Ignoring Europe? Reassessing the British Labour Party’s Policy towards European Integration, 1951-60 Matthew BROAD

The European policy of the British Conservative government underwent a rather dramatic shift in the 1950s. As is already well known, when in June 1955 six countries opted to ‘relaunch’ the stalled European integration process by working towards building a common market and customs union, London’s response was ambivalent. Continental efforts were hence greeted by deep-seated scepticism of any scheme seen to undermine national autonomy and weaken Britain’s world power role, cynicism about whether a unified European market was even viable, and a more general belief that divisions among the countries involved would in any case thwart a new joint initiative. All too quickly, however, the determination of ‘the Six’ to launch what in 1957 became the European Economic Community (EEC), mixed with growing alarm already before this date at the emergence of a potentially powerful economic and political unit from which Britain stood to be excluded, modified attitudes. Nonchalance hence gave way to the search for a different framework that could either substitute the embryonic EEC in the event (as some in government still thought likely) that it failed or wrap it in a looser British-led intergovernmental structure to make it less harmful were it to triumph. The result was a 17-member industrial Free Trade Area (FTA), proposed by the then Chancellor of the Exchequer Harold Macmillan in November 1956. And it was the failure of the FTA thanks to a veto delivered two years later by French President Charles de Gaulle, and the recognition soon thereafter that a consolation prize in the form of the smaller seven-member European Free Trade Association (EFTA) was scarcely a viable substitute, that led to a further reappraisal of policy culminating in Macmillan’s decision – now as

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3 A clear sense of this decision-making can be seen in W. KAISER, op.cit., pp.43-46.

Prime Minister – to launch Britain’s first EEC membership application in July 1961. 5

In almost complete contrast, this same period is generally perceived to have been one in which the Labour exhibited remarkably little concern for or curiosity in the integration process. True certainly is that the 1945-51 governments of Clement Attlee attached some importance to looser forms of cooperation like the Organisation for European Economic Cooperation (OEEC) set up to administer Marshall Aid. 6 But so too was the Labour hierarchy cool towards supranational integration and conscious of the restrictions it might place on its ability to manipulate the country’s economic and social levers as it saw fit. This, together with the leadership’s strong convictions for the Commonwealth, it largely Atlanticist tilt and the party’s not inconsiderable patronisation of fellow European states – not to mention the substantial disparities in post-war political and economic circumstances between Britain and the rest of Western Europe – meant that the Labour government had little reason to support participation in the Schuman Plan designed to integrate the Six’s coal and steel industries under a centralised high authority. 7 And it is with this act, per most accounts at least, that Labour’s flirtation with all things European abruptly ended. As Michael Newman puts it: ‘In opposition from October 1951, the Labour Party showed little interest in the integration process during the next ten years’. 8 Similarly, Kristian Steinnes claims that Labour’s fall from office brought with it a ‘lack [of] a coherent European policy’ – a spell seemingly only broken when Macmillan’s 1961 initiative compelled Transport House to take more active interest in the burgeoning integration process. 9

Labour, in this analysis at least, thus never really underwent the sort of transition that its Conservative opposite experienced. Instead an already lukewarm response to European integration under Attlee purportedly gave way to complete apathy under his successor as leader, Hugh Gaitskell. 10 A degree of academic consensus has consequently


The aim here is not, to be clear, to dispute that on its fall from government in 1951 the Labour leadership was anything but wary of much a deeper, more substantial relationship between Britain and its near neighbours. Nor is it purpose to assert that some ten years later the party suddenly found itself fully supportive of Macmillan’s bid for EEC entry. Grounded in a reading of Labour’s own archival material the article will, rather, seek to highlight how its European policymaking between these two dates was rather more complex and nuanced than the hitherto dismissive historiographical treatment suggests. For not only did Labour pay attention to the integration schemes on the continent in these years. At some point along the way large swathes of the party elite also decided that, contrary to their own earlier assumptions, Britain’s economic and political future was ever more inextricably bound with that of its European neighbours. Put slightly differently, the 1950s was a decade where we can first detect Labour’s established worldview beginning to shift from a global to a regional, European one.

An anti-European party?

Little at first suggested that Labour’s return to opposition in October 1951 would do anything to dent the fairly sceptical stance towards European integration that it had taken while in office. Speaking at the party’s Annual Conference in the autumn of 1952, Hugh Dalton, a former Chancellor of the Exchequer, soon reminded delegates of Labour’s preferences for cooperation within the confines of the intergovernmental OEEC and thence its contempt for any European supranational authority which, in his characteristically acerbic tone, he speculated ‘might well be dominated by reactionary elements’.\footnote{Labour Party Annual Conference Report (LPACR), 1952, p.113.}
echoed a discussion pamphlet which emerged out of Labour’s Transport House headquarters earlier the same year, penned in part by the party’s General Secretary Morgan Phillips. As this made clear, Labour would place ‘no obstacle’ in the path of those European countries which did seek closer cooperation. Nor, though, would Labour countenance any form of cooperation ‘which would seriously limit [Britain’s] freedom of action in the Commonwealth or the Atlantic Community’ and in the process ‘prevent the maintenance of full employment and the welfare state’.13 Everything seemed very much business as usual.

