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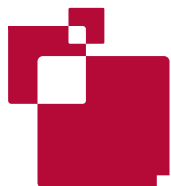
THE UK'S EU VOTE: THE 1975 PRECEDENT AND TODAY'S NEGOTIATIONS

EMMANUEL MOURLON-DRUOL

Highlights

- The United Kingdom's European Union Referendum Bill, introduced in the House of Commons on 28 May 2015, legislates for the holding of a referendum before 31 December 2017 on the UK's continued EU membership. UK prime minister David Cameron is opening negotiations with other EU member states to try to obtain an EU reform deal that better suits UK interests. Both the negotiations and the outcome of the referendum pose major challenges for the UK and the EU.
- It will not be the first time that a UK government has staged a referendum following a renegotiation of its terms of EU membership. The first such referendum took place on 5 June 1975 after nearly a year of renegotiations, and the 'yes' won with 67.2 percent of the vote. Notwithstanding obvious differences, the conduct of today's renegotiations should bear in mind this precedent, and in particular consider (a) how much the UK government can get out of the negotiations, in particular with respect to potential Treaty changes; (b) why political marketing is central to the referendum's outcome; (c) how the UK administration's internal divisions risk derailing the negotiations; and (d) why the negotiations risk antagonising even the UK's best allies.

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THE UK'S EU VOTE: THE 1975 PRECEDENT AND TODAY'S NEGOTIATIONS

EMMANUEL MOURLON-DRUOL, JUNE 2015

THE FIRST UK EEC MEMBERSHIP REFERENDUM OF 1975

A When did the UK enter the EEC?

Founded in 1958, the European Economic Community enlarged to include the United Kingdom on 1 January 1973. The UK entered along with Denmark and Ireland in the first ever enlargement of the EEC. For the UK, it was a rather belated entrance, since the UK had applied twice before, in 1961 and 1967, suffering French president Charles de Gaulle's veto on both occasions.

At the beginning of European integration in the early 1950s, the UK had the choice on several occasions to participate as a founding member, but each time declined to do so. Throughout the 1950s and up to the present day, the reasons for this UK opposition were similar: the question of the UK's world role and its relationship with Commonwealth countries; a preference for loose inter-governmental mechanisms over supranational integration; a greater interest in free trade over economic organisation and sectoral policies (Milward, 2002; Young, 2000).

The UK refused to join the European Coal and Steel Community (ECSC) in 1951. The ECSC is often considered the postwar starting point of European integration because it introduced an important institutional novelty, that of supranational institutions. It also marked a formal step in the post-second world war Franco-German reconciliation. The UK government was sceptical of the new supranational High Authority (an embryo of today's European Commission) and of European coordination in the field, and had misgivings about the greater political ambitions included in the Schuman Declaration of May 1950, which proposed the ECSC. Though it was invited, the UK therefore refused to join the ECSC.

Invited again to join the EEC on its formation, the UK also declined. The Messina conference of June 1955 explored ways in which European economies could deepen their cooperation. The Messina conference also created an intergovernmental committee, chaired by Belgian foreign minister Paul-Henri Spaak, that was tasked with drafting the basis of what would become the EEC (July 1955-April 1956). The Committee published its final report in April 1956. The UK government was invited to the Spaak Committee. The official UK position on these developments was benevolent support, in spite of an avowed scepticism about any form of integration. The UK government hoped to steer the negotiations in the way it favoured but proved incapable of doing so, and it did not think the negotiations would succeed. Showing little interest in the discussions, the UK government sent a low-level civil servant – Board of Trade under-secretary Russell Bretherton – to such a critical ministerial meeting. The UK eventually withdrew from the talks and decided not to participate in the EEC.

The UK decision was based on a misinterpretation of the discussions in Messina and in the Spaak Committee. London underestimated the project that was being discussed and most importantly dithered between two strategies, one focusing on Europe (the Free Trade Area) and one global in nature (trade liberalisation through the World Trade Organisation's (WTO) predecessor, the General Agreement on Tariffs and Trade, GATT). The UK prioritised looser, less committal forms of cooperation that focused on trade liberalisation, such as the Organisation for European Economic Cooperation (OEEC).

