# A History of Failures and Miscalculations? Britain's Relationship to the European Communities in the Postwar Era (1945–1973)

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Alan S. Milward, *The Rise and Fall of a National Strategy 1945–1963* (*The United Kingdom and The European Community*, Vol. I) (London and Portland: Frank Cass, 2002), 512 pp., £65.00 (hb), ISBN 0-7146-5111-7.

Alex May, ed., *Britain, the Commonwealth and Europe: The Commonwealth and Britain's Applications to Join the European Communities* (Houndsmill and New York: Palgrave, 2001), 188 pp., £55.00 (hb), ISBN 0-333-80013-3.

Oliver J. Daddow, ed., *Harold Wilson and European Integration. Britain's Second Application to Join the EEC* (London and Portland: Frank Cass, 2003), 298 pp., £45.00 (hb), ISBN 0-7146-5222-9, £17.50 (pb), ISBN 0-7146-8207-1.

Sir Con O'Neill, *Britain's Entry into the European Community. Report by Sir Con O'Neill on the Negotiations of 1970–1972*, ed. and with a foreword by Sir David Hannay (London and Portland: Frank Cass, 2000), 464 pp., £55.00 (hb), ISBN 0-7146-5117-6.

'We had missed one European bus in the 1950s and did not want to miss another.' This is how Sir Con O'Neill paraphrased the British position in May 1970 in the face of the forthcoming negotiations on the United Kingdom joining the European Communities.[1] The notion that, by not participating in the treaties of Paris and Rome, Britain had missed the chance of 'getting on the bus' which was taking the nations of the European continent towards the formation of a successful European Community, is a recurring theme to be found in debates both among politicians and in the media at that time and was a dominating feature of historiographical reports on Britain's European policies for many years. The history of the policy of the UK governments towards the European Communities was thus often seen as a history of failures and miscalculations.

Since the middle of the 1980s individual historians have seriously challenged this interpretation of British European policy. In particular, some of the more recent

[1] Public Record Office (Kew), FCO 30/775, Record of a Conversation Held at the Foreign and Commonwealth Office on 1 May 1970.

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historical studies aim not to explain this so-called British failure, but instead to analyse the reasons which led to Britain's decision to stand back from the supranational integration of the Six in the 1950s. The perception that Britain, totally misjudging its actual power after the Second World War, was still attempting to pursue a far too ambitious worldwide foreign policy and by so doing had forfeited the opportunity of concentrating on its new role as a European power is also refuted by Alan S. Milward in *The Rise and Fall of a National Strategy*, as being inappropriate and unrealistic. Instead, Milward argues that Britain entered the postwar era with many great but short-term advantages, making it differ fundamentally from the countries of mainland Europe and making Britain's orientation solely towards Europe senseless. Britain was in a position to build its own nuclear weapons, was entitled to tariff preferences on extra-European Commonwealth markets, possessed a large colonial empire and with it political influence in great parts of Africa and the Caribbean, was in control of large armed forces, was strategically closely allied with the United States and, with London at its centre, was also in possession of a formerly significant capital market. According to Milward it would have been a foolish and expensive indulgence simply to surrender such assets. Instead, the postwar British governments aimed to use these inherited advantages for as long as possible in order to realise the main objectives of their policies, namely to secure military security and domestic prosperity for its people. Milward regards adherence to these two national objectives (and not the desire for world-wide influence), making use of its postwar advantages as bargaining counters, to be the national strategy; it was developed and consequently adopted by the Conservative and Labour Parties alike between 1948 and 1949 and intended to effect Britain's transition from the status of a world power to that of a middle-ranking one. 'The course of national strategy was not set by the desire permanently to exercise worldwide power but primarily to provide a double security for the population . . . These were the goals of a medium-sized materialist democracy, not of a world power' (pp. 3–4).