On closer inspection, however, and probably more easily identifiable with hindsight than was the case at the time, the sincerely held belief that Britain ought to absolve itself from full incorporation in the schemes being discussed on the continent was increasingly mixed up with a more pragmatic understanding of European cooperation as a process from which Britain could ill afford to be completely detached. On some level this trend was already visible before Labour had left office. The furore over the pamphlet European Unity published in May 1950 by Dalton and Labour’s International Secretary, Denis Healey, had after all been allowed to overshadow the far more conciliatory statement Labour agreed with its European socialist counterparts just a month earlier.14 Apart from anything else, this ‘lost’ statement was noteworthy because it claimed that a European body ‘of parliamentary and political significance’ with centralised powers and binding authority might be needed to control basic industries like steel, coal, transport electricity. In Labour’s reasoning, coordination beyond that already available in the OEEC might prove the only way European countries could hope to avoid national price wars and any resultant unemployment or depression of wages.15

The fallout from European Unity was also allowed to dwarf the nuanced take on the Schuman Plan offered by Attlee in the House of Commons a few weeks later. The Labour leader himself was no fan of the supranational grouping envisaged by the Six. But such sentiments were inevitably balanced by an awareness that Washington was a keen supporter of any measure which fostered greater coordination between the economies of Western Europe. For the sake of the Anglo-US alliance Britain could thus not entirely dismiss the initiative. Nor could the Prime Minister ignore the wider benefits that an economically stable continent would bring, offering both rich commercial pickings for British traders and, in the context of the Cold War, a valuable strategic buttress vis-à-vis the Soviet Union. In his remarks to the Commons, Attlee consequently went to some length to welcome Schuman’s

13 Labour History Archive and Study Centre, Manchester (LHA), Box File 328.5 (1950-), Problems of foreign policy, 1952.
14 The pamphlet was highly controversial, not only throughout Europe but across the Atlantic also, because it included a paragraph appearing to suggest that London should only cooperate with governments comprising other socialists. For the pamphlet itself, LHA, Box File 328.51 (-1964), European Unity, 1950. On the controversy, E. Dell, The Schuman Plan and the British Abdication of Leadership in Europe, Clarendon Press, Oxford, 1995, pp.191-201.
15 The Times, 25.05.1950, p.5.
proposals as a ‘valuable piece of European cooperation’. The pooling of the Six’s coal and steel sectors, he maintained, was part of a ‘formative and decisive stage’ that the West more generally was entering where ‘a more effective pooling of resources’ and ‘the surrender in an unprecedented degree by each country of the ability to do as it pleases’ were ever more essential pillars of the international community. The inference was that even if it objected to membership now, Britain ought to leave open the prospect of future participation in the Schuman scheme.\(^\text{16}\)

It meanwhile fell to members of the Trades Union Congress (TUC) – Britain’s national union centre with close financial and institutional ties to Labour – to make an explicitly economic case for more active cooperation between Britain and the Six. For sure, there were conflicting voices within the broader union movement over the merits of British involvement in the Schuman Plan. The National Union of Mineworkers (NUM), among the leadership of which sat several notable communists, opposed even a hint of support for what it called a ‘monstrous plan of the armament manufacturers which is directed by the American finance kings’.\(^\text{17}\) Others, though, were a good deal more measured. The Steel Trades Confederation, Britain’s principal steel union, was an early advocate of full British involvement in the Schuman Plan negotiations.\(^\text{18}\) And the TUC General Council (GC) was itself fairly amenable to the idea closer links with the Six. As with Labour, the GC was admittedly uneasy about the idea of a supranational high authority being put in charge of key sectors of the British economy and any parallel harmonisation of social policy. But through its involvement with the International Confederation of Free Trade Unions (ICFTU) the GC had also come to witness first-hand both the degree of representation that trade unions would likely enjoy in any new supranational organ and the extent to which most other ICFTU members welcomed the Schuman proposals. Through this experience, too, GC members became ever-more aware of the likely profound financial costs of British disengagement from the Six.\(^\text{19}\) Such lessons were delineated most succinctly by Bob Edwards, a future Labour MP and a leading TUC figure, at the Congress’s Annual Conference in September 1952. Describing the European Coal and Steel Community (ECSC), of which the Schuman negotiations had given rise, as a ‘fact in Europe’, Edwards argued:

> "Unless we are part, actively cooperating, in that mighty political organisation, it is very probable that the Continent of Europe will be

\(^{17}\) Modern Records Centre, Warwick (MRC), MSS.292/564.9/1, Action against the Schuman Plan’, International Department of the NUM, 8 November 1950.
\(^{18}\) A. MILWARD, Rise..., op.cit., p.58.
\(^{19}\) See for instance MSS.292/564.9/1, ICFTU Emergency Committee Meeting: Report on the Schuman Plan, 13-15 September 1950; MSS.292/564.9/1, Summarised report of ICFTU Conference on Schuman Plan, 19 December 1950; MRC, MSS.292.563.71/1, The European Coal and Steel Community, 13 October 1954. See also MRC, MSS.292/564.7/1, Resolutions of ICFTU, May 1956.
compelled, economically, by events to establish a restrictive tariff against the important of British coal and the products of the British steel industry”.  

This, Edwards told participants, would not only hamper Britain’s trade with the Six. It would also affect those markets like Scandinavia which, lured by the coke-rich Ruhr and in a bid to maintain their own trade access to the ECSC, would each slowly be drawn ‘away from London and towards Brussels’. That this would in turn undermine British interests in European shipping, insurance and banking, Edwards concluded, meant there were ‘few arguments against active cooperation’.  

These rather more agreeable noises conspire to explain a series of developments in the years immediately following Labour’s return to opposition. They firstly account for the party’s decision already in early 1952 actively to begin a review of Britain’s relationship with the ECSC. The starting point for this was a wide-ranging paper by Phillips. Although vague on answers, the party’s General Secretary was equally adamant that the successful creation of the ECSC did now present Britain with a new reality. This theme was subsequently picked up in meetings of the International Sub-Committee of Labour’s ruling National Executive Committee (NEC) in the opening moments of 1953. Agreeing with Edwards that the ECSC brought with it ‘outstanding problems’, these gatherings concluded with the demand that Labour identify an ‘early and positive solution’. It took just eight weeks for Saul Rose, Healey’s replacement as International Secretary, to then translate these still quite vacuous words into a psychologically important if subtle shift in Labour European policy. This, as Rose outlined to colleagues at a meeting of the Socialist International in mid-April, would consist of Transport House doing ‘its best to influence British policy towards the closest possible association with the Six’s supranational institutions’. So widespread does support for this idea from within the broader party appear to have been that it was quite effortlessly adopted at Labour’s Annual Conference some five months later.  

