Chapter IV
Foreign Policy Issues

Foreign policy in Britain has persistently generated controversy and discord in and among the political parties. As Clement Attlee put it, "There is no agreement on foreign policy between Labour Opposition and the Capitalist Government."¹ But, the Labour Party itself has been the most affected by the wrangling in the party on foreign policy issues, adding up to the causes of a vertical split in the party on 26 March 1981. Like other issues foreign policy has been the bone of contention in the party since the beginning. The differences, in the past, had been resolved in the larger interest of the unity of the party by pragmatic leadership. Secondly, the divergences were not strong enough to threaten a break-up of the party until 1971, when a long row over the British membership of the EEC began the process of the fundamental split in the party. Before, we go on to the areas of discord and the issues involving the split, it will be in order if we trace the differences from the beginning.

Arthur Henderson, the co-author of the Labour Party constitution says, "Labour Party at home and abroad form an organic whole, because our foreign policy is a function of our domestic policy and both spring from our faith that future belongs to socialism."² Arthur Henderson said, we know that the socialist in any country will live poorly and dangerously so long as the rest of the world is prey to capitalist anarchy, if

we abandon our international faith, we shall be powerless to save the world from another war and from the dictatorships and awful tyrannies, which are the consequences of the war. Internationalism, anti-capitalism, anti-imperialism, antipathy to power politics and disarmament were the pre-eminent objectives of the party. Henderson caught the spirit of the party when he wrote in 1935, "The ultimate object of the Labour's disarmament and security policy was to abolish national armed forces and to entrust the defence of world law and order to International peace force under the League of Nations."

Thus, the Labour Party's recurrent crises in foreign policy in the World War I or 1930s or between 1945 to 1951 or in the following period can be properly understood only against the background of the Party's commitment to a distinct doctrine of International politics.

In the 1930s, there were two groups of opinion. One group doubted the wisdom of socialist foreign policy in the light of existing International circumstances and pressed the party for a tough-minded stand on rearmament. The second group consisted of the party's leaders in war-time coalition governments who had a new perspective on foreign policy. Geographical position, International conditions, economic and military capabilities and above all ingrained national habits with dominated the Labour Leadership's thinking on foreign policy.

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The bitter conflict over the foreign policy after 1951 arose from a genuine crisis of purpose and a crippling intellectual and moral dilemma. The question that bothered the leadership was; what did the Labour stand for? and what did it seek in the political realm? The underlying issues around which the controversies of the moment whirled was the talk of the socialist principles. To the fundamentalist wing these principles were as compelling as ever and at the most needed re-formulation in contemporary terms. To the revisionist wing, they were out-dated aspirations that had turned out to be utopian and therefore, required extensive reconstruction. At that time, with party chronically split over every major issues, there was stalemate in terms of formulating strong and innovative policies. To maintain a modicum of unity the leadership resorted to compromises. Harold Wilson, could maintain the unity of the party due to his pragmatic leadership. Gaitskell neutralised the offensive of the Left by launching a frontal attack on clause IV and the concept of unilateralism.

The intra-party conflict on the foreign policy issues was intensified in the 1960s, threatening to disintegrate the party. But, the process of the split began when the principle of entry into the EEC was put to vote in the parliament on 28 October 1971. The voting did not just show an honest opinion on those on the one hand who saw the choice between internationalism and insularity, and those on the other who saw it between the Third World and selfish rich Nations' Club. It showed the deep

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involvement and convictions of the leading personalities of the Labour movement. 1971-72 was, therefore, a time when many of the pro-Europeans felt an emotional coming together. They believed that the cause was fundamental to Britain’s future somehow, above the opportunism and manoeuvres of party politics, in the best tradition of European social Democracy. The fact that the anti-Europeans in the party accused them of gross betrayal only heightens their emotional experience. As Shirley Williams describes it, “There was a feeling of tremendous dedication in the air, a feeling that we did not care what happened, this is the way we were going to vote, we were going to put our names on the line . . . I think it was the beginning of the ultimate split in the Labour Party in and SDP and Labour Party, and that was, when I look back on it, really where it all began.” Even the Labour’s official paper admits, by far the most contentious policy issue in the 1970s has been the party’s attitude to the Common Market.

However, to put the agreements chronologically the Treaty establishing EEC entered into force on 1 January 1958, upon the ratification of each member government. Britain acceded to EEC on 1 January 1973, together with Republic of Ireland and Denmark. But, with the application of British Membership for EEC in 1960, the debate in the party started.

Ever since, the common Market issue, has been crucial enough to bring the Labour Party into the verge of division, underlining the differences beyond the issue at stake,

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8  *Ibid*, p. 341
and the battle over entry initiated the process of fundamental re-alignment of forces within the Labour.\(^9\)

The entire debate around the European Community can be divided in three components. First, the economic issues; the cost of the entry and its effects on Britain’s balance of payments, prices and the standard of living. The other questions were the Tax system, including value added tax, the flow of capital, unemployment technological developments, the value of Pound, the community’s agricultural policy, the volume of exports, and the Labour mobility in social field, the concern was the standard of the social services, especially the National Health Services. The most controversial area was the political field, as on accession to the EEC, a member state is committed to the principle that a certain portion of National Sovereignty is ceded to the supranational organisation(s) contained within EEC.\(^11\) And further, the Community Law, in all instances, takes precedence or is superior to National Municipal Law applying retrospectively to all Community regulations and directives enacted.\(^12\)

These two provisions make the EEC a unique legal entity and present a particular legal difficulty in case of Britain where the doctrine of supreme parliamentary sovereignty has a long tradition. The Labour Left considers that the incumbent

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11. Article 1 and 237 of EEC
government overstepped its authority in conceding British sovereignty to the EEC and wishes to redress the situation. They are concerned about the independence and sovereignty of the British Parliament to pursue her economic, social and foreign policies. As Michael Foot, said in the Parliament, “In order to adapt ourselves to the institution of Common Market we are abandoning one control after another over our economic affairs, over our foreign policy, our defence policy and our nuclear policy.”\(^{13}\) Besides the bureaucratic and undemocratic decision making of EEC, its relationship with EETA, USA and the commonwealth countries and the developing world were matter of controversy.

