

Economic Structuralism Examined, a Case Study:

Interest Groups and Dutch European Policy in the Fifties

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1. INTRODUCTION

The Netherlands was one of the founding countries of the European project and is often considered one of its most adherent supporters. It is because of this perceived legacy of Europhilia that the upsurge of Euroscepticism in the last decade has amazed foreign and Dutch commentators alike. However, during the formative period of the European integration process the Dutch role was far more ambivalent than one would expect. Therefore, this paper will focus on this dynamic and crucial period.

This story has two key players; Dirk Uipko Stikker (1897-1979) Foreign Minister from 1948 to 1952 and his successor Willem Beyen (1897-1976), Minister from 1952 to 1956.¹ These men often had completely diametrical visions on the Dutch role in Europe. Both men had a lasting impact on Dutch foreign policy in the decades to come. Stikker was focused on the Atlantic and his most lasting achievement was the inclusion of the Netherlands in NATO and the creation of a strong bond with the USA. Throughout his tenure, he remained cautious towards the European project yet under his leadership, the Netherlands became a member of the ECCS. From the start, however, Beyen followed a European course. Beyen's tenure is a perfect example of how the actions of individuals paired with minor coincidences can change history. It is obvious that the appointment of Beyen as minister of foreign affairs made a huge impact on Dutch policy towards the European experiment. This is also the scholarly consensus.² The Dutch were close ally of the British and Stikker in particular was sceptical about European cooperation without the participation of the English. He was also very cautious to give power to supranational organisations. From the start, Beyen followed a more continental approach. It is unlikely that Beyen's pro-European stance was only the result of idealism as strategic opportunism may have been the reason Beyen supported further political integration in the first place. It was the price the Netherlands had to pay for further economic integration.³ Considering the literature, it is clear that this is not an open-and-shut case, as

¹ In the Dutch political system, the Prime Minister, though leader of government was the *primus inter pares* of the cabinet. Decisions were taken by the council of ministers and not by him alone. So Dutch ministers had more autonomy than their English or German counterparts. This was the reason that the primary actor in the determining of foreign policy was the Foreign Minister and not Prime Minister.

² For example: Anjo G. Harryvan, *In pursuit of influence, The Netherlands' European Policy during the Formative Years of the European Union, 1952-1973*; Alan S. Milward, *The European Rescue of the Nation-State*, (Abingdon/New York, 2000) 185

³ Johan Willem Beyen, "*Het spel en de knikkers: een kroniek van vijftig jaren*" (Rotterdam, 1968) 223, 224

Hellema stresses economic opportunism while Voorhoeven emphasises a more principled stand.⁴

1.1 FOREIGN POLICY AND ECONOMY.

Throughout history, the Dutch have been famous for their commercial attitude. As is often the case with commonplaces, this one also has a grain of truth in it. Once the leading trading nation in the world, the country remained a factor in world trade. As a small maritime nation in the centre of Europe, foreign trade has been an important sector of Dutch economy for centuries. This was also true in the years after the Second World War as the occupying Germans had heavily damaged the Dutch economy and financing the reconstruction depended greatly on the export of Dutch products. The goal of Dutch policy was the creation of a Europe-wide free trade zone including agricultural exports.

In the Dutch case, the importance of economic considerations for joining the European integration seemed great. Traditionally, economic and structuralist explanations were largely ignored as causal factors by theorists of European integration. The schools of Functionalism – stressing the importance of transnational elites- and Realism- focusing on the geopolitical interests of the member states- neglected structuralist explanations for a long time. This changed with the emergence of a new theoretical model; Liberal Intergovernmentalism explained European integration as a process driven by economic factors. This school of thought sees the progress of European integration- or lack of it- as a product of the economic interests of the member states. On their part, these economic interests are not only a result of clear national interests but result from pressure of economic lobby groups.⁵ With the publication of *The choice for Europe, The Social Purpose & State Power from Messina to Maastricht* Andrew Moravcsik profiled himself as the leading spokesman for this theory. In this book Moravcsik made some provocative claims, especially his explanation of De Gaulle's policies caused sensation.

The importance of economic considerations for Dutch foreign policy is much less disputed than is the case for De Gaulle's policies. Alan Milward for example, emphasizes the crucial

⁴ Duco Hellema, *Nederland en de Wereld, de Buitenlandse politiek van Nederland*, (Houten,2010) 196; Joris J. C. Voorhoeve, *Peace, Profits and Principles, A Study of Dutch Foreign Policy*. (Leiden, 1985) 164, 165

⁵Andrew Moravcsik, *The Choice for Europe, Social Purpose & State Power from Messina to Maastricht*, (London, 1999), 36

role they played.⁶ Furthermore, Anjo Harryvan and Richard Griffiths have also emphasized the large role economic national interests played in Dutch policymaking. Both authors stress the fierce opposition of many Dutch cabinet members against measures they judged to be a disadvantage for Dutch economy.⁷ However, all these authors give little attention to the role interest groups played in Dutch European policy. No study discusses the influence of the various interest groups on Dutch European policy in the fifties.

A large influence of economic lobby groups seems likely considering the neo-corporatist nature of Dutch domestic politics after 1945. Neo-corporatism is the process in which the (democratic) state, in order to gain legitimacy and support for policymaking, cooperates with economic interest groups in society and delegates policymaking to some degree to these organisations. These organisations commonly represent labour and business interests. From the First World War onwards these interest groups grew in importance and after the Second World they became crucial for the reconstruction of the country as their support was essential for upholding the central policy of the reconstruction; the low wage policy.⁸

1.2 STRUCTURE AND HYPOTHESIS

It seems this thesis might prove economic factors were a crucial factor, but this would not mean that Moravcsik's hypothesis is validated by the Dutch case, for there are a number of possible problems for the theory. To test Liberal Intergovernmentalism this paper will focus on three different cases: First, the Dutch position in the negotiations of the treaty of Paris-, which resulted in the creation of the High Authority for Coal and Steel-, will be looked upon. To test Moravcsik's theory the role of national economic interests and the role representatives of the coal and steel industries will be investigated. The second case will be the Dutch role in the negotiations towards the European Political Community. The new position of the Dutch has often been contributed to the change of Ministers as the fiercely pro-European Beyen replaced the sceptical Stikker.⁹ Therefore, Beyen's policies regarding the EPC will be

⁶ Alan S. Milward, *The European Rescue*, 7

⁷ Harryvan, *In pursuit of influence*, 262; R.T. Griffiths, "The, *The Netherlands and the Integration of Europe 1945-1957*, (Amsterdam, 1990) XI

⁸ W. Grant, "Introduction", in: W. Grant (ed.), *The Political Economy of Corporatism*, (New York, 1985) 3-5; G. Kuys, *De vrees voor wat niet kwam, Nieuwe arbeidsverhoudingen Nederland 1935-1945, aan het voorbeeld van de Twentse textielindustrie*, (Amsterdam, 2010) 8-12; Jan de Beus & H. van den Doel, "Interest Groups in Dutch Domestic Politics", in R.T. Griffiths, *The Economy and Politics of the Netherlands since 1945*, (Den Haag, 1980) 163, 164

⁹ Harryvan, *In pursuit of influence*, 39- 40

compared to Stikker's policies towards the European Defense Community. Explaining a policy shift by the change of Minister is at odds with the theory of Liberal Intergovernmentalism, because its economic determinism leaves no room for human agency. Therefore, if the idea of policy change holds up against scrutiny, I should be able to find an economic explanation. Furthermore, in order to validate Liberal Intergovernmentalism, the role of the lobby groups must also be confirmed. The third test for Moravcsik's theory will be the Dutch role in the Relance Européenne and the EEC treaty. In short, this means that the policies of both Stikker and Beyen should be sufficiently explained by economic interests. Pressure used by lobby groups should explain both continuity and change in Dutch attitudes to Europe. Otherwise, the beautifully elegant explanation of why national governments delegate power, provided by Liberal Intergovernmentalism, will not be empirically validated.

1.3 METHOD

For this thesis, a considerable body of secondary literature is used. Memoires of the different key players are also consulted. Nevertheless, as with any larger paper, primary sources will be the backbone of this work. The Question is: How can sources prove in Liberal Intergovernmentalism right or wrong? The strongest evidence in favour of Moravcsik would clearly be if the sources show that the Dutch Government, after being pressured by lobby groups changed its position in accordance to their wishes. On the other hand, Government's refusal to do so would falsify Moravcsik's theory. Internal communication of the Dutch foreign policy elite, stressing the importance of European integration for Dutch economic well-being will also be an indication for the importance of economic considerations of European integration. However, if this would be the only evidence found, the causal determination of Liberal Intergovernmentalism would not proved. Soft sources stating the same will of course be of less value. For the position of a number of interest groups, I will rely for a large part on the published reports of commission meetings.

1.4 EPISTEMOLOGICAL QUESTIONS

It is obvious that the methods used in the natural sciences are not a blueprint for research in the fields of social sciences and history. European integration cannot be explained by the use of predicting covering law. To this date every model claiming to have revealed the workings

of the muse of history failed to predict the future, for history is too much influenced by the actions of irrational individuals and coincidence. For this reason, Moravcsik's certainty about the superiority of his theory to other explanations should not be accepted without thorough research of the sources. From the start Moravcsik's theory was as controversial as it was influential. In 2004, a highly critical analysis was published, which stated that Moravcsik had made some critical mistakes in methodology. His claim about the primacy of commercial interest to De Gaulle's European policy – an ultimate test case for his theory as De Gaulle was always perceived by scholars as obsessed with the geopolitical and not the economic level- was weakened by the very limited number of reliable primarily sources used and the weak handling of these sources. Furthermore, the article stated that the crucial role of economic lobby groups was not proven.¹⁰ Finally it claimed: "*Moravcsik's twofold claim—that de Gaulle's European policy was motivated by economic considerations and that de Gaulle concealed these motivations from others by using pro-European and geopolitical rhetoric in a strategy of "deliberate deception"—has not been substantiated.*"¹¹ Moravcsik's critics have a strong a case against Liberal Intergovernmentalism and this might raise the question why to use his theory, or even any explanation from the political sciences for this paper.

If the methods of the social sciences are not without difficulties, the same counts for the hermeneutical tradition. Unlike most proponents of this tradition, I do not think a story by itself has explanatory power.¹² The focus on the intentional actions of individuals advocated by this tradition makes research of important collective and anonymous phenomenon like demographics and economic growth impossible.¹³ Despite of their differences positivistic historians inspired by the social sciences and the followers of the classical approach all share one important assumption; for both groups stress the crucial importance of empirical reality, found in the primary sources. In recent decades, this basic premise has been under intense post-modern criticism. Post-modern thought doubts the possibility of objective knowledge

¹⁰ Robert S. Lieshout, Mathieu L. L. Segers, Johanna Maria van der Vleuten, "De Gaulle, Moravcsik, and The Choice for Europe: Soft Sources, Weak Evidence." *Journal of Cold War Studies*, Volume 6, Number 4, Fall 2004, 89-139 there 116

¹¹ Ibidem.

¹² Chris Lorenz, *De Constructie van het verleden, Een inleiding in de theorie van de geschiedenis*. (Amsterdam, 1987) 77 Marc Trachtenberg, *The Craft of International History, a Guide to Method*, (Princeton, 2006) 6

¹³ Lorenz, 100

and distrusts science. Especially important for history, this leads to the denunciation of the idea of one sole correct interpretation of text.¹⁴

Postmodernism cannot be a viable epistemological basis for the research of any self-respecting historian. However, the search for objective and infallible knowledge is also a pipe dream. The real objective of history is not the production of infallible knowledge but understanding and explaining the past. To be able to do this one needs a conceptual frame. A theoretical frame, will focus and enable good research.¹⁵ However, a danger remains; an eloquent and elegant internally consistent theory may be at odds with the empirical reality of the sources. If this is case, it immediately should be dealt away with, because the primary sources should be the justification for any historical explanation. This is the reason why Moravcsik's intergovernmentalism, even when fiercely disputed by follow scholars, will play such an important role in this thesis: It will be the engine of my research. The goal of this paper is twofold: On one hand I hope – with the help of the empirical frame of Liberal Intergovernmentalism – it will give a better understanding of the Dutch role in the European integration. On the other hand, this paper aims to test Moravcsik's theory empirically. The result will hopefully be a thesis giving a new insight in the role economics and interest groups played in the determination of Dutch policy towards Europe. It is like Karl Popper explained: The mind as a searchlight that casts its light (hypotheses, theories, expectations) in the attempt to grasp reality more and more distinctly on the world.¹⁶ Before starting, the next few paragraphs will set the scene and give some historical background.