These more positive leanings secondly help explain why, alongside this mellowing view of the ECSC, Labour also started to show greater interest in the European Defence Community (EDC). At first sight the somewhat extraordinary claim, adopted at Annual Conference in 1954,
that Labour supported ‘the integration of a British contingent in [the] EDC’ as one component in a much broader strategy towards West German rearmament does seem somewhat anomalous.\(^{27}\) After all, only four years earlier Labour had rejected participation in any European-centred defence community.\(^{28}\) By the early-1950s, however, the international climate had changed dramatically thanks not least to the 1948 Czechoslovak coup, the 1950-53 Korean War, and the ever-increasing cost of Britain’s overseas defence commitments. Against this backdrop, Attlee and his team had slowly come to believe not only that the Federal Republic needed to make some type of contribution to Western defence. Labour’s leadership also understood that, however remote a possibility, an inadequate response to the West Germans’ burgeoning relative power or its rapprochement with the North Atlantic Treaty Organisation (NATO) might conceivably push Bonn to seek closer ties with the Soviet Union.\(^{29}\) The notion, embodied by the EDC, of wrapping all six ECSC members in a supranational military structure thus gradually emerged a valuable solution to the re-emergence of (West) Germany as a European power and the need to secure Bonn’s contribution to its own defence within a Western framework while guarding against possible future German aggression and the challenge to European solidarity posed by the Soviet Union.\(^{30}\)

This being the case, Labour’s reference to possible British inclusion in the EDC was not merely accidental or made with little reference to a more general policy towards the Six.\(^{31}\) Instead it reflected a genuine acceptance of European integration as a process which if correctly harnessed could meet Britain’s broader foreign policy objectives. Offering advice, training and political support to the Six was a preferable vehicle through which Labour hoped to work more closely with the EDC and help create the environment in which the whole question of West German rearmament might best be settled. But as internal planning on the matter more than made plain, the party leadership was prepared to go one stage further by actually contributing British forces already stationed in Germany if this meant that the chances of the Six succeeding in establishing a new defence infrastructure were improved.\(^{32}\) And such was the sobriety with which Labour approached the matter that when in August 1954 the EDC negotiations collapsed, the party quickly labelled events as a missed opportunity to deal with the ‘German problem’ at a time when Bonn’s

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\(^{27}\) LPACR, 1954, p.23.

\(^{28}\) LHA, Box File 328.512: Germany (Box 69), It need not happen: The alternative to German rearmament, 1954.

\(^{29}\) Socialist Commentary, 01.10.1951, p.237.

\(^{30}\) LHA, Box File 328.512: Germany (Box 69), German rearmament, 1954.


admittance to NATO was still seen by some as one step too far on the road to Germany's exoneration for its Nazi past. Suddenly, the value of European integration appeared to be appreciated in a way unlike ever before.

Such traits only became clearer when the Labour leadership, spurred on by the TUC, made good on its earlier commitments and formally supported the Conservative government’s negotiation of an association agreement with the ECSC. Its reasoning went something like this. For starters, the Six would represent a ready market for British coal and steel, the prices of which were much lower than continental counterparts and thus well placed to compete in a larger market. By uniting with other trade unions, meanwhile, the TUC might well end up with greater collective bargaining power, thereby helping to raise workers’ wages. So too was there likely to be a social element to an association deal. Britain and the Six might for instance exchange knowledge on safety, health and welfare that would benefit workers in the British coal and steel sectors. And while a larger market would likely push British industry to modernise and seek technical improvements that would inevitably lead to some redundancies, increased exports to the continent would also furnish the government with money to retrain workers in new emerging sectors. An agreement covering Britain and the Six might even ‘induce workers to move to other areas in Europe where there is work available’, thus lowering unemployment. Perhaps most crucial for Labour, though, and key to understanding subsequent party policy, was the idea that a UK-ECSC agreement would offer a ‘model of association which we would be ready to accept in any organisations, any communities that may be set up in Europe to deal with things other than coal and steel’, with transport, fuel and power, and road haulage those areas given special prominence. Little wonder that Labour’s Shadow Foreign Secretary Alf Robens should claim how through association Britain would reap the rewards of the ‘very effective’ ECSC without having to commit to the more controversial political aspects that came with fully fledged membership of a supranational grouping.

Engaging with the Six

Seen in this light the decision by the Six to establish a committee, chaired by Paul-Henri Spaak, to examine possible new fields of

34 LHA, Misc. Folder: European Coal and Steel Community, 1953-57, The Schuman Plan, undated; MRC, MSS.292/564.71/1, The European Coal and Steel Community, 13 October 1954.
cooperation between them was a move bound to elicit at least some interest from Labour. The first major, if gradual element of the reaction that did follow was reflected in the decision by the party leadership to reform the NEC’s own structures to take closer account of developments on the continent. It was likely no accident that as the Spaak Committee began seriously to contemplate the creation of a new common market and customs union towards the close of 1955, Labour chose to establish a high-level European Cooperation Sub-Committee tasked with navigating ‘the complexity and specialisation’ of the integration process.38 Nor was it altogether surprising that within a month of the Six’s May 1956 gathering in Venice, Labour chose to bolster the Sub-Committee to undertake a further ‘detailed examination’ of the Messina proposals. This task was more than accomplished by expanding its ranks to include Robens, John Hynd, the former Minister for Germany and Austria, Geoffrey de Freitas (Member of Parliament (MP) for Nottingham Central) and a former minister close to Attlee, and George Thomson (Dundee East), all of whom were rather more interested than the average Labour politician in the question of European integration.39