The main developments from 1962 until the culmination of the debate within the Labour on the Common Market in 1967, started with the overwhelming endorsement of the policy outlined by Hugh Gaitskell in the 1962 Conference. This policy laid down that the question of entry should be judged in the light of the long-term interests of the British people. Five conditions were put for the entry. They were; a strong and binding safeguard for trade and other interests of the commonwealth countries. Second, freedom to pursue an independent foreign policy. Third, the fulfilment of the government’s pledge to the European Free Trade Associations. Fourth, the right to plan the economy independently. Fifth, guarantee to safeguard the position of British agriculture. In 1962 Gaitskell feared that EEC meant premature commitment and one that undermined Britain’s World role and commonwealth links,\(^{14}\)

\(^{13}\) Hansard, 15 March, 1972 col. 694

consequently, he spoke at the 1962 Labour Party Conference of the prospect of sacrificing a thousand years of British history\textsuperscript{14}.

The 1966 manifesto asserted Labour's belief that Britain in consultation with her EETA partners, would be ready to join the European Community 'provided essential British and Commonwealth interests were safeguarded'. In 1966, Wilson Government found itself in serious economic difficulties and saw the issue as a way of reviving flagging fortunes. He saw the need of International co-operation in terms of modern technology, an idea he had used to great effect in previous years and the notion that could cross over the traditional divides between the Left and the Right in the party.

The beginning of 1967 found the Cabinet and the parliamentary party divided into five groups, those in complete favour of entry, those favourably inclined but deferring their decision, until the terms of entry were clarified, the neutrals, the reservationist who would accept entry on stringent terms and those opposing entry in principle almost on any term. The first two group may be termed pro-Marketers and the last two group anti-Marketers corresponding to the Right and the Left of the Party.

The intensification of the debate in the party was caused by two main factors. First, Harold Wilson went back on his promise to the party that issue would be the subject of National debate. When the preliminary negotiations began and the government pleaded that it could not disclose its position, the anti-Marketers were afraid that
instead of arguing the first and entering after the reverse was going to happen. Secondly, the agreement that the Ministers would remain non-committal was broken by George Brown in his speech to the British council for European Movement. The division at the Annual Conference in October 1967 was evident. The statement approved by the National Executive Committee, “The Labour and the Common Market” reflected mainly the majority view and favoured entry which was accepted by a heavy majority. A resolution against entry in principle was heavily defeated.

The main arguments of the anti-Marketers were: (1) Joining would aid the big capitalist club whose interests would be served by a greatly enlarged market and if successful would be said for by lowering of standard of living of British working people, (2) Britain’s economic problems would not be solved by joining the Market, but by preserving socialist policies at home by means of nationalisation of private industries and financial monopolies, (3) joining the Common Market would not mean a step towards Internationalism, as the EEC is ruled by Capitalist interests. Instead a socialist union of states of Europe should be fought for; (4) the old industries in Britain would be destroyed, unemployment would increase, the Common Agricultural policy would have a damaging effect on British Agriculture policy and farming and the regional policies of the EEC would create more depressed areas in Britain. The main arguments for deferring entry unless major changes should take place in EEC policy and structure, (1) Negotiation on the issues concerning British people should

be conducted before joining; (2) proper safeguards should be secured for British interests in the formation of EEC agricultural policy; (3) The right to plan the economic policy and pursue an independent foreign policy should be maintained; (4) the cost of entry must be reduced. (5) British interest must be given priority over internationalism; and (6) there are other alternatives to EEC.

In the Conference pro-Marketers expressed that the five conditions of 1962 were too stringent and out dated. And the NEC demanded that the conference should make an unequivocal declaration in favour of entry. On balance, while comparing the arguments of both the groups, it was claimed that advantages, such as, the increase of potential market, the nationalisation of British industry and strengthening of Britain’s political position outweighed the disadvantages.

In 1967, the division and the balance of power inclined towards moderates and pro-Marketers and thus largely towards the Right. In the following three years until the defeat of Labour in the elections of 1970, several changes occurred in the attitudes of the individuals and the composition of relative powers of the different groups in the party. After a calm period during 1968 and the beginning of 1969 in which the case

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17 D.Jay and Roy Jenkins, “The Common Market Debate”, Fabian Tract. (London), 1962, pp. 4-
for\textsuperscript{19} and case against\textsuperscript{20} were consolidating the debates resumed in the summer of 1969, when the government proposed to resume the negotiations.

The main changes occurred in the trade unions, many of which became more concerned about the implications on issues such as unemployment, the standard of living, etc. With the change of leadership in the biggest trade unions, the TGWU when extreme left-winger Jack Jones replaced Frank Consinesel, its attitude became more intransigent. The opposition was growing, where as in 1967, Wilson was not prepared for any compromise in 1969, a year before the election, he, in an attempt to preserve the unity decided to avoid direct confrontation in the conference. On the eve of the conference ‘Labour Commission for Common Market’ reflected two main trends. First, the negative but ‘depending upon terms’ position hardened almost to opposition in principle. Second, the growth of influence of the left-wing was evident. The composite motion moved by Jack-Jones “to insist upon adequate safeguards for Britain’s balance of payments, cost of living, National health and social security system and power of independent decision on economic planning and foreign policy”, was carried\textsuperscript{21}, although an anti-Market amendment on principle was withdrawn.

This was the position with regard to Common Market till Labour went into opposition. Although the anti-Marketeers became stronger and more closely associated with left-wing increasing its strength the balance of power in the party was


still inclined towards the Right. The parliamentary Leadership’s overall attitude was Pro-Market despite the tactical concession in the 1969 conference. The defeat of 1970 general election as attributed to the Right of the Centre leadership of the government. As the history of the party shows whenever the party is in opposition, there was a demand for more radical polices and move towards the Left. Those who by inclination were not left-wingers, but shared their sentiments on the Common Market helped perhaps inadvertently, the left-wing which from the beginning formed the hard-core of the anti-Market movement.

