



The UK in the European Union: in brief

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The European Economic Community (EEC) was established by the Treaty of Rome in 1957 and the UK joined the EEC in 1973.

This Note looks at some of the main events of the UK's membership of the EEC/EC/EU.

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Introduction

The European Economic Community (EEC or Common Market) was created against the backdrop of post-World War II Europe. During a [speech in Zurich in 1946](#), Winston Churchill spoke of the need to form a “European Family” or a “United States of Europe” to ensure peace and prosperity for Europe.

1951– Treaty of Paris

France, Germany, Italy and Benelux (Belgium, the Netherlands and Luxembourg) signed the [Treaty of Paris](#), establishing the European Coal and Steel Community (ECSC), which aimed to pool coal and steel resources under the management of a supranational body to ensure that war in Europe would not be possible. The underlying political aim of the Treaty was also to strengthen Franco-German relations and make the two states dependent on each other to prevent future conflict. The founders hoped the ECSC would lead to greater economic integration between the Member States.

1955 – Messina Conference

Members of the ECSC met in Messina, Italy to discuss a customs union. The UK sent a representative to the conference in June, but withdrew. The UK Government proposed a Free Trade Area around the customs union of the European Economic Community (EEC), but this was rejected.

1957 – Treaty of Rome

The [Treaty of Rome](#) establishing the EEC was signed by the ‘Original Six’. The formation of the EEC was the first step towards the common market and had two main goals: to transform trade, industry and manufacturing in the Community and to move towards a unified post-War Europe.

1959 – UK joins European Free Trade Association

In November the UK signed the *Stockholm Convention* with other non-EEC European states (Austria, Denmark, Norway, Portugal, Sweden and Switzerland) and created the European Free Trade Association (EFTA).

1961- UK bid to join EEC

In 1961 the UK Government under Harold Macmillan applied for membership of the EEC. French President, General de Gaulle, vetoed this in 1963. De Gaulle was concerned that British membership would weaken French influence in Europe and that close Anglo-American relations would lead to the United States increasing its influence in Europe.

1967 – French veto of UK EEC membership

In November General de Gaulle said he would veto the UK’s second bid for EEC membership (by Prime Minister Harold Wilson), although the other five EEC Members supported it.

1969 – Third UK application

Georges Pompidou, who succeeded de Gaulle, agreed to UK membership.

1973 – UK joins the EEC

The UK, under Prime Minister Edward Heath, joined the EEC in 1973 with Denmark and Ireland, after Charles de Gaulle's resignation in 1969.

1975 – UK Referendum on EU membership

Under Prime Minister Harold Wilson there was a UK referendum on continued membership of the EEC after a renegotiation of the UK's terms of membership. The electorate voted by 67.2% to 32.8% to stay in Europe.

1977 – First UK Presidency

From January to June the UK held the EC presidency. In April a [Joint Declaration on Fundamental Rights](#) was agreed under the UK Presidency.

1979 - European Monetary System

The European Monetary System (EMS) was created to try and bring about currency stability throughout the EEC by encouraging Member States to co-ordinate their monetary policies. It used an Exchange Rate Mechanism (ERM) to create stable exchange rates to improve trade between Member States and help the single market to develop. This laid the foundations for a single European currency. The UK was the only EEC Member State not to join the ERM.

1981 – EU enlargement

Greece joins the EC.

1984 – UK Budget Rebate

Prime Minister Margaret Thatcher negotiated an EU [budget rebate](#) at the Fontainebleau Summit, after threatening to stop UK payments to the EU budget. The Government thought the UK was being unfairly treated as, despite being the third poorest Member State, it was set to become the biggest net contributor. This was largely due to farming subsidies, for which the UK was eligible to receive very little.

1986 – EU enlargement; UK Presidency

Spain and Portugal join the EC, bringing membership to 12.

The UK held the EU presidency July-December. The presidency agenda included the internal market, transport liberalisation and flexible labour markets. The Trevi Group of Home and Interior ministers expanded its remit to include judicial cooperation in the fight against terrorism. The UK also dealt with the aftermath of the Chernobyl incident in April 1986, putting environment policy higher on the EU's agenda.

1987 – Single European Act

The [Single European Act](#) (SEA) came into force, amending the *Treaty of Rome*. Its aim was to create a single internal market, which had been difficult under the existing Treaties. The SEA replaced many unanimous decision-making processes with Qualified Majority Voting (QMV), in order to facilitate the adoption of a raft of EU legislation by the end of 1992.