Greater engagement at the European level was the second feature of the party’s reaction to the Messina initiative. The Council of Europe’s Consultative Assembly in Strasbourg had by the mid-1950s become a particular favourite for Labourites engrossed in European affairs. The young Roy Jenkins (Birmingham Stechford) was a regular frequenter of debates; John Edwards (Brighouse and Spenborough) another. Rather than being passive spectators to the discussions had by representatives from each of the Six about progress in the Spaak Committee, however, Labour delegates were able to use their seats to have a direct say in the ongoing common market negotiations. Jenkins for his part offered the principle assessment to the Strasbourg Assembly as to the impact of the Six’s economic plans on its European neighbours.40 Arguably more important was John Edwards, a devoted supporter of European integration and a would-be President of the Consultative Assembly, who was especially proficient in relaying opinions originally thrashed out in Transport House to his European counterparts. Among the more notable of these was the decision by the party to encourage the Six to pursue an atomic energy agreement. For Labour this was best based on national parliamentary oversight; the fear that the West Germans might acquire a nuclear capability remained palpable. But Edwards struck a more amenable tone when he intimated that the Six and Britain might work together on the technological development of nuclear energy to counteract any future reliance on foreign oil. In the same vein, David Jones (Hartlepool) encouraged Spaak (often present at most of the Assembly’s meetings) to make sure that the Six included in their common

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38 LHA, NEC minutes 23 November 1955, Minutes of International Sub-Committee meeting, 15 November 1955.
39 LHA, NEC minutes 27 June 1956, The Council of Europe and European cooperation, June 1956; LHA, NEC minutes 25 July 1956, Memorandum concerning the Sub-Committee on European cooperation, July 1956.
market a unified transport scheme. The possibility that Britain might somehow be involved in this was seemingly based on a desire to give trade unions on both sides of the English Channel greater say in the running of inland transport and port services.\textsuperscript{41}

Few of these initiatives seem to have produced much by way of a more encouraging Labour policy towards the EEC in the short term at least.\textsuperscript{42} But running through both gatherings of the NEC European Sub-Committee and proceedings in Strasbourg were three crucial currents. The first was that Labour did at this early stage seem to acknowledge that the emergence of the Six as a distinct grouping was both economically and politically problematic for Britain. In terms of the former, the United Kingdom would probably see a slowing of exports across the English Channel thanks to the Six’s common external tariff. It was the latter upon which most concern centred, however. For the Six promised to be a major force in Western affairs; Britain’s ability to exert influence on the continent would correspondingly decrease should it not have at least some way of influencing developments. All this meant, turning to the second component, it was thought best that the integration process take place in a framework that accommodated as many Western European states as possible, not just those countries who felt able to pool their sovereignty in a supranational organisation like the ECSC. Third, therefore, even if Britain continued to resist joining the Six’s own common market discussions, it should as a matter of course seek a more intimate link with the continent via some other institutional route. Labour’s reluctance vis-à-vis European integration was in the mid-1950s consequently tempered rather than absolute.

Inevitably, perhaps, these strands of thought helped to create an environment in which Labour MPs were to a quite remarkable degree able to go well beyond the official party line and call for more direct British involvement in the Messina process. Within the confines of the European Cooperation Sub-Committee this took the form of calls for Britain to be absorbed into the Six’s plans for a coordinated market for nuclear power, widely known as Euratom. Not everyone was enthusiastic about the idea: the left-wing Fred Peart (Workington) suggested for one that a substantial link with Euratom risked becoming a mere prelude to membership of the Six’s common market. Even so, the dividing line had much less to do with the idea of actually pursuing functional cooperation with the Six in the realm of nuclear energy, than with the framework in which this was best done. The Sub-Committee could consequently settle on association as a compromise solution that would variously allow Britain access to the Six’s energy market, provide London with an opportunity to scrutinise the project and ensure that any nuclear capability was employed solely for peaceful civilian use.\textsuperscript{43}

\textsuperscript{41} LHA, NEC minutes 25 January 1956, Report on the Second Part of the Seventh Session of the Consultative Assembly of the Council of Europe, Strasbourg, 14-27 October, undated.
\textsuperscript{42} LHA, Box File 328.5101 (1961-1975: Pro-EEC), Freer trade with Europe, 1956.
\textsuperscript{43} LHA, NEC minutes 24 July 1957, Minutes of NEC European Cooperation Sub-Committee meeting, 3 July 1957.
A group of Labour parliamentarians went still further by suggesting publicly that Britain ought to be more deeply involved in the Six’s concurrent common market negotiations as well. Jenkins is usually credited as the one Labour figure who, while not quite advocating full membership, was most aware of the implications for Britain of being excluded from a powerful new continental organisation.\(^\text{44}\) Every bit as crucial though were those MPs who signalled a willingness to go well beyond Jenkins and accept the major political adaption that would go with fully participating in the Six’s plans. Epitomising this was the decision on 24 July 1956 by John Edwards and Hynd to table a motion in the House of Commons, signed by forty-five fellow MPs – one-sixth of the entire Parliamentary Labour Party (PLP) – urging the Conservative government immediately to include Britain in the common market talks as a full member.\(^\text{45}\) True, the motion accepted that there would be ‘risks and sacrifices involved’ in joining the planned community, not least relating to existing Commonwealth imports. But alongside this was the refrain that exclusion from a continental grouping with its own tariff wall would see Britain, and hence the British worker, suffer on commercial terms. And alongside this also was the perception that the Six’s plans, while economic in outlook, had much broader political connotations. Indeed it was not unreasonable to think that an institutional divide and burgeoning economic rivalry between the Six on the one side and Britain and its non-Six partners on the other might soon undermine the cohesion of Western Europe vis-à-vis the Soviet Union. ‘British participation in the common market on an acceptable basis’ was hence deemed the only acceptable way to secure both the prosperity and peace of all European states.\(^\text{46}\)

### Accepting the FTA

The logic of these arguments means it is fairly inconceivable that the Labour hierarchy would have ignored the FTA as is claimed in prevailing historical accounts. This conclusion is indeed borne out by the actual record of events. In the months preceding Macmillan’s announcement of the FTA proposal on 26 November 1956, for instance, the TUC was habitually consulted by the Conservative government about the shape and content of its plan.\(^\text{47}\) This in turn gave Labour ample warning and allowing it to consider how it might respond to the impending FTA announcement. The apogee of this was a meeting on 15 October, chaired by Shadow Chancellor Harold Wilson and attended by Robens, Arthur Bottomley (Chatham), Patrick Gordon Walker (Smethwick) from Labour’s Board of Trade team, and Tony Greenwood (Rossendale) representing the NEC. While this team was drawn from across Labour’s ideological spectrum – Wilson and Greenwood were widely viewed as being on the left

