



**Istanbul
Bilgi University**

LAUREATE INTERNATIONAL UNIVERSITIES

European Institute

Jean Monnet Centre of Excellence

Co-funded by the
Erasmus+ Programme
of the European Union



Dark ages of European integration

Reasons why the European integration slowed down

Objectives and Concepts

- **Objectives:** to understand the impediments in front of the integration process.
- **Concepts:** Empty chair crisis, Luxembourg compromise, CAP

Early Years of Integration

- Between 1958-63, Walter Hallstein was the Commission President.
- In this period, the time table for the achievement of customs union accelerated. The customs union was completed in 1968. This was an important step towards the establishment of the common market.
- The reason for this achievement was mainly had to with the pressure for integration that came from the industrialists.
- The commission's role was also important, because through package deals the commission could convince the founding members to agree and move forward on the goal of establishing a customs union.

Impact of Charles De Gaulle

- De Gaulle was the leader of the Free French (the fifth republic) in 1958
- He welcomed the economic benefits of integration, but did not support supranational political unification.
- He proposed the creation of a European security community – a union of states, which would be a concert of European states led by France.
- His aim was to balance the Atlantic, to make France 3rd voice in international relations, independent of the super powers.

UK Membership

While the United Kingdom was involved in the establishment of the Communities, it was not interested in membership in the initial years:

- UK gave importance to three overlapping and interlocking relationship: Empire / commonwealth, Europe, Atlantic alliance. Thus it did not want to limit itself to Europe.
- UK did not want loss of sovereignty. It had a long-established parliamentary tradition, saw itself as a world power, and had no interest in the communities.
- Also UK's coal and steel capacity far exceeded that of the six. They were not also interested in the Euratom, because they did want to share secrets about nuclear energy. Only the EEC might have been relevant for the UK, but it was too supranational.

UK Membership

- Thus UK established a looser project a free trade area in 1960. EFTA, composed of Austria, Denmark, Norway, Portugal, Sweden, Switzerland and UK.
- Yet EFTA was not as successful as EEC.
- Thus the conservative government of UK under Edward Heath applied for community membership 1961. Because,
 - They were not as strong anymore.
 - The Empire was turning into very loose commonwealth
 - Economically the EEC is performing much better
 - The US supported membership, because EC will become an Atlantic community under US command if UK entered.

The 1963 Crisis

- France did not support UK's application, because
 - It was a challenge to France's power within the integration project;
 - Franco-German relationship will be threatened;
 - De Gaulle was suspicious of Atlantic relationship
- In January 1963, De Gaulle unilaterally vetoed the British government's application for EC membership
- In 1967, France vetoed UK membership for the second time.

The 1965 Crisis

- The Common Agricultural Policy was supported by France from the beginning of the integration process and aimed to target prices fixed for particular food products. The system was a price-support system.
- The Commission proposed a system of financing the CAP based on the EEC having its own financial resources (from revenue from CET on industrial goods and levies on agricultural imports)
- Hallstein proposal would also increase the European Parliament's power, giving it right to approve budget. De Gaulle rejected the increase in powers of the EP, this was too supranational.
- When discussions became deadlocked, De Gaulle imposed a French boycott of all Council of Ministers meetings from June 1965
- This is called the '*empty chair crisis*' .

The 'Luxembourg Compromise', January 1966

- The crisis was resolved with a compromise that slowed down the integration process. It was harder to take decisions from now on:
 - When issues very important to one or more member countries are at stake, the members of the Council will try, within a reasonable time, to reach solution which can be adopted by all members of the Council, while respecting their mutual interests, and those of the Community.
 - The French delegation considers that, when very important issues are at stake, discussions must be continued until unanimous agreement is reached.

The 1970s

- On top of these two crises, 1970s brought:
 - stagnation, unemployment, economic recession – stagflation.
 - In 1971, the international monetary system collapsed.
 - In 1973, the oil crisis happened.
- Thus, the integration process slowed down.

- Against this background, when the leader of France changed the UK was finally able to join in 1973. The first enlargement of the union took place - UK, Ireland, and Denmark joined on 1 January 1973.

Readings and Videos

- Analyse the first years of European Economic Community from this timeline. https://europa.eu/european-union/about-eu/history/1970-1979_en
- Read about the empty chair crisis. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=LEGISSUM%3Axy0025>.
- First European Commission President: Walter Hallstein – European Commission Official Channel - <https://www.youtube.com/watch?v=qvVK3E7zryI>