 onwards.<sup>52</sup> The various French and Dutch pressure tactics discussed above were devised primarily to counter just such behaviour on the part of the Germans. And the push for reform constituted part of Gerhard Schröder's so-called 'action plan' of April 1963, was reiterated in October 1963 by two German state secretaries, Rolf Lahr and Rudolf Hüttebräuker, rumbled on through 1964 with a sustained if unsuccessful German effort to alter the operation of the management committees that controlled short-term decisions about the CAP, and was again extensively discussed in Bonn in the early months of 1966.<sup>53</sup> None of these efforts achieved much. But they do bear witness to Bonn's underlying dislike of the way in which the CAP was developing. And yet, despite the strength of this antipathy, the Germans found themselves consistently outmanoeuvred and out-negotiated by those pressing for an agricultural policy.

The ineffectiveness of the Federal Republic's efforts to halt, slow or modify the CAP can be traced to a number of factors. The first was the inconsistency of the arguments put forward by the Germans. Thus in 1960 and 1961 their initial complaints were directed at the undue haste of the Commission and its allies in pushing for early CAP decisions when there was no need for an agricultural policy to be in place until the very end of the decade. Throughout 1962 their focus was on the way in which the CAP was being raised as a complicating factor in the course of the membership discussions with the British. The next year the German charge sheet concentrated on the disruptive effects of the CAP upon Germany's food imports from outside the EEC. From late 1963 until the end of 1964 Bonn was obsessively concerned

50 See for instance Erhard's comments to the US Ambassador: *Foreign Relations of the United States 1964–8* (Washington: US Government Printing Office, 1995), vol. 13, 91.

51 Knudsen, 'Defining the Policies', 136–8.

52 The best account of the lengthy struggle over cereal prices is Knudsen, 'Defining the Policies', 277–376; see also Hélène Delorme, 'L'adoption du prix unique des céréales' in Pierre Gerbet and Daniel Pepy, eds., *Le décision dans les Communautés européennes* (Brussels: Presses Universitaires de Bruxelles, 1969), 269–96.

53 For Schröder's presentation of his action plan CMA. R/295/63 Procès-verbal de la réunion restreinte tenue à l'occasion de la 100ème session du Conseil de la CEE, 1–2 Apr. 1963; for the state secretaries' assault, CMA, 1368/63, Procès-verbal de la 112ème session du Conseil de la CEE, 15.10.1963; for Germany's criticism of management committees, ECHA, BDT 214/1980, S/0484/64, Noël note on 19.2.1964 Coreper meeting; for a flavour of internal German discussions of CAP reform, BAK, BKA, B-136, Bd. 3546, Herwarth to AA, tel. no. 91. 5 Feb. 1966.

with cereal prices. And in early 1965 the main issues seemed to be the cost of the policy and the way in which it was not being flanked by advance towards non-agricultural EEC objectives. Each of these grievances had some basis in reality. But the rapidity of Bonn's movement from one to another undermined the effectiveness of each individual complaint and inflamed French and Commission suspicions that the Germans were really seeking to destroy the whole policy.<sup>54</sup>

Furthermore, the Federal Republic's representatives in Brussels also found their position weakened by the deep policy divisions over the CAP that characterised debate in Bonn. In the spring of 1966, for instance, the German permanent representative found himself being rebuked by Hüttebräuker for having continued to insist that all advance towards the CAP be accompanied by parallel progress in the Kennedy Round of GATT negotiations. Instead, the state secretary at the ministry of agriculture maintained that Germany's representatives should have been pressing for a number of detailed provisions in the Community's treatment of sugar and dairy production.<sup>55</sup> In such circumstances it became extremely difficult for Germany's negotiators to counter effectively the much better co-ordinated, and often better argued, French or Dutch case *for* CAP advance.