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\(^\text{44}\) The Times, 23.10.1956, p.8; N.P. Ludlow, Roy..., op.cit., pp.25-27.  
\(^\text{45}\) The Times, 19.07.1956, p.6.  
\(^\text{46}\) Hansard, Parliamentary Debates (Commons), 24 July 1956, vol. 557, col.212.  
\(^\text{47}\) MRC, MSS.292/564.7/1, Report of meeting of the Economic Committee and the Chancellor of the Exchequer and the President of the Board of Trade, 23 October 1956.
of the party; Bottomley, Gordon Walker and Robens were, broadly speaking, all from the revisionist right - three substantive areas of agreement soon emerged. First and most crucial was their general support for the FTA itself. Second, though, was their decision to make this support conditional. The government would thus have to ensure that any eradication of tariffs across the English Channel did not adversely affect British workers’ standard of living and that London would retain the freedom to pursue any economic policies it so desired. And membership of the FTA would, thirdly, have to be accompanied by measures designed to protect struggling sectors of the economy that were exposed to competition from their more efficient rivals in the Six.\footnote{MRC, MSS.292/564.7/1, Wilson to Heywood, 16 October 1956; LHA, NEC Sub-Committee Uncatalogued Misc. Documents Box 60, European Cooperation Sub-Committee: Draft Statement on the European Free Trade Area, March 1958.} It was thus a remarkably confident Wilson who stood in the Commons in late November formally to announce Labour’s ‘encouragement and support’ for the FTA negotiations before warning Macmillan that the party intended on ‘pressing the Government extremely hard on some of the national safeguards’ which it had begun to identify.\footnote{Hansard, Parliamentary Debates (Commons), 26 November 1956, vol.561, col.70.}

Matters were complicated somewhat since not everybody on the Labour benches was willing blindly to kowtow to the party line. Tellingly perhaps it was the left which had most to say about the proposed FTA, led as always by Aneurin ‘Nye’ Bevan – éminence grise of the Labour left who in July 1956 had displaced Robens as Shadow Foreign Secretary. Of Bevan’s distaste for the FTA there could be little doubt; both the common market negotiations and the Conservative’s proposal for a wider free trade zone were, he claimed, ‘the result of a political malaise following upon the failure of socialists to use the sovereign power of their Parliaments to plan their economic life’.\footnote{Tribune, 30.08.1957, p.5.} Others in the PLP were more prosaic: the FTA, according to one, was an ‘anti-socialist threat to domestic planning’.\footnote{LHA, PLP minutes 1956-57, Minutes of meeting, 7 November 1956.} Such lines of attack need not have been fatal to Labour’s support for the proposed free trade area. But combined with Labour’s ongoing divisions over German rearmament, the PLP’s notorious factionalism and the appointment in 1957/58 of Tom Driberg – an influential left-wing parliamentary candidate who was hardly supportive of the European cause – as NEC chair, there indeed existed a very serious threat to the leadership’s capacity to carry through its initial support for the FTA proposal.

At the opposite end of the spectrum, meanwhile, stood a group of Labourites who each regarded the leadership’s conditional approach much too muted a reaction. This theme took on new meaning when, in March 1957, the Six finally signed the Rome treaties establishing the EEC and Euratom. For Hynd et al, there existed a real danger whereby the Six, committed to their new Community with its innovate external tariff and customs union and reluctant to envisage the changes necessary to accede to a broader trade area, might well decide to reject the British FTA proposal in its entirety. All this meant that Britain, less still
Labour, was in no position to lay down 'conditions' on which it would accept a closer relationship with the Six.\(^\text{52}\)

It is, therefore, all the more remarkable that against this background the Labour leadership did more than enough to demonstrate throughout the course of the FTA negotiations that the free trade area scheme was a central plank of the party's drive to both respond to and engage with the integration process. Officials from Gaitskell downwards indeed spent much of 1957 defending the FTA proposal.\(^\text{53}\) And in September the same year both the European Cooperation Sub-Committee and the NEC’s International Sub-Committee agreed to recommend to Labour’s Annual Conference that the party back the FTA.\(^\text{54}\)

Why, then, did the Labour Party leadership itself support the FTA, and the party more generally come out in favour of the FTA so remarkably unscathed? One factor, undoubtedly, is that several of Labour’s fellow socialist parties had already announced their support for the FTA, helping dispel Bevan’s characterisation of the proposal as some sort of anti-socialist cartel.\(^\text{55}\) It also probably did no harm that, however enchanted with European unity were those Labourites mentioned in this article, the topic of European integration did not yet have the same emotive or ideological resonance within the broader labour movement. Compared to later years, the leadership could in the late 1950s consequently still formulate policy towards the integration process with a certain degree of impunity.

The best explanation for why the most important cogs in the Labour machine all with relative ease accepted the FTA lies however in the way the free trade scheme was widely acknowledged as the most appropriate answer to a conundrum that the party had in various guises grappled with ever since 1950. After all, an intergovernmental structure comprising seventeen OEEC states promised neatly to draw the United Kingdom closer to the Six while absolving the country from many of obligations that came with more politically contentious supranational organisation. What is more, it did so on what for Britain were highly favourable trade terms. There would for instance be no external tariff, while internal free trade would be restricted to industrial, manufactured products. This meant not only that the government’s sovereignty to impose tariffs on third country imports would remain intact. It also ensured that (mainly agricultural) trade with the Commonwealth – and the political relations which this helped sustain – would continue much as before. So too would the existing system of support for British domestic agricultural goods continue largely as before. The FTA, moreover, met the concerns of some Labourite who feared the creation of European federation centred on Germany and

\(^{52}\) LHA, NEC Sub-Committee Uncatalogued Misc. Documents Box 60, Memorandum on Draft Statement on the European Free Trade Area by John Hynd, March 1958.

\(^{53}\) The Times, 16.02.1957, p.4.

\(^{54}\) LHA, NEC Sub-Committee Uncatalogued Misc. Documents Box 63, Minutes of joint meeting, 17 September 1957.