1.5 SETTING THE SCENE

Since Belgian independence in 1830, Dutch foreign policy was essentially based on not having one. Surrounded by large powerful neighbours, the small country on the north-western edge of the continent tried to create its own splendid isolation. Neutrality and free trade, a matter of principle for the Calvinist Dutch, was seen as the best way to ensure Holland's

¹⁴ Trachtenberg, *The Craft of International History*, 7

¹⁵ Idem, 23, 24

¹⁶ Stefano Gattei, *Karl Popper's Philosophy of Science, Rationality without Foundations*, (New York, 2009) 43

interests. Without any means to defend its huge colonial empire and de facto under the protection of England, neutrality was probably the best thing to do.¹⁷

With the start of the Second World War, Den Haag, as it had done in 1914, immediately declared its neutrality. However, this time it was to no avail and after standing on the sidelines for more than a century the country was again involved in a European conflict. For many Dutch the German invasion on the 10th of May 1940 came out of the blue. The failure of foreign policy based on free trade – since the Great Depression nothing more than an illusion – and neutrality became painfully clear.¹⁸ Nevertheless, even if neutrality was declared dead, there was no immediate alternative. One of the first to opt for the creation of some sort of alliance after the war was Minister of Foreign Affairs in exile Van Kleffens. In 1943, in a radio speech to the occupied motherland, Van Kleffens spoke of the creation of a network of alliances, protecting Europe with American power from the German menace. However, after the liberation the Government played wait and see. First step Government took was joining the United Nations in 1945. In 1948, the Netherlands finally departed from its neutrality by the signing of the treaty of Brussels and the next year it became member of the NATO.¹⁹ It is obvious that many Dutchmen still were not ready to see the Netherlands as small West European nation. The independence of Indonesia was unthinkable for many, which resulted in a fierce colonial war. After the loss of the Dutch Indies, the Government was still adamant not to give up Papua New Guinea and tensions with Indonesia persisted.

Apart from the one world idea, another idealistic movement sprang up throughout the continent in the aftermath of the war. The ideal of a united Europe was an ancient concept but the shock of the Second World War and the disillusionment many felt towards nationalism as a result of this shock, gave it a strong backwind. In 1948, the International Committee of Movements for European Unity convened the Congress of Europe, which met in the Knights' Hall in Den Haag. The congress, consisting of 800 members of Europe's political elite, discussed the future of the continent. After three days, they unanimously adopted a number of resolutions calling for a union. Support for the federalist movement was substantial in the Netherlands and a large section of Second Chamber of Dutch Parliament was very European-minded. A few months later, the members of the West-European Union (United Kingdom, France and the Low Countries) started negotiating on the creation of a new European

¹⁷ Hellema, *Nederland en de Wereld*, 43,45

¹⁸ Idem, 113

¹⁹ Voorhoeve, *Peace, Profits and Principles*, 102

organisation. However, the product of these talks, the Council of Europe, had no teeth as the British fear for European federalism produced a very weak compromise. The Consultative Assembly had no decision-making powers, which were all committed to the Council of Ministers. The Ministers on their part were acquired to arrive at their decisions by unanimity. Because of this, the Council became an obstacle instead of a vehicle for further cooperation, as all federalist proposals were vetoed. New initiative would come from a different direction.²⁰

Another important development was the commencement of the reconstruction of the country. In comparison to other Western European countries, Holland was heavily damaged by war. Part of the reconstruction programme was a scheme for the industrialisation of the Netherlands. The country suffered from a large international trading deficit, which was especially large vis-à-vis the USA. The Marshall plan was of critical importance for the easing of the economic problems in the transition period direct after the war.²¹ Characteristic for the pragmatism of the Dutch governing elite was a report by Hirschfeld, the top official of partly Jewish descent who had continued his job during the occupation and now stressed the importance of the Germany for Dutch economic wellbeing. For him German inclusion in the new economic order was crucial.²² To coordinate the European recovery, the Organization for European Economic Co-operation was founded. It was this organization that would be the focus of Stikker's plans for the liberalization of trade.

1.6 BENELUX

Throughout the period discussed in this thesis, the Dutch were involved in another attempt to integrate. In London, the exiled governments of Belgium, the Netherlands and Luxemburg signed an agreement to create a custom union after the war. It was the start of the Benelux project. There are two reasons to why the Benelux deserves our attention: First, the Benelux is often seen as the forerunner, although on a smaller scale, of the European project. Second, in

²⁰ R.T. Griffiths, *Europe's First Constitution, The European Political Community, 1952-1954*, (London, 2000), 44-48; William Mallinson, *From Neutrality to Commitment, Dutch Foreign Policy, NATO and European Integration*, (London, 2010)

²¹ J.L. van Zanden & R.T. Griffiths, *Economische Geschiedenis van Nederland in de 20ste eeuw, Van een veelzijdige volkshuishouding met een omvangrijk koloniaal bezit naar een 'klein land' binnen Europa*. (Baarn, 1989) 192-195

²² Joost Kleuters & Mathieu Segers, "The Netherlands, The United States, Germany and the European Integration in the 1950's and the 1960's" in: H. Krabbendam, C.A. van Minnen and G. Scott-Smith *Four Centuries of Dutch-American Relations, 1609-2009* (Amsterdam, 2009)

the negotiations central to this thesis, the Benelux at times formed a block and the Benelux governments often tried to coordinate their positions. On the motivations for the creation of the Benelux and the successfulness of the project is no clear consensus. After the first declarations pressure from the Americans – who saw the Benelux as potentially the first step towards European integration- was a clear incentive. Due to joint action, the Benelux was able to get a substantial portion of the Marshall aid.²³

Nevertheless, the road to economic union, which was not established before the signing of the treaty of Rome, proved to be long and difficult. The Netherlands and Belgium fiercely defended their national interests. During the first years, a large gap existed between the two economies as Dutch industry was severely damaged, while Belgian industry had survived the war largely unharmed. This made a creation of a common market difficult as Dutch authorities tried to shield the Dutch market from Belgian industrial products in an effort to protect domestic producers. The Belgians on the other hand, tried to limit Dutch agricultural exports. Throughout the late forties, the Netherlands suffered from a large import surplus with its southern neighbour. To ease the pain the Dutch received Belgian loans. Between 1946 and 1950 the Belgians effectively paid their exports to Holland themselves.²⁴ The free trade zone also formed a problem as the Governments tried, partly as a result of pressure from lobby groups, to protect particular sectors. The in 1948 agreed upon free trade zone was hollowed out by the many exceptions. The difficulties were not limited to trade policy as both countries were unwilling to give up their freedom to determine their own, diverging social-economic policies. A huge wage gap existed between the two countries as the Dutch maintained a low wage policy to increase competitiveness. The first months of 1952 saw a dramatic change in the Dutch balance of payments as a deficit turned into a surplus. At the same time the Belgian economy took a turn for the worse. The result was further Belgian protectionism and Belgian calls for supranational approach to the final Benelux integration. Den Haag however, was not prepared to give up its successful low wage policy, which would have meant sacrificing comparative advantage to the rest of the world only to gain excess to the Belgian market. The final treaty establishing the Economic Union of the countries was, as a result of Dutch

²³ Arend Jan Boekestijn, “The Formulation of Dutch Benelux Policy” in: Griffiths, *The Netherlands* 44, 45; Hellema, *Nederland en de Wereld*, 117

²⁴ Boekestijn, “The Formulation” in: Griffiths, *The Netherlands*, 27-30

pressure, stripped of every supranational potential. This policy stood in stark contrast to the Dutch position in the EEC negotiations.²⁵

²⁵ *Idem*, 29, 34

2. COAL AND STEEL

2.1 THE LAUNCH OF THE SCHUMAN PLAN

By the spring of 1950, the impotence of the Council of Europe had become painfully clear. As the former French Prime Minister Paul Reynaud said: “*The Council of Europe consists of two bodies, one of them for Europe, the other against it.*”²⁶ Something had to be done in order to get European integration out of deadlock. With Britain wary for the continental involvement and Germany bearing the heavy burden of guilt, France was the only nation that could take the initiative. On 9 May 1950 it did, when in a radio speech the Foreign Minister launched a plan bearing his name; the Schuman plan. The long-time enemies, which had fought three wars in seventy years, were to create a common heavy industry community in order to make a new European war not only impossible, but also unthinkable. The French invited other Governments to join. With this brilliant move Schuman and his senior adviser and author of the plan Monnet, caught the imagination of many. It assured them a place in the pantheon of European statesmen, who as the myth goes started the road towards federalism out of pure idealism. However, this is only one part of the story. The Schuman-plan was designed to control German coal and steel production in the Ruhr. In this way an industry plagued with overproduction could be regulated, future German aggression tamed and the country could be anchored to the West. Therefore, it is clear that idealistic notions of European unity did not only motivate the Schuman plan.²⁷

2.2 DUTCH REACTION

The Dutch Government reacted cautious to the Schuman plan. The Council of Ministers agreed to participate in the talks, but Prime Minister Drees and Foreign Minister Stikker had strong reservations, fearing involvement in domestic social-economic policies, as they were especially keen to preserve Dutch low wage policy. They feared the new organisation would make deep inroads into Dutch sovereignty. However, cabinet agreed to issue a communiqué stating the intention of the Government to be part of the negotiations. At the same time they

²⁶ Cited by: Griffiths, *Europe's First Constitution*, 48

²⁷ Milward, *The European Rescue*, 318; J.R. Gillingham, *Coal, steel and the rebirth of Europe, 1945-1955, the Germans and the French from Ruhr conflict to economic community*, (Cambridge, 1991) 228-29

decided to give notice to the five partners that if the talks led to unsatisfactory results, the Dutch government would feel obliged to withdraw from them altogether. In contrast to the cabinet's reaction, the broader public and large sections of parliament reacted positively.²⁸

Stikker's reservations for the Schuman-plan can partly be explained- as he was declared anglophile- by the hostile reaction of London. From the start it became clear Britain would not take part in the negotiations and that it would be very content with their failure. Its special relationship with the US and the close ties with the Commonwealth were of bigger importance. This was not just driven by the feeling of Britishness but also by economic necessity; as late as 1958 52% of British exports were destined for colonial and commonwealth markets while only 12% went to the EGKS countries.²⁹ The Americans on the other hand welcomed the French initiative and President Truman called it "*An act of constructive statesmanship in the great French tradition.*"³⁰

There was no way the Dutch could have turned down the Schuman-plan like the British did. Firstly, the West-German membership fulfilled Dutch wishes for the inclusion of its neighbour in the new European community. Secondly, the economic focus of the plan made it hard to resist, as this had always been the Dutch approach. Most Ministers, Stikker included, were functionalists, preferring economic cooperation to federalist designs for a United States of Europe. The plan, while written by a federalist and with federalist intentions could also be seen as the first sectoral step towards a European free market. In fact, the Foreign Minister himself was preparing a plan, which also used the sector approach when Schuman announced his plan. Thirdly, economic reality made Dutch aloofness difficult, as the Netherlands imported 33% of its coal and 88% of their steel from the other five. Not entering this production bloc would therefore have had huge economic consequences.³¹ The overall growing importance of the EEC countries for Dutch trade was one of the trends lasting throughout the post-war decades. This influenced Dutch policy makers to opt for coordination in the continental bloc. On the other hand, the Schuman plan did produce a number of

²⁸ Minutes of Dutch Council of Ministers 30 May 1950, NA, 2.02.05.02 (Arch. MR) (Nationaal Archief, Den Haag) inv.nr. 394

²⁹ Idem; William Mallinson, *From Neutrality to Commitment, Dutch Foreign Policy, NATO and European Integration*, (London, 2010) 123-25; Andrew Moravcsik, *The Choice for Europe*, 88

³⁰ Cited in: Mallinson, *From Neutrality to Commitment*, 125

³¹ R.T. Griffiths, "The Schuman Plan" in: R.T. Griffiths, *The Netherlands*, 114, 117; D.U. Stikker, *Memoires. Herinneringen uit de lange jaren dat ik betrokken was bij de voortdurende wereldcrisis*, (Rotterdam/Den Haag, 1966), 163-64

problems and dangers to Dutch economy. It also gave way to fears of Holland's role in Europe. First, the economic problems will be treated.