In his book Milward puts forward the case for contemplating the relationship between Britain and the European Communities from the angle of Britain's strategy to adapt to the postwar world instead of concentrating on the 'simplistic question' whether the United Kingdom should have joined the Communities or not. His presentation, which is founded on an all-encompassing evaluation of British official documents, begins with the year 1945 and ends with the failure of Britain's first application to join in 1963. With meticulous detail Milward depicts the structural framework of decision-making within the British departments during this period, which would finally lead to the development and enforcement of the said particular strategy. The British decision not to participate in the Schuman Plan negotiations, which were to lead to the formation of the first supranational community in Europe, is regarded by Milward primarily as the result of strategic decisions about the United Kingdom's future, which had been crystallising since spring 1948, and which aimed to secure Britain's position as an equal partner of the United States through its leadership of Europe and of the Commonwealth. Agreement to the concept of supranationality would, as Milward puts it, not only have weakened Britain's independence from

the United States, leading to a loss of the country's status and of its influence on the United States, it would simultaneously have weakened its ties to the Commonwealth. The treaties of Rome, on the other hand, contradicted the British one-world strategy, and the plans of the Six for a future political union were of no interest to Britain due to its close alliance with the United States.

Whilst, as Milward demonstrates, the national strategy regarding security was to a high degree successful, adherence to the economic strategy proved to be an error, due to unforeseen changes in economic conditions. Milward interprets Britain's first attempt to join the European Economic Community (EEC) in 1961 as an attempt 'to retain the level of influence at Washington which exclusion from the common market threatened to reduce' (pp. 310–11), and not as a turn to Europe or as any geographical limitation of the scope of British ambitions. The negotiations themselves, however, clearly showed that it was no longer possible to follow the national strategy applied since 1948. As Milwards puts it, it was paradoxically the experience of the failed negotiations for entry and France's veto that established membership of the European Communities, even at the EEC's terms, as a new British strategy. As opposed to other researchers, Milward has no intention of speaking of an obvious miscalculation of Britain's power from the outset; instead he avers that the failure of the national strategy was not predictable but its success was made unlikely by certain political and economic developments during the 50s, especially the various sterling crises.

This richly detailed and well-grounded work, belonging to the Government Official History Series, which is to be followed by a second book covering the period after 1963, offers a compact overview of British European policy after the Second World War. Although not all the findings in the book are new, the thesis presented of the 'rise and fall of a national strategy' does offer new perspectives for studying British European policies and contributes towards rejecting the conventional notion that after the Second World War British European policy could be seen merely as a history of miscalculations and misjudgements.

The British Commonwealth appears to have been the greatest obstacle to a settlement between Britain and the Six. The interrelationship between the Commonwealth and Europe in British foreign policy in the period between the end of the Second World War and UK membership of the European Communities is the subject of the volume edited by Alex May, who puts together the results of a conference held in 1998 at the South Bank University. It combines contributions from former and current officials and academics, who from various perspectives are concerned with the importance of the Commonwealth for postwar British European politics, and conversely the relevance of British European policy for the Commonwealth.

In one chapter Donald Maitland, who in 1975 had been a member of the Commonwealth Expert Group on Trade, Aid and Development and between 1975 and 1979 the UK permanent representative to the European Communities, gives a brief overview of Britain's relationship to the Commonwealth and to Europe up to 1973. Maitland makes the depth of British attachment to the Commonwealth responsible for Britain's belated turn to Europe. It was not until Harold Macmillan

became Prime Minister that the importance of Western Europe for Britain was recognised and an attempt was made to correct the misjudgements and political miscalculations of the late 1940s and 50s.

In his contribution, 'The Jolly Old Empire', David Russell studies the relationship of the Labour Party to the Commonwealth and to Europe in the years between 1945 and 1951. He stresses that Labour's postwar foreign policy rested on a traditional concept of British self-interest, which saw the Commonwealth as the prime source of Britain's economic power and at the same time a precondition for the assertion of its domestic agenda. For the majority of the Labour Party the Commonwealth represented both a symbol for and evidence of Britain's status as a world power, so that 'Despite its history, the party was never alienated from the idea of Empire' (p. 14). Russell concludes that it was not due to loyalty to the Commonwealth or on the grounds of idealistic internationalism that Labour upheld the ties to the Commonwealth instead of turning to Europe, but solely due to a strong sense of national self-interest, to which both the Commonwealth and Europe were secondary.