To make matters worse for Bonn's representatives, their case was frequently undermined by the commitments into which their government had already entered. The October 1963 push for CAP reform for instance, was hamstrung not only by the need to couch everything as a constructive 'improvement' to the CAP so as not to contradict either Bonn's acceptance of the Treaty of Rome provisions on agriculture or the unanimous outcomes of the December 1960 and January 1962 agricultural marathons, but also by the fact that the Germans themselves had put forward a timetable for Community advance that included the pledge to conclude the new set of CAP agreements by the year's end.<sup>56</sup> Setting out a programme for wide-scale reform in October was scarcely compatible with such a target. Likewise, Germany's efforts in the spring of 1965 to question the importance of the 30 June deadline for a deal on CAP finance, were highly vulnerable to the charge that Bonn had accepted this deadline in January 1962 and had allowed it to be reaffirmed by the December 1964 agreement. Needless to say, the French representatives pressed home this argument with all their customary vigour.<sup>57</sup> The Germans, in other words, frequently found that they were already too bound up within the nascent CAP to be able easily to escape from its provisions.

The problem of prior commitments also underlined a second major weakness in Germany's efforts to obstruct the CAP, namely the way in which anti-CAP stances were often overridden by Bonn's wider political objectives. Germany's involvement in the whole European integration process was a deeply political choice designed to

54 For an example of French suspicions see de Gaulle's comments as reported in Peyrefitte, *C'était de Gaulle*, vol. 2, 263.

55 BAK, BKA, B-136, Bd. 8319, Hüttebräuker to Sachs, 25 Feb. 1966.

56 For the presentation of the German timetable see CMA. R/295/63 Procès-verbal de la réunion restreinte tenue à l'occasion de la 100<sup>ème</sup> session du Conseil de la CEE, 1-2, Apr. 1963.

57 CMA. R/850/65, Procès verbal de la réunion restreinte tenue à l'occasion de la 172<sup>ème</sup> session du Conseil CEE (28 Jun.-1 Jul. 1965).



secure a number of primarily political goals.<sup>58</sup> Given that such goals included both Franco-German *rapprochement* and the continuation of the integration process itself, it was always likely that the Bonn government would periodically be forced to downplay its economic aims so as to protect either links with Paris or the onward march of the EEC. Thus to have held out indefinitely against a successful outcome of the CAP marathon of December 1961 to January 1962 might have been to endanger the smooth progression of the Community to the second stage of its development and to disrupt the increasingly close ties between Konrad Adenauer and de Gaulle. Similarly, by late 1964 Erhard seems to have been conscious that further German obstinacy over cereal prices might worsen his already strained rapport with the French (something for which he was being bitterly criticised by influential factions within his own party) and would almost certainly condemn to total irrelevance the proposals for European political union which he had just launched with much fanfare.<sup>59</sup>

Nor was it just Bonn's deeper political objectives that clashed, often decisively, with its desire to slow, amend or block the CAP. For Germany was also highly conscious during much of the mid-1960s of the way in which impasse over agriculture might threaten the EEC's common approach to the Kennedy Round.<sup>60</sup> A successful outcome of the GATT talks was deemed essential for the Federal Republic's economy and of equal value to Bonn's relationship with Washington.<sup>61</sup> Here too, therefore, Bonn's wider aims hindered the extent to which German negotiators could slow the CAP's advance and made the Germans extremely vulnerable to threats from the French in particular. The 1963, 1964 and 1966 agricultural marathons are all likely to have been affected by Bonn's awareness of looming Kennedy Round negotiation deadlines and its realisation that obstruction over agriculture might well provoke French retaliation over GATT.<sup>62</sup>

Also of some importance in weakening the German critique of the CAP was Bonn's own tendency towards agricultural protectionism. Nowhere was this clearer than over the issue of cereal prices, where the refusal of Germany's government to force its own farmers to accept a lower grain price obliged Bonn to push for and obtain a Community price level that made a surge in French grain production almost inevitable. The consequence was seriously to weaken Bonn's ability to achieve meaningful CAP reform. For a start, the Germans were forced to resort to ever more improbable suggestions as to how production could be lowered within the Community *without* the price level upon which Bonn had proved so obstinate being

58 Herbert Müller-Roschach, *Die deutsche Europapolitik. Wege und Umwege zur politischen Union Europas* (Baden-Baden: Nomos, 1974).