\(^{55}\) A measure of this enthusiasm comes across in MRC, MSS.292/564.7/5, Rikvold to Woodcock, 23 July 1959.
dominated by right wing parties. And freeing up trade with the Six was also bound to bring commercial opportunities for British firms while all the while safeguarding Britain’s various military, economic and political links with the United States.\footnote{See Harold Wilson, Denmark and the Making of Labour European Policy, 1958-72, Liverpool University Press, Liverpool, 2017, pp.11-13.} Evidence as to how critical were these various elements is provided by the queue of Labour parliamentarians speaking out in support of the FTA in a Commons debate on the subject in late March 1958. The FTA, it seemed, was the most cost-effective way of squaring the circle that was the emergence of a powerful political and economic bloc developing on Britain’s doorstep.\footnote{LHA, NEC Sub-Committee Uncatalogued Misc. Documents Box 63, European Free Trade Area, 17 September 1957; LHA, Misc. Folder: European Coal and Steel Community, 1953-57, Note on the European Free Trade Area, March 1958.}

Dealing with failure

It was likely these combination of factors that caused Labour to be so visibly alarmed when on 14 November 1958 France announced that it no longer thought it possible for the Six to join a free trade area without a common external tariff and accompanying common social and economic policies.\footnote{LHA, NEC minutes 17 December 1958, Minutes of meeting, 25 November 1958; LHA, NEC Sub-Committee Uncatalogued Misc. Documents Box 63, Minutes of joint meeting, 9 February 1959. For the reasons behind the collapse, J. ELLISON, Threatening..., op.cit., pp.198-220; W. KAISER, Using..., op.cit., pp.88-108. EFTA comprised Britain, Austria, Denmark, Norway, Portugal, Sweden and Switzerland.} It was also this line of thinking that in turn made it far less likely Labour would welcome the compromise solution being touted of a narrower seven-member trade area.\footnote{Arbejdermuseet & Arbejderbevægelsens Bibliotek og Arkiv, Copenhagen (ABA), Social Democratic Party archive (SD), Box 672, Notes from Conference of the Socialist International on the European Free Trade Area, 19 March 1959.} For sure, there was an obvious rationale behind the Conservative government’s choice of a narrower trade unit: it would save face for an administration deeply embarrassed that the centrepiece of its European strategy had been so spectacularly rejected by the French; any alliance consisting of the valued Scandinavian markets would itself be beneficial to British industry; and it could represent a future possible route to the Six should Britain decide to apply to join the EEC.\footnote{See J. ELLISON, Threatening..., op.cit., pp.214-20.} The Labour leadership, the NEC and the PLP all quickly rejected these arguments, however.\footnote{LHA, International Department Uncatalogued Files Box 3, Note on the Common Market and the Free Trade Area, 28 April 1959; LHA, PLP Minutes 1958-59, Minutes of meeting, 11 February 1959.} Opposition sprang in part from a belief that British exports to the Six would even in the short-term face quite severe discriminatory action. The possible economic success of the EEC, moreover, meant that a non-Six grouping would not deal with one of the fundamental goals of the FTA: providing Britain much easier trade access to the continent. On the contrary, Labour thought it likely that a trade war might break out between the two blocs in which the British worker would emerge as the
prime casualty. Compared to its Conservative counterpart the Labour leadership was thus unwilling at this stage to show any hint of flexibility by accepting a smaller trade zone.\(^6^2\)

The potential political fallout further convinced Labour that a seven-member grouping ought to be treated with suspicion. The Cold War in late 1958 was entering a new and dangerous phase; Nikita Khrushchev, in his role as Soviet First Secretary, had only recently called time on the four-power occupation of Berlin, the beginnings of a crisis which would culminate with the building of the Berlin Wall. For Labour this changed the dynamic of the FTA entirely. Quoting Wilson, there was the very real risk that an economic division in Western Europe might ‘spill over into the political field and undermine NATO’.\(^6^3\) The security and stability of Western Europe relied in other words on a strong, unified Europe-wide economic alliance.

The real question was what alternatives existed to the ‘outer Seven’. Unfortunately for Labour, it did not really have the luxury of time to find a substitute. On the contrary, the timetable foreseen by EFTA members – as the organisation was to be called – envisaged that a convention be initialled by the end of 1959 and a new association commence work at some point in mid-1960. Compounding matters further was the fact that Labour had already found frustration in its efforts to formulate alternative ideas to EFTA during a meeting of Western Europe’s socialist parties in mid-December.\(^6^4\) The party would thus have to act with some speed to devise a coherent plan before EFTA itself was established. Fortunately for Gaitskell and his team, help was at hand in the form of the TUC General Council which, like Transport House, had supported the FTA and was similarly suspicious of a smaller trading group. There is little room here to discuss in any detail the various gatherings and conversations that took place, but what is clear from the archival record is that after the November 1958 veto the GC was engaged in an exhaustive lobbying exercise in support of the FTA. More often than not, this saw the TUC leadership utilise its ICFTU membership and long-held translational links to encourage other national centres – notably the French Confédération Générale du Travail-Force Ouvrière (CGT-FO) – to influence their governments and public opinion in support of reopening the original FTA negotiations.\(^6^5\)

Left to its own devices in the meantime, the Labour leadership spent the opening weeks of 1959 formulating at least three alternative ideas for the seven-member EFTA proposal. First was an organisation comprising those countries in the OEEC not already members of the Community.\(^6^6\) Second was what Wilson referred to as a ‘Commonwealth

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\(^{62}\) LHA, NEC minutes 26 November 1958, Minutes of joint meeting, 25 November 1958.

\(^{63}\) ABA, SD, Box 672, Conference of the Socialist International on the European Free Trade Area, 19 March 1959. See also M. BROAD, Harold..., op.cit., pp.31-35.

\(^{64}\) M. Broad, Harold..., op.cit., pp.38-40.

\(^{65}\) For instance, MRC, MSS/292/564.7/4, Report of a meeting between representatives of the General Council and the CGT-FO, 9 January 1959.