1989 – End of Cold War

In November the Berlin Wall came down and the border between East and West Germany was opened for the first time in 28 years. Germany unification followed in October 1990.

1990 – UK joins the ERM

In October 1990 Margaret Thatcher's Government signed up to the ERM, under which the UK would follow an economic and monetary policy that would prevent the exchange rate between the pound and other EU currencies from fluctuating by more than 6%.

In early November the Foreign Secretary Sir Geoffrey Howe resigned over the Government's policy on Europe. Margaret Thatcher resigned at the end of November, and was succeeded by John Major, who wanted to see Britain at the "heart of Europe".

1991 – Maastricht Treaty

The Maastricht Treaty (full name: the [Treaty on European Union](#) – TEU) was a major amendment of the 1957 *Treaty of Rome* and highlighted the divide between Member States that wanted more integration (e.g. Germany) and those that wanted to co-operate on a voluntary and intergovernmental basis (e.g. UK). The Treaty also established a timeline for Economic and Monetary Union (EMU) and set out the economic "convergence criteria" States needed to achieve and maintain in order to adopt the single currency. The Maastricht Treaty also officially changed the name of the EEC to the European Union (EU).

1992 – UK leaves the ERM; UK Presidency

After a flood of selling the pound on foreign stock exchanges, the UK left the ERM less than two years after joining. This day, 'Black Wednesday', cost the UK Treasury £3.3 billion.¹

The parliamentary debate linked to ratification of the TEU almost brought down the government of John Major. Agreement was finally reached on a [vote of confidence](#) in July.

The UK took over the rotating EU Presidency in December and helped secure the [Edinburgh Agreement](#) which allowed Denmark to ratify the TEU.

1993 – Single Market established

The TEU came into force in November, establishing the Single Market and paving the way for the free movement of goods, capital, services and people.

In December the EU concluded the [Agreement on the European Economic Area](#) (EEA Agreement) with Austria, Finland, Iceland, Liechtenstein, Norway, Sweden and Switzerland. All but Switzerland later ratified it, opening up the internal market to EEA members.

1997 – Treaty of Amsterdam

The new Prime Minister, Tony Blair, pledged to pursue a constructive European policy. He signed the [Treaty of Amsterdam](#), having negotiated the reinstatement of the social policy provisions from which the previous government had opted out. The Chancellor Gordon Brown announced that UK membership of the Euro would depend on the outcome of [five economic tests](#).

¹ [The Guardian](#), 9 February 2005.

1998 – UK presidency

The UK took over the presidency in January. Achievements included the [EU–US agreements](#) signed in June, keeping EMU on track and progress in Justice and Home Affairs, in particular the establishment of Europol (which came into force in October).

1999 – Introduction of EU single currency

On 1 January the single currency, the Euro, was adopted as the official currency in 11 of the 15 EU Member States, but as a ‘virtual currency’ for commercial and financial transactions only. The UK, Denmark, Sweden and Greece did not participate. (UK and Denmark had opt-outs; Greece failed to meet the criteria).

2002 – Euro coins and notes launched

12 EU Member States adopted the Euro as legal tender on 1 January and began to phase out their national currencies. The UK, Sweden and Denmark did not participate.

2003 – Treaty of Nice

In February the [Treaty of Nice](#) came into force. The main purpose of the Treaty was to facilitate the EU enlargement of 10 new states from Eastern and Central Europe, Cyprus and Malta. New institutional arrangements were put in place to accommodate future enlargement.

2004 – EU Enlargement

Ten countries joined the EU: Poland, Hungary, Lithuania, Latvia, Estonia, Slovenia, Slovakia, Czech Republic, Malta and Cyprus. Membership of the EU was 25 countries and 456 million people. The UK supported the enlargement and chose not to apply transitional controls limiting access to employment for citizens from the new States.

2005 – UK Presidency

The UK took over the [presidency](#) in July. Highlights of the presidency include agreement on EU financing arrangements for 2007–13 and the opening in October of accession negotiations with Turkey (on-going in 2014).

2007 – EU enlargement; Treaty amendment

Bulgaria and Romania join the EU, bringing the total to 27 Member States. The UK and seven other Member States applied transitional controls on the free movement of workers.