William Nicoll, a former official of the Board of Trade, portrays in his chapter the changes in the relationship between Britain and the Commonwealth in the 1950s. His contribution is focused on the Commonwealth preference and sterling area systems, which, as Nicoll illustrates, had become ever more insignificant in the 1950s, so that Britain increasingly sought to secure its economic future through co-operation with Europe.

The pivotal role the Commonwealth played in the British debates on Europe between 1956 and 1963 is regarded by George Wilkes not to have rested on deep attachment to the Commonwealth or on the implications Britain's entry would have on its relationship to the Commonwealth, but as to a far greater extent the product of party-political calculations. Accordingly, after 1963, when opponents to the Common Market came up with other arguments against Britain joining the European Communities, the importance of the Commonwealth waned in public debates.

Alex May's contribution is a critical review of the thesis put forward in 1962 by Dean Acheson that Britain had lost an empire without having found a new role. May's argumentation claims that in 1961 the notion of choosing between Europe and the Commonwealth had not yet presented itself to Britain, but instead, and to a far greater degree, the application of 1961 was motivated by a belief that entry into the EEC would in the long term strengthen Britain and therefore its value to the Commonwealth. It was not until the negotiations on Britain's entry and the ensuing debates between 1961 and 1963 that it became clear that the Commonwealth was an obstacle to British membership of the EEC and that for the Commonwealth countries a variety of different interests were at stake. These would in the long term undermine British attachment to the Commonwealth, although at this stage it was far too early for any kind of final decision to be taken in favour of either alternative.

In his chapter, by drawing a comparison between the time of Britain's first and that of Britain's second application, Philip R. Alexander clearly illustrates to what extent the first application contributed towards changes in the relationship between

Britain and Europe and between Britain and the Commonwealth. Alexander argues that Britain and the Commonwealth countries had learnt important lessons from the negotiations, which in the long term led the two sides to set priorities of their own. Both this and the changes within the European Communities led to the Labour Party re-applying in 1967, but on different terms.

Other contributions in this volume are more oriented towards the Commonwealth countries and consider their attitude towards the relationships among the eternal triangle of Britain, the Commonwealth and Europe. Michael David Kandiah and Gillian Staerck examine the implications that Britain's entry into the EEC would have had for the international financial arrangements of the Commonwealth countries. Had Britain joined at the beginning of the 1960s, they argue, the Commonwealth financial and sterling area relationship with the UK would have been disturbed, creating enormous problems for those Commonwealth countries who relied heavily on the sterling area arrangements. This was why Britain evaded the central questions and concerns of the states affected, such as Australia and New Zealand, and also consciously ignored these issues in negotiations with the Six. Britain's stance on this matter was one of the reasons for the mistrust felt by some of the Commonwealth countries towards Britain's application. In 1973, due to the devaluation of the pound, the termination of the Bretton Woods System and the fact that the sterling area had become defunct, this problem was no longer acute.

John B. O'Brien's chapter is dedicated to Australia's attitude towards the EEC between 1956 and 1961, and portrays the central role played by the Australian Department of Trade and its influential minister John McEwen. The department opted for a rigidly anti-EEC line, although, as O'Brien shows, only a minimal portion of Australia's exports were threatened by the developments in the EEC. Due to the distribution of power within the Australian government the Australian Prime Minister, Robert Menzies, who favoured co-operation with the EEC, was unable to assert himself against the strong line taken by McEwen. After initial attempts to prevent the formation of the EEC and further attempts to come to an agreement with the Community had failed, Australia became one of Britain's severest critics on the application issue.