59 Ulrich Lappenküper, "Ich bin wirklich ein guter Europäer" Ludwig Erhards Europapolitik 1949–1966', *Francia*, 18/3 (1991), esp. 110–11.

60 See, for instance, Lahr's description of the cereals price accord as the 'key' to Kennedy Round progress: Rolf Lahr, *Zeuge von Fall und Aufstieg. Private Briefe 1934–1974* (Stuttgart: Albrecht Knaus, 1981), 412.

61 Auswärtiges Amt archives, Ref. 200 (IA2), Bd. 1152, Aufzeichnung 'Stärkung der europäischen Gemeinschaften', 8 Feb. 1965.

62 For one of the many German documents acknowledging the link between the CAP and GATT see BAK, BKA, B-136, Bd. 2589, Auswärtiges Amt note, 'Europäische Gemeinschaft', 12 Nov. 1963.

altered.<sup>63</sup> Furthermore, the French, towards whom most of Bonn's complaints about surplus production were directed, remained able throughout the decade to rebut the German critique by reminding Bonn that such overproduction was the inescapable and widely foreseen result of the price level upon which the Germans themselves had insisted.<sup>64</sup> The Federal Republic's overall ability to act as a champion of liberalism within the context of the CAP was thus seriously restricted by its own weakness in the face of pressure from domestic farmers.

Such German failings might have mattered less had Bonn enjoyed consistent support from elsewhere in the Community. Unfortunately for the Federal Republic, however, the only other country to harbour widespread misgivings about the CAP, Italy, was a highly imperfect ally.<sup>65</sup> For not only did the Italians share some of the same inconsistency of approach that had weakened the Germans, but they also sought a set of solutions for their CAP difficulties that were totally at odds with those pursued by Germany. Rome and Bonn were therefore seldom able to combine forces effectively in order to challenge the French, the Dutch and the Commission.

The first reason that Italy's opposition to the CAP proved less than totally effective was that it was very slow to develop. Not unreasonably, Italy, as a country with a large agricultural population, initially believed that it might draw substantial benefits from the CAP. In particular, there was a hope in Rome that the policy would act as a mechanism to channel useful European funds towards the impoverished and heavily agricultural Mezzogiorno. Italian representatives in the early CAP discussions, while expressing some anxieties about the short-term capacity of their farmers to compete within a European market, had thus decided to side with France and Holland in pushing for CAP advance.<sup>66</sup> It was only in the mid-1960s as the policy began operation that the Italians began belatedly to realise that the CAP as they had allowed it to develop was extremely contrary to their economic interests.

At the root of the problem were the commodities covered by the first tranche of CAP regulations and the manner in which the agricultural policy was paid for. The former were almost exclusively northern European agricultural products – cereals, poultry, dairy produce and pigs. Few subsidies were therefore paid out initially to Italian producers of olive oil, wine, rice or tobacco. And the latter heavily penalised countries that imported substantial quantities of food from outside the EEC. Unfortunately for the Rome government, one of the unexpected side-effects of the increasing standard of living enjoyed by its population during the 1960s, was that Italians began to consume much higher quantities of meat than before, much of it imported from countries such as Denmark, Argentina or the United States. This

63 For an extract from the rather unconvincing German cabinet discussions of this see BKA, B-136, Bd. 8319, Kurzprotokoll für die 20. Kabinettsitzung des Bundesregierung, 25 Mar. 1966.

64 See Archives Nationales, Pompidou papers, 5AG2/1035, Gaucher to Lemerle, 14 Sept. 1969.

65 The most detailed recent study of Italy and the CAP ends its analysis too early to take account of the mid-1960s shift in the Italian stance: Giuliana Laschi, *L'agricoltura italiana e l'integrazione europea* (Berlin: Peter Lang, 2000).