But the UK government did not just decide to stay out of the EEC, it also consciously tried to counter, if not torpedo, the EEC. Virtually in parallel with the EEC negotiations, the UK government from 1956 pushed for the development of a Free Trade Area

(FTA) (Ellison, 2000). The design and purpose of the FTA stemmed from the UK preference for looser free trade arrangements over economic integration. The FTA project failed in 1958 because of the Gaullist support for the EEC project and the UK's inconsistent strategy (Warlouzet, 2011). The UK in turn re-prioritised international trade liberalisation over European endeavours. To compensate for the failure of the FTA, another agreement – the Stockholm Convention – was negotiated and signed in January 1960 to create the European Free Trade Association (EFTA), comprising Austria, Denmark, Norway, Portugal, Sweden, Switzerland and the UK. But this failed to be of any economic or political importance.

It was only once the EEC proved to be a remarkable success that the UK government realised that the risks of being sidelined outweighed the benefits of staying outside. The UK government subsequently applied twice for EEC membership – in 1961 and in 1967 – only to be vetoed twice by French president Charles de Gaulle (Kaiser, 1999; Ludlow, 1997; Lynch, 2000; Parr 2005; Pine, 2007; Rollings, 2008). The vetoes were justified on the grounds that the UK was too different to be accepted by the then six members of the EEC; that the pound sterling, having the role of an international reserve currency, did not suit European objectives (Schenk, 2002); and more generally that enlarging the EEC at such an early stage would put at risk its institutional development and stability. Enlargement would put off indefinitely the ambition of creating a political union and would instead transform the EEC into a mere commercial zone. The French government found itself increasingly isolated as its objections seemed unsustainable, and as the other five EEC member states were willing to accept the UK as a member. From a UK perspective, entry to the common market was an ever more pressing issue because the EEC continued to successfully forge ahead: on 1 July 1968, the common market was achieved (removal of tariff barriers), 18 months ahead of schedule. The 1969 Hague summit of EEC heads of state and government then opened new

prospects for integration, including of currencies.

In the early 1970s the UK government applied again and it became quickly clear that it would be successful this time. The Conservative Party won the 1970 general elections. Outgoing Labour prime minister Harold Wilson, who led the UK's second application in 1967, went back into opposition. The new prime minister Edward Heath decided to revive the second failed UK application and by summer 1971 most issues had been settled (Furby, 2010; Wall, 2012). Many factors contributed to this positive outcome: the resignation of de Gaulle as French president in April 1969; the coming to power of Georges Pompidou, who was much more open to EEC enlargement; improved UK government negotiating tactics; and the favourable result of the referendum in France on the enlargement of the EEC to the UK, Denmark, Ireland and Norway, with a majority of 68.3 per cent in favour. The UK signed the Treaty of Accession to the EEC in January 1972, and officially entered on 1 January 1973. However, in early 1974, barely a year after entry, a new UK government, once again led by Harold Wilson, wanted to renegotiate the terms of its accession.

B Why did Harold Wilson want to renegotiate the terms of UK entry in 1974?

First, the perennial question of the relationship between the UK and Europe served as a background for the debates. The two issues that guided UK foreign policy since the end of the second world war – its world role and a preference for free trade over economic and political integration – remained at the centre of the discussions over the UK's continued EEC membership. Under different guises, they continue to be valid up to the present day.

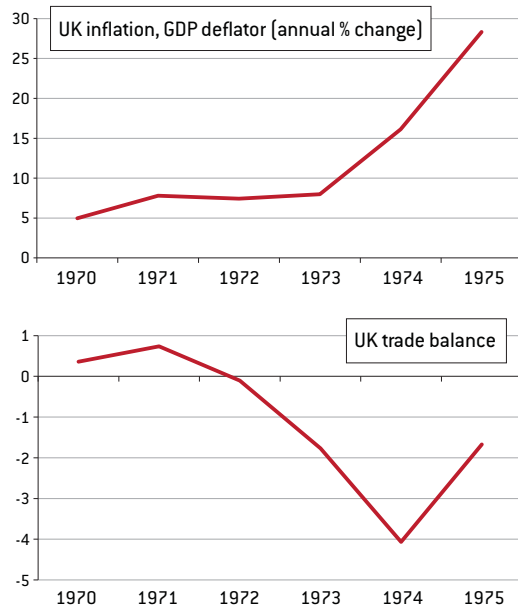
Second, the UK suffered from severe economic problems in the early 1970s that were blamed on EEC entry. The international context was particularly gloomy, with the collapse of the Bretton Woods system in 1971, the oil shock in 1973 and

'The two issues that guided UK foreign policy since the end of the second world war – its world role and a preference for free trade over economic and political integration – continue, in different guises, to be valid up to the present day.'

the subsequent recession of 1973-75. Rising inflation, a deteriorating trade balance (Figure 1) and multiple strikes throughout the country characterised the early 1970s. Despite their multiple origins, all these difficulties were too easily blamed on the UK's entry to the EEC in 1973.