Britain's decision in 1961 to become a member of the EEC is considered by Stuart Ward to have been a catalyst in the erosion of the already brittle and crisis-ridden relations between Britain and the three 'old' dominions, Canada, Australia and New Zealand. The debates and struggles resulting from this application had not only brought to light Britain's self-interest in its relations with the Commonwealth countries, they also had in turn the effect that the old dominions reoriented away from the 'British race patriot' outlook on the world towards a more limited, exclusive conception of their nationhood. The application and the ensuing debates thus served, as Ward puts it, 'to redefine national assumptions, and helped to reset the national priorities of all countries concerned, including the United Kingdom' (p. 176).

This book aims to bring together two different fields of academic research which until now have mostly been treated separately, namely Britain's relationship with Europe and with the Commonwealth. Not all its contributions may necessarily shed

new light on the issue, but it does, on the whole, contain relevant perspectives and fresh views on investigating relations between Britain, the Commonwealth and Europe, and challenges the conventional wisdom that Britain's commitment to the Commonwealth waned in proportion to its commitment to Europe. Two essential aspects of this work deserve special emphasis. First is the extent to which Britain's first application and the negotiations themselves led to changes in the relations between Britain and the Commonwealth. As stressed by many of the contributors, the years 1961 to 1963 present a turning point or a watershed in the relationship between Britain and the Commonwealth. Second is the priority given to British self-interest or party-political calculations as opposed to any deep attachment or loyalty towards the Commonwealth countries.

Why, in 1967, did the Labour government under Harold Wilson make a new application to the EEC, although initially the Labour Party had been strictly opposed to such a course? This issue is dealt with in *Harold Wilson and European Integration*, which in all contains thirteen contributions from British and non-British academics on this topic. In the introduction, which outlines the state of research to date, Oliver Daddow suggests that the answer to this question lay primarily in domestic and party-political concerns, especially Wilson's attempts to arrive at unity in the Labour Party, which was divided over the issue of EEC application. However, in this volume not only are various factors concerning domestic policy considered, but external factors which to date have been largely overlooked, such as the role of the United States, the stance taken by France and West Germany and the position of the supranational European Community, are also taken into account.

The domestic context of Wilson's decision to reapply, forming the first part of the book, is the topic of the contributions by Anne Deighton, Philip Lynch, Helen Parr,John W. Young and Neil Rollings, who investigate how Wilson's policy was influenced by a variety of domestic factors. In her contribution on the Labour Party and public opinion with regard to the second application, Anne Deighton clearly illustrates how torn the party was over the application issue, and that Wilson received hardly any support either from his own party or from the generally uninterested and badly informed general public. In the 1960s, concludes Deighton, European policy was a concern reserved for the elite. Philip Lynch, who looks into the position of the Conservative Party regarding the second application, also shows that the appearance of unity merely cloaked the division between those for and against Britain's entry. Labour's application gave the Conservatives enormous tactical problems, which the party solved by fundamentally agreeing to the step but criticising the handling and timing of the application. Helen Parr deals with the influence of the deeply 'Europeanised' Foreign Office on Wilson's decision and shows that although it had considerable influence on Wilson's European policy from 1964 to 1966, there were still fundamental tactical differences between the Foreign Office and Wilson on how to achieve membership. The decisive factor in Wilson's decision to reapply had not been pressure from the Foreign Office, but the July sterling crisis of 1966; from 1966 Wilson and George Brown, the Secretary of State for Economic Affairs, took the initiative on this issue. Although the Foreign Office and the Labour government had

opted for a second application, Parr illustrates that neither could abandon Britain's great-power aspirations. John W. Young focuses on Wilson's proposals for a technical community in Europe, which, however, due to its vagueness was unable to achieve the desired effect or to sway President Charles de Gaulle of France in favour of the idea of EEC enlargement. Furthermore, according to Young, it became evident that on technological matters Britain preferred co-operation with the United States.

Neil Rollings argues that the Confederation of British Industry (CBI), due to its numerous informal contacts with influential ministers and government officials, had considerable impact on Wilson's European policies. In great detail he shows that the CBI was unequivocally in favour of Britain joining the EEC.