After negative referendums in the Netherlands and France in 2005 on the [Treaty Establishing a Constitution for Europe](#), Member States abandoned this treaty and after a period of reflection drew up another treaty which they signed in Lisbon on 13 December 2007. The UK retained its existing opt-outs and secured an option to opt out of all unamended justice and home affairs measures five years after the Treaty entered into force or agree to the jurisdiction of the Commission and EU Court of Justice in these areas.

2009 – Lisbon Treaty

The [Treaty of Lisbon](#) came into force on 1 December 2009. It included new posts such as President of the European Council and High Representative of the Union for Foreign Affairs and Security Policy, which was filled by the UK’s Baroness Catherine Ashton. It removed the intergovernmental ‘pillars’, which had been favoured by the UK Government, with the exception of foreign and defence policy.

2010 – ‘Greek bailout’

In May EU leaders agreed a ‘rescue mechanism’ for Greece, which was in severe economic and financial difficulties, through a [European Stabilisation Mechanism](#) (ESM). In December the EU adopted a permanent ESM through an [amendment to Article 136](#) of the Treaty on the Functioning of the European Union (TFEU).²

2011 – European Union Act 2011

In July finance ministers of the 17 eurozone States signed the Treaty establishing the ESM. Amid a deepening economic and financial crisis in the EU, in December all EU Member States except the UK agreed to the proposed “Fiscal Compact”.³

In the UK the [European Union Act 2011](#) came into force, providing for an Act of Parliament and even a referendum in certain circumstances before the UK Government can agree to EU legislation that would transfer powers from the UK to the EU.

2012 – Fiscal Compact; UK opt-out from criminal justice measures

The Fiscal Compact ([Treaty on Stability, Coordination and Governance in the Economic and Monetary Union](#)) was signed in March as an intergovernmental, not an EU, Treaty by all Member States except the UK and the Czech Republic.

In July the Government launched a [Review of the Balance of Competences](#), which it described as “an audit of what the EU does and how it affects the UK”.

The [Fresh Start Project](#) was set up by the Conservative MP, Andrea Leadsom, to “research and propose a new relationship for the UK within the EU that would better meet the interests and aspirations of the British people”.

The Home Secretary Teresa May [announced on 15 October](#) that the Government, under provisions granted in the Lisbon Treaty, wanted to opt out of all pre-Lisbon EU police and criminal justice measures and then negotiate with the Commission and Council to opt back into specific individual measures.

2013 – Prime Minister’s ‘Bloomberg speech’

40th anniversary of the UK’s EU membership. In January David Cameron gave a [speech](#) on the UK in Europe (‘Bloomberg speech’), in which he pledged to hold a referendum on EU membership after renegotiating the terms of the UK’s relationship with the EU.

In May a James Wharton introduced a Private Member’s Bill in the Commons in an attempt to put into law a referendum on UK membership of the EU. The [European Union \(Referendum\) Bill 2013-14](#) failed to pass the House of Lords.

The House of Commons Foreign Affairs Committee (FAC) examined the UK’s relationship with Europe, and in June 2013 published a report on [The Future of the European Union: UK Government Policy](#).

² For information on UK ratification of the decision, see Standard Note 5812, [Amending the EU Treaty: the European Stability Mechanism](#), 21 December 2010.

³ For information on the fiscal compact, see Research Paper 12/14, [The Treaty on Stability, Coordination and Governance in the Economic and Monetary Union: political issues](#), 27 March 2012 and Standard Note 6274, [In brief: provisions of the eurozone fiscal compact and economic issues](#), 30 March 2012

Croatia joined the EU on 1 July. The UK and 12 other Member States applied transitional restrictions on the free movement of workers.

2014 – EP elections and rise of UKIP

In EP elections in May, the UK Independence Party (UKIP) won the most UK votes (24 against Labour's 20 and Conservatives' 19).

The UK Government opposed the appointment of Jean-Claude Juncker as the new Commission President, on grounds that he is too integrationist.

In July a second Private Member's Bill sponsored by Robert Neill called for an EU referendum. The [*European Union \(Referendum\) Bill 2014-15*](#) was unopposed in the Commons at second reading, but will not make any further progress until a money resolution is agreed.

The UK Government tries to persuade the old and new European Commission and other EU leaders to change the rules on free movement and hints at certain consequences (a UK exit?) if a satisfactory agreement cannot be reached.