2.3 ECONOMIC DIFFICULTIES

As Holland was a net importer of coal and steel its interests were served by low prices. In the Benelux bloc, the common import duties on these products were very low, in this way warranting a low price. This was crucial for Holland's reconstruction as coal and steel were key products needed for the industrialisation programme and the building frenzy. However, two things might undermine this goal: First, high import duties on inputs might drive up the entire price band. To counter this, the Dutch favoured a low external tariff written into the treaty. The price forming mechanism in mind was the "*integral cost price of the most efficient enterprise and a maximum price equivalent to that necessary to keep a marginal enterprise in existence.*"³² In this way, efficient companies could expand and the prices would not skyrocket. However, if world market prices were below this level, the Dutch argued, the external imports should not be raised to fill the gap. This meant the Dutch were for a roof on prices without an effective cellar. It is unnecessary to say this was not accepted by the producing countries. The other threat to low prices was that the Belgium argument that the integral price was too low. The Belgian argued that the cheaper producing companies and countries were not more productive, but were merely supported by unfair low wages and taxes. If this argument was accepted in the negotiations, prices would rise and Dutch wage policies might be tampered with.³³

2.4 THE STIKKER PLAN

The possible interference in social policies was perhaps the biggest fear of the cabinet. This because keeping wages low was the core policy of the reconstruction and higher wages in the mines and the *Hoogovens* could destroy consensus on this policy for the rest of the economy. In order not to lose any influence over these policies, the cabinet decided to try to weaken the supra-national character of the new organisation. Therefore, the Dutch delegation headed by Dirk Spierenburg and Max Kohnstamm argued for an intergovernmental break on supranationality by creating a Council of Ministers. This council was to check the power of

³² Griffiths, "The Schuman Plan" in: Griffiths, *The Netherlands*, 121

³³ *Ibidem*.

the High Authority. Finally, the small size of the Dutch steel industry- existing only of the Hoogoven complex- meant that it needed special protection.³⁴

Apart from the possible economic problems, the cabinet was also reluctant to accept some political and strategic aspects of the plan. The new organisation had a limited membership and the Dutch feared being locked up in a high tariff zone. Membership of other nations, especially England, was preferred. The dominate line of thought in the cabinet was different and this is demonstrated by the Stikker plan. The differences between the Schuman and Stikker plan are telling. While the EECS was limited to six countries the Stikker plan was to include Britain and the Scandinavian countries. The core organisation was the OEEC. While it had some supranational tendencies –results of American pressure- the plan had an intergovernmental undercurrent. Finally, instead of focusing on heavy industry, the Stikker plan aimed for the establishment of free trade zone on the continent. Some overlap was also the case as both plans followed the sector-by-sector method. The plan also envisaged the creation of a European market free from trade barriers such as quotas and tariffs. To smooth the transformation process an integration fund would support modernisation and investments to restore competitiveness of outdated industries. The sectors suitable for integration would be chosen by the Council of the OEEC, after this commissions of independent specialists would make the technical decisions. Finally, these drafts were to be approved by $\frac{3}{4}$ of the Council. The plan never became a success as other governments feared it would be impossible to negotiate successfully with so many nations at the same time, especially because every country essentially had veto power. Furthermore, the Americans argued that the sector-by sector method made compensating a country's concession on one front more difficult because of the clear partition in sectors.³⁵

2.5 GETTING CONCESSIONS

Let us return to the Schuman plan. The Dutch delegation was not the only one fearing the loss of sovereignty to an over-mighty High Authority. In its fight against the domination of supranationalism the Benelux partners assisted the Dutch. So under Benelux pressure a High Court

³⁴ Minutes of the economic committee of cabinet 1st July 1950 (REA) NA, 2.02.05.02 (Arch. MR) (Nationaal Archief, Den Haag) inv.nr. 572

³⁵ Wendy Asbeek Brusse, "The Stikker plan" in: R.T. Griffiths, *The Netherlands*, 78; Minutes of the economic committee of cabinet 7th June 1950 (REA 2.02.05.02 (Arch. MR) (Nationaal Archief, Den Haag) inv.nr. 572

of Appeal was created, giving governments the opportunity to appeal decisions taken by the High Authority. Furthermore, the High Authority's area of interest was limited to coal and steel, areas concerning wider national policy were guarded by the Council of Ministers and the Parliamentary Assembly.³⁶ The Dutch aimed for an as low as possible common external tariff. A low common tariff was also important because if other countries were to keep their high tariffs traders from these countries might import American or British coal and steel through Dutch ports. This would drain Dutch hard currency reserves- since the Dutch had to use their dollars or pounds reserves to buy the steel and were paid in for example liras - in return. This was not achieved but in the end, the common tariffs were only 2% higher than the Benelux tariffs. Furthermore, the Benelux countries were free to levy their own old tariffs when importing for own consumption. This eased Dutch fears for autarky.³⁷

On another perceived threat to Dutch national interests, namely the High Authority's role of interfering in the social policies, the partners of the Benelux stood on the opposite side. As a result of confused management the Belgian workforce in the mines was one of the best paid and least productive in Europe. This was only part of the problem, lack of new investment and innovation and limited economies of scale had made these mines outdated even before the war. The Belgium industry survived the war largely undamaged. In the first years after the war, the Belgium Government, profiting from the scarcity of industrial products increased production by giving loan subsidies. Belgium became one of the largest industrial producers of the continent. The system unraveled when German mines in Ruhr started to recover from the war, producing cheaper coal. Belgian labour costs were as much as 60% higher. With a common market managed by a supra-national organization Belgium would feel the full force of the competition without being able to subsidize its producers.³⁸

A possible solution advocated by the Belgians was giving the High Authority the power to battle 'unfair competition' by giving it control over the wages in the sector. This wage gap problem was, as we have seen in the introduction also a hurdle for further Benelux integration. Fortunately, of the Dutch they were supported on this point by West Germany.³⁹ The Germans followed the same road to recovery as the Dutch, preferring low loans in order to

³⁶ Minutes of the economic committee of cabinet 18th July 1950 (REA) NA, 2.02.05.02 (Arch. MR) (Nationaal Archief, Den Haag) inv.nr. 572

³⁷ Minutes of the economic committee of cabinet 1st July 1950 (REA) Griffiths, "The Schuman Plan" in: Griffiths, *The Netherlands*, 121

³⁸ Gillingham, *Coal, steel*, 247-48

³⁹ Report of meeting of the social commission of the Schuman Plan, 27 September 1950, 2.05.117, Buitenlandse Zaken, blok 1, 1945-1954 (Nationaal Archief, Den Haag) inv.nr. 18592

stimulate export. Because of this alliance, the High Authority would not have any real power concerning social policies. It could only intervene when loans were lower than in other sectors. It could prohibit wage-cuts when they were made to increase competitiveness; however, wage cuts, which were part of a national programme -on insistence of the Dutch-, were to be excepted.⁴⁰ The Belgians did get their subsidies to compensate for their high costs during a transmission period, but the efficient German producers paid most of these costs. The Dutch were only required to levy a tax of 0,65f per tonne of coal. It must be made clear that any the Dutch influence on the process was rather limited, as the Dutch had very limited heavy industry, the Dutch just lifted on the back of the Germans.⁴¹

In order to ensure a low price level, the Dutch were very fierce in preventing the formation of cartels. In September the delegations of Germany, Belgium and Luxemburg suggested price setting was best done by “regional groups” This to the distaste of the Dutch, who were afraid of old fashion cartels forcing the prices up.⁴² Fortunately, the Dutch again had a strong ally as the French started a campaign to break the power of the Ruhr magnates. The Americans, who were particular hostile to anything even remotely resembling cartels, supported Monnet. For Monnet, this was necessary in order to prevent Germany from overwhelming the rest of Europe, not by force as it had done before, but by its enormous economic importance. This resulted in fierce battle, which ensued for months and at several moments nearly destroyed the plan altogether. As this paper is about the role of economic lobby groups, I would like to remark that these negotiations might be the clearest example of pressure extorted by lobby groups on the political process and its ineffectiveness. In this epic battle, French industrials joined their German brethren in resistance against their own government. The Dutch had not real influence in this process so detailed discussion of this episode is beyond the scope of this thesis. Its suffices to notice that in the end Monnet, with the help of the Americans triumphed over the magnates and that in his solution was in line with Dutch interests.⁴³

⁴⁰ Treaty establishing the European Coal and Steel Community chapters VII and VIII

⁴¹ Gillingham, *Coal, steel*, 248

⁴² Griffiths, ”The Schuman Plan” in: Griffiths, *The Netherlands*, 126

⁴³ Gillingham, *Coal, steel*, 266-2

2.6 THE STATE MINES AND HOOGOEVENS

Let us return to the industries most affected by the plan; Hoogovens and the mines. How did the Dutch government guard their interests? Overall, it is fair to say the Dutch negotiators defended the interests of the Dutch coal and steel sector with great determination. The Dutch coalmines, unlike the mines in other countries were state companies so cabinet had their interests always in mind. In contrast to France, Germany, Belgium and even Luxemburg the Dutch steel industry consisted of only one complex: The Hoogovens in IJmuiden, which was also in public hands and very much the *pièce de resistance* of the reconstruction. At the start of the negotiations, the Dutch feared the expansion of the Hoogovens complex might be in danger in the event of Dutch membership. The High Authority might make objections against the expansion of Dutch steel production as the European steel market was glut.⁴⁴ The Italians, who like the Dutch had no old steel industry and were expanding too, feared the same thing and in the negotiations the two delegations worked together on this point. The other countries were willing to make an exception for both countries and their agreed letting the already planned expansions to be part of the treaty. The reason is clear, Dutch and Italian steel production was marginal and expansion would not have any significant effect on the European market.⁴⁵

After this obstacle was cleared out of the way, a new one appeared. The Hoogovens complex did not use the Thomas process, which was geared to use iron ore as raw material for producing steel but instead used the Martin-Siemens process. The latter could only produce steel from scrap or other high iron containing materials. This was an efficient system since the small size of the (scrap using) steel industry made scrap in the Netherlands very cheap. For the Thomas process used in the rest of Europe, except in Italy where the same process was used as in Holland, the usage of scrap made the process of steelmaking more fuel-efficient and therefore all scrap was used in the production of steel. In Belgium, for example, the large steel industry used all the scrap available, resulting in a price for scrap twice as high as in Holland. Hence, the creation of a common market of scrap –as was foreseen in the negotiations of the Schuman plan - could have a strong negative impact on the management of the Hoogovens. The director of the factory brought this problem to the attention of the Dutch delegation. On a meeting of the of the committee of advise on the Schuman plan

⁴⁴ Minutes of the economic committee of cabinet, 13 June 1950 (REA)

⁴⁵ Griffiths, "The Schuman Plan" in: Griffiths, *The Netherlands*, 129; Report of the Meeting, 1 August 1950 NA, 2.05.117, Buitenlandse Zaken, blok 1, 1945-1954 (Nationaal Archief, Den Haag) inv.nr. 18596

Arnold Ingenhouz expressed his concern on the situation and advised against the creation of a free market on scrap. A free market would severely damage the competitiveness of Hoogovens by driving up the price for a key raw material or even bring production altogether in danger as Dutch scrap might be used in other countries in the Thomas process.⁴⁶

2.7 PRESSURE FROM INDUSTRY

The negotiators expected that such an exception would be unattainable since this would strike at the core of the Schuman plan. So even if another captain of industry, P.R. Bentz van der Berg, on 10th of January expressed that he still preferred the total exclusion of scrap from the treaty, this would not happen.⁴⁷ The final solution was less favourable for Hoogovens as it's lost its price advantage. However, supplies were guaranteed as the supply of scrap to electrical furnaces as Hoogovens would have priority in times of scarcity.⁴⁸ With the solution of the scrap problem, Dutch membership appeared to be secured. Leaders of the Dutch steel and coal industry were not so sure joining the EEC would suit their industries interests. This was in line with the developments in the rest of Europe as French, German and Belgian industrials were fighting a long, protracted fight against Monnet in order to protect their right to form price-manipulating cartels. On the 28th of November, Ingenhouz, after discussing the problems concerning scrap, criticised the Schuman plan. In his opinion, the High Authority had too much power and the role of business organisations was too limited.⁴⁹

Two months later on 30 January, at the last meeting of the commission of advice for the Schumanplan, Ingenhouz again voiced his reservations. Declaring that as this was to be the last meeting of the council he therefore would like to make a statement, Ingenhouz made his reservations clear: He thought the plan would result in a immoderate rigid system of dirigisme by the High Authority and that it lacked free market impulses, this would be bad for the steel industry. In addition, he remarked the strong political pressure exercised to accept the agreements by Paris should be ignored until a number of uncertainties were solved, otherwise the proposals should be rejected. He clearly feared the French would push them through so that further adjustments could not be made. Director of the Mines P.A.A. Wirtz supported his

⁴⁶ Report of the meeting of the Commission of Advise on the Schuman plan, 28 November 1950, MinFin, Directie Buitenlands Betalingsverkeer (Ministerie van Financiën) inv.nr. 1261 2

⁴⁷ Report of the meeting of the Commission of Advise on the Schuman plan, 10 January 1951, NA, 2.05.117, Buitenlandse Zaken, blok 1, 1945-1954 (Nationaal Archief, Den Haag) inv.nr. 18601

⁴⁸ Treaty establishing the European Coal and Steel Community article 59

⁴⁹ Report of the meeting of the Commission of Advise on the Schuman plan, 28 November

scepticism. In response to this, Spierenburg declared that the delegation would not take decisions hastily. In addition, he expressed his surprise towards the statement of Ingenhousz, since he felt the delegation had informed the representatives throughout the process.⁵⁰ However, this last effort by these two captains of industry was to no avail. The economic committee of cabinet strongly objected the statement of Ingenhousz. Minister of Economic Affairs Van den Brink declared he would call the industrials to order. On the crucial moment, the arguments of the economic lobby groups -as Moravscik would call them- were swept aside as the committee accepted the nota of the delegation and authorised it to conclude the final negotiations.⁵¹

2.8 FINAL REMARKS

From this chapter a clear image arises. Securing the economic interests of the Netherlands dominated the discussions in Government and the Dutch delegation fiercely defended these interests in Paris. In this the Dutch were, considering their position as small power and the insignificance of their heavy industry, surprisingly successful. This can be largely explained by the help the Dutch had from other delegations, Spierenburg was never isolated. In this way most goals of Dutch diplomacy were achieved. One could argue Dutch policy towards the Schuman plan can be sufficiently explained by economic factors. Firstly, the continued possibility of determining economic policies (low wage policy) free from foreign interference was crucial to the government as the loss of loan moderation as policy tool would severely damage Dutch economic well-being. Limitation of the powers conferred to the High Authority was therefore the most important objective for the Dutch and they were willing to walk away from the negotiations the other countries did not meet their demands.⁵² Secondly, the Dutch focus on economics, from tariffs negotiations to price setting, is also an argument in favour of structuralistic reasoning. Thirdly, you might argue that industry had a large influence of the determination of the national position. On the meeting of 31 of January 1951, Minister van den Brink states that representatives of industry were always involved in the decision making.⁵³ It is true that the directors of the mines and the Hoogovens – as this were

⁵⁰ Report of the meeting of the Commission of Advise on the Schuman plan , 30 January 1951

⁵¹ Minutes of the economic committee of cabinet, 31 January 1951 (REA)

⁵² Anjo G. Harryvan a.o, *Voor Nederland en Europa, Politici en ambtenaren over het Nederlandse Europebeleid en de Europese integratie, 1945-1975* (Den Haag, 2001), 269 (interview with Spierenburg)

⁵³ Minutes of the economic committee of cabinet, 31 January 1951 (REA)

the industries that were affected by the Schuman plan- were important members of a Committee advising the delegation direct.