\(^{66}\) LHA, NEC minutes 25 February 1959, Minutes of joint meeting, 22 January 1959.
economic relationship’, where the existing system of reciprocal free trade preferences within the Commonwealth would be complemented by a new second tier extending to both the Six and other Western European states.\(^67\) The third, not dissimilar scheme centred on expanding the Commonwealth preference to include the three Scandinavian states. Were this to happen, Danish, Norwegian and Swedish exports to the UK would be treated as equal to those from Australia, Canada and New Zealand with regard to import duties. The preference would then later extend to include the Six and other European states, creating one multi-continent trade bloc with Britain at its heart.\(^68\)

Of the three, the first blueprint was promptly dismissed. What in effect was little more than a slightly larger version of EFTA was after all the least ambitious solution and without the inclusion of the EEC considered almost worthless. Such was the distaste for EFTA however that Transport House quickly began working on the assumption that one of the latter two ideas would emerged as Labour’s favoured response – even going so far as to sound out support from the Australian and New Zealand labour parties.\(^69\) A two-tier system would expand trade opportunities for OEEC states and all the while allow Britain to keep importing cheap food from the Commonwealth. More crucial, this sort of agreement could help bolster London’s influence in the Commonwealth at a time when – as Labour itself readily acknowledged – far less importance was being attached to Britain by its former Dominions.\(^70\) And a bloc linking Britain, the Commonwealth and Scandinavia would have additional political advantages, not least strengthening Britain’s bargaining position with the Community in any future trade negotiations.\(^71\) For Labour there was hence much to be gained and little to be lost from including the Commonwealth in any solution to the Western Europe’s burgeoning institutional divide.

The failure of all three substitutes might allow us immediately to assume that Labour was rather naïve about the international environment of the late 1950s. Suggesting that the EEC might be prepared even to consider some sort of second-class citizenship of the Commonwealth did seem to demonstrate a complete lack of awareness of the very real political momentum that had pushed the Six originally to build a supranational organisation and the sheer determination with which they each sought to build on the progress that had been achieved since establishing the ECSC. The default to a Commonwealth-centric solution to the Six/Seven split, meanwhile, implied that Labour continued to underestimate the diminishing significance of trade between Britain and its former colonies and in turn overstate the Commonwealth as a basis

\(^{67}\) LHA, NEC minutes 25 February 1959, Secretary’s Supplementary Report, February 1959.

\(^{68}\) LHA, NEC Sub-Committee Uncatalogued Misc. Documents Box 63, Minutes of joint meeting, 9 February 1959.

\(^{69}\) LHA, NEC minutes 25 March 1959, Report of Mr Callaghan’s Visit, undated.

\(^{70}\) Socialist International archive, Amsterdam, Box 584, Note by Balogh, January 1959.

\(^{71}\) LHA, NEC minutes 25 February 1959, Minutes of joint meeting, 22 January 1959.
from which Britain could expect to exert influence on global affairs. Paradoxically, however, the whole logic of Labour’s strategy in the weeks after the collapse of the FTA negotiations was still that Britain’s future was somehow more deeply engaged with the Six. Regardless of the precise shape of the alternative schemes devised, they each shared an assumption that Britain’s best interests were served not by eschewing the integration process but by being part of it, not by challenging the EEC but by working with it. As the economies of the Six continued to grow and the institutions of the EEC were shown successfully to function, this line of thinking was likely only to become more pronounced.

With this in mind and in the apparent absence of viable alternatives, there was ample scope in the latter part of 1959 and into 1960 to adopt a rather more conciliatory attitude to membership of the EEC itself. Such an approach admittedly developed in incremental stages. At first the party appeared to support a Danish proposal for ‘bridge-building’ – a somewhat euphemistic term interpreted as a way of establishing functional links between the Seven and the Six – which implied that EFTA membership was not an end in itself but a step towards a pan-European trade agreement along similar lines to the FTA.\(^72\) When neither London nor Brussels showed any real interest in reopening negotiations for an FTA-type grouping, the European Cooperation Sub-Committee in turn started to explore association with the EEC as one way to tackle possible discriminatory action against British exports to the continent.\(^73\) By this stage a small group of Gaitskellite revisionist MPs – most notably Jenkins and Bottomley – had already formed the Commission on European Integration and Disengagement which began to explore whether Labour ought to support Britain joining the EEC as a way of helping solve the broader Cold War divide.\(^74\) And in January 1960 the NEC itself agreed ‘that the time had come for a more careful study of the Party’s policy towards Europe and European institutions’.\(^75\)

The upshot of these various developments was that in 1960 pro-Europeans – and pro-Europeanism – appeared on the ascendancy. If his conversations with Guardian editor Alastair Hetherington are anything to go by, Gaitskell himself could easily be included in this category.\(^76\)

\(^72\) LHA, Box 16 (4): International Sub-Committee Minutes and Documents 1953-1962, Informal discussions among socialist parties of the Six and Seven at Strasbourg, 8 May 1960: Report by Mr J. Clark, 10 May 1960; Hansard, Parliamentary Debates (Commons), 14 December 1959, vol.615, cols.1156-1158.

\(^73\) LHA, International Department Uncatalogued Files Box 3, Note on the Common Market and the Free Trade Area, 28 April 1959; The Times, 26.07.1960, p.10.

\(^74\) LHA, International Department Uncatalogued Files Box 3, Notes for the first meeting of Commission on European Integration and Disengagement, June 1959.

\(^75\) LHA, NEC minutes 27 January 1960, Minutes of International Sub-Committee meeting, 12 January 1960; LHA, NEC minutes 24 February 1960, Minutes of International Sub-Committee meeting, 9 February 1960.