The changes in the trade union leadership also increased the strength of the left-wing. At the party Annual Conference the growing anti-Market feeling was demonstrated. The composite resolution moved by the left-wing TGW, though not demanding an anti-Market decision outright implied as much since the safeguards insisted were virtually unobtainable\textsuperscript{22}. The resolution was narrowly defeated only by 95,000 votes\textsuperscript{23}. The National Executive Committee tried to appease every one and endorsed the resolution moved in 1969 by TGWU, essentially an anti-Market one. Yet, the balance of power tilted to the anti-Market side in the few months. The newly elected National Executive decided in December by a majority of 15 to 1 with Wilson absent to hold a special conference on Common Market issue, before Parliament made a decision\textsuperscript{24}.

\begin{footnotesize}
\begin{enumerate}
\item UK, Labour Party Annual Conference Report, (London, 1967), p. 188
\item \textit{Ibid}, p. 200
\item \textit{Labour Party National Executive Resolution}, 1970.
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When the debate on the Common Market reached its peak it played a decisive role in the ideological balance of the party. From January 1971 until the 1971 conference the pitch was worked out for an intensive fight on the Common Market. The split in the party widened. The thrust of pro-Market argument was two-fold, stretching the socialist aspect of joining the EEC and emphasising the Party’s credibility. It was pointed out that Swedish, Germany and Austrian governments were socialists and therefore, the EEC could not be perceived as a capitalist community. The economic opportunities opened by joining the Market provided the only answer to the economic ills within Britain. The six years of Labour government showed the Britain in such socialist constraints that it was impossible to carry out socialist policies, only when GNP grew it was possible to carry out social reforms. Finally, both politically and economically Britain stayed alone, it could not give real help to underdeveloped countries. Further, the change in the Common Agricultural policy was unavoidable and therefore, the effect on British balance of payments would be less serious. The EEC provided the only way to fight multinational companies, and the talk of about the loss of sovereignty was meaningless, since there were no signs of formation of political federation within EEC. In any case, as T. Bradley, the chairman of the TUC for Europe said, “No government that lives continually with the threat of balance of payments crisis and with vast debt to its neighbours... can follow through a National Policy of its own choosing.”

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25 Both Mrs. Shirley Williams and Paul Rose stressed these points in an interview to Raephael Bilsiki, see R. Bilsiki

The anti-Marketeers claimed that the Common Market was a threat to government power over the British economy, because of the EEC intentions to establish an Economic and Monetary Union in the Western Europe. This was of utmost importance because freedom to plan the economy was an essential condition for implementing true socialism. The governments in the Europe were not socialists and international socialism would not be served by joining Common Market. Moreover, by definition, any terms negotiated by a Conservative government must be contrary to the interests of the working class. To these, were added the familiar arguments concerning Common Agricultural policy, the price of entry and the effects of the depressed areas and standard of living. The special conference took place in 11 July 1971. In order not to drive the pro-Marketeer into a corner and face a split it was decided by the NEC, despite pressure from the Left-wingers that the special conference would not vote for or against entry into the Market. In the Conference, the 2nd Special Conference in the party’s history, the NEC statement promised that in the light of debate, the NEC would adopt a definitive resolution at its meeting on 28 July on the Britain’s entry into the European Communities, on the terms contained in the white paper. This resolution will be submitted for discussion at an Annual Conference along with other resolutions which may have been put down on the subject. An amendment was moved stating that Labour Party would oppose entry on the terms set out in the White Paper and to submit the issue to the British People at

the general election\textsuperscript{29}. During the debate, with some exceptions, the anti-pro continuum overlapped with traditional left-right continuum as far as the pro-and anti were, in principle, concerned.

Wilson sought to unite the party around the rejection of the terms of the accession, but not necessarily the principles. He echoed earlier party concern for essential National interests being safeguarded and made reference to the five conditions of entry laid down by Gaitskell. He made a passionate plea to the conference to keep the party united, he said, "we must recognise that what divides us is in an important policy issue, not an article of faith. We must work to ensure that when our debate is ended by a clear decision...we emerge from the debate united, vigorous to carry to the country our socialist message had our socialist policies for the future\textsuperscript{30}. The debate was intensified by George Brown, who insisted that the terms obtained by the Conservatives were what he and Wilson were ready to accept. Roy Jenkins was compelled to attack Wilson and his four points formulated by Crossman and Michael Foot. On 28 July 1971 NEC opposed the entry on terms negotiated by the conservative Government. Replying to the white paper (command 4715), the NEC reviewed the history of a special emphasis on the consistency of the Labour Policies\textsuperscript{31}. The reply said, "the overall affects of their economic policies had been economic stagnation, high unemployment, rapid inflation, low productivity, low levels of investment... and steady worsening of regional disparities. Their social policies have echoed this

\textsuperscript{29} "Labour and the Common Market", \textit{Report of the Special Conference of Labour Party}, (London, 1971)
\textsuperscript{30} \textit{Ibid.}
\textsuperscript{31} \textit{Ibid.}
process. It is clear that it will not put protection of the poor high on its list of priorities. Pro-Marketers led by Roy Jenkins in the Labour Committee for Europe launched a campaign to counter the official anti-Market campaign. In addition to the familiar arguments, they claimed that Jack-Jones and Hugh Scanlon and other left-wing extremists rejected the Common Market because they saw the creation of state monopolies in the industry as the main objectives of Labour. This view claimed the pro-Marketeers did not represent the mainstream British socialism, which saw as its goals the eradication of poverty and reduction of class barriers through the building of the schools, house and hospitals. To achieve this goal an economic expansion was necessary and this would be impossible unless Britain joined the Common Market.

The predominant view of the conference was different. It was critical of the Pro-Marketeers who failed to see the Common Market in the class terms, that Common Market exists as an instrument of big business and finance and therefore, it could not be the interests of the workers.

In the House of Commons despite the directions of the conference on 28 October 1971, 69 members of Parliament voted in favour of the principles of entry. However, the Left seemed to have succeeded in 1971 to present the Pro-Market case as being more interested in the future of Industry than of workers and anti-Market case as compatible with socialism.

32 Ibid., p.360
In the 1972, NEC sought to maintain the balance in the party. The resolution of July 1972 stated that the next Labour Government would decide its policies towards Common Market membership with two possibilities in mind. If the negotiations succeeded, new terms would be put to the people either at a General Election, or at a national referendum. If negotiations failed, the treaty obligations would not be regarded as binding on the Labour Party and would put before the people the reasons, why the new terms were unacceptable, and consult them on advisability of negotiating the withdrawal from the EEC. At the Annual Conference, Wilson gave emphasis on the unity of the party and restore the credibility and keep the terms of the negotiations open. Although he did not give into the Left he recognised their growing strength. In 1972, Michael Foot emphasised the sovereignty, “to join the Common Market means, we are to dismantle most of the intelligent protections for individual freedom and the most of the wise system of adaptability which the British Parliament had established over the years”. The conference accepted Benn’s proposal for holding a referendum on EEC. This decision prompted Jenkins to resign from the deputy leadership. He lost at once both his place in the NEC and the post of shadow chancellor, with him, for a crucial period, a number of others went into wilderness. David Owen resigned from the shadow cabinet, and so did others, Harold Lever, George Thomson, Dick Taverne. This precipitated the loss of influence of the Pro-Marketeers in the Labour party.