Therefore, it seems Moravcsik's theory could explain Dutch role in the negotiations of the treaty of Paris. However, a more thorough look at the sources shows the weakness of this premise. On the same meeting of the economic committee, after he had stressed the involvement of industry in the process, Minister Van den Brink declared that the opposition of Ingenhouz to the results of the negotiations was irresponsible. On this paramount moment, the Ministers decided to ignore the wishes of industry and the delegation got the mandate to conclude the negotiations.⁵⁴ Hence, pressure for the industrial lobby cannot explain policy. Accepting this, one might argue that economic considerations, even if the industrial lobby was not the determining force, still were the most important factor for decision-making. Even if business leaders perceived the plans as bad for industry, the Dutch Government might have concluded the opposite and therefore agreed to the nota put forth by the delegation. Minister Van den Brink indeed declared he thought the EECSC would have a positive effect on the Dutch economy; nevertheless, he was the only one focusing on economics. Stikker declared that the international situation was the reason why the Government should accept the nota. This is confirmed by Prime Minister Drees, who declared that accepting the proposed plans would have large international political advantages and that compared to this the (economic) risks were small. The Prime Minister did not agree to the next step towards European integration because of economic considerations but despite them.⁵⁵

This does not mean economics were of no importance, for the expansion of Hoogovens and the watering down of the power of the High Authority were of such importance that Dutch negotiators threatened that the failure to meet these demands would result in the Dutch leaving the negotiations. Nevertheless, the reason why Drees signed the treaty on 18th of April was not the economic advantages it offered but political ones. The inclusion of Germany at the heart of the European project, the strong support offered by the United States and the unappealing alternative of isolation were crucial. While the ECSC did not develop into an organisation dominating the European political landscape, as Monnet had wished, it did become the starting point for most new plans for further integration.⁵⁶

⁵⁴ Idem

⁵⁵ Idem, Report of the Meeting, 1 August 1950

⁵⁶ Dirk Spierenburg & Raymond Poidevin, *The History of the High Authority of the European Coal and Steel Community*. (London, 1994) 55-9

3. EUROPEAN POLITICAL COMMUNITY

During the negotiations on the Schuman plan a pressing problem arose, namely the German rearmament. Two events made this problem top priority for the Americans: The first one was explosion of the first soviet atomic bomb in 1949; the second was the commencement of hostilities on the Korean peninsula in 1950. Many feared that the loss of atomic monopoly meant that the balance between the conventional superiority of the Soviet Red-Army and American atomic might was disturbed. Furthermore, the Korean War seemed to show the offensive spirit of communism. Because of these two developments, the Truman administration decided the defence of Western Europe was to be stepped up. However, the American Government felt that the Europeans should contribute to the defence of their continent and therefore German rearmament was crucial. Unsurprisingly German rearmament was, so short after the war, controversial and especially the French were strongly against it. However, the French Government knew that a veto would endanger the reconciliation between France and Germany, which was taking shape through the Schuman plan. Therefore, they launched their own plan for Europe's defence, which was to neutralize German rearmament, by supranational control, just like the Schuman plan had done with industry. The Pleven plan envisaged the creation of a European army administrated by European Defence Community. In this way, Germany's resources would contribute to the defence of the continent while its armies would not be a security threat.⁵⁷

3.1 DUTCH REACTION TO THE EDC

In contrast to its attitude towards the Schuman plan, the Dutch Government had strong reservations about the Pleven proposals. Stikker's Atlantic preposition was demonstrated by his reaction to the French proposals. The Ministers were of the opinion that the plans were too continental, too French and too supranational and they feared a European *alleingang*. However, a clear rejection was not an option because of the American support for the plans. Caught in the crossfire of American wishes and expectations of the other countries on the one hand and their own reservations on the other, the Dutch delegation was the enfant terrible of

⁵⁷ William Mallinson, *From Neutrality to Commitment*, 137-8; Jan van der Harst, "The Pleven Plan" in: Griffiths, *The Netherlands*, 142

the negotiations.⁵⁸ In response of the French proposals, Stikker launched his own plan to strengthen Western Europe's defence. This plan focussed on limited integration under NATO command. However, the plan was not successful because it lacked French and American support and in December Stikker decided to drop it.⁵⁹ Nonetheless, the Dutch Government still was vehemently against military integration outside NATO and when invited by the French to join the negotiations in January 1951, the cabinet decided to not to take part and sent only an observatory delegation to Paris.

In the meantime, the Dutch could not persist in their attitude of aloofness as the negotiations progressed successfully and Anglo-Saxon support grew. Inside the governing elite, a debate developed on the pro and cons of joining the negotiations. Fear of isolation and American reprisals combined with the hope to influence the negotiations made the Government approve to Dutch participation in the talks. So on 5 October 1951 the Council of ministers decides to take an active stance in the negotiations.⁶⁰ Together with the Belgians, the Dutch aimed at keeping military integration to the bare minimum. Concerned about the position of the EDC towards NATO and threatened by the possible domination of Germany and France, the small countries held their ground and in December the negotiations were on the verge of collapse. However, after a number of concessions – giving the Benelux countries more influence- by the big three weakened there revolve. Finally, the Dutch frustrated the negotiations by demanding guaranties that the USA and Britain would come to the aid of the EDC in case of war, but the promptly made statements of both government giving these guarantees made further resistance useless.⁶¹ In the end, the cabinet agreed to the proposals, but a general agreement of the Ministers with the achievements of the delegation, which had been the case with the final version of the Schuman plan, was absent.⁶² But in the end the Netherlands had no choice since all the mayor allies –even Britain that did not participate - were in favour of the EDC.

⁵⁸ Minutes of Dutch Council of Ministers 27 November 1950 NA, 2.02.05.02 (Arch. MR) (Nationaal Archief, Den Haag) inv.nr. 394

⁵⁹ Harst van der, "The Plevan Plan" in: R.T. Griffiths, *The Netherlands*, 143

⁶⁰ Coded telegram from the Dutch Embassy in Washington to Dutch Ministry of Foreign Affairs, 11th of April 1951, BuZa, code 6, 1945-1954 (Ministerie van Buitenlandse Zaken) inv.nr. 996.1; Report from Dutch delegation on the negotiations on the creation of an European army. August 4 1951, NA, 2.02.05.02 (Arch. MR) (Nationaal Archief, Den Haag) inv.nr. 470

⁶¹ Harst van der, "The Plevan Plan" in: Griffiths, *The Netherlands*, 147-52

⁶² Minutes of Dutch Council of Ministers May 14 1952, 2 NA, 2.02.05.02 (Arch. MR) (Nationaal Archief, Den Haag) inv.nr. 396

3.2 BEYEN STARTS

After the signing of the treaty on 27 May, Drees and Stikker still hoped for the downfall of the Pleven plan. Stikker's pragmatic handling of the Papua New Guinea crisis made it impossible for him to return after the elections in June 1952.

It was also because of Papua New Guinea that the new Government, when installed on 2 September, had two Ministers responsible for Foreign Affairs. In the formation process, a conflict had arisen between the leaders of the two largest fractions in Parliament: Drees (Partij van de Arbeid) and Beel (KVP). Beel was determined to claim the post of Foreign Minister for a party member, in order to be sure the new Government would hang on to Papua New Guinea. Drees on the other hand was determined not to give the position to a Roman Catholic, as he feared a pro-European course. The deadlock was broken when a banker without party affiliations was appointed Foreign Minister, Johan Willem Beyen, and Joseph Luns Minister without portfolio. Both would be responsible for foreign policy, but soon a division of the workload developed as Beyen became entirely focused on European multilateral relations while Luns did the rest. In the next four years, the determination of a foreign policy was complicated by the clashing of two prima donna's. Both Ministers increasingly disliked each other and in the end were not on speaking terms. It is very clear that the commencement of Beyen's tenure as Minister was at least a clear change in the way work was done. Stikker's policy style was one in which the civil servants of the ministry were crucially important, Beyen was more of a loner. Most of his European plans came out of his own pen, this in contrast to Stikker, who wrote his plans in close collaboration with officials, while he often relied upon them for ideas.⁶³

3.3 TURNING POINT?

Beyen taking office was more than merely a change of style. After close analysis, one can only conclude that this event really marks a lasting change in Dutch policy towards European integration. In the next few paragraphs, I will lend structure to this argument. Firstly, Beyen's deeds in the first months of office clearly indicate a policy shift towards a more pro-European stance. In the discussion concerning the ratification of the Pleven plan by Parliament, Beyen strongly favoured ratification as soon as possible, giving the European and Atlantic partners

⁶³ W.H. Weenink, *Bankier van de wereld Bouwer van Europa, Johan Willem Beyen 1897-1976*, (Amsterdam/Rotterdam 2005) 293, 304-9

proof of the Government's good intentions.⁶⁴ More important was Beyen's stance on the amendment added by the Italians. Just before the signing of the treaty, Rome suggested adding a clause that would make the creation of a European Political Community possible. This was added to the treaty, but only after the Dutch were assured this could only be done after consultation of the national Governments. On the one hand, this community was intended to function as an umbrella organisation for the sector organisations (the ECSC and the EDC), and on the other it would be the start of a federal Europe. The last cabinet was very sceptical about such an undertaking and at a cabinet meeting of 16 June; general consensus was that this was undesirable.⁶⁵ During the summer, the Dutch were forced into the defence on this point, as other countries strongly supported this motion. Because of this, the cabinet agreed to the creation of an Ad hoc Assembly of the EDC to work on the programme. However, it was with great reluctance as the ministers had a number of reservations and fears: A political federation, Stikker thought, was only possible after a long integration process on the economic field. Furthermore, Stikker was very pessimistic on the chances of ratification by the French Parliament. In general the cabinet, with the exception of the federalist Mansholt, was against the new developments.⁶⁶

Beyen however, as from the first meeting of the new cabinet, was in favour of the plan. He emphasized a functionalist approach and favoured a positive reaction, Mansholt and Van de Kieft supported him. Drees, Beel and Staf had great reservations. The council decided to be constructive towards the program but to buy time at the same time.⁶⁷ On 10 September, the Council of Ministers of the ECSC met and it decided to speed up the negotiations on the EDC. They agreed that the Assembly would not start after the signing of the EDC but immediately. This Ad Hoc Assembly would consist of members of the ECSC Parliament and other representatives of the member states, among whom members of the national Parliaments. In his memoirs, Beyen suggests he had the full political backing for the diplomatic move at the meeting of Foreign Ministers, however the above suggests his was only partly the case as the Dutch cabinet was divided. Crucial issue for the support of his colleagues and central to his own plan was to broaden the scope of the EPC. Political integration could only be achieved if

⁶⁴ Harst van der, "The Plevin Plan" in: Griffiths, *The Netherlands*, 153-56

⁶⁵ Minutes of Dutch Council of Ministers, 16 June 1952, NA, 2.02.05.02 (Arch. MR) (Nationaal Archief, Den Haag) inv.nr. 396

⁶⁶ Idem; Memorandum by Minister Stikker, 12 August 1952, NA, 2.03.01 (Arch. AZ/KMP) (Nationaal Archief, Den Haag) inv.nr. 2675

⁶⁷ Minutes of Dutch Council of Ministers, 5 September 1952, NA, 2.02.05.02 (Arch. MR) (Nationaal Archief, Den Haag) inv.nr. 397

this integration was also applied to the economy. When Adenauer as chair of the council of ministers proposed a committee that would draw up the tasks of the Assembly, Beyen in an unorthodox move stated that he himself – instead of a high-ranking official- would represent the Netherlands on the committee. Later that day, Beyen as the only Minister of this committee dominated the talks. In this way, he ensured that the Ad Hoc Assembly would also discuss economic integration and the first step towards a new approach was made.⁶⁸

In the nota to the Council of Ministers Beyen sought to chart the course of Dutch policy. The pivotal point of the nota was that political integration without economic integration would be unacceptable to the Dutch, while the French and the Italians would veto economic integration without political cooperation. Therefore, the nota concluded, the success of the negotiations would largely depend on how much political power the Dutch were prepared to surrender in return for economic integration. Politically the nota clearly diverged from earlier the stance of the Dutch Government, for it stressed the principle of supra-nationality. However, in order to appease fears in Holland an intergovernmental treaty limited the power of the new organisation. Furthermore, the power of the Assembly was to be limited and the members were to be appointed by the member states instead of directly elected by the European voters. This limited supranational touch was partly a gesture to the other countries and partly self-interest as Beyen argued that supra-nationality in the economic field was in Dutch expediency.⁶⁹ The economic part of the nota was shaped by Beyens experiences in the thirties. In order for democracy to survive in Europe, Beyen argued stable economic growth founded on rising productivity and growing trade was needed; to achieve this European economic cooperation was essential.⁷⁰ The dot on the horizon was the creation of a customs union, but the slope towards this goal would be long and gradual as the future treaty was to be implemented under supranational management. Social and monetary corporation was necessary but only to a certain extent. For the moment, a monetary union was out of the question. Finally, Beyen stressed the importance of the relations with the Anglo-Saxon and Scandinavian countries. The new economic block was only desirable for Beyen if the economic, political and military ties with these countries were safeguarded. The cabinet reacted divided to the proposals. The idea of a customs union as engine of European unification could count on the support of the Ministers. However many had reservations about

