

# Rome to a Fallen Wall

## 1958-1989

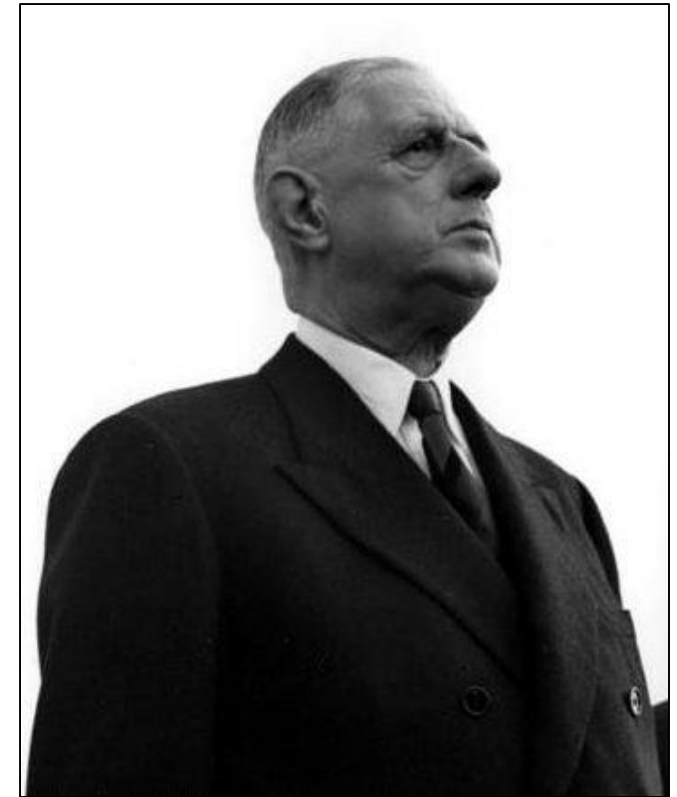
POL 134: IR IN WESTERN EUROPE

*“The new method of action developed in Europe replaces the efforts at domination of nation states by a constant process of collective adaptation to new conditions, a chain reaction, a ferment where one change induces another.”*

- Jean Monnet, 1943

# I. Integration and de Gaulle

- Charles de Gaulle's vision of integration
  - Fouchet Plan: political union
- Euratom
  - Clashes with French government
  - Weakened institution
  - French nuclear weapons
- British application vetoed (1963)
- Empty Chair Crisis (1965)
  - French delegation walk out of Council of Ministers
  - Luxembourg Compromise
    - Retention of unanimity
- French withdraw from NATO



de Gaulle, 1961



*Redoutable*, 1971  
First French nuclear submarine

# II. Economic Exclusion

- Implementation of the EEC
  - Phased integration and issue linkage
- Main features of EEC
  - 1) Common market
    - CET; EEC as trade bloc; free movement
  - 2) Common Agricultural Policy (CAP)
    - 90% of budget; increase productivity; stabilize prices/supply
- Excluded non-members
- European Free Trade Association (1960)
  - Eliminated tariffs between members
    - Austria, Denmark, Norway, Portugal, Sweden, Switzerland, UK



Europe pulls away  
1959 cartoon



# *Outside looking in*



**UK and the Common External Tariff of EEC**  
1960 cartoon



**UK kept outside of the CAP**  
1962 cartoon

# III. Events of 1970s: Completion

- Hague Summit (1969): completion, widening, deepening
- Completion:
  - Reversed Luxembourg Compromise
  - Commission budget and Parliament oversight

# Events of 1970s: Enlargement

- Enlargement
  - UK invited back to negotiations
  - Treaties of accession (1972)
    - UK; Ireland; Denmark; Norway
  - 1973: UK, Ireland, Denmark join



# Events of 1970s: Deepening

- Deepening
  - European Political Cooperation (EPC)
    - Successes:
      - 1) Middle East policy
      - 2) Helsinki Accords
      - 3) voting bloc in UN General Assembly
  - Paris 1974
    - European Council
    - National election of European Parliament

# Widening vs. Deepening

## *Discussion Activity*

- Widening and deepening are two integration objectives
- Are these two objectives at odds with one another?
  - i.e. Are increasing membership and expanding issues negative correlated?
- With a partner(s) discuss how if these two principles are negatively related.
  - Does widening stand in the way of deepening?
  - Can widening promote deepening?