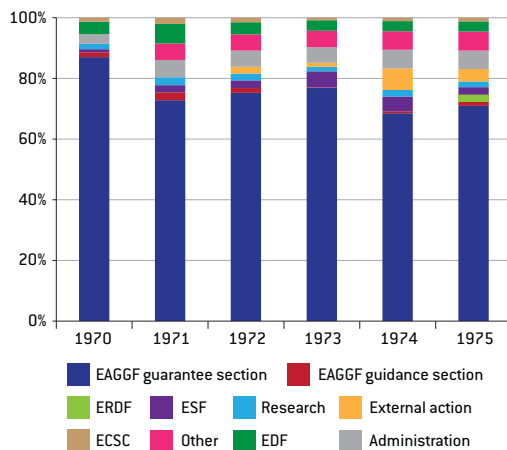
Third, the UK claimed that it paid a disproportionate contribution to the EEC budget. Under the EEC's system of own resources, the revenues col-

Figure 1: The UK's economic problems in the early 1970s



Source: Upper panel: World Bank. Lower panel: European Commission, annual macro-economic database.

Figure 2: EEC expenditure, 1970-75



Source: EU budget 2008 financial report. Note: EAGGF = European Agricultural Guidance and Guarantee Fund [common agricultural policy]; ESF: European Social Fund; ERDF: European Regional Development Fund; EDF: European Development Fund.

lected from external tariffs went directly to the EEC budget. The UK traditionally was a big importer from non-EEC countries, in particular Commonwealth countries, and as a consequence contributed more to the EEC budget. This situation also arose because, since the UK had refused to join the EEC at the outset, it had not influenced the rules that were established at the origin. A further issue was that most of the EEC budget was spent on the common agricultural policy (CAP, Figure 2). But because the UK relied so much on agricultural imports from outside the EEC, its domestic agricultural sector was comparatively smaller, and as a consequence received a smaller share of CAP funds. The combination of these two factors reinforced the UK desire to find a way to reduce an excessive contribution to the EEC budget.

Fourth, the strategy of Conservative leader Edward Heath, who had negotiated entry, was heavily criticised by the Labour party before and during the 1974 general election campaign. Heath's strategy was to improve the terms of entry through internal negotiations inside the EEC framework. In particular, he had placed much hope in the eventual creation of a European regional fund. But closely linked to the ongoing discussions on Economic and Monetary Union (EMU)¹ and facing German opposition, the regional fund could not be created as quickly as the UK government hoped. While it was in opposition before the 1974 general election, there was extensive

BOX 1: THE 1974 LABOUR PARTY MANIFESTO

"If re-negotiations are successful, it is the policy of the Labour Party that, in view of the unique importance of the decision, the people should have the right to decide the issue through a General Election or a Consultative Referendum. If these two tests are passed, a successful re-negotiation and the expressed approval of the majority of the British people, then we shall be ready to play our full part in developing a new and wider Europe. If re-negotiations do not succeed, we shall not regard the Treaty obligations as binding upon us. We shall then put to the British people the reasons why we find the new terms unacceptable, and consult them on the advisability of negotiating our withdrawal from the Communities."

1. The so-called Werner Plan, drawn up by a group of experts chaired by then Luxembourg prime minister Pierre Werner, set out a plan in stages leading to the creation of a European single currency.

debate within the Labour Party about the rationale for joining the EEC. In October 1971, Wilson spoke against Heath's terms of entry, proposed a renegotiation, and suggested the holding afterwards of a nationwide referendum on continued membership, were his party to win the election. The Labour election manifesto included these commitments to renegotiation and a referendum. Labour won the general election in February 1974. New prime minister Harold Wilson thus embarked on a renegotiation of the terms of the UK's entry to the EEC barely a year after the UK joined.

C What did the UK government want to renegotiate and what did it get out of the renegotiation?