⁶⁸ Beyen, *Het spel en de knikkers*, 220; Anjo G. Harryvan, *In pursuit of influence*, 40

⁶⁹ Anjo G. Harryvan, *In pursuit of influence*, 42-48; Minutes of Dutch Council of Ministers 24 November 1953, NA, 2.02.05.02 (Arch. MR) (Nationaal Archief, Den Haag) inv.nr. 397

⁷⁰ W.H. Weenink, *Bankier van de wereld*, 318-319

the creation of a supranational authority and the idea of a political union was like a bad dream to some. However, cabinet approved the broad lines of the nota and created the Interdepartmental Advisory Committee for the European Integration (better known as the Beyen Committee) to work the plan out.⁷¹

Besides the proposals put forward and the deeds done by the new Minister, other evidence also suggests a policy breach. For both key players themselves thought it was a breaking point. On 5 March 1953 after the presentation of the Beyen plan, Stikker, now the Dutch ambassador to the United Kingdom, wrote a letter to his successor. In this letter, Stikker expressed his fears about the new approach that was chosen: Firstly, Stikker wrote that the French Parliament would not ratify the EDC. Even if it was to be ratified, a proposal for a common market surely would not. Secondly, he feared German domination as France and Italy were divided and weak weakened. To counter this threat the Dutch government was to find support by aligning with the British, the Scandinavian countries and Belgium. Thirdly, the “all in one” approach was qualified as unrealistic and the ambassador therefore preferred a sectoral angle. Fourthly, the letter stated that it was undesirable that the Netherlands were leading advocate of the EPC in combination with a common market. In Stikker’s opinion, this created confusion in the rest of Europe as Dutch enthusiasm for the EPC in combination with a common market would be seen as a trick to sabotage the whole plan, since Paris never would except a common market. Finally, he argued that the incorporation of the Germans in a structure for the defence of Europe was done best in the context of NATO. In conclusion, Stikker wholeheartedly disagreed with the course his successor’s was taking.⁷²

When one reads Beyen’s reply, one cannot but notice his chagrin with Stikker’s mingling in his affairs. Beyen stressed that in his opinion, current policy was the logical result of the policy of the last government and the choices made by the new government were inevitable. However, he did disagree on many of the points mentioned by Stikker. He preferred Germany’s incorporation into a defence structure by the EDC to German membership of NATO (nonetheless, German Membership of NATO was also acceptable). He strongly defended his choice for a supranational corporation as he argued that both the ECSC and the EDC treaties proved the only way for further European integration was supra-nationality. Finally, Beyen argued that closer alignment with the UK was useless, as the British had

⁷¹ Anjo G. Harryvan, *In pursuit of influence*, 42-48; Minutes of Dutch Council of Ministers 24 November 1953

⁷² Letter from Dutch Embassy by Stikker to Beyen 5 March 1953, <http://www.inghist.nl/pdf/europa/G01199.pdf>;

marginalized themselves by vetoing all proposals of British membership of the European organisations.⁷³

3.4 EXPLAINING CHANGE

Considering the above text, one can only conclude that the appointment of Beyen as Minister was a turning point in Dutch foreign policy. This does not mean, however, that there are no similarities between pre and post Beyen policy-making. Throughout the whole period, the Dutch focus was on economic integration. This was consistent with the country's interests as the Dutch earned up to a third of the national income abroad through foreign trade. Having said that, it is my opinion that the change of Ministers did have a large influence on policymaking. How to achieve the perceived economic –and political- goals was not merely a matter of substance but of a large difference in opinion. Just as Stikker, Beyen understood Holland's needs more or less in the same way but had a complete different solution in mind. Nevertheless, proponents of Liberal Intergovernmentalism might argue that even if Beyen's appointment marked a change, this obviously does not necessarily imply that there was not an underlining reason. New pressure for economic lobby groups or change of the Dutch economic interests could also explain the policy shift. For it might have forced an Minister to change course. In other (Marxist) words, the base determined the top. Overall however, the influence of interest groups does not explain the policy shift. A number of organisations and groups were in some way or another involved in the policy-making process: The agriculture umbrella group the *Stichting van de Landbouw*, the four large employer organisations and the four large Dutch internationals Phillips, Shell, AKU (Algemene Kunstzijde Unie) and Unilever. First, we will discuss the role of organised agriculture.

The *Stichting voor de Landbouw* was a powerful group which represented both employers and workers in agriculture. It advised the Minister on policy and at the same time was the consultative committee between the different organizations in the sector. it also played a role in trade negotiations for example, when the Danish delegation for trade negotiations visited Den Haag on 9 September 1955 they were welcomed from a joined delegation of the Ministry and the international commission of the *Landbouwschap* (the successor of the *Stichting voor de Landbouw*) On 24 of December 1953 the foundation stressed the importance of common market for agricultural products but in contrast to Beyen's ideas their plan was based on a

⁷³ Letter from Beyen to Stikker, 11 March 1953, <http://www.inghist.nl/pdf/europa/G01205.pdf>

sector-by-sector approach.⁷⁴ Furthermore, the same group had made a similar statement on the 19 and 20 of May 1952 –before Beyen’s arrival on the scene– so it would be hard to attribute a change in policy to this.⁷⁵ Moreover, the Dutch efforts for agricultural integration, both from Government and organised agriculture were still focused on the OEDC until the failure of the Green Pool talks in Paris in 1954. Inclusion of agriculture in a common market was essential for the Netherlands since they were one of the largest exporters in Europe. Agricultural products formed a third of Dutch exports. Furthermore, Beyen’s most important ally and the only real federalist in the Dutch government, Sicco Mansholt, was Agriculture Minister. Repeatedly he voiced a federalist opinion, against the sceptical majority. Especially Prime-Minister Drees was very cautious to resigning sovereignty without clear economic benefit. Mansholt on the other hand was very much in favour of a federalist structure for a new Europe. Often he was more radical than Beyen himself, who always stated a common market was a quid pro quo for Dutch membership of a political union. Furthermore, Beyen described himself as a functionalist. Mansholt’s European idealism was also rooted in pragmatism as he felt the common market was essential for the survival of the Dutch farmers.⁷⁶

3.5 BIG BUSINESS AND EMPLOYERS ORGANISATIONS

Of the four large Dutch internationals, Philips was the one most involved in the creation of a common market but all four favoured European integration. The creation of a common market had huge advantages for these companies, as the reduction of import restrictions would make the concentration of production lines on a small number of sites possible, this meant large economies of scale could be achieved. The companies had supported the European movement, sponsoring the Congress of Europe in Knights’ Hall in Den Haag. These large companies, together with representatives of the four employers organizations lobbied for Economic integration in international business organizations like the international chamber of commerce (ICC) and the *Ligue Européenne de Coopération Economique* (LECE). Dutch business, employers- and labour organizations had formed a national branch of the organization the

⁷⁴ Landbouwschap, *Verslag van de werkzaamheden over de jaren 1954 en 1955*, 248

⁷⁵ Stichting van de Landbouw letter to Dutch Ministry of Agriculture, 24 December 1952, NA, 2.11.57 (Arch. DIO/LVV) (Nationaal Archief, Den Haag) inv.nr. 670-690; Report of a meeting Dutch and German representatives of the agricultural sector on 19 and 20 May 1952, NA, 2.11.57 (Arch. DIO/LVV) (Nationaal Archief, Den Haag) inv.nr. None;

⁷⁶ Sicco Mansholt, *De Crisis*, (Amsterdam, 1975), 75; Harryvan a.o, *Voor Nederland en Europa*, (interview with E.H. van der Beugel) 46

Economisch Liga voor Europese Samenwerking and this league became the focal point for business initiative, proposing the *Promotoren* plan (1951). This plan tried to integrate Europe with the sector by sector approach. National commissions of entrepreneurs were to propose a number of sectors suitable for economic integration which would then be discussed at the international level in the ICC and the LECE. Crucial was the Philips director and the Dutch representative to the ICC, Van Walsem. But lobbying efforts by Van Walsem and others were to no avail business in the other European countries was less inclined to expect European wide coordination.⁷⁷

While Van Walsem was lobbying for the *Promotoren* plan, Beyen unfolded his own plan, linking the EPC to a common market. There is no evidence he was pressured in any way by the employers organisations or the internationals, therefore they cannot be the reason of the change of policy. On the contrary, instead of business influencing Beyen, Beyen influenced business and the sector approach was abandoned in favour of the tariff union. The new plans were received very positively, but this was long after Beyen had changed course in the autumn of 1952, namely in May 1953. In a public statement, the four large employers' organisations declared their full support of the plan. The four large internationals agreed to do the same and Van Walsem decided to promote the plan in the ICC.⁷⁸

A large change of the Dutch economic interests irrespective of lobby groups could also explain the shift of policy. Throughout the fifties, the ECSC countries became increasingly important to Dutch foreign trade and this, structuralists would argue, was the reason for the shift in policy. The relative decline of Dutch trade with England, and the growing importance of trade with Germany were hard economic facts that politics had to deal with. It is true that this development was very important but it was not on the forefront. During the Stikker's period as minister, it already influenced policy-making and it was one of the underlying reasons for the Dutch entrance of the ECSC and the signing of the EDC treaty. Therefore, if this trend remained the same, it cannot be the reason behind a policy shift.⁷⁹ Beyen's arrival on the scene was a decisive factor for the change of track, which manifested itself from the

⁷⁷ I.J. Blanken, *Geschiedenis van Koninklijke Philips Electronics N.V. Deel V Een Industriële Wereldfederatie (1950-1970)*, (Eindhoven, 2002), 248-54

⁷⁸ Idem, 154-5, 159

⁷⁹ R.T. Griffiths and A. S. Milward, "The Beyen Plan and the European Political Community" in Werner Maihofer, *Noi si mura, Selected Working Papers of the European University Institute*, (Firenze, 1986) 596-599; Milward, *The European Rescue*, 184

start of his tenure in September 1952 and developed in a headlong rush towards a political and economic union. As the Beyen plan would show in early 1953, this did not mean the Foreign Minister had lost sight of Dutch commercial interests but he was far more optimistic on the chance of achieving economic goals than his predecessor and the Prime Minister were.

3.6 ELECTORAL PRESSURE AND PARLIAMENT

Before turning towards the Beyen plan, I should deal with another subject here, namely the influence of political interest groups and electoral pressure as a causal element in a nation's European policy. Moravcsik states that the influence of the elections and parliament might force a government to stay close to the economic needs of the electorate.⁸⁰ However, basic knowledge of the Dutch political system in the fifties leads to the conclusion that this was not the case. Namely, the system was characterised by a lack of pressure by the electorate, this was the result of the compartmentalization of almost all aspects of social life. Roman Catholics voted for the KVP, Protestants for a protestant party, etcetera. Therefore, politicians had great autonomy to determine policy. The strange thing was that the ability of political pressures groups, (political parties) to influence foreign policy was also very small. Federalists dominated the Dutch Parliament, but even if Stikker stressed the federalist stance of Parliament as one of the reasons, he decided not to return as minister in 1952, they had no real influence on European policy whatsoever. The gap between public opinion and Parliament's federalist attitude on the one hand and the sceptical attitude of government based on national interests on the other was remarkable and proves that the government and the civil service were free to determine a European policy without being under strong political or electoral pressure. This is best illustrated by the situation in Labour party. On the issue of European integration, a number of federalists in the Second Chamber of Parliament dominated the party position. The party leader and Prime Minister, Drees, on the other hand was – as we have seen- very sceptical and was in no way influenced by his party members who were so wholeheartedly in favour of European unity.⁸¹

⁸⁰ Andrew Moravcsik, *De Gaulle Between Grain and Grandeur: The Political Economy of French EC Policy, 1958–1970 (Part 1)*, *Journal of Cold War Studies*, Volume 2, Number 2, Spring 2000, pp. 3-43 (Article) there 20, 24

⁸¹ Wendy Asbeek Brusse, "The Dutch Socialist Party" in R.T. Griffiths, *Socialist Parties and the Question of Europe in the 1950's*, (Leiden, 1992); 185-9

3.7 FURTHER DEVELOPMENT OF THE BEYEN PLAN

In the winter of 1952-53 the Ad Hoc Assembly started to write a treaty for the foundation of the EPC. The process was difficult and it focused on the institutional and political aspects of the new union, leaving economic matters largely untouched. When it was finally presented to the Ministers in March, the draft treaty envisaged – against the opposition of the Dutch representatives– direct democratic control of the ECSC and the EDC by forming of a parliament elected by the European citizen. It also envisaged the creation of a common market and of further economic integration. This would be the responsibility of the executive of the community. Nevertheless, the treaty did not mention any date for the common market and even worse, the final decision was left to the Council of Ministers, which was to decide in unanimity. Therefore, a member state would be able to torpedo plans for a common market at any moment.⁸²