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34 UK, Labour Party Annual Conference Report, (London, 1971) p. 120
In 1973, a working condition was established between the Left-wing led by Michael Foot and the trade unions whose biggest unions moved drastically to the Left and the constituency Labour Parties. In the debates and resolutions party moved far to the Left, reverting to old-fundamental socialism, up to the formulation of 1973 programme. Jenkins and his allies seemed even more isolated, although it was plain that Harold Wilson had preserved the opportunity for their return by ensuring that the Labour Policy on Europe remained in opposition to the terms negotiated, not the principle of entry. However, the 1973 programme showed the pendulum swinging towards the Left. The Guardian described: "The Labour Party has coolly and quietly adopted by far the most radically socialist election programme for sweeping public ownership in its 70-year history"37. Michael Foot called it "the finest socialist programme I have seen in my life-time."38.

Wilson, Michael Foot and Jack Jones joined forces and a split was avoided. The Left wing leaders joined Wilson precisely because of the growing strength of the Left. They knew that if they wanted a future Labour government to implement socialist programme the party had to remain united. Wilson needed the support of Michael Foot and Jack Jones to keep the party united. James Callaghan in his speech in the Commons on 19 March 1974 appeared to take a moderate line and proceed step by

36 The Times, 29 January 1972
37 ibid
38 Ibid.
step in order to appease the Left whose extreme element wished only to see Britain out\textsuperscript{39}.

In 1975, the Labour Government headed by Wilson renegotiated the terms and put the results to a referendum, while the Labour Government advised the electorate vote “yes” the party conference said “no” to the EEC membership. Bryan Stanley speaking on behalf of the NEC asked the conference to advise the voters to vote against UK membership. He said, “It is our belief that EEC even after negotiation, will tie the hands of any British Government ... if ... at any time in future Britain wishes to act in a way that goes against Community Law, we will have to obtain a special derogation from the community or risk being brought before the European Court .... The basic question that every elector must answer before voting is, Do we want to continue to be governed by those we elect and can remove here in Britain, or increasingly by a Commission in Brussels, backed up by the Community Court?\textsuperscript{40} On the other hand, Mrs. Shirley Williams threatened, on the eve of the referendum at the heart of October 1974 election campaign to resign the EEC referendum went the wrong way\textsuperscript{41}.

The results saw the overwhelming support for the membership. The “yes” vote had 67.2\% and was 17,378,581 where as the “no” 32.8 per cent and 8,470,073. Thus,

\textsuperscript{40} “Labour and the Common Market”, Report of the Special Conference of the Labour Party, 25 April 1975, p.9
\textsuperscript{41} \textit{Labour Party Annual Conference Report}, 1975,p.115
much to the relief of the pro-Marketeers the referendum was passed by 8,908,508 majority\textsuperscript{42}. The Prime Minister Harold Wilson said, “The verdict (pro-EEC) has been given by a vote with a bigger majority than has been received by any government in any general election. Nobody in Britain or in the wider world should doubt its meaning”\textsuperscript{43}. Roy Jenkins, Home Secretary and the Chairman of the campaign for Britain in Europe welcomed the flood tides of affirmative results. He said, on 31 anniversary of D'Day it is the second D’ Day of British resurgence in Europe, based not on sulky acquiescence but on enthusiastic co-operation on\textsuperscript{44}.

Most of the anti-EEC Minister resolved to continue to fight. Prominent among them Michael Foot said, “we have fought for a cause in which we all profoundly believe, but, we accept of course the democratic verdict of the people, which the Labour Movement made possible through its manifesto commitment to a referendum at the last election”\textsuperscript{45}. The issue was laid to rest till the Labour Party lost the 1979 general election.

With the defeat of the party in 1979 the tendency to shift towards Left in opposition recurred. The reopening of the debate on the Common Market now culminated only in the split of the party. In 1979, the Labour Party issued a manifesto declaring that if the fundamental reforms were not carried out by the government with respect to EEC

\begin{itemize}
\item \textsuperscript{42} ibid
\item \textsuperscript{43} Ibid.
\item \textsuperscript{44} Ibid.
\item \textsuperscript{45} See Politics Today, a Conservative Party research paper vol. 9, 28 May 1984
\end{itemize}
operations, it would consider very seriously whether continued membership was in
the best interest of the British people.\footnote{The Economist, (London) 17 November 1979 p. 24.}

In 1980, the Annual Conference of the party passed a resolution in favour of
withdrawal from the European Community, leading to the widening of the split in the
party. The resolution was passed by 5.04 million votes to 2.09 million in favour of a
clear-cut commitment to withdrawal.\footnote{See Kelvin Featherstone, “The British Labour Party: Nationalism an the EEC”, Contemporary
Review, (London) Vol. 238, no. 8-11} The conference and the parliamentary party
was badly divided on the issue while the anti-Marketeers at Blackpool were rejoicing
over their success, the pro-Marketeers like Shirley Williams seemed set on threatening
to leave the party if the policy of withdrawal was adhered to. In the interest of the
unity of the party, the pro-Marketeers would have agreed on a compromise to hold
another referendum. \textit{The Times}, while reporting the conference said about the mood
of the delegates, “Labour Pro-Marketeers should be looking for another referendum
as a possible compromise and this should be rejected by anti-Marketeers who were so
keen on the idea in 1974-75”.\footnote{The Times, 2 October 1980} As Dr. David Owen said in Blackpool, “It is a
constitutional outrage first to let the British people decide in 1975 and now not even
to given them the chance to determine their own destiny”.\footnote{Ibid.}

But sad enough for the Pro-Marketeers in October 1981, the British Labour Party
formally announced its political platform, the most striking component of which was
the proposed withdrawal from EC\(^50\). The statement by the NEC to the Annual Conference read as; “Labour is firmly committed to withdrawal from the Common Market. Membership has brought little or no benefit, it has made inflation worse, weakened our economy, and undermined our industry and jobs. The aim is for orderly and negotiated withdrawal”\(^51\). The conference voted in favour of the statement that Britain should be taken out of the European Community without referendum\(^52\). Before this decision, the social Democratic Party was already set up in the special Party Conference in January in the same year. But, the withdrawal decision was inevitable to come as the Left in the party had made so much advance inside the party to push the moderates, the Social Democrats out of the party.