The 1974 Labour Party manifesto clearly set out seven objectives for the renegotiation of the terms of membership. The demands were vague and excessively ambitious; the results and gains from a UK perspective were largely cosmetic.

The main outcome of the renegotiation was the creation of a 'correcting mechanism' to the system of own resources, enforced from 1976 until 1980. However, it was never triggered. The mechanism was intended to provide compensation in the form of a partial repayment to any coun-

BOX 2: HOW WAS THE CORRECTING MECHANISM MEANT TO WORK?

Enforced from 1976 until 1980, the 'correcting mechanism' or 'financial mechanism' (Regulation 1172/76) was based on three indicators that should be triggered simultaneously in order to provide compensation for a member state that would be a net contributor to the budget:

- The member state's per capita GNP should be below 85 percent of the EEC average (measured as a moving average over the three preceding years);
- Its rate of growth in real terms should be less than 120 percent of the EEC average (measured as a moving average over the three preceding years);
- Its own resources payments should exceed by more than 10 percent its share of the EEC's total GNP

The final corrective formula was capped at 250 million European Units of Account (EUA). In 1975, the EEC's total revenues amounted to 6297.8 million EUA. The financial mechanism was further amended in 1980 (European Commission, 1981).

Table 1: The UK demands as set out in the 1974 Labour Party Manifesto

Demands	Results
<i>"Major changes in the CAP, so that it ceases to be a threat to world trade in food products, and so that low-cost producers outside Europe can continue to have access to the British food market."</i>	None
<i>"New and fairer methods of financing the Community budget. (...) We would be ready to contribute to Community finances only such sums as were fair in relation to what is paid and what is received by other member countries."</i>	Creation of a 'correcting mechanism' approved at the Dublin European Council in March 1975. Never triggered in reality.
Withdrawal from EMU proposals	Werner Plan implementation ² already halted by the time Wilson took power.
<i>"Retention by Parliament of those powers over the British economy needed to pursue effective regional, industrial and fiscal policies."</i>	No concrete outcome. Creation of the European Regional Development Fund, but this was chiefly driven by Ireland and Italy.
<i>"Agreement on capital movements which protects our balance of payments and full employment policies."</i>	Nothing concrete.
<i>"No harmonisation of VAT that would require us to tax necessities."</i>	No harmonisation. But not really planned anyway.
Safeguarding <i>"of the economic interests of the Commonwealth and the developing countries."</i>	Better access to EEC markets for New Zealand butter but not lamb.

Source: Bruegel.

2. See footnote 1.

try bearing an “unacceptable financial burden” of VAT-based contributions to the EEC budget (European Commission, 1981 and 2008). The wording was critical: the other EEC member states – especially Germany and France – categorically refused the creation of a mechanism that would apply only to the UK, and would thus undermine the universality of the system of own resources. The second most important outcome of the renegotiation of terms was better access to EEC markets for New Zealand butter, but not lamb. Third, the European Regional Development Fund (ERDF) was created in 1975, but its creation could hardly be attributed to the UK renegotiation only.

Most UK demands remained unanswered. The CAP was not reformed. The withdrawal of EMU proposals did not have to happen since the implementation of the Werner plan had already stalled in early 1974. The list of powers that the UK parliament should retain was so vague that no concrete outcome can be determined. The issues of capital movements and VAT harmonisation were not really discussed.

D How did the referendum play out?

In January 1975, Wilson announced that the referendum on continued EEC membership would take place no later than in June of the same year. The consultation was the first ever nationwide referendum held in the UK. The Labour Party remained split on the issue: in March 1975 the Labour government recommended staying in the EEC, while the party recommended leaving a month later. But the government's official stance should not hide that even the government itself was split. Wilson exceptionally allowed government ministers to differ from the government recommendation and vote following their consciences³. Sixteen members voted in favour of remaining in the EEC, while seven voted against⁴.

The referendum question was: “*The Government have announced the results of the re-negotiation of the United Kingdom's terms of membership of the European Community. Do you think that the United Kingdom should remain part of the European Community [the Common Market]?*”

The referendum was held on 6 June 1975 and

resulted in a large majority for the ‘yes’ (67.23 percent yes, 32.77 percent no, 64 percent turnout).

E What were the consequences of the referendum?