This of course was unsatisfying for the Dutch. One month earlier, in anticipation to this draft treaty, Beyen presented his plans to the other ministers, which marked the birth of the first Beyen plan. In contrast to the draft treaty, the Beyen plan envisaged the implementation of both timetable and date for the creation of a common market. The community was merely entrusted with the practical implementation of a common market. To soften the transition the plan also foresaw the establishment of European fund. The plan was also the subject of discussion in the Dutch government as it was criticised from two sides: in April, the ministerial advisory committee, also known as the Beyen committee, stressed the difficulties of the plan. The committee stated that the creation of a common market was likely to be a long and difficult struggle because for it to be meaningful further harmonisation of social and monetary policies of the member states was essential. More important was the opposition in the cabinet. As before, Drees headed the Euro-sceptics, while Mansholt supported Beyen strongly. Drees was negative towards the draft treaty and the Beyen plan because he feared a small Europe dominated by France and Germany and was reluctant to surrender sovereignty to a supranational organisation. He also stressed this fear of linking the Netherlands to political unstable countries with large communist parties like France and Italy. Furthermore, Drees felt that the forming of a community could have large economic disadvantages, as the harmonisation with the other five might result in a loss of productivity and could therefore weaken its competitive position in the world. The free access for Dutch products would

⁸² R.T. Griffiths and A.S. Milward, *The Beyen plan and the European Political Community*, EUI Working Papers, (Firenze, 1985) 11-13

probably no compensate these disadvantages. Beyen reacted to this criticism by stating that if this was the opinion of the government it had been better it had never joined the negotiations in the first place. By now he stated, the point of no return had long been passed. In the end, Beyen carried the day as Drees and other sceptics agreed to continue the negotiations. This was only after Drees stressed that if the Dutch economic interests were not secured in the treaty, by the automatic creation of a common market before a set date, he would be forced to resign. For Drees more political organisations without economic advantages was unacceptable. After this turbulent meeting, Beyen had the mandate to follow his policy of linking the political community and to secure commitments as watertight as possible for the creation of an economic alliance. While the Beyen plan was limited in scope - it only dealt with the economic clauses of the draft treaty, Dutch policy also aimed at limiting the powers of the large countries and securing the institutional demands that it had.⁸³

3.8 DEADLOCK AND FAILURE

By the spring of 1953 the fate of the EDC and therefore of the negotiations on the EPC – since the two treaties were linked- was hanging in the balance. The main reason for this was the changing political landscape in France. Ironically, Beyen’s effort to make Dutch policy more pro-European made French consent even more difficult as Paris was strongly against any degree of economic integration, using any pretext to sabotage the process. For example, at the meeting of the foreign ministers on 12 and 13 May the French delegation supported the Benelux countries by demanding –against the will of the Germans and the Italians to discuss the economic clauses to instead of settling of treaty limited to the political part. However, this was not because the French were in favour of a common market, on the contrary, they vehemently opposed it, but they calculated (correctly) this would delay the forming of a the political union altogether.⁸⁴

During the summer Beyen adapted the Beyen plan, against the opposition of Drees and Zijlstra, the completion of the customs union was now scheduled ten years after the signing of the treaty. When the negotiations restarted, deadlock persisted. There was the French

⁸³ Ibidem; Letter of the Committee of Advise for the European Integration (economic sub-committee), 24 April 1953, NA, 2.02.05.02 (Arch. MR) (Nationaal Archief, Den Haag) inv.nr. 488; Minutes of Dutch Council of Ministers 29 April 1953, NA, 2.02.05.02 (Arch. MR) (Nationaal Archief, Den Haag) inv.nr. 398

⁸⁴ Griffiths and Milward, *The Beyen plan*, 16-7

⁸⁴ Griffiths, *Europe’s First Constitution*, 130-46

delegation on the one side: they were unenthusiastic about the whole idea of the EPC, but their position towards the clauses on economic integration was downright hostile. The French Government largely saw the EPC treaty as a way to get the EDC through Parliament. Paris was not prepared to surrender sovereignty in this area. The Italians were the closest to the French position; they felt that economic integration was important but that this could be dealt with outside the treaty. The Germans, who had invested so much in the EDC were willing to accept almost anything if this would lead to a successful conclusion and the signing of a treaty. Then came the Dutch, who stressed the importance of the inclusion of an automatic road to a customs union in the treaty. Diametrically opposed to the French was the Belgian delegation, as it stressed that the creation of a common market also required the harmonization of social and monetary policies. This led to friction with the Dutch who paradoxically stressed the creation of the customs union through supra-nationality on the one hand while on the other fiercely resisted any supranational influence in wider economic policy matters relating to customs union.⁸⁵

In an economic sub-committee of the conference the breach between the Benelux countries became clear. The Germans on their part supported the French in their objections in order to get the French more involved in the process.⁸⁶ In response to this Tjarda van Starckenborgh Stahouwer, the leader of the Dutch delegation cabled to Den Haag that the delegation needed more room for manoeuvring. Another senior civil servant, Van der Beugel, stressed that if the Dutch side did not back down, it would surely lead to deadlock in the economic committee. Since much more progress was made in the institutional committee, the Dutch might come in the position in which they were forced to accept a treaty which exclusively dealt with institutional matters.⁸⁷

This was also the opinion of Mansholt who time after time stressed that the Dutch government was too rigid. He felt that the economic clauses could also be part of a different treaty when necessary, even if no deadline was mentioned. The creation of the EPC would have a value of its own, he argued and therefore the creation of a common market could also be delegated to the supranational community without any mention of it in a treaty. Finally,

⁸⁴ Report of the Meeting of the Economic Committee of the EPC conference on 13 September 1953, NA, 2.03.01 (Arch. AZ/KMP) (Nationaal Archief, Den Haag) inv.nr. 2690

⁸⁶ *Idem*

⁸⁷ Memoranda by E. H. van der Beugel 25 September 1953, NA, 2.05.117, Buitenlandse Zaken, blok 1, 1945-1954 (Nationaal Archief, Den Haag) inv.nr. 22914; Coded message by A.W.L. Tjarda van Starckenborgh Stachouwer (head of the Dutch delegation) to Den Haag 24 September 1953

Mansholt suggested that postponing the final decision on the common market and leaving it to the Council of Ministers, thereby giving every member state the opportunity to veto, after the signing of the EPC. This stance makes clear that farmer's groups held less sway over Mansholt as one might think. He was a federalist first and a farmer second. When forced to choose between pursuing a customs union, which was in the interests of the farmers, thereby risking political integration or pursuing political integration and risking economic corporation, Mansholt chose the latter.⁸⁸

Beyen did not agree with his colleague, for him it was out of the question the Dutch would give up their intransigence. However, he was prepared to make a number of concessions regarding the election of the European Parliament, the duration of the transition period and the automatic creation of the customs union. Arguing that a division of the process in a first automatic step and a second in which supranational authority would determine procedures, was acceptable.⁸⁹ At the meeting of the Council of Ministers on 26 October, it became clear that Beyen did not have the full support of his fellow ministers. Most Ministers were discontent Beyen had ceased his resistance to the direct election of the European Parliament without acquiring any concessions in return, in spite the fact that the Dutch held an isolated position on this . Drees warned against further concessions.⁹⁰

When the negotiations resumed in January 1954, deadlock remained as the French continued to block any progress. I will not discuss the details of the conference, as this was repetition of moves. The countries were unable to agree on anything at all and the negotiations dragged on without any progress. After the conclusion of the talks on 8 March even the small concessions done by the Dutch in an attempt to isolate the French, were criticized. When, after a short intermezzo, the committees of experts reconvened in May, the situation had become more or less hopeless as the French parliament still had not ratified the EDC treaty. By now Dutch delegates were prepared to give up the Beyen plan and to achieve a customs union by a sector approach or in smaller steps, however this was to no avail, because on 30 August 1954 the EDC treaty was defeated in the French parliament.⁹¹

⁸⁸ Mansholt to Beyen 28 September 1953; NA, 2.03.01 (Arch. AZ/KMP) (Nationaal Archief, Den Haag) inv.nr. 2689

⁸⁹ Beyen to Mansholt 3 October 1953 NA, 2.03.01 (Arch. AZ/KMP) (Nationaal Archief, Den Haag) inv.nr. 2689

⁹⁰ Minutes of Dutch Council of Ministers 26 October 1953, NA, 2.02.05.02 (Arch. MR) (Nationaal Archief, Den Haag) inv.nr. 398

⁹¹ Griffiths, *Europe's First Constitution*, 145-148, 166

In the autumn of 1954 it seemed Beyen's policy had failed miserably. The shift in policy had been huge but it had not produced any concrete results. It is clear that the change in policy is best explained by Beyen's start as minister. While a number of interest groups were involved they were not in the position to force government. This weakens Moravcsik's theory as a possible explanation of European integration. However, the Dutch refusal in the last year of the negotiations to settle for anything less than real economic integration suggest that economic considerations were crucial for Dutch participation in the integration process. As we will see in the next chapter, Beyen stayed the course and that he proved his critics wrong, achieving the common market.

4. RELANCE EUROPÉENNE AND THE COMMON MARKET

The failure of the EDC and the EPC made way for new initiatives for further cooperation between the six. The chapter will start with the relance européenne and the role Beyen played in it. Then the Dutch position in the negotiations leading to the treaties of Rome will be dealt with. Just as in the other chapters, this chapter will examine to what extent the Dutch position was determined by national economic considerations and the role interest groups played in determining them.

4.1 RELANCE EUROPÉENNE

The rejection of the treaty in the French parliament made the negotiations on the EPC useless and they stopped immediately. The failure of EDC and EPC was a shock for Beyen as he had put so much effort in the negotiations. Moreover, Dutch dreams of a customs union seemed shattered. The Dutch foreign policy elite entirely blamed the French for the failure. However, if the Dutch lamented the seemingly tragic death of the common market, the demise of the political union and the EDC was less of a loss to them. The EDC had been the only way the French accepted German rearmament and therefore the Dutch had deemed it necessary. Now that the French had rejected the EDC, the road lay open for other proposals on the German issue. British initiated the Eden plan became the foundation of Germany's corporation in Europe's defence. Instead of creating a supranational army, this plan envisaged the expansion of the West European Defence Community by the inclusion of West Germany and Italy. The two countries also became full members of NATO. The Dutch were content with this solution, as they had preferred it in the first place.⁹²

Beyen knew that plans for European integration was doomed to fail as long as the current anti-European and nationalistic French Government remained in power. The best strategy was a defensive one, protecting the ECSC from French attempts to hollow out the supranational character of the organisation. Beyen argued that the remodelled WEU was not a driving force for further supranational integration as the EDC had been. This did not mean that Beyen was no longer convinced that European integration was necessary, as was demonstrated by the

⁹² Mallinson, *From Neutrality to Commitment*, 218-222

speech he delivered on 24 September in Rotterdam.⁹³ In the months after the failure many other plans were launched. For example, in November 1954 the Belgian Minister of Foreign Trade, Larock presented a plan for the creation of a European free-trade zone. However, this plan was soon shelved as it lacked the support of even the Belgian Foreign Minister. When the Benelux Foreign Ministers met in November, they agreed that until the current French Government was gone, attempts for a new start would be of no avail. In the winter, Spaak met the head of the High Authority and the founder European integration, Jean Monnet several times. Topic of these informal meetings was the one that had been discussed by Benelux Ministers: How can we get Europe going again? In November, frustrated by the lack of decisive steps towards federation and the limited role of the ECSC, Monnet had declared not to seek re-election as President of the High Authority. Monnet strongly influenced Spaak and together they created a plan for the renewal of integration. The idea was to duplicate the success of the ECSC negotiations and focus on the integration in the area of a limited number of sectors, namely transport, energy and atomic energy.⁹⁴

In October 1954 Monnet created an Action Committee of the United States of Europe. This international lobby group was supposed to convince national Governments to move towards European unity. The influence of this committee and of Monnet has often been overestimated by literature, but it cannot be denied that Monnet was closely followed by Spaak. This paper is, however, concerned with the influence lobby groups exercised on Dutch cabinet decisions. On Monnet's ability to influence Dutch policy one can be short, as it was very limited. For sector-by-sector integration was precisely the opposite of what Beyen aimed to achieve. Furthermore, the Dutch Government had no interest in atomic corporation and was lukewarm about integration of the transport sector as the strong Dutch position might be threatened. Over time, the powerlessness of Monnet became more and more obvious as Euratom, strongly supported by Monnet lost importance, while the common market that Monnet opposed, became the core element of the European restart.⁹⁵

⁹³ Beyen, *Het spel en de knikkers*, 234-7

⁹⁴ Harryvan, *In pursuit of influence*, 72-7, 81

⁹⁵ Alan S. Milward, *The European Rescue*, 192, 336-7; Notation by J. Linthorst Homan 14 March 1956, NA, 2.03.01 (Arch. AZ/KMP) (Nationaal Archief, Den Haag) inv.nr. 2847

4.2 THE BENELUX MEMORANDUM AND MESSINA

The fall of the Mendes-France government was the moment the Benelux leaders had been waiting for and at the Benelux summit Spaak presented a Benelux proposal for a conference of the six on European integration. Beyen agreed to this and he immediately started writing his own proposal for integration. It was remarkable that just like Beyen's plan of two years before, it stressed economic, horizontal integration on a supranational basis. A difference with the first Beyen plan was the absence of a political union in addition to the economic union. The reaction in cabinet was a repetition of moves; Drees was skeptical and Mansholt in favor of the plan. However, all Ministers except Beyen estimated the chance of success very small.⁹⁶ In the following weeks the Spaak plan, in which the emphasis was on a sector-by-sector integration, was not received well in the other European capital cities. This led to further talks between the Benelux partners which resulted in a joint memorandum of the three, stressing the desire to start negotiations on both plans. The compromise between the Foreign Ministers predictably was criticized by members of the Dutch cabinet but Beyen persuaded them. The reaction of Bonn and Paris was also mixed, as the French still were negative towards economic integration and supranational power. In Germany the foreign policy elite was divided. While the memorandum reacting to the Benelux proposals was positive, a strong opposition group, led by Finance Minister Erhart strongly objected them. Erhart feared being locked in a protectionist union with economically weak France and Italy.⁹⁷