However, let us examine the points of difference in 1980-81, the parting days with regard to the Common Market debate. Kelvin Featherstone argues that the debate between the Left and the Right centred around the National Sovereignty and the Prerogatives of the House of Commons on one hand, and internationalism and closer co-operation with Europe on the other. As the 1980 conference Resolution committed the party “to disengage Britain from the EEC institutions and in place of EEC, party should work for peaceful and equitable relations of Britain with all the nations of the Europe and of the rest of the world”\(^53\). While the Left has sought to have a general link with the Third World with Britain as a nation-state and as National

\(^{50}\) British Labour Party; the withdrawal from EEC statement by NEC to Annual Conference of 1981.


\(^{52}\) The Times, 2 October 1981

\(^{53}\) Labour Party Annual Conference Reports, 1980, p.126
unit of Planning. The Right detected the possibility of building a social democratic Europe and inability of Britain to achieve socialism on its own.

In essence, the arguments in economic, political and other aspects of the EEC remain the same as before, with some modifications. For example, the basic reasons for the Labour disenchantment in 1981 are (a) fundamental reform of Common Agricultural Policy (b) New and fair methods of financing the budget (c) The return to Parliament of those powers over the British economy, necessary to ensure efficient industrial, fiscal and regional policies (d) safeguards for the interests of the Commonwealth developing countries (e) Import controls (f) exchange controls and state aid to the industry. The anti-Marketeers argued that Common Market was a ‘Capitalist Club’ which hindered the growth of socialism. Withdrawal from EEC seemed like a gesture of independence which would set Britain free from constraints, release the creativity and dynamism of her people. EEC was not effective in controlling the multi-nationals and had not been able to obtain detailed information about their activities. Until this was done, they contended it would not be possible to tackle the problems, like transfer pricing. Any efforts in this direction will be meaningless because of the Community’s ideological commitment to Market system. This is said to undermine the importance of Labour’s call for the “restoration of our national economic sovereignty”. The Labour has different proposals to deal with the multinationals

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from the point of view of national government which is not part of an ever integrating Community.  

Pro-Marketeers would say that British people do indeed have a great deal more to gain by staying in EEC. Membership has been a key to attract more outside investment. For Example, it has increased the British share of American investment in the Community from 29.7 per cent in 1980 and trebled the investment in Britain by the countries of the Community. On the other hand, the exports from Britain to the EEC countries rose from 30 per cent before 1973 to 43 per cent in 1980. Furthermore, 60 per cent of all exports went to EEC and EFTA countries combined. Approximately 24 millions jobs are derived from the export industry. As Roy Jenkins said, “Unemployment would be increased by thousands or even millions if Britain left the EEC suddenly.” Arguing very strongly in favour of Britain’s continuation in the EEC, Roy Jenkins wrote, “I argue here that our future prosperity and success depends upon building upon our growing European base and try to demonstrate how greatly we, as nation in fact, benefit from our full and active membership in the Community.”

Talking about the economy of Britain in relation to EEC, he asserted that if Britain could not succeed within European Community where there are no tariff barriers and where non-tariff restrictions almost removed and with

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59 Ibid.
60 Roy Jenkins , speaking to the British Association for Advancement of Science, The Financial Times, 8 September 1982
access to a market of 300 million people with our own market of only 56 million, it is difficult to see how Britain could succeed outside the Community\textsuperscript{61}.

In the recent years political co-operation has also been successful in developing and expanding a common community interest and public voice. For example agricultural exports to non-EEC countries and in particular to USSR, food and development aid to sensitive areas of the Third World.

Hedged in between the super powers faced with an escalating global tension and stock-piling of increasingly effective and deadly armaments, the importance of friendly co-operation for Europe is increasingly apparent. Roy Jenkins wrote, "I consider it to be of immense importance to Britain that through Community and as part of the Community we have a more authoritative and respected voice in world affairs, than could to-day be secured by Britain alone"\textsuperscript{62}.

One of the best arguments for continued membership in the EEC is advanced by \textit{The Economist} which observed that Britain outside the EEC would still be affected by EEC policies, but would have no hand in shaping them\textsuperscript{63}.

Moreover, the Pro-Marketeers argued that Britain had been able as a member of the community in pressing her community partners for more common action, in order to

\footnotesize{\textsuperscript{61} Roy Jenkins,(ed) \textit{Britain and the EEC}, (London, 1983), p. 1
\textsuperscript{62} Ibid.
\textsuperscript{63} \textit{The Economist}, (London), 17 November 1981, p.25}
add weight to the collective expression of Europe’s views. This general principle had
come true in case of East-West relations. The North-South dialogues or such issues
as Europe’s relation with the Middle East or the problems of International trade,
money and energy. Roger Morgan, a pro-Marketeer in 1979, stated that taking those
geographical dimensions of world politics and Britain’s place in them together with
the world-wide issues of trade, energy and money and the overall management of
economic interdependence, it is hard to avoid the conclusion that Britain’s interests
lay in fostering the cohesion and effectiveness of the community as an essential part of
International machinery for safeguarding and promotion of things Britain stood for in
the world64.

David Owen, while opening the debate in the Conference on foreign affairs said, the
withdrawal from EEC would prevent Britain’s economic recovery. Britain would find
far harder to sell the 59 per cent of exports which now went to the market of the EEC
and its associates. He gave a warning that every import restriction would be matched
by retaliatory measures, with a devastating effect on unemployment. New investment
would be damaged65. He said, “withdrawal from Europe would be a bruising,
damaging and debilitating exit. The other member states would concede nothing to
Britain that was not in their interest and feel that Britain had broken their trust”66.