The second part of the book analyses the global setting of Wilson's decision to reapply. N. Piers Ludlow argues in his chapter that in 1967 the 'friendly five' and the Commission seemed more sanguine about British entry to the EEC than they had been during the negotiations in 1961–3 and that, although de Gaulle's veto was a defeat for Wilson, the effects it would have on the future co-operation among the Six in the long term helped to pave the way for Britain to join. Anthony Adamthaite focuses on the British–French relationship and criticises the amateurishness of British diplomatic behaviour towards France. As he argues, the failure of the second application was not inevitable, but should rather be blamed on Whitehall, which had failed to develop an entente with France. The analysis of relations between another triangle, comprising Britain, France and the United States, is the topic of James Ellison's contribution. Ellison stresses above all the tight link between defence and foreign policy. The second application, as he illustrates, belonged to the Anglo-American strategy of working against de Gaulle's concept of Europe, guaranteeing the unity of NATO and embedding West Germany firmly in the Atlantic alliance. Ellison, as does Ludlow, concludes that de Gaulle's veto strengthened the unity of the Five and further isolated de Gaulle, and helped keep the EEC intact; this should therefore be considered a partial success which in the medium and longer term prepared the way for Britain's future entry. The interlocking of Commonwealth issues and Wilson's European policy is dealt with by Philip Alexander. In his chapter he contradicts the conventional view that Britain was freer to make the second application because of the waning importance of the Commonwealth to British foreign policy. Wilson had indeed been confronted with numerous Commonwealth crises, which on the one hand spoke in favour of turning towards Europe, but on the other hand would also have created enormous complications for Wilson's policy towards the Six. In her chapter Katharina Böhmer claims that the British government tried to obtain West Germany's support to overcome de Gaulle's opposition towards Britain joining, without realising how little West Germany and the other European partners were prepared to risk another struggle with de Gaulle on Britain's behalf. For the Federal Republic the question of Britain's joining the Community was of secondary importance to the uppermost objective of maintaining an intact relationship with France. In her contribution on the joint Irish–British approach to the EEC, Jane Toomey also takes up the thesis of the 'successful failure' of the second application. She argues that Wilson's refusal to consider alternatives to full membership made it

possible for Edward Heath to be successful in persuading the Six of Britain's positive stance towards Europe.

The final chapter, by Peter Catterall, trenchantly takes up the theses of the individual contributions: the decision made by Wilson's government, Catterall summarises, was determined by a series of domestic factors and was to a great extent supported by the political and economic elite in the country. This well-grounded support in conjunction with the various crises the country was undergoing had strengthened Wilson in his decision to seek Britain's good through entry into the EEC. Even though Wilson himself, due to his clumsy diplomatic behaviour, had not managed to allay de Gaulle's suspicion of Britain, his failed application can on the whole be regarded as a 'successful failure'; he had succeeded in placating and satisfying those for and against EEC entry within the Labour Party itself, he outstripped the other parties with regard to European politics, and third, in the long term, he prepared the way for Britain's entry in the future.

The conception of the second application as 'successful failure', found in various contributions, can be regarded as the central thesis of this book. Seen from the perspective of Britain joining the European Communities six years later this thesis has a certain plausibility. However, as all the contributions in this volume only deal with the period up to the end of 1967, certain statements, such as those made by Ludlow and Ellison, that pressure exerted by the so-called 'friendly five' and their capacity to obstruct French interests within the Community had finally caused France to give way, cannot be supported by research. Furthermore, it would have taken far more references to unpublished French and West German documents to elucidate France's internal argumentation against Britain's joining, and, in the case of West Germany, to clarify to what extent the East European policies of the Great Coalition were the cause of West Germany's reserve over the issue of application and to what extent there was a connection between West German policies towards Eastern Europe and France's giving way in 1969. In order to substantiate or refute the thesis of a 'successful failure', it is absolutely necessary to carry out further studies based on an extensive examination of documents of the years between de Gaulle's veto and the Hague Conference of 1969.