The first, short-term consequence of the vote to stay in the EEC was immense relief in Brussels and in member states' capitals. The news that the UK would stay in the EEC provided much comfort to European policymakers who were otherwise contemplating many bleak economic and institutional questions (Mourlon-Druol, 2012). At the same time, the Community agenda could move on to something else other than just the UK question. For a year, debates in the EEC had been dominated by the question mark over UK participation, and by highly technical discussions about the functioning of the EEC budget. After the referendum, the EEC could start thinking again about the present and future of European integration with nine fully-engaged members.

But in the following years it became clear that the renegotiation process had profoundly undermined the UK's standing in the EEC. The discrepancy between the very vocal demands of Wilson and the actual results of the renegotiations severely eroded the credibility of UK policymakers in Brussels and in many European capitals. The referendum also revealed another inconsistency. Once the referendum was over, the UK government claimed that it was now fully committed to the EEC. “*The United Kingdom is now completely engaged in Europe,*” declared Wilson at the beginning of his intervention at the European Council of July 1975 in Brussels. But it very soon became clear that it was not the case, and that all the problems that had been on the negotiating table were still unsettled from a UK perspective. This was most evident in the negotiations over the creation of the European Monetary System in 1977-78: while the UK government claimed it was taking a full constructive part in the discussions, it was clear that it did not intend to participate (Mourlon-Druol, 2012).

In the longer-term, the 1975 referendum did not resolve the issue because of its deep domestic political roots. The UK budgetary question soon came back on the EEC agenda during the 1980s

3. UK National Archives, CAB 128/56, Meeting of Cabinet, 18 March 1975, available online: <http://filestore.nationalarchives.gov.uk/pdfs/large/cab-128-56.pdf>.

4. The seven dissenting ministers were Tony Benn (Secretary of State for Industry), Michael Foot (Employment), Eric Varley (Energy), Peter Shore (Trade), John Silkin (Planning and Local Government), Barbara Castle (Social Services) and William Ross (Scotland).

under prime minister Margaret Thatcher. The 1983 Labour Party manifesto called for withdrawal from the EEC. In different guises, the difficult relationship between the UK and the EEC/EU has remained a permanent feature ever since, in particular with the multiple exceptions and opt-outs that the UK government has sought and obtained.

IMPLICATIONS FOR POLICY

The context has considerably changed between the 1975 referendum and the referendum to come, but the 1975 renegotiation sheds some light on the present discussions in a number of ways. The EEC has become the European Union: a larger, more integrated and more complex polity with new competences. The existence of the euro area is clearly reviving UK concerns about being sidelined by a major European continental development. The euro-area crisis and the ongoing reforms in the direction of greater integration only nurture this anxiety. The upcoming negotiations are unlikely to focus on budgetary issues as they did in the 1970s and 1980s, but they will be about “the terms of membership” as in 1975, and more broadly about the claim to re-work the functioning of the EU.

A How much the UK government can get out of the negotiations, especially about potential Treaty change, is very uncertain

The 1974-75 renegotiations made plain the discrepancy between the aspirations and results of the talks. Even more problematic, the UK government had little idea in 1974-75 how the ambitious demands outlined in the Labour Party manifesto could be met in practice (Haeussler, 2014). Some of the demands outlined in the Labour party manifesto, such as those on capital movements and the retention of some powers by the UK parliament, would have required treaty changes. Other demands – such as those related to EMU and to the discussions about to the longer-term transformation of the EEC into a full-fledged European Union with greater competences – merely reflected a general unease within the UK government about European integration in general, and could not really be materialised. In turn, the UK's partners were unsure about the seriousness of the UK position. The 2015 Conservative Party Mani-

festo contained detailed demands about the freedom of movement⁵, followed by a fairly vague list of items, even vaguer than those of the 1974 Labour Party manifesto⁶. But the detailed demands on EU migration increase the risk of the renegotiation because they will make it easier to see whether the government has obtained what it wanted or not.