In June, when the Six of the ECSC finally met at the Sicilian city of Messina, Beyen and Spaak had added a procedural part to the plan. This stated that to soften up the intergovernmental conference a committee of experts were to write a report that would be the basis for the negotiations of the conference. In contrast to EPC negotiations this committee would be headed by a `political personality`. Over the years the Messina conference has become one of the myths of the European integration: a miracle happened the moment all seemed lost. However, the conference was not a real breakthrough as the only decision taken was to follow the procedures laid out by the Benelux memoranda. No fundamental choice was made between sector-by-sector integration or horizontal integration. The inclusion of a common market was a personal victory for Beyen all the same. Finally, Spaak was elected

⁹⁶ "Nota inzake de Europese Integratie" by Beyen, NA, 2.02.05.02 (Arch. MR) (Nationaal Archief, Den Haag) inv.nr. 509

⁹⁷ Harryvan, *In pursuit of influence*, 93-5

president of the committee.⁹⁸ It is clear that economic considerations dominated the Dutch stance in the negotiations. First we will discuss how the Dutch delegation to the Spaak committee defended their countries economic interests. The publication of the report was the sign for different interest groups to get involved, so the relationship between these groups and Government and their role in the negotiations will be discussed further in this chapter. Complete discussion of the negotiations is beyond the scope of this paper, therefore the remaining part of this chapter will deal with a number of issues in the negotiations of crucial importance to Dutch interests. These issues will be the height of the common external tariffs, the harmonization of domestic policies, the creation of support funds and the transition process, the inclusion of agriculture in the common market and finally, the battle on the institutional character of the Economic Community.

4.3 THE SPAAK COMMITTEE

Messina was followed by another victory, as the Beyen plan quickly started to dominate the Spaak committee while Euratom talks entered into a deadlock. This was because Spaak, who was the president of the meeting was able to influence the negotiations. Spaak announced his conversion at the meeting of foreign ministers in Noordwijk.⁹⁹

One of the first clashes between the French and the Dutch was about the height of the common external tariffs. It was in the Dutch interest to keep them as low as possible since the country imported relatively many products from outside the six. The French, however preferred to protect their weak economy. In this first clash it became clear that even if the other countries were against the French proposals, the Netherlands was the only country that demanded that the community copied the very low tariffs of the Benelux.¹⁰⁰ The issue of harmonization was another crucial point for the Dutch who, just as with the ECSC and the EPC the Dutch were merely interested in the creation of a common market. The loss of political flexibility to be able to determine social policies was undesirable for the Government for this might jeopardize the low wage policy, which was quintessential for Holland's

⁹⁸ *Idem*, 95-7

⁹⁹ Week report number 2. Of Dutch delegation the Spaak committee, 29 July 1955, NA, 2.03.01 (Arch. AZ/KMP) (Nationaal Archief, Den Haag) inv.nr. 2852; Report of the meeting of the Foreign ministers of the ECSC countries on the 6 September 1955, NA, 2.02.05.02 (Arch. MR) (Nationaal Archief, Den Haag) inv.nr. 515

¹⁰⁰ Week report number 4, 1 September 1955, NA, 2.03.01 (Arch. AZ/KMP) (Nationaal Archief, Den Haag) inv.nr. 2852;

economic well-being.¹⁰¹ But as far as the creation of the common market was concerned, which would be hugely beneficial to the Dutch, supranational authority was advocated by Den Haag. The government demanded guarantees for the creation of the common market, preferably the path to the common market would be irreversible and would be included in the treaty. The new market would then be administered by a supranational organization. Den Haag preferred a limited role for the intergovernmental Council of Ministers.¹⁰²

The hypocrisy of the Dutch position was exposed by a memorandum of one of the negotiators of the Dutch delegation, Johannes Linthorst Homan. He wrote that there were three possible strategies: The first option was to stand strong for Dutch sovereignty and accept a weak treaty as the logical consequence of it. The second one was to choose for the pro-European way. This would hopefully result in a strong treaty and a supranational organization and the creation of a common market, but the Dutch themselves would have to sacrifice number of showpieces for that. The third option would be steering a course between the other two, emphasizing supranational cooperation in case of the common market and intergovernmentalism in the other areas. Linthorst Homan argued this was the position the Dutch were currently taking in the negotiations. This would, however, result in a major inconsistency and would damage the reputation the Dutch have in the other five countries. In other words: Den Haag wanted the best of both worlds. This third option would, however, be the course of the Government took and Beyen wrote in the sidelines of the memoranda: *“I cannot follow these morbid scruples”*¹⁰³ The Dutch also put up a fight in order to include agriculture in the common market. The Netherlands was the largest exporter of agricultural products, so this was of essential importance for Dutch foreign trade. The large agricultural sector also put pressure on the Dutch cabinet— through the *Landbouwschap*.

The final version of the Spaak report was favorable to the demands of Den Haag. The report: *“guaranteed the creation of a common market whilst at the same time introducing an element of flexibility aimed at overcoming the resistance of high-tariff countries.”*¹⁰⁴ Furthermore, the report included agriculture in the common market. Spaak envisaged a strong supranational

¹⁰¹ Week report number 5, 16 September 1955, NA, 2.03.01 (Arch. AZ/KMP) (Nationaal Archief, Den Haag) inv.nr. 2852

¹⁰² Week report number 7, 30 September 1955, NA, 2.03.01 (Arch. AZ/KMP) (Nationaal Archief, Den Haag) inv.nr. 2855

¹⁰³ Memorandum by Linthorst Homan to E.H. van der Beugel, 14 October 1955, NA, 2.05.118, Buitenlandse Zaken, Blok 2, 1955-1964 (Nationaal Archief, Den Haag) inv.nr. 18796

¹⁰⁴ R.T. Griffiths, “The Common Market” in: R.T. Griffiths, *The Netherlands and the Integration of Europe 1945-1957*, (Amsterdam, 1990) 191

commission to administer the common market. External tariffs and harmonization of national policies however, were issues that remained unresolved. The cabinet feared that the benefits in the Spaak report would not be accepted by the French and that the same issues would all be on the table again at the start of the intergovernmental conference. Knowing nothing could be done about it, as the report had no binding character, the Ministers agreed to the proposal. Of course this was not before Drees argued that he would not agree to a treaty that was against his country's interests.¹⁰⁵

4.4 THE SOCIAL ECONOMIC COUNCIL

Influence in the decision process is difficult to measure but the sources make clear that a couple of groups at least had some sort of influence in Dutch decision-making with regard to the EEC treaty. The most powerful group was probably the agricultural lobby; its role will be discussed further on in the text. For now the focus will be on the Social Economic Council (SER). At the first meeting of the coordination committee for integration officials wondered how to involve employers and labour organizations. It was decided that this would be done through the concertation unit of government and social partners: the SER. The SER was to choose two representatives from among the social partners as members of the Dutch delegation in the negotiations. The social partners joining the delegation suggest these groups had at least some influence in Dutch decision-making. Furthermore the SER was also asked to form a commission for advice. However, the fact that two months later the mandate of the commission had not been decided could be taken as an indication that the SER commission was not a high priority. On the other hand, even if the SER representatives were not full members of the delegation, they were allowed to attend most of the meetings of the commissions and could read most of the relevant documents.¹⁰⁶

The French did not reject the report as the starting-point of the negotiations on the common market and Euratom. Even so, in September, Paris started a diplomatic offensive to push the common market proposals more towards their own position. The first set of demands concerned the harmonization of social policies: The equalization of wages for women in two

¹⁰⁵ Griffiths, "The Common Market" in: Griffiths, *The Netherlands*, 190-1

¹⁰⁶ Report of the meeting of the coordination committee for integration 20 June 1956, NA, 2.05.118, Buitenlandse Zaken, Blok 2, 1955-1964 (Nationaal Archief, Den Haag) inv.nr. 18779; Memorandum van der Beugel 27 August 1956, NA, 2.05.118, Buitenlandse Zaken, Blok 2, 1955-1964 (Nationaal Archief, Den Haag) inv.nr. 18798; Report of the meeting of the coordination committee for integration 10 September 1956, NA, 2.05.118, Buitenlandse Zaken, Blok 2, 1955-1964 (Nationaal Archief, Den Haag) inv.nr. 18779

years, the harmonization of the number of holidays with pay and the length of the working week in four years and finally, at the end of the transition period the harmonization of wages. This final decision on this was left to the Council of Ministers of the new community.¹⁰⁷ The Dutch reaction to the proposals was constructive. The SER commission was preparing a report advising the government on the issue of social harmonization and therefore it anticipated on the French plans. In its final advice of 12 October the commission suggested giving in to the French proposals, on condition the transition period were to be extended. However, this advice came a month after the cabinet had decided the same thing and therefore could not have been of any influence.¹⁰⁸ The commissions met sixteen times, the last time in February 1957 and had many informal contacts with the government. It is possible that the commission had real influence but evidence suggests that it was more the other way around. Government used the commission to create support for its policies by convincing representatives of the different industries that concessions were needed for the creation of a common market.¹⁰⁹

4.5 THE CENTRAL BODY

Economic interest groups were also involved in the policy-making process through the *Centraal Orgaan voor de Economische Betrekkingen met het Buitenland* (Central Body for Foreign Economic Relations). This Body advised the Directorate-General of Foreign Economic Relations. It comprised representatives of employers from most branches of the economy. Founded after the Second World War, the organization had considerable influence in trade negotiations. At the start of the process in June 1955, after the Messina Conference, the Central Organ informed the ministry that it expected to be involved in policy-making. In its reaction the ministry stated that this would of course be the case and it culminated in a letter to the minister and a memorandum on foreign policy in January 1957. The memorandum emphasized the Dutch economic interests; this was a reaction to the overall course of the negotiations, which were perceived as being against Dutch national interests.¹¹⁰

¹⁰⁷ Griffiths, "The Common Market" in: Griffiths, *The Netherlands*, 192-3

¹⁰⁸ Advice SER, 12 October 1956, NA, 2.05.118, Buitenlandse Zaken, Blok 2, 1955-1964 (Nationaal Archief, Den Haag) inv.nr. 18779; Minutes of Dutch Council of Ministers 10 September 1956, NA, 2.02.05.02 (Arch. MR) (Nationaal Archief, Den Haag) inv.nr. 404

¹⁰⁹ A.D. Robinson, *Dutch Organised Agriculture in International Politics*. (Den Haag, 1961) 97-8

¹¹⁰ Idem, 99-100; Kwartaalverslag van het Centraal Orgaan voor de Economische Betrekkingen met het

The French issued new demands and Foreign Minister Maurice Faure stated that the French were prepared to accept a common market on the condition that provision of the treaty for the French was suspended until they had concluded the Algerian war. In order to prevent a large balance of payments deficit the French demanded the country would be able to maintain existing import restrictions and impose new ones. Furthermore, he wanted the decision to move on to the second phase for creating the common market, to be dependent on a unanimous decision of the Council of Ministers. The common market seemed further away than ever and the negotiations came to a grinding halt. Before discussing the breakthrough and the last steps towards the treaty of Rome our attention will shift to Dutch efforts in the agricultural area.¹¹¹

4.6 AGRICULTURE

Even if some agricultural organizations and their members were not enthusiastic about a common European agricultural policy, the lobby group for the sector; the *Landbouwschap* (which in 1955 had succeeded the *Stichting voor de Landbouw*) was dominated by pro-European sentiments. The organization had played only a limited role in the negotiations of the EPC treaty, but this was not the case during the EEC negotiations.¹¹² The *Landbouwschap* had several ways to influence decision-making. First the international commission of the foundation had regularly contact with minister Mansholt. Between the federalist minister and the foundation existed a clear difference in opinion, the *Landbouwschap*, like Mansholt, favoured a European common market but was not prepared to sacrifice Dutch agriculture for it. The relationship between government and the *Landbouwschap* was a two-way relationship, like with the other organizations. The second way to influence policy-making was through the two organizations already mentioned: the SER and the Central Body. Thirdly, the *Landbouwschap* could influence Parliament. Examples of this will be discussed further on.¹¹³ The preferred outcome of the negotiations was clear: First of all, agriculture was not to be excepted from the common market as this would be a blow to Dutch interests. Secondly, the *Landbouwschap* clearly stated that the common external tariffs would have to be as low as

Buitenland, (all quarterly reports of 1956 in one volume) Kwartaal 4, 13-15

¹¹¹ Griffiths, "The Common Market" in: Griffiths, *The Netherlands*, 190-1

¹¹² R.E. van der Woude, *Op goede gronden: geschiedenis van de Nederlandse Christelijke Boeren- en Tuindersbond (1918-1995)*, (Hilversum, 2001) 317-9