66 Rosemary Galli and Saverio Torcasio, *La partecipazione italiana alla politica agricola comunitaria* (Bologna: Il Mulino, 1976), 30–1.

had the perverse effect of turning Italy – which despite its rapid growth was still the poorest of the Six – into the largest net contributor to the agricultural fund. Far from being a welcome source of additional money, the CAP was therefore a significant drain on the resources of the Italian state.

Once this became clear, the Italian government belatedly sought to redress the problem in Brussels. From mid-1964, Rome made a series of approaches to the Commission and to its European partners asking for the CAP to be substantially altered.<sup>67</sup> And in the spring of 1965, the Italians were still more vigorous than the Germans or Dutch in their resistance to the French attempt to finalise the arrangements for CAP finance.<sup>68</sup> But like Bonn, Rome was hamstrung in such efforts to hinder the CAP's emergence by the fact that it had acquiesced in each of the early agreements setting out the gradual development of European farm support. And also like Germany, the Italians were loath to campaign whole-heartedly against the CAP were this to cut across other foreign policy objectives.

Admittedly, by the late 1960s, relations between Rome and Paris were so strained that the need to protect Franco-Italian links did not constitute a significant reason for moderating the attack on the CAP. Indeed, some Italians seemed to feel that the general discord between the two countries made it more and not less imperative to block the CAP. As one Italian diplomat commented: 'It would be absurd to finance, albeit indirectly, the *force de frappe* [de Gaulle's putative nuclear strike force] by means of an agricultural policy too beneficial to France.'<sup>69</sup> But the Italians were highly conscious of the need to protect the EEC – from which their industrial exports benefited substantially and which the Italians hoped to see expand over time into an out and out political entity – and were thus susceptible both to French threats and to the perception that a working CAP was a *sine qua non* of general European advance. Furthermore, Italy was the smallest and least powerful of the early Community's 'big three' and was hence reluctant to take on the French single-handedly.<sup>70</sup> It was therefore particularly unfortunate that the CAP solutions sought by the Italians were entirely out of line with those pursued by the other main CAP-sceptic, namely Germany.

By the mid-1960s, Rome had identified two main ways in which Italy's budgetary problem with the CAP could be resolved. The first would be to broaden the range of products covered by the generous subsidy system so as to include more commodities of relevance to Italian farmers.<sup>71</sup> And the second was to increase the percentage of the total CAP budget devoted to structural assistance to inefficient farmers – a

67 See, for instance, Archivio Centrale dello Stato (ACS), Ministero del Bilancio e della Programmazione Economica (MBPE), vol. 93, Moro to Hallstein, 6 Jun. 1964.

68 For an analysis of Italy's role in this see N. Piers Ludlow, 'Challenging French Leadership in Europe: Germany, Italy and the Netherlands and the Outbreak of the Empty Chair Crisis of 1965–1966', *Contemporary European History*, 8, 2 (1999), esp. 245–7.

69 ACS, MBPE, vol. 93, Venturini to Rome, 12 Jan. 1964.

70 For an example of Italian awareness that Bonn was better placed to counter de Gaulle see *Attilio Cattani* (Rome: Ministero degli Affari Esteri, 1987), 114.

71 ECHA, BDT 144/92, SEC(66)871, Sigrist note on Coreper meeting, 16 Mar. 1966.

system of payouts from which Italy gained more than any other member state.<sup>72</sup> Such solutions had the great merit of being highly *communautaire* and therefore not contradicting Italy's traditional role as an advocate of EEC advance. But they had the major disadvantage of being on collision course with the Germans' preferred solution to their CAP headache, which was to diminish the overall level of CAP expenditure.<sup>73</sup> Italy, in other words, wanted the EEC to spend its way out of the CAP problem; Germany meanwhile sought cut-backs and financial caution. There was hence little scope for more than a fleeting alliance between the two states least happy with the early agricultural support system.