64 Roger Mogan, n. 57, p. 225
65 SDP Annual Conference ,See The Times, 6 October 1981
Labour Party's firm commitment to withdrawal was dangerously irresponsible. Much of the opposition to the EEC came from those who wanted to see a Marxist economy with accompanying state bureaucracy restrictions and regulations. They rightly viewed the EEC as being incompatible with the dooma of their siege economy. In his book *Face the Future*, David Owen shows a positive commitment to the EEC. His position is infused by a strong commitment to Internationalism which Owen sees the Labour Party as having sacrificed to narrow Nationalism.67

Shirley Williams, one of the most vocal supporters of membership of EEC and prominent founder leader of the Social Democratic Party said "withdrawal could bring about the collapse of the British economy and massive rise in unemployment unless a favourable trade arrangement was agreed with our erstwhile partners. Such an arrangement is improbable. Even the West German Social Democrats will be little disposed to make concessions to an insular, chauvinistic and extremist Labour Government."68 She argued, "In an interdependent world a country cannot opt out, however much they want to do so, without causing great damage to themselves. The damage caused by withdrawal from Common Market would be so extensive as to practically rule it out of practical politics."69

She picks out two main arguments of the anti-Marketeers. The first is that Britain’s economic position has been weakened by membership and that in particular, Britain’s

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trade balance has suffered severely. The second point was that the Common
Agricultural policy is expensive, inefficient and particularly burdensome for Britain.
According to Shirley Williams, the first argument is not borne out by what has
happened since 1973. Forty five per cent of Britain’s trade is with Community and
now gives surpluses. The stimulus to exports by the advocates of British entry into
the European Community in fact has occurred. The British share of World trade fell
by 11. 9 per cent between 1951 and 1972, an average of 0.6 per cent a year.70 British
exports in first 9 months of 1980 paid for 97 per cent of imports from the community,
compared to 70 per cent at the time of referendum.71 The National Institute’s Review
for November 1978 declared, “UK-EEC trade has grown faster than might have been
expected in the absence of the entry, with little or no loss of non-agricultural trade in
other markets.”72 She conceded that the second objection was based on stronger
grounds. In 1980, Britain the third poorest country in the European Community
found herself expected to contribute a net £800 millions to the Community budget,

enough to make her the largest contributor of all. However, an interim solution
limiting Britain’s contribution for the next three years was agreed upon in the autumn
of 1980 owing to the willingness of German government to increase its own payments
to the Community. In the longer term, a major reconstruction of the Common
Agricultural policy was inescapable.

69 Shirley Williams, “This Shabby conspiracy against Europe”, The Times, 20 October 1981.
70 Eltis Walter, “How much is growing wrong”, unpublished paper April 1980, see Shirley
Williams, n. 69, p. 195.
71 Tugengenhat, Christopher, The Common Market, an Opportunity ignored? Lecture to the Institute
of Directors Conference, November 1980, see Shirley Williams, n. 69, p. 196.
She countered the general criticism that Common Market was responsible for high food price, high unemployment, irritating regulations and cheap imports. In fact, according to Shirley Williams, the leap in energy price has been far more important a factor in the hike of food prices than the Common Agricultural policy, ill-conceived though that the policy is. One cause of unemployment is decline of Britain’s competitiveness against cheap consumer imports. But, the imports that compete against British products was more likely to be Japanese, than German, Taiwanese and the Dutch. Besides, the Conservative governments monetary policies than the Competition from Common Market was another cause of unemployment. She asserted, “Most of us know that going out of the Community would probably double the dole queues within a couple of months”73.

If the facts about the EEC were properly commended to the public and put to referendum, people would almost refuse to choose withdrawal. She questioned the triumphant anti-Europeans in the Labour Party why they opposed a second referendum, after paying considerable lip service to what they called democracy74. Before the 1975 referendum, the leading anti-Marketees promised to be bound by the decision of the British people. Yet, only 6 years later, that decisive historic choice was ignored. The truth was that the anti-Marketees fear that they might loose

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74 Shirley Williams, n. 68
again\textsuperscript{75}. So there could be no question of leaving the EEC. Britain's relationship were now such that it would be a National calamity of our Economy.

Austin Mitchell, MP summarised well the counter arguments put by the anti-Marketeers\textsuperscript{76}. He said that time and experience have made Labour more anti-EEC. In agriculture, Britain far from self-sufficiency paid high continental prices for food, most of which has obtainable more cheaply elsewhere. In trade, there registered a deficit since the entry, the all-important trade in manufactured goods had deteriorated from an even balance with the six at the start of the decade to a massive job-loosing four billion pounds to the end (compared to the five and half billion surpluses with the rest of the world). The British trade with the rest of the world had to finance the massive deficit in the area which poses the main threat to British industry, that is the community countries.

The gains from withdrawal will be many, cheaper food; an end to the burden of supporting the market and the CAP, the ability to exploit the fish stocks producing an annual harvest of £520 million. Most of which were given away to Community. In all withdrawal would lead to resurgence in British Economy. Mitchell said that by withdrawing from EEC Britain will have set out on a policy of building upon strengthen and national self-confidence instead of degenerating into Europe's social

\textsuperscript{75} Ibid.

\textsuperscript{76} See Austin Mitchell, “Europe the Labour of getting out”, \textit{Contemporary Review}, (London), March 1981
security serringer, whining, complaining increasingly dependent, ultimate irony, paid out of our own money.  

He further argued that holding another referendum is undesirable inasmuch as it will incur heavy expenditure with 4 million unemployed and the possibility of Labour inheriting an economic desert. The very uncertainty of such a referendum would hinder government in dealing with both the crisis and the market; to take a year out of decision-making to fight a referendum as we did from 1974-75 is something we must never do again.

The leading light of the anti-market campaign Michael Foot points out in his Nelson and Colne speech. "One reason why some of us in the past opposed Britain’s entry into the Market on the terms negotiated by Ted Heath and later negotiated in 1975 was that we believed it did a most serious infringement of British parliamentary sovereignty and therefore, of its democratic qualities.

Much of the evidence at our disposal at the moment confirms how wise were the warnings which came from the anti-Marketeers – the danger and wreckage at our fishing ports; the grotesque development of the Common Agricultural Policy; the failure to turn the community’s attention to other economic needs even when the unemployment within the community has risen to record levels.

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78 Ibid.
79 Labour Information paper, no. 19 May 1981.
Michael Foot contended that the European Communities Act of 1972 which robbed the House of Commons of many of its rights was passed without the change of a single clause or a single comma, when it went through the House of Lords. The bulk of the Labour Party in Parliament and outside has been opposed over this past decade to permitting these far-reaching inroads into British Parliamentary rights, and we will have to see what we can do in the decade ahead to ensure that these rights are restored. Michael Foot said, "I think that Shirley Williams and all her colleagues should never allow themselves to mention the question of Parliamentary democracy in Britain without facing this most serious challenge.