¹¹³ Robinson, Dutch Organised Agriculture, 95-102 *Landbouwschap, Verslag van de werkzaamheden over 1956*, 164

possible because high tariffs on agricultural raw materials (like fodder grains crucial for dairy and meat production) would damage the international competitiveness of Dutch agriculture. Thirdly, the new organization determining a common policy should be supranational because if the participating countries had real autonomy in the further stages of integration it was very likely they would block any steps in order to protect domestic farmers. Fourthly, the creation of an autarkic European block in which, for example, the Dutch were required to buy French grain instead of cheaper American grain was unacceptable. This position largely corresponded with the starting-points of the Government. However, in the autumn the Dutch were forced to make some major concessions, one of it was the weakening of the provisions on agriculture. The reaction of the Landbouwschap to these concessions, which will be discussed further on in this chapter, shows how much influence the organization had.¹¹⁴

4.7 LOSING GROUND

The deadlock was broken at the height of the Suez crisis, an incident that demonstrated Europe's weakness. The key players in the negotiations, France and Germany, were finally able to find common ground. Paris got its exception status in the common market and the position of the supranational European Commission was weakened in favour of the Council of Ministers. While the Dutch had envisaged a weak Council of Ministers, which would only be allowed to act on the initiatives of the Commission, almost the opposite emerged. Later, the French issued new demands: The inclusion of France's and Belgium's African colonies in the common market and a common fund to develop them. By the end of October the new Drees Government had been installed. Beyen did not return as minister and his place was taken by Luns. Luns was clearly more Atlantic-minded but this was compensated by the inclusion of two new pro-European ministers; Marga Klompé and Ivo Samkalden. The new Council of Ministers had no choice but to accept the proposals, which it did reluctantly, for a French-German coalition was too strong.¹¹⁵

In its determination to create a common market for agricultural products, open to the outside world the Dutch Government took an isolated stance. As a result of this the reopened negotiations went wrong for the Dutch. They preferred to give the Commission the power to create a common policy, but this was untenable. Therefore, they were prepared to accept that

¹¹⁴ Idem, 94-5; Landbouwschap, *Verslag over 1956*, 162-4; Griffiths, "The Common Market" 195

¹¹⁵ Alan S. Milward, *The European Rescue*, 218-9

the creation of a common market was to be decided upon by a majority vote in the Council of Ministers. Agriculture was not to be an exception. The process was to be finished in eight years. However, from the start protectionist reflexes determined the positions of most other countries. They did see agriculture as an exception. Germany demanded supporting wages in agriculture; the Italians strived for maximum employment. Furthermore, the French demanded guarantees that the other countries would buy French grain surpluses. The nastiest shock for the Dutch, however, was the insistence of the French that the second step- which was to create common prices- towards a completely integrated market (in five years) should depend on an unanimous vote of the Council of Ministers. Later they suggested the same should apply to the commencement of the third phase as well. Accepting these proposals meant having no guarantees whatsoever for a common agricultural policy.¹¹⁶

4.8 INTERVENTION

What followed was the most clear-cut intervention of national interest groups in the Dutch foreign policy in the whole period. In December the *Landbouwschap* sent a memorandum to the Second Chamber and cabinet. This was intensively covered by the press. The memorandum emphasized the strong objections Dutch agriculture had against the current developments in the negotiations. Furthermore in the last months of 1956 and the first of 1957 the delegates of the *Landbouwschap* on numerous occasions met with Mansholt. In these talks they further stressed their concerns regarding negotiations.¹¹⁷ This resulted in one of the rare foreign policy debates in the Second Chamber and a return letter from Luns in which he emphasized the importance of agriculture. The defensive attitude of the Dutch delegation in the first week of January was probably the result of the memorandum. It resulted in a concession by the French as they agreed the third phase would be decided by the Assembly and the Commission. The second phase however, was left to an unanimous vote by the Council of Ministers.¹¹⁸

Agriculture was not the only sector unhappy with the draft treaty. All four large employers' organizations were. Just as organized agriculture, they feared the high external tariffs might threaten Dutch prosperity. Furthermore, the strict anti-trust conditions in the treaty were a

¹¹⁶ Idem 196-198

¹¹⁷ Landbouwschap, *Verslag over 1956*, 163-4;

¹¹⁸ Robinson, Dutch Organised Agriculture, 95-102 Week report 21 of the Dutch delegation, 5 January, 2.03.01 (Arch. AZ/KMP) (Nationaal Archief, Den Haag) inv.nr. 2852

concern as they were far more stringent than the Dutch regulation and might curtail branch wide cooperation. The transport sector was discontented with clauses concerning the creation of a common market for transport. The Netherlands were the largest player in this branch among the six and therefore potentially the biggest benefactor of a common market for this sector. However, the other countries resisted and a weak compromise appeared that not in any way guaranteed integration. Furthermore the consequences of the social harmonization were feared. The pressure was raised on 12 January by means of a letter by the Central Body for Foreign Economic Affairs to Minister of Economic Affairs, Zijlstra and Parliament, stressing all these concerns motioned above.¹¹⁹ The letter was aimed at strengthening the resolve of the Government in the negotiations, especially stressing the importance of low external tariffs. This was not very successful because on most of these points the Dutch option was diametrically by the other countries.¹²⁰ The exception was the battle against the French on the tariff levels, as the other countries occupied middle ground. In their fight against high tariffs the Dutch received some support from the Germans but in the end they were forced to accept considerably higher tariffs.¹²¹ In the end, most questions raised by the letter could not be obtained by the Dutch negotiators. The exception was agriculture: The final treaty was much more in accordance with the wishes of the *Landbouwschap* and the organization had a fair amount of confidence the treaty would lead to a common market for agricultural products. However much would depend on how the treaty provisions were implemented. The organization was happy with the concessions made by the other countries in the last phase of the negotiations. Most importantly, agriculture would not be a permanent exception from the common market and Commission had the power to determine common minimum prices.¹²²

The French and Belgian proposal for the inclusion of the colonies in the common market and the creation of a common fund for their development was one of the last hurdles of the negotiations. The Dutch were vehemently against paying the costs of their neighbours' colonies. On this point they had a strong ally in the Germans. A principled against the inclusion was soon traded in for a pragmatic solution when the Germans could negotiate

¹¹⁹ Idem, 99-100; Kwartaalverslag van het Centraal Orgaan voor de Economische Betrekkingen met het Buitenland, (all quarterly reports of 1956 in one volume) Kwartaal 4, Bijlage VI, 41

¹²⁰ Minutes of Dutch Council of Ministers 18 January 1957, NA, 2.02.05.02 (Arch. MR) (Nationaal Archief, Den Haag) inv.nr. 405

¹²¹ Robinson, Dutch Organised Agriculture, 101-2; Harryvan, *In pursuit of influence*, 136; Jan Bruggeman & Aart Camijn, *Ondernemers verbonden, 100 jaar centrale ondernemingsorganisaties in Nederland*, (Wormer, 1999) 162-3

¹²² Landbouwschap, *Verslag van de werkzaamheden over 1957*, 103-5

limitations to the fund and the Dutch could get support from the fund for their own colonial empire.¹²³

4.9 FINAL REMARKS

When the treaty was finally signed on March 25, 1957, enthusiasm for it in cabinet had plummeted. It was felt the Dutch were forced to make too many concessions on the common market to the French. If the Dutch were discontent with the common market negotiations, the Euratom treaty met with fierce hostility. Because of Beyen's and Spaak's strategy of linking the treaties to each other in order to bind the French to the common market, meant that the Dutch had no choice.¹²⁴ The irony was that the weak position of the Dutch in these negotiations was the result of their success. As these negotiations were the chance to achieve the highest goal of Dutch European policy, the Dutch became the requesting party, while the other countries could exert pressure. This was a mirror image of the negotiations on the ECSC treaty, in which the French and the Germans made most of the concessions. The relative insignificance of the Dutch heavy industry had made it easier to make exceptions, but this was not possible for the treaties of Rome because Dutch trade was not insignificant. There was of course also reason to be very satisfied with the treaties of Rome. Because for all the exceptions and provisions, the basic goal set by Beyen in 1952 had been achieved and Dutch national interests were safeguarded. The Netherlands is a small power, but it had achieved a work of herculean proportions.

¹²³ Laurent, Pierre-Henri, *The Diplomacy of the Rome Treaty 1956-57*, *Journal of Contemporary History*, (1972: July/Oct.) 209-20 there 213-4

¹²⁴ Nota, 14 January 1957, NA, 2.03.01 (Arch. AZ/KMP) (Nationaal Archief, Den Haag) inv.nr. 2849

5. CONCLUSION

The Dutch position towards the integration of Europe in the fifties has been an interesting test case for the theory of Liberal Intergovernmentalism. If any country can prove Liberal Intergovernmentalism right, it is the Netherlands, as its dependence on foreign trade is unparalleled. However, Moravcsik's theory has not emerged victorious. Of course, this thesis does not pretend to give a complete analysis of the period. It is limited to a number of events, but the research of these events suggests Liberal Intergovernmentalism is unable to fully explain Dutch attitudes.

The first chapter shows that the Dutch role in negotiations on the Schuman plan was not decisively influenced by economic considerations. Economic advantages were not the reason the Dutch stepped on the fast train of European integration as the Schuman plan offered limited economic potential to the Netherlands. The Dutch signed the ECSC treaty because of the "international political advantages". The Schuman plan was an important step towards rehabilitation of Germany and the Americans advocated membership. Drees and Stikker were in favour of the treaty because the geopolitical advantages outweighed the economic liabilities. Throughout the process, the Dutch delegation was occupied limiting these economic liabilities and they did so very successfully.

The in chapter 2 and 3 discussed cases do suggest that economic rationale was the strongest force determining policy. This is all the more clear as European idealism was not a dominant factor in the Dutch Government. On Beyen's initiative, Dutch policy became focused on achieving a tariff free zone between the six ECSC countries. The creation of such a zone was very favourable to the Dutch economy. The case of the EPC shows that the Dutch were only prepared to join a political union if this would lead to the achievement of economic goals. Another indication national economic interests were important was the rather opportunistic use of the principle of supra-nationality. For example, cabinet favoured a supranational Commission for the creation of the common market while at the same time fought an intense battle against supranational control on wage policy as this might endanger the successful Dutch low wage policy. The rebirth of Europe in Messina was a great triumph for Beyen as the new negotiations completely focused on the economic integration. In these negotiations, the Dutch again fiercely defended their economic interests.

If the Dutch position during Beyen's tenure was one of pragmatism and even economic opportunism, why would Moravcsik's intergovernmentalism then fail to explain the Dutch position? This is because Liberal Intergovernmentalism claims, as we have seen in the introduction, that economic interest was the exclusive causal factor behind European integration. Moravcsik argued that policy makers were held hostage by the whims of economic lobby groups and electoral pressure. Every important step in the integration process should be explained by this. It is hard to imagine, however, how the Dutch government would have been vulnerable to electoral pressure on its European policy. In the Dutch system Foreign policy was the prerogative of Government and the role of Parliament was limited. Moreover the compartmentalization of society made that the political landscape was without electoral shocks.

My research shows that the actions of lobby groups do not explain Dutch European policies. In spite of the fact that large influence of the social partners on domestic policies characterized the Dutch domestic political system and those interest groups were involved in foreign policy. This is because lobby groups, instead of influencing government, were influenced by government and used to create support for policy. The *Landbouwschap* and the SER were used in this way. So lobby groups were clearly involved in the policymaking, but their influence seems to have been limited. Remarkably, I have found not a single example of the labour independently lobbying on foreign policy. The mechanism of neo-corporatism worked in two directions, but when particularistic interests were at odds with the perceived common good, these were swept aside.

This can be illustrated by the ECSC case; the reservations expressed by the leaders of the coal and steel industries could not prevent the Dutch Government from signing the treaty. Another example is that the pressure from lobby groups cannot explain the watershed of the Beyen plan. It is clear that the reason for the radical change was the change of Ministers. With Beyen the Netherlands became an advocate of supra-nationality. This was not on the initiative of the interests groups; on the contrary, they only became proponents of supranational integration in reaction to the Beyen plan. Furthermore, Beyen was more continental; less pro-English and in general more prepared to handle over sovereignty than his predecessor. The exception was the role of the *Landbouwschap* and the *Centraal Orgaan* in the EEC negotiations. In reaction to the concessions made by the Dutch delegation these groups came into action. Worried the common market for agriculture would not be achieved and fearful for high external tariffs,

both organizations intervened. The hardening of the Dutch position during the negotiations a couple of weeks later was very likely the result of this.

With only one partly successful intervention of interest groups in Dutch policy towards European integration in eight years, one can only conclude that they were of limited importance. Preceding this research, Dutch European policy seemed one of the most promising test cases for Liberal Intergovernmentalism. Therefore, the inapplicability of the theory to this test case makes one wonder about the overall value of the theory. If even the Dutch case does not provide support what other case would? The answer is clear: Moravcsik made an interesting contribution to academic debate by stressing the importance of economic factors, but empirical research, including his thesis, is unable to support his premise. The foreign policy of a state is far too complicated to be determined by one single theoretical explanation. Liberal Intergovernmentalism leaves insufficient room for the power of ideas and human agency. While Stikker and Beyen both focused on down-to-earth economic goals, this paper shows that they had great freedom to choose their own path to this goal. Therefore, I conclude with two quotes that seem contradictory to one other. Both of them however, can be applied to the subject of this paper: "*The history of the world is the record of a man in quest of his daily bread and butter.*"¹²⁵ And: "*Ideas shape the course of history.*"¹²⁶

¹²⁵ Hendrik Wilhelm van Loon

¹²⁶ Maynard Keynes

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