### **A propitious international environment**

If internal opposition to the early CAP was largely without impact, that from outside the EEC was no more effective. Again, the CAP had no shortage of potential foes. The policy was contrary to the interests of those numerous countries – including the United States – that had traditionally exported large amounts of agricultural produce to western Europe. It was a potentially serious disincentive to countries such as Britain that spent much of the 1960s contemplating EEC membership, likely at best to complicate the already taxing task of negotiating Community enlargement and at worst to introduce a burden so high as to render UK membership unfeasible. As the decade progressed and substantial European surpluses emerged and were exported at subsidised rates onto the world market, it also began to constitute a threat to market stability. And it was a standing affront to the notion of economic liberalism at a time when the United States was seeking to use mechanisms such as the GATT to promote a more open operation of the world trading system. But for a variety of reasons none of its numerous critics proved able to bring sufficient pressure to bear on the EEC actually to divert or slow the emergence of the policy in any significant fashion.

The United States could have been the policy's most formidable external adversary. US farm exports to western Europe were worth over \$1 billion in 1961.<sup>74</sup> The United States therefore had a great deal to lose. Washington in the early 1960s, moreover, was acutely sensitive to its growing balance of payments deficit with western Europe and keen to redress this by means of increasing exports. A drop in farm sales to the Six (or still worse to the enlarged Community) would therefore be all the harder to bear. And the Americans possessed multiple means of leverage over western Europe. Not only did Washington enjoy strong ties with the European Commission, but it

72 CMA, R/609/66, Procès-verbal de la réunion restreinte tenue à l'occasion de la 185ème session du Conseil CEE, 4–12 May 1966.

73 The Italians retrospectively acknowledged their lack of closeness to Bonn on these issues: ACS, MBPE, vol. 94, Resoconto sommario della 66a riunione ristretto dei direttori generali incaricato dei problemi CEE e delle relazioni con i paesi terzi, 13 May 1966.

74 *Statistical Abstract of the United States. 1962* (Washington, US Department of Commerce, 1962). This figure is for western Europe as a whole, rather than for the EEC. Given, however, that the largest western European country not within the EEC, Britain, had applied to join and seemed likely to be a member by 1963 or 1964, these western European figures give a reasonably accurate impression of how much US trade appeared to be at stake.

also had means to bring pressure to bear on each of the member states represented in the Council of Ministers. It was also the EEC's prime interlocutor in the vital Kennedy Round negotiations, which the Community was deeply committed to bringing to a successful outcome. It ought therefore to have been able to influence EEC decision-making over the CAP.

Nor were the United States shy about making their views known. In May 1961 Hallstein visited Washington and was told in no uncertain terms of US concern about the planned agricultural policy.<sup>75</sup> Later in the same year, these warnings were reiterated by US Agricultural Secretary Orville Freeman and in the final stages of the marathon CAP negotiations of December 1961, President Kennedy dispatched a special assistant, Howard Peterson, to Brussels to ensure that US needs were not overlooked.<sup>76</sup> Likewise, in autumn 1962 Freeman toured Europe, making a series of outspoken speeches in which he warned of the dangers which a protectionist CAP might entail.<sup>77</sup> Mansholt was invited to the United States in April 1963 and told once more of the importance which Washington attached to the continuation of strong agricultural trade links between the United States and Europe.<sup>78</sup>

All such efforts were undermined, however, by the basic political awareness, on both sides of the Atlantic, that the US commitment to the success of European integration was a fundamentally political choice that was not going to be significantly altered by arguments over agricultural trade, however valuable.<sup>79</sup> In the course of the period during which the CAP emerged, Washington was busy urging the countries of Western Europe to do more together not less and sought at virtually every stage to promote the integration process not attack it.<sup>80</sup> No threats of an 'agonising reappraisal' of US policy could thus be issued over the CAP, nor, had they been, would they have been remotely credible. Likewise, US bluster within the context of the Kennedy Round was difficult to take entirely seriously.<sup>81</sup> It was certainly the case that Washington would have been pleased had the GATT talks been able to safeguard US agricultural exports to the EEC. But, ultimately, the United States was too eager to see the Round as a whole brought to a successful conclusion to allow its agricultural desires to override its wider commercial interests. By 1967, when the negotiations reached their climax, the Americans had thus allowed the agricultural component of the talks to be reduced to a largely empty shell, so as to permit the overall success to which Washington was so committed.<sup>82</sup>

75 *Foreign Relations of the United States. Western Europe & Canada, 1961-3*. (Washington, United States Printing Office, 1995) vol. 13, 97-100, 113-6, 128-34.