Accompanied with the demand of 'Quite EEC' there was a demand of the Left for the Britain's withdrawal from NATO membership. The non-alignment and neutrality basis of British foreign policy was obviously incompatible with NATO membership which requires acceptance of a common Atlantist policy. In the 1980 Annual Conference Mr. James McAllister (Basingstoke) moved a resolution which called for the Labour to renounce membership of NATO in favour of genuine neutrality and non-alignment. He said, 'NATO is what we have to get rid of: NATO is the cancer of Europe, Russia was labelled as the bogey man who would invade Europe'. In support of the argument he said that the threat to world peace was from the Nation that had dropped more bombs on Vietnam than were dropped in the whole of the second

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81 Labour Party Annual Conference Report, 1980,p.156
World war, subverted the democratic government of Chile, and kept the whole of South Americans in thrall. It was the only country to have used nuclear bombs.

Seconding the motion Vince Fince (Ealing North) said, a arming for war led to war\textsuperscript{82} that is precise the situation we are in today. We can adopt the Canadian position or even the Norwegian position. France had left NATO but the western alliance had not collapsed. Britain’s arms spending in 1980 itself amounted to more than £ 11000 million. The balance of terror had been achieved at a revolting cost.

In reply to the debate William Rodgers, opposition spokesman on defence said, "We were mistaken enough to choose to go down the road which says that we believe that by single-handed renunciation of nuclear weapons and withdrawal from NATO we would secure peace and freedom. I have to say to you that we would be rejected overwhelmingly by the people whose support we need for winning"\textsuperscript{83}. He pleaded not to give up to-day the means by which the peace has been kept for over 30 years in Europe. The motion was rejected by 62,79,000 votes to 826,000 votes\textsuperscript{84}. In the 1982 Annual Conference the NATO membership again came up for debate. Eddi Newman (Manchester, Blackley) moved a resolution calling from withdrawal of nuclear bases\textsuperscript{85}. NATO membership helped Britain to become a nuclear target; old-styled balance of power and military alliances could not defend the people successfully in the nuclear age. They can only start a terrible war of annihilation. In practice NATO

\textsuperscript{82} \textit{Ibid}, p.158.
\textsuperscript{83} \textit{Ibid}.
\textsuperscript{84} \textit{Ibid}.
\textsuperscript{85} \textit{Ibid}.
opposed détente and propagated the cold war. It was the interest of the United States government and international capitalism that determined NATO policies. It was providing an excuse for the totalitarian regimes to justify their internal dictatorship through Warsaw pact.

Lord-Noel Backer, the 1959 noble prize winner said, in support of the motion, "we must sweep away the armaments and alliances, abolish war and end NATO and Warsaw pact". The motion advocating withdrawal was rejected in the card-vote by 5,206,000 votes to 162,9000 a majority of 3,587,000.

To sum up the arguments of the Left, they said, that the socialist opposition to bureaucratic collectivism of Eastern Bloc need not express itself in formal alliance with American imperialism. They spelled out the value of NATO as "keeping the Russian's out, Americans in and Germans down." Secondly, it was a military alliance and the various efforts to extend allied co-ordination into the important areas of economic policy had remained fairly insubstantial. With the same amount of money, a lot of welfare measures could be carried out. Subsequently, a new discussion paper brought out by Labour Party. "A socialist foreign policy” says, “our membership of NATO cannot mean that we allow ourselves to be drawn into the vortex of US

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85 The Times, 3 October 1981
86 Ibid
87 Ibid
foreign policy as it appears to be returning to the old style of imperialist aggression in Central America and elsewhere. 

Social Democrats viewed that withdrawal from NATO would lead Britain to disaster. They emphasised that NATO did provide a framework for countering the Soviet pressure on Western Europe for committing the military powers of the United States to the European defence and for enabling the economic and military power of the Federal Republic of Germany to be harnessed to the western defence effort. Denis Healy the Labour Shadow foreign secretary subscribing to these views pointed out, "whether we like it or not, it is the stability of the military balance between NATO and the Warsaw Pact which has kept Europe at peace for over 30 years, when over 20 million people have been killed in wars outside Europe. NATO's nuclear strategy is an essential part of that balance. To threaten to upset it by refusing to let America base of any of her nuclear weapons in Britain makes war more likely, not less likely." 

David Owen, while presenting the SDP foreign policy in its Annual Conference said, "it was essential that the SDP and Liberal government acted within NATO as full partners. It should deal with the issue of deployment of cruise missiles on its own  

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89 In a speech in Oxford University, 11 August 1981.
merits. It was to be hoped that this would not be deployed, but a judgement must be made in the light of the response from the Soviet Union and Warsaw pact countries\textsuperscript{90}.

He pointed out Britain had maximum influence with one super power that is United States of America because they were partners in an alliance. But, no American president would not listen to a country in NATO which opted out of its obligations and undermined collective decision-making by making defence decisions unilaterally. If Britain wanted the Americans to negotiate seriously over cruise and perishing missiles, then United States must feel that Britain would not pre-empt his negotiating position with the Russians. Stephen Hassler, the member of the policy committee of SDP suggested that if the task of Social Democrats at home is to modernise institutions and to the society to the point where we can properly compete as member of the Western Family of nations, then objective abroad in foreign and defence policy must be to keep us within that family\textsuperscript{91}. According to him, the neutralists are beginning to use anti-Americanism and European sensibilities to further the notion of a moral neutrality between East and West and to decouple Europe from America. Social Democrats should have no part in it. The paradox of pacifism and its tragedy (in 1914 and 1939) is that a one-sided movement’s cry for peace only makes for war, would be aggressors are encouraged not deterred\textsuperscript{92}.