In one conversation in July, Gaitskell even claimed his interest in joining the Six was ‘growing’, although the long-term political aims of the Six would need to be clarified in any negotiations. \(^77\) An even greater display of Labour’s warmth towards the Six came in mid-May when in an interim report members of the Transport House working party presented evidence of the positive impact of Community membership. British exports were already disadvantaged by the progressive removal of intra-EEC tariffs; the Six were now attracting more US and third country investment; and Washington was ‘more and more orientated towards the Six both in matters of trade and defence’. Although it noted downsides – the ‘likely political developments within the Community’ was the most cutting – the report concluded that such ‘drawbacks of membership from the British point of view [are] likely to be balanced in the future by equally serious dangers resulting from non-membership’. \(^78\) And when the PLP as a whole first debated the prospect of Britain joining the EEC, remarkable was the degree of warmth for possible entry to the Six. Wilson’s own enthusiasm was on full display when he characterised the Community as a ‘dynamic and expanding’ economic force, likely to attract more capital investment and enjoy a higher standard of living than Britain. \(^79\) Only on the matter of the Commonwealth did he seem to agree with sceptics that British entry might cause problems. \(^80\) But with the PLP rather indolent about the whole issue, the way was cleared for Wilson to take the lead in a Commons debate on the EEC just a month later. There were, Wilson made clear, both ‘advantages and costs’ that precluded any set policy being adopted in the immediate future, but the case for joining the Six was also ‘formidable’ and the split between EFTA and the EEC ‘a regrettable temporary phase’ that ought to be surmounted by ‘a single united economic community for Western Europe’. \(^81\) For a group known for its disinterest in and reluctance towards European integration, the degree of its seeming enthusiasm for EEC membership in 1960 was indeed astounding.

Policy rooted in the 1950s

Simply to stop here and conclude that from 1960 Labour was fully committed to a future with Britain in the EEC would of course be deceptive. After all, Wilson’s own view of Community membership soon

\(^{77}\) BLFES, Hetherington papers, File 2/24, Note of meeting with Gaitskell, 14 July 1960.

\(^{78}\) LHA, International Department Uncatalogued Files Box 3, Problems of European Unity, 25 May 1960.

\(^{79}\) LHA, PLP minutes 1959–60, Minutes of meeting, 20 July 1960.

\(^{80}\) University College London Special Collections (UCL), Hugh Gaitskell papers, Box C/211, Britain’s Relations with Europe by Harold Wilson, 15 June 1960; UCL, Gaitskell papers, Britain’s relations with Europe by Denis Healey, June 1960.

\(^{81}\) Hansard, Parliamentary Debates (Commons), 25 July 1960, vol.628, cols.1109-1127; LPACR, 1960, p.75.
shifted against entry. This ‘turn’ was symptomatic of a much broader anti-Europeanism that took hold of the party from 1961 as the question of whether Britain ought to fully accede to the EEC became more widely debated by the party rank-and-file and affiliated trade unions. A still more crucial indication that Labour’s pro-European conversion was by no means absolute came a year later with Gaitskell’s infamous ‘thousand years of history’ 1962 conference speech and his rejection of the entry terms negotiated by Macmillan. And when Wilson followed Gaitskell as leader in February 1963 and entered Downing Street as Prime Minister in October 1964, he did so while continuing to insist that there was little prospect of Britain joining the Community any time soon.

Even so, for at least three reasons the events covered in this article deserve to be given greater historical attention. First, the general Labour approach to European integration studied, particularly the latter willingness of the party leadership even to consider British EEC entry, suggests that a significant shift in its thinking occurred. It is debatable of course whether such a change was itself a proactive policy choice or whether the party’s interest in European cooperation waxed and waned depending on the issues at hand. The need to respond variably to the ever-increasing political pull of the EEC, the quite remarkable economic dynamism of its members, and the Six’s somewhat unexpected success both in building functioning institutions and implementing common policies more quickly than even many of its ‘founding fathers’ had envisaged - not to mention the renewed threat posed by the Soviet Union from 1958 - indicate that Labour was doing little but reacting to external events. But that there was a shift in the importance the party attached to European integration and Britain’s place within this process is surely beyond disagreement.

A second, related consequence of the analysis presented here is to undo the image of the 1950s as a dark age of Labour policymaking on Europe. At the very least, the existing scholarly characterisation of the party as outlined in the opening paragraphs of this article must be viewed with some suspicion. But what this article also indicates is the nuance of Labour’s evolving view towards European integration and the ways in which this at times differentiated it from the policies of the Conservative government. To take one example, the Labour leadership seems to have been far more pessimistic about the creation of EFTA than its Conservative counterpart. Indeed, where Labour spent the first half of 1959 searching energetically for a replacement for the FTA other than a narrower trade grouping, the Macmillan government spent much of the previous year fostering non-Six relations and appears quickly to

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83 For this debate see M. BROAD, Harold..., op.cit., pp.64-71.
85 M. BROAD, Harold..., op.cit., pp.90-94.
have settled on a smaller EFTA-type organisation well before the collapse of the FTA negotiations in late 1958. Such divergences are important since they remind us that behind a ‘national’ foreign policy stands a complex web of both state and non-state actors with a multiplicity of views, ideas and preferences. Viewing British European policy from a guise other than that of Whitehall can thus still bring fresh understanding of the country’s European past.

Finally, and perhaps most significantly, is the lasting implications of some of the developments discussed above. It would be too far-fetched to suggest that we would fail fully to comprehend how Labour grappled with the integration process after 1960 without first understanding how its policy evolved before it. But a study of the 1950s nevertheless allows for a glimpse of various themes that would define later events and controversies. The party’s suspicion of EFTA for instance likely fed through into the almost complete disregard shown by Wilson’s nascent government when in November 1964 it chose recklessly to impose an import surcharge which in the process nearly provoked the complete breakup of the Association. Still more fundamentally, a critical mass in Labour had by the close of the 1950s come to accept that, having exhausted other options, EEC membership was a path that Britain might seriously have to consider in the future. This debate would indeed consume a considerable amount of Labour’s energies after 1960 to the point of open warfare. In this sense this article amounts to an important pre-history of a still more turbulent time in the story of how Labour responded, and today continues to respond, to the challenge of European integration.

87 M. BROAD, Harold..., op.cit., pp.97 ff.
88 See R. BROAD, Labour’s..., op.cit., for a longue durée study of the issue.