76 *Ibid.*, 99.

77 *Le Monde*, 21 Nov. 1962.

78 *FRUS 1961-3*, vol. 13, 194-8.

79 Geir Lundestad, *Empire by 'Integration': The United States and European Integration, 1945-1997* (Oxford: Oxford University Press, 1997), 13-28.

80 *Ibid.*

81 Ernest H. Preeg, *Traders and Diplomats. An analysis of the Kennedy Round of negotiations under the General Agreement on Tariffs and Trade* (Washington: Brookings, 1970), 140.

82 Thomas Zeiler, *American Trade and Power in the 1960s* (New York: Columbia University Press, 1992), 217-45.

British opposition was even more ham-strung, UK negotiators did admittedly press for what would have amounted to root and branch reform of the CAP in the course of Britain's first membership negotiations in 1961–3.<sup>83</sup> And had the British bid succeeded, it is likely that London and Bonn would have joined forces substantially to alter the CAP's course.<sup>84</sup> But the failure of the first application both postponed the Anglo-German alliance against the CAP that the French had so feared, and taught the British that membership negotiations were not the time or the place to seek to adapt the EEC. By the time London approached the Community again in 1967, the British had learnt that in order to maximise their chances of getting in, they had to accept the EEC as it was, rather than seeking substantially to alter it on their way in.<sup>85</sup> British negotiators were still highly conscious of this political reality during the 1970–2 membership talks that were finally to bring the United Kingdom into the EEC.<sup>86</sup> Any hopes of radically transforming the EEC *before* Britain joined had thus to be firmly suppressed. And in between membership bids, the United Kingdom was to discover the extremely limited nature of any single third country's influence over the complex internal bargaining of the Six, especially in the ever-sensitive field of agriculture. It would prove hard enough for London to keep the question of general commercial links between the EEC and the rest of Europe somewhere close to the top of Community's agenda during the 1963 to 1966 period, without complicating this task with any attempt to steer the Community's agricultural policy from the outside.<sup>87</sup>

It was even harder for other, less powerful countries to have an impact. European neighbours like Denmark tried repeatedly in the course of the 1960s to persuade the Commission to take into account their interests as traditional agricultural suppliers to the EEC.<sup>88</sup> While Mansholt expressed sympathy for their plight, however, he was able to offer no real solution other than the suggestion that Denmark either apply to join the Community or seek a solution within a multilateral forum like the Kennedy Round. And non-European suppliers such as Australia were to realise during much the same period that having a representative office in Brussels in no way guaranteed that their pleas about the CAP would be heeded.<sup>89</sup> In the complex Council discussions out of which the agricultural policy emerged, the distant voices

83 Ludlow, *Dealing With Britain*, 103.

84 *ibid.*, 186–7.

85 For Labour's realisation of this, see Helen Parr, *Harold Wilson and Europe*, (London: Routledge, forthcoming).

86 Con O'Neill, *Britain's Entry into the European Community. Report on the Negotiations of 1970–1972* (London: Frank Cass, 2000), 38–41.

87 British frustration at the difficulty of keeping the EEC's relations with the UK 'at the foreground of Community thinking' is well-captured by PRO, FO371 182299; M1063/1, O'Neill to Gordon Walker, Annual Report on the European Communities for 1964, 2 Jan. 1965.

88 Morten Rasmussen, 'Joining the European Communities. Denmark's Road to the EC Membership, 1961–1973', PhD thesis, European University Institute, Florence, 2004, 143–5.