\textsuperscript{90} The Times, 6 October 1981
\textsuperscript{91} Stephen Hassler, n. 88, p. 15
\textsuperscript{92} \textit{ibid}
Hassler was of the opinion that to take an increasingly Euro-centric view and turn back on ‘Atlanticism’ will not lead to a defensible and United Western Europe (this is now impossible) but, rather to a disarmed Western Europe at the mercy of increased Soviet pressure and demands. The great cause for Social Democrats for the SDP is nothing less than to keep Britain a part of Western Family of nations.\(^{93}\)

The Third area of controversy was in the field of disarmament. The Left in the party was in favour of unilateral disarmament, the concept which was decisively defeated in the 1962 Annual Conference of the party. But, the Left while making systematic advancement in terms of its control of the party put forth this proposal in 1980. *The Times* described the situation in 1980, as a “spectre of unilateralism this is in keeping with the tide of sentiments that has been evident in the party for some months now.\(^{94}\)”

The unilateralist synonymous with the Left in the party knew that in case of nuclear war there was neither victor nor vanquished. So, the stock-piling of the fatal arsenals at the colossal wastage of national resources was uncalled for. They argued, “why to have what you cannot use. Therefore, there is obviously no reason, let us throw the abomination away. We had it and could not use it, now we have not got it and still cannot use it, so where is the difference?\(^{95}\)” These arguments centred around the failure of multi-lateral negotiations, wild wastage of resources, and the creation of a safe zone for Britain.

\(^{93}\) *Ibid*

\(^{94}\) *The Times*, 21 July 1980

A motion calling for a commitment in the next Labour Party election manifesto to unilateral disarmament was carried by the party conference at Blackpool in 1996. Another motion called for a manifesto pledge to close all nuclear bases Britain or American on British soil or water, disband the defence sales organisation and re-organise arms industries to produce other products of social value, opposed British participation in any defence policy based on the use or threat of use nuclear weapons, it also called on the next Labour Government to take necessary initiatives for the establishment of nuclear weapon free zone as important step towards world-wide disarmament.

Harold Black participating in the debate said that secrecy surrounded the nuclear weapons, they were the class weapons because if they were used in Britain the working classes would be wiped out. So the possession of nuclear weapons was the height of irresponsibility. Demanding a clear commitment to oppose the nuclear arms race, Mr. Robin Cook, (MP from Edinburg central) said, “I say to Bill Rodgers, I do not believe we have hope of convincing people in the streets, factories and pubs, so long as they see us hedging and fudging over our opposition to nuclear arms. There had been multilateral negotiations for 20 years, but no disarmament. The only difference was that we could be blown up once, and now it could be done 10 or 20 times over.”
The unilateralists scored an important victory in the conference which added to the factors of split. Michael Foot was very emphatic when he said, "I certainly do not repudiate my past on the unilateral disarmament, if I did, I would rather clear out of politics". The right wing of the Labour Party believed that a framework for multi-lateral disarmament was sine qua non of world peace. They argued that throwing away the nuclear weapons would mean the restoration of the usability of the adversary's nuclear weapon. Attempt to reach multi-lateral disarmament has always been an attempt to ensure the non-usability of the nuclear weapons, not by mutual deterrence as now, but by common non-possession. They also believed that the unilateralist policy would weaken the NATO and EEC which had an opportunity in erecting a framework for multilateral negotiations. James Callaghan pleading for unity in the Annual Conference of 1980 gave sharpest insistence on the fact that the party should not upset Britain's partners in the Western Alliance by seeking unilateral disarmament. Callaghan insisted that labour had great influence with the parties in Europe out of the proportion to the fact that it was in opposition but only if it used its weight to support the multilateral negotiations.

96 McWilliam Keys, General Secretary of Society of graphical and Allied trades moved this resolution, *The Times*, 3 October 1980.
97 *Weekend World*, 26 October 1980
99 *The Times*, 10 October 1980
Shirley Williams strongly disapproved of unilateralism and the concept of safe zone. She said, it is naive to think that a disarmed country would be safe from nuclear weapons because any strategic nuclear exchange between two super powers would cause great damage and destruction throughout the world, including those countries that had abandoned the nuclear weapons. William Rodgers, defence spokesman of opposition in 1980, agreed that many of them believed in peace and stopping the arms race. But he argued that there was no point in debating democratic socialism and seeking it to create unless in the last resort we are prepared to defend it too. 'As much we hate the horror of the nuclear war, the people of this country believed that our values and principles, what we care for and what we fight for have to be defended. He pleaded not to give up to-day the means by which we have kept the peace for over 30 years in Europe. He said that Labour should negotiate for disarmament, but world disarmament.

The Social Democrats decried the idea of unilateralism so far as they believed that despite the economic difficulties which should lead Labour to victory, the British people will never vote any party to power that wanted to leave the Nation defenceless. David Owen, the former foreign secretary and the founding leader of SDP, advocated a tough fight for a secure Britain. In opening the debate on SDP’s foreign policy in the Annual Conference, he said the SDP was determined to uphold

and safeguard the security of Britain and the free world. He said, the SDP should deal with the issue of replacement of Polaris and deployment of cruise missiles.101

As part of over-all negotiations, SDP would urge a withdrawal of battle field nuclear weapons, because it was that strategy which was in danger. The SDP was deeply committed to arms control and disarmament but it must try to force a higher priority from all governments to reduce the nuclear arms. He argued that it was in the interest of Britain to negotiate from a position of strength for multilateral disarmament rather than succumbing to the temptation of unilateralism.102

Before its membership, Britain's trade with Europe was less than 30 per cent. From this, it is clearly apparent that British trade and the future success of the British industry are now primarily dependent on its access to European Community with its market of 300 million people. Because of this, withdrawal will heavily affect the British industry and the jobs. Moreover, the inward investment will also suffer, as the UK market alone would not provide sufficient incentives for many companies to base themselves in Britain if Britain is chosen as an European company base, supplying the entire European market. If Britain left the EEC such companies might reconsider investment prospects in Britain. The third major reason is that Britain stands a greater chance of success if it grappled for new initiatives jointly, rather than struggle for in her own separate way. It is estimated that Britain or any other community countries

101 Video record of David Owen's interview, SDP on nuclear issue
individual national market could only provide 5-10 per cent of the market required to justify the investment necessary for any new major technological project. Any new technological project therefore, needs to European wide market, as its base and Britain should surely grasp the opportunity to develop that market for herself, rather than watch her competitions such to fill the gap. Pooling of resources to avoid wasted duplication of effort should be aimed at by acting jointly. Britain would be able to carve out a viable future and thus, avoid being squeezed into an increasingly precarious and unsatisfactory position between the innovative leaders—the USA and the Japan on the one hand and the increasingly competitive industries of developing countries on the other.