The negotiations that began in 1970 and finally led to Britain joining the European Communities in January 1973 provide the topic of the extensive study by Sir Con O'Neill, who describes and analyses the negotiation proceedings from the viewpoint of an insider. He had been a member of the British Foreign Office for many years and, after the failure of Britain's first application in 1963, had worked for two years as ambassador and head of the small observer mission to the European Communities in Brussels. From 1970 he headed the British official negotiating team in talks between Britain and the Communities. This study, accompanied by a detailed foreword by the editor Sir David Hannay, was initially written for internal use within Whitehall directly after negotiations came to an end in January 1972. As such it reflects fresh memories and impressions of the negotiation process.

The report is divided into four sections. In the first part Con O'Neill discusses in great detail the negotiation proceedings, the composition and responsibilities of

the British delegation and the departments in London involved in the negotiations, as well as British objectives and negotiation tactics. His report clearly illustrates the close ties between the aims of Britain's foreign policies and the domestic pressures which confronted the British government both at the outset and throughout the negotiations, thereby also influencing the negotiation tactics.

In the second part of his book O'Neill makes it clear that he himself regarded the negotiations as an act of downright subjugation, which allowed little leeway for Britain and reduced its own active role in the proceedings to little more than discussing the limits of transition periods. This second part meticulously presents the talks on specific subjects, above all the four key issues, Commonwealth sugar, New Zealand butter, Community finance and its fisheries policy. By discussing each of these topics O'Neill clearly shows to what extent Britain's attitude had changed since the period between 1961 and 1963. All the demands made by Britain, O'Neill summarises, led to a clash with France which vehemently fought for its own interests during the negotiations. 'In the main', he concludes at the beginning of the third part of his report, 'our negotiations were a negotiation with France' (p. 311). This section, headed 'Our friends and partners', contains an evaluation of the other membership candidates, of the Commission, the Six, the remaining countries of the European Free Trade Area (EFTA), the United States and of Canada and Australia. Here O'Neill points towards an aspect which till now has received little attention, namely the critical and ambivalent attitude of the United States towards Britain's membership, which rested on the former's own fears of the negative implications this would have for its own agricultural exports. Doggedly O'Neill describes the position of the Commission during the negotiations and its relationship to the member states. Throughout O'Neill remains constant in his positive appraisal of the work done by the Commission. On the other hand he writes critically and with disappointment about the stance taken by the Netherlands, which was concerned with nothing but its own economic interests.

In part four O'Neill gives a critical overall appraisal of the entire negotiation proceedings, in particular the British negotiation tactics. He concludes that the negotiations themselves were merely peripheral and only of secondary importance for the successful outcome, which was due far more to various benign circumstances, (such as Britain's well-managed balance of payments, the floating of the West German mark and West Germany's policies towards Eastern Europe) and to favourable personal constellations (Georges Pompidou had by now replaced de Gaulle, and Heath and Pompidou co-operated successfully). O'Neill argues that with Pompidou's support for British membership at the Hague Conference the decision to accept Britain into the EEC had already been taken. This, however, somewhat contradicts the point, mentioned by O'Neill several times, that the outcome of the negotiations was still unclear to the participants only months before talks came to an end. O'Neill concludes, not surprisingly, that Britain had got a good bargain in the negotiations and that the British delegation had made only a few tactical errors.

This book offers a magnificent insight into the atmosphere and the course of the negotiations from the point of view of a high-ranking member of the Foreign

Office and reflects the conception and appraisal of the political situation dominant in the Foreign Office at that time. An example is the statement repeatedly found in Foreign Office files and also taken up by researchers, though in the final countdown still unproved, that West Germany's East European policies had a decisive effect on France's willingness to accept Britain into the EEC. This evaluation of French policy, and with it Germany's position in the negotiations, still has to be examined on the basis of relevant German and French documents. It will still be necessary to compare the viewpoint of the Foreign Office with the opinions of other British ministries, or those of the Prime Minister, and so on, to gain an overall picture of Britain's position regarding EEC membership. For future historians who take up this task, Con O'Neill's report will prove an invaluable source.