B Skillful political marketing can decide the outcome of the referendum

The 1974-75 renegotiations did not bring substantial gains to the UK government; and the few that had been achieved were very minimal compared to the ambitions. UK policymakers mostly geared their attention to their domestic political scene. With the benefit of hindsight, it is now clear that both Wilson and UK foreign secretary Jim Callaghan wanted the UK to stay in the EEC from the outset. The various outbursts of Wilson or Callaghan were mostly designed for a domestic audience. The skilful presentation of the renegotiations result, rather than their actual outcome,

BOX 3: THE UK DEMANDS AS SET OUT IN THE 2015 CONSERVATIVE PARTY MANIFESTO

Changes to freedom of movement rules: “We will negotiate new rules with the EU, so that people will have to be earning here for a number of years before they can claim benefits, including the tax credits that top up low wages. Instead of something-for-nothing, we will build a system based on the principle of something-for-something.”

“Commit to keeping the pound and staying out of the Eurozone.”

“Reform the workings of the EU, which is too big, too bossy and too bureaucratic.”

“Reclaim power from Brussels on your behalf and safeguard British interests in the Single Market”, including:

- The ability of national parliaments “to work together to block unwanted European legislation;”
- “An end to the commitment to an ‘ever closer union,’ as enshrined in the Treaty to which every EU country has to sign up.”

5. In the chapter ‘Controlled immigration that benefits Britain’, pages 29-30.

6. In the chapter ‘Real change in our relationship with the European Union’, pages 72-73.

decided the fate of the 1975 referendum. Regardless of the actual substance of the upcoming negotiations' results, it is clear that the referendum's outcome will depend on the way in which the UK government will be able to 'sell' what it has gained from the negotiations to UK voters.

C The UK administration's internal divisions could derail the negotiation process

In 1974-75, Callaghan aimed to strictly stick to the Labour Party election manifesto's demands. At the same time, the Foreign Office worried about the consequences of the renegotiations for the UK's reputation in Europe. The multiple reports published by the UK government during 2013 and 2014 that review the balance of competences between the UK and the EU point to a likely similar situation today⁷. The House of Lords' EU Committee criticised the government's stance in very strong terms, in particular over the report on the free movement of persons in the Single Market: "the undue weight given to evidence reflecting the Government's own position is a disappointing blemish on the Review as a whole"⁸. The balance of competences review was carefully buried just before the general election, instead of being widely disseminated in order to inform the public debate: "We are disappointed by the Government's failure to take effective steps to publicise either individual reports or the Review as a whole"⁹.

Not just the administration but even Cabinet itself might prove to be split over the issue of EU membership. In 1974-75, UK Secretary of State for Industry Tony Benn very consciously did his best to derail the renegotiations because he wanted the UK to leave the EEC (Collins, 2010). Wilson and Callaghan, who in spite of their public misgivings were clearly in favour of staying in from the very start, managed to counter Benn's attempts, in particular by avoiding pressing for Treaty changes. Today's situation is comparable in that some UK ministers are openly eurosceptic and likely to campaign for a 'no' vote in the referendum¹⁰.

D Brexit, Scotin? English self-exclusion, rather than Brexit, is at the heart of the negotiations

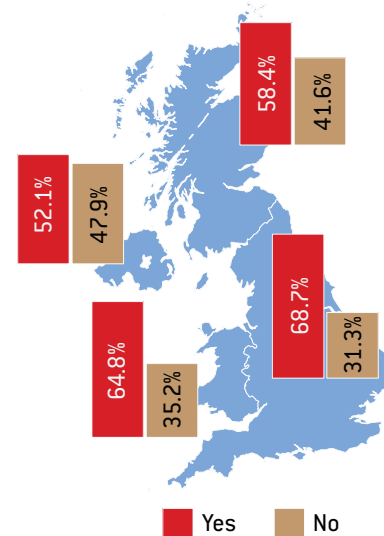
The UK political situation today is almost completely the opposite of what it was in 1974-75

(Table 2). While in 1975 Scotland gave a less enthusiastic 'yes' than England (Figure 3), it is not unlikely that Scotland would this time be voting 'yes' and England 'no'. Both Plaid Cymru (the Welsh nationalist party) and the Scottish National Party (SNP) explicitly expressed this concern in proposing that the UK should only leave the EU if each UK member nation voted so in a referendum.

E The process of renegotiations run the risk of antagonising even the best allies

The initial prospects for the negotiations were quite positive in 1974-75 from a UK perspective¹¹. West German chancellor Helmut Schmidt was, in particular, originally quite open to UK demands. But while open to discussions, the UK's partners were (and still are) not willing to put their mutual

Figure 3: Results of the 1975 UK EEC membership referendum



Source: Bruegel, map from FreeVectorMaps.com. Note: total UK 'yes' vote: 67.2 percent; turnout: 64 percent.