# Events of 1970s: Recession

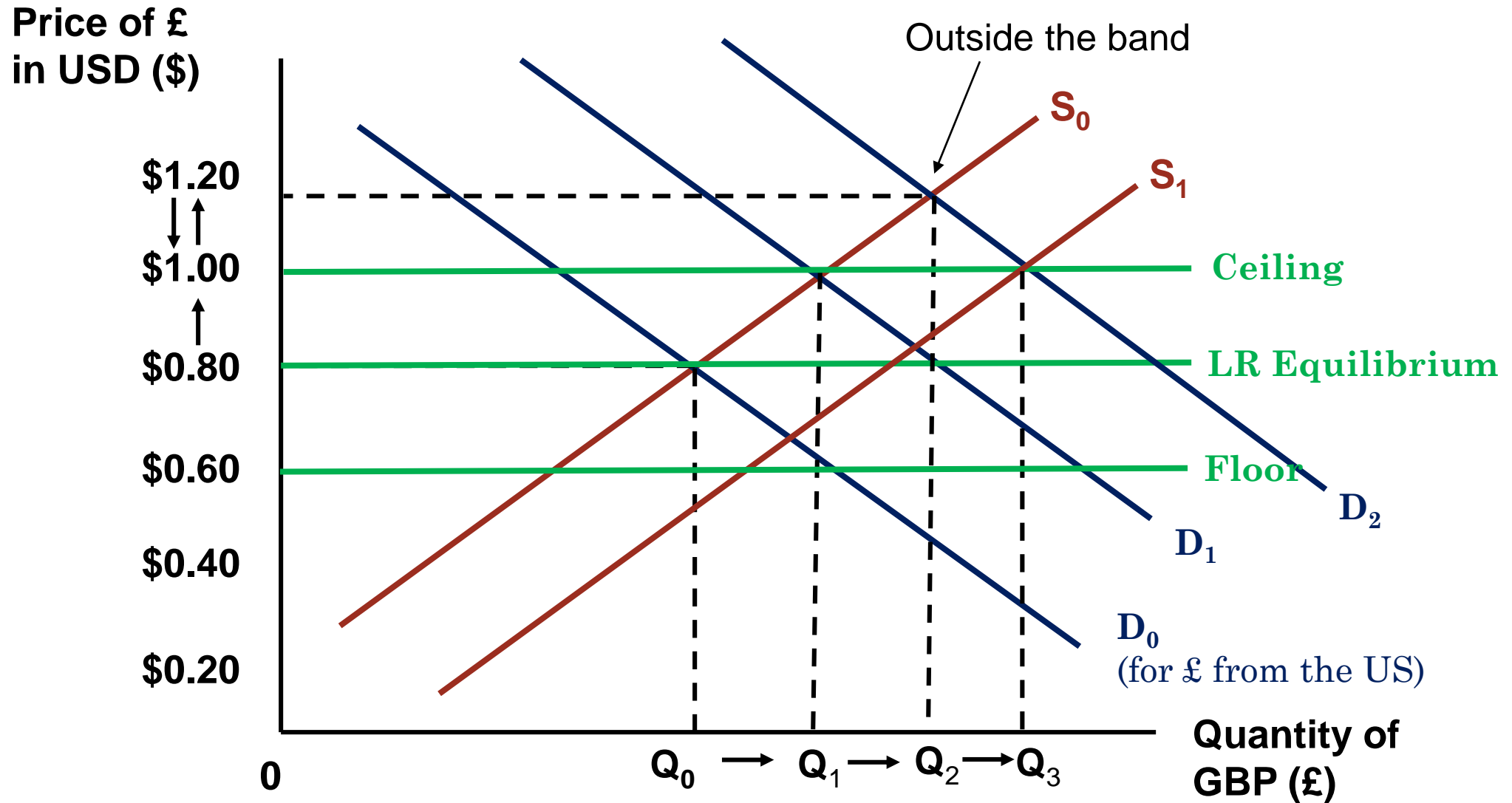
- Collapse of Bretton Woods (1971)
  - Shift from fixed to floating exchange rates
- Oil Crisis (1973)
  - OPEC supply cut and embargo
- Stagflation
  - Reduced output and currency inflation
- Slowed integration
- Need for currency cooperation

# IV. European Monetary System

- Currency alignment (1979)
  - Goal: All central banks intervene to protect a member's currency
    - Managed float of currencies
- 1) European currency unit
  - Basket of European currencies
- 2) Exchange rate mechanism (ERM)
- 3) European Monetary Cooperation Fund

# How a managed exchange rate works

## Great Britain Pound (GBP)



Increase in British imports in U.S. increases demand for GBP

# V. Enlargement of 1980s

- Principles of enlargement
  - Must be democratic state
- Greece (1979)
- Portugal and Spain (1986)
- Disparity concerns with new members
- Turkey application (1987)

# VI. British Budget Rebate

- Net contributions varied by members
- Unique British position
  - Food imports outside EEC
  - Not benefiting from CAP
- Thatcher vs. EEC
  - Budget rebate approved in European Council majority vote



# VII. Single European Act (1986)

- Need to converge non-tariff barriers
- Revisions to Treaty of Rome:
  - Complete the internal market (by 1992)
  - Extend QMV (Qualified Majority Voting)
    - Unanimity for big picture
    - QMV for implementation
  - European Parliament reforms
    - Cooperation procedure
  - European Council brought within EEC
  - Development of common foreign policy
    - i.e. EPC merged into EEC

# VIII. 1989: Deepen v. Widen

- 1989 changes in political geography of Europe
  - i.e. Berlin Wall
- 1990 German reunification
- State positions
  - France, Germany, UK
- Resolution: first deepening then widening



Tearing down the Berlin Wall, Nov. 1989

# IX. Conclusions

- Integration stalled by national interest (e.g. de Gaulle) in 1960s
- While 1970s saw renewed commitment to integration, only completion and enlargement were successful
  - Recession stalled deepening
- New movement toward currency cooperation (e.g. ERM)
- Single European Act fulfills common market and brings political cooperation into the EEC
- Imminent end to Cold War brings new questions about European integration