89 N. Piers Ludlow, 'Too Rich, Too Stable and Too Far Away. The EC and Trade with Australia during the 1960s', *Australian Journal of Economic History*, 41, 3 (2001).

of countries not inside the EEC, were all but drowned out by the varied and multiple interests of those countries that were present at the negotiating table.

### **An incremental policy**

The final factor that needs to be taken into account when explaining the birth of the CAP, is the way in which the policy emerged gradually from a series of interlinked and yet separate decisions spread over the best part of decade, the full implications of which were not wholly apparent until the process was complete. Thus the 1957 decision to include an agricultural policy within the EEC was distinct from but led logically to the reaffirmation of this idea at the 1958 Stresa conference. This in turn paved the way for the 1960 decision on the variable levy system – the Commission's policy response to the mandate it had been given at Stresa. Once the central mechanism of the CAP had been identified, it made sense to decide how this tool could be used in the first tranche of commodity regulations finalised in January 1962. And once one set of agricultural products had been singled out for special treatment, pressure accumulated for other commodities to be brought within the system. The further agricultural marathons of December 1963, June 1966 and May 1968 hence represented logical sequels. The full operation of the emerging system, moreover, also required additional agreements on internal price levels and on the manner in which the increasingly expensive common policy should be financed. These needs therefore led to the December 1964 cereal price accord and the May 1966 agreement on CAP finance. This chain reaction was not necessarily unstoppable. But it did possess a strong degree of internal logic that increased the pressure on all of the member states to acquiesce in each successive step. The numerous internal deadlines for further advance included within most of the agricultural deals struck only added to such pressure.

This gradual emergence also had a number of other consequences. First of all, as argued above, it meant that those who sought to slow or block the policy were constantly vulnerable to the accusation that they had signed up to earlier agreements and were hence under a degree of obligation to allow the process that had begun to continue. From 1960 onwards, virtually no agricultural marathon was complete without multiple references back to earlier rounds of Community negotiation. This phenomenon was facilitated by the fact that several of those most involved in the successive sets of Council talks – Mansholt himself, for instance, or Couve de Murville – served lengthy terms that enabled them to accumulate an extraordinary collective memory of earlier CAP discussions. And, second, it meant that no single meeting was confronted with a clear-cut decision between a liberal or a protectionist agricultural policy. The levy system accepted in December 1960, for instance, was not of itself a guarantee that the CAP would be protectionist. It was only when this was combined with the decision taken four years later to set EEC prices at a level close to the high German domestic price, that the surge in European domestic production that would lead to growing EEC agricultural self-sufficiency became inevitable. The intervening 1962 agreements, meanwhile, meant that comparatively

low-cost European producers like France who might have been expected to resist too high a European price precisely because of the likely rise in production were absolved from the financial consequences of any such production increases by a system of CAP finance that transferred the cost of paying for surplus production onto the shoulders of countries like Germany that imported food rather than those who produced it. And Bonn chose temporarily to accept this future cost so as to avoid a short-term confrontation with its own farmers' leaders. The Six thus found themselves sliding into a highly expensive and protectionist system without ever having held a generalised discussion about the merits or otherwise of such a policy departure. As Erhard would lament somewhat plaintively to the Americans, the EEC had 'glided into [the CAP agreements] as if in a dream.'<sup>90</sup>

### Conclusion

There was nothing particularly dream-like about the CAP's overall emergence, however. It was instead the complex outcome of a lengthy and fraught negotiation, spread out over the whole of the EEC's first decade of operation. Any analysis of this ten-year debate, moreover, needs to recognise it as a highly political process. For while the basic European acceptance that *something* needed to be done for the still sizeable farming population may have been determined in part at least by socio-economic realities, the genesis of the policy itself had much more to do with the politics of the early EEC.

The CAP thus constitutes a monument to the effectiveness and determination of both Dutch and French national representatives and to the dynamism and intellectual fertility of the early European Commission. Its frustrated opponents meanwhile received a number of object lessons in how *not* to operate within a European context. The Germans and Italians shifted target too often to be effective and repeatedly appeared intent upon re-opening bargains already struck. They attracted criticism for ill-faith and non-*communautaire* behaviour that neither country desired and saw many of the genuinely sensible points they made about the emerging policy dismissed as yet more Italian or German sour grapes. They also failed signally to co-ordinate their tactics with one another and were hence seldom able to balance out the normally solid French-Dutch-Commission alliance with a persistent Bonn-Rome counterweight.