	1975	2015-17
Conservative Party	Yes	Split
Labour Party	Split	Yes
Liberals/Liberal Democrats	Yes	Yes
Scottish National Party	No	Yes
UK Independence Party	n/a	No

Source: Bruegel

7. The reports are available at <https://www.gov.uk/review-of-the-balance-of-competences>.

8. House of Lords, European Union Committee, 'The Review of the Balance of Competences between the UK and the EU', 12th Report of session 2014-2015, March 2015, Point 28.

9. Ibid, point 54. Toby Helm, 'Lords accuse Tories of 'burying' review that cleared EU of interference', *The Guardian*, 28 March 2015.

10. Nicholas Watt, 'Conservative division: could history be repeating itself over the EU?', *The Guardian*, 11 June 2015.

relationships at risk. The 1974-75 episode made this plain, as UK demands contributed to bringing the French and the German governments closer together. Both the French and the German governments were committed to more, not less integration. In a similar fashion as in 1975, the French and German governments recently showed their willingness to engage with more integration in the euro area¹².

The recurrence of debates about the UK's EU membership generates a UK question fatigue that is only liable to antagonise the UK's partners. A UK government's spokesman said that "*No Brit under the age of 58 has had their say on the UK's membership of the European Union*"¹³. This statement is in essence a call for a permanent rolling refer-

endum, through which every new generation would re-validate the UK's choice to be member of the EU. While the UK has been part of the EEC/EU, UK governments have never held referendums at the time of EU treaty changes to get popular approval. Instead, UK governments have used the referendum as a thermometer in order to take occasionally the temperature of public opinion about the integration process. For the second time in 40 years, the UK government wishes to renegotiate the terms of its bond to the European Union and hold an in-out referendum after the renegotiation. Predicting the outcome of both the negotiation and the referendum is a very uncertain. What is certain is that, unless there is a 'Brexit', the upcoming referendum, much as in 1975, will not settle the issues (Glencross, 2015).

KEY DATES

9 May 1950	French foreign minister Robert Schuman proposes the creation of a European Coal and Steel Community (ECSC)
June 1950	UK refuses to join the ECSC
July 1952	ECSC enters into force
1955-1957	Negotiations leading to the creation of the European Economic Community (EEC)
Nov 1955	UK representative pulls out of EEC negotiations (Spaak committee)
1956-1958	Failed negotiations over the creation of a Free Trade Area (FTA)
January 1958	EEC enters into force
May 1960	Establishment of the European Free Trade Association (EFTA), including the UK as a founding member
July 1961	First UK application to the EEC
14 Jan 1963	De Gaulle's first veto to the UK application
October 1964	Victory of Labour in the general elections; Harold Wilson becomes UK prime minister
May 1967	Second UK application to the EEC (Harold Wilson's government)
19 Dec 1967	De Gaulle's second veto
1 July 1968	Completion of the EEC common market 18 months ahead of schedule
Dec 1969	The Hague summit of EEC heads of state and government paves the way for enlargement negotiations
June 1970	Victory of the Conservatives in the general elections; Edward Heath becomes prime minister; Third UK application to the EEC
Summer 1971	Negotiations between UK and EEC clearly leading to a successful outcome
January 1972	Signature of the Treaty of Accession to the EEC for the UK, Denmark and Ireland
23 April 1972	French referendum on the enlargement of the EEC
1 January 1973	UK joins the EEC
February 1974	Victory of the Labour Party in the UK general elections (hung Parliament)
October 1974	Victory of the Labour Party in the UK general elections (majority of 3 seats)
9-10 Dec 1974	Paris summit of EEC heads of state and government: creation of the European Council
March 1975	Dublin European Council; Creation of the European Regional Development Fund (ERDF)
6 June 1975	UK referendum on continued EEC membership
December 1978	Creation of the European Monetary System (EMS), UK does not join the Exchange Rate Mechanism (ERM)
1979-1984	UK prime minister Margaret Thatcher's budgetary question

11. Emmanuel Mourlon-Druol, 'European leaders want the UK to stay, but are best friends forever?', Bruegel blog, 21 May 2015, <http://www.bruegel.org/nc/blog/detail/article/1632-european-leaders-want-the-uk-to-stay-but-are-best-friends-forever/>.

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