The ineffectiveness of external criticism, meanwhile, highlighted the speed at which the EEC became a decision-making system in which responsiveness to the needs of insiders was bought at the expense of near total inflexibility when dealing with those not within the Community. Even the United States, a power that in the 1960s seemed to have so many tools at its disposal to influence the EEC, proved almost entirely unable to make its views count in Brussels. Finally, a political analysis of the CAP's birth underlines the extent to which European policies can acquire a strong degree of internal logic that can propel negotiations forward, sometimes at the expense of proper debate about the full consequences of each action. Although

90 *FRUS* 1964-8, vol. 13, 91.



the neo-functionalists who sought to describe the early Community were undoubtedly wrong to turn this inner logic and momentum into an inexorable force bound to spill over into yet more integration, their exaggeration should not entirely discredit the importance of the incremental manner in which European policy advanced.<sup>91</sup> As both the Germans and the Italians were repeatedly to discover to their cost, no CAP milestone could be passed without there being a resultant increase in the calls for the EEC to press onwards. In such circumstances it became extremely hard to delay or still more to reverse the process. Few of the individual decisions taken during the 1960s can thus be properly understood in isolation from those that had been taken before.

The emergence of the CAP in the course of the period 1958–68 is also a good illustration of how complex EC policy-making was from the very outset. The stream of Community agreements and legislation that established the complex farm support system was not the result of any single factor or any single player. Instead, its development can only be thoroughly explained by an analysis that covers most if not all of the member states and the Community institutions. Nor can the CAP's birth properly be understood by an account that never strays beyond the discussions of agriculture itself. For on multiple occasions over the ten-year span which gave rise to the CAP, agricultural agreements were struck that only make sense when read in conjunction with other parallel Community decisions about enlargement, the Kennedy Round, the establishment of the customs union, or the repeated attempts to transform the EEC into a political union with a co-ordinated foreign policy stance. The common agricultural policy, in other words, was so much at the heart of the Community's overall political system, that its birth cannot be properly interpreted without a strong sense of the overall functioning of the early EEC and an ability to place seemingly technical agricultural bargains within their proper Community context.

For historians of the European Community, this underlines the necessity of doing research that draws upon multiple national and institutional archives, and which is not too narrowly confined to a single policy area. Studies tracing the behaviour of single actors or the discussions that surrounded one seemingly distinct policy area have their uses of course. But such detailed investigations need also to be flanked by more ambitious attempts to trace the interplay between different member state and institutional players and the cross-connections between multiple policy arenas. An analysis of France and the common cereal price decision of December 1964, however impeccably grounded in archival findings, cannot hope in isolation to capture the full complexity of the process that led to this single decision. Instead, historians need to acknowledge that in attempting to analyse a multilateral process like

91 The most famous neo-functional analysis predates the CAP: Ernst Haas, *The Uniting of Europe. Political, Social and Economic Forces, 1950–1957* (Stanford: Stanford University Press, 1958) but his ideas were picked up and applied to the early EEC by Lindberg, *The Political Dynamics of European Economic Integration*.

European integration, neither the multiplicity of national and institutional actors nor the continuous and ongoing nature of bargaining in Brussels can safely be ignored.

Accepting this does not mean accepting, partially or wholly, the theoretical assumptions of those political scientists who have worked on the EC/EU. Indeed, arguably many of their claims – if not their theoretical conclusions – are even harder hit by systematic historical research than those of most historians. But it does mean that some political historians at least need to move beyond the national political framework which has long been their preferred stamping ground, and adapt their techniques to the rather different challenges posed by supranational decision making in Brussels. A European political system of sorts has now been in existence for over half a century. It is about time that historians did more to respond fully to this reality.