concern about aspects of US policy, particularly in Vietnam but also over the invasion of the Dominican Republic in 1965, brought Britain closer to de Gaulle's France in its attitude to the global political order. Perhaps unswerving support for the United States was not the best way to promote world order after all.

Despite all these signs of movement away from Atlanticism towards Europeanism in the British position, de Gaulle blocked the second application on the same grounds as he had the first. He still believed that Britain was too wedded to the United States. Britain's membership therefore had to await the departure of de Gaulle from office, which came in May 1969 when he resigned following defeat in a national referendum.

Britain's entry to the EC

Events moved rapidly after the resignation of de Gaulle. At a meeting of the Council of Ministers in July 1969 the Commission was asked to prepare an updated version of its opinion on enlargement which had first been submitted in September 1967. This was ready by October, and was favourable to enlargement. Maurice Schumann, the French Foreign Minister, indicated that France would not renew its veto, provided that the transitional period of the EC was first completed by finalizing arrangements for financing the common agricultural policy; and that the Six agreed, in advance of opening negotiations with Britain, on how the Community could be further developed and strengthened.

The Labour Government had left its original application on the table, and was prepared to begin negotiations as soon as the Six were ready; but before they were, the June 1970 general election produced a Conservative Government, which immediately pursued the application as one of its top priorities. Anthony Barber was appointed as Heath's chief negotiator (although he was soon to became Chancellor of the Exchequer, following the death of Iain Macleod, to be replaced as chief negotiator by Geoffrey Rippon), and negotiations opened on

30 June 1970, in Luxembourg.

In his opening statement Barber highlighted a problem that was to dog Britain's relations with the EC for most of the next fifteen years: the effect of the newly negotiated financing arrangements on Britain's potential net contributions to the Community's budget. The Labour Government had hoped to take part in the negotiation of the new arrangements, but had not been invited. In 1967 the Commission had said that the existing arrangements, if applied to Britain, would give rise to a problem, and the new arrangements had made that potential problem even more severe (Barker, 1971, p. 247).

Nevertheless, the Government negotiated seriously to obtain membership. Heath's strategy was to get into the Community as quickly as possible, and then solve any difficulties that remained, from inside (Young, 1973, p. 211). When the negotiations got bogged down, Heath held a personal meeting with Georges Pompidou, de Gaulle's successor, which broke through the logjam (Kitzinger, 1973, pp. 119–25). Indeed, in the course of 1971–2 extensive bilateral Anglo-French discussions took place, without which success in the formal negotiations might not have been achieved (Wallace, 1984, p. 23). As it was, agreement was reached on the terms of British entry after eighteen months of negotiations, a treaty was signed in Brussels in January 1972, and Britain became a member of the EC on 1 January 1973.

The Heath Government

Edward Heath's personal commitment to the ideal of European unity was never in doubt. It is largely on the basis of that personal commitment that the Heath Government retains the reputation of having been the most pro-EC British government; but no single person, not even the Prime Minister, is the sole fount of policy, and even during the Heath years the broad parameters of the policy of the British State to the EC did not change dramatically.

The participation of the British Government in the work of

the EC began before formal membership on 1 January 1973. In October 1972 a summit meeting was held in Paris of the Heads of Government of the enlarged Community, which mapped out areas of priority for future action. Heath's influence helped to put three items into the final communiqué. One was the priority given to negotiating a European Regional Development Fund. It was through such a mechanism that Heath hoped to solve the potential problem of Britain's net contributions to the budget: by creating a fund from which Britain could benefit. The second item was a common policy for energy, an issue about which Heath felt strong concern in the light of the instability of the Middle East, which supplied most of Europe's oil. The third item was agreement to pursue a joint approach to trade talks with the United States in the context of GATT.

On this last issue, Heath wanted the EC to take a hard line in insisting that an early date be fixed for the start of the talks, and that the issue of non-tariff barriers to trade be placed on the agenda. In this he was in harmony with President Pompidou. Because Heath and Pompidou often found themselves in agreement on the necessity of Europe taking a joint stand against the United States on commercial questions, it is easy to form the impression that Heath was departing from traditional British positions in international affairs. Undeniably he was departing from the usual closeness of Britain to the United States on economic questions; but it was the United States that had departed from the normal Anglo-American position, while the Heath Government remained loyal to that position.

In 1971 President Nixon had ended the convertibility of the dollar into gold, thereby bringing to an end the Bretton Woods system of fixed exchange rates. At the same time he had imposed a 10 per cent surcharge on those imports into the United States that were already subject to duties, which amounted to about 50 per cent of all US imports, and introduced a freeze on wage and price increases, to tackle the growing problem of domestic inflation (Morse, 1973, pp. 253–5).

These measures, which were taken unilaterally, marked a turning away of the United States from its consistent post-war

defence of multilateral free trade, and inaugurated a period when US economic policy was conducted with an eye more on the domestic economic and political consequences than on the consequences for the international system. As well as the tariff increases, the US Administration adopted or tolerated the introduction of a whole range of non-tariff barriers to free trade, all designed to reserve the domestic market for domestic producers in the face of rising international competition. It was against these departures from the established Anglo-American policies on economic management that the Heath Government attempted to organize the EC, with the support of the French President, who may well have had somewhat different motives.

In other respects also the attitude of the British at Paris remained consistent with that displayed by successive governments prior to membership. Heath stood out against common policies in the areas of industry, science, and technology; and against a common social policy. Interventionist common policies were no more welcome to the Heath Government than they were to its predecessors or successors. The exception, the British campaign for a European regional fund, tends to obscure this perception; but the regional fund was seen purely as a pragmatic response to the need to balance the common agricultural policy in a way that would benefit Britain. It was based on an acceptance that the agricultural policy was not going to be changed, and that therefore the only way of preventing Britain from being a major net contributor to the budget was to call into existence this balancing item of expenditure. Nor did the pursuit of a common regional fund imply support for an interventionist EC regional policy: what the British Government was looking for was a subsidy for its existing regional development policy.

Despite British opposition, common industrial and social policies were included in the communiqué of the Paris summit; but pride of place went to the aim of achieving economic and monetary union by the end of 1981. British acceptance of this objective does appear to mark rather a large step away from the policy of previous governments of trying to limit the EC to being a free-trade area. However, the acceptance of the

objective has to be seen in its context. Economic and monetary union was one of the three objectives agreed at The Hague in 1969, and was linked to the enlargement negotiations: it was therefore rather difficult for the British to oppose it. French and German agreement to the key British objective of a regional development fund was probably linked to British acceptance of economic and monetary union. There was considerable dispute between France and Germany on how to progress towards economic and monetary union, which left open the prospect of Britain being able to prevent any serious erosion of sovereign powers over economic management. Also, the chaos that was threatening the world monetary system in the aftermath of Nixon's 1971 bombshell, and the apparent indifference of the United States to the effects of this on the rest of the world, made the monetary union aspect not unwelcome to Britain as a means of restoring some order to the system.

Even when all these factors are borne in mind, there does seem to have been some difference of opinion within the British Government on the advisability of economic and monetary union. Although the pound joined the 'snake in the tunnel' in March 1972, it was withdrawn in the face of speculative pressure in July, and the Treasury refused to put it back in unless the German Government would fully underwrite its agreed value (Tsoukalis, 1977, p. 128). This was precisely the sort of commitment that the Germans were refusing to make to the other member states without prior agreement on the co-ordination of domestic economic policies, and was therefore a demand which the Treasury could hardly have expected would be met.

At the same time as refusing to assist progress to monetary union, Britain continued to insist on the necessity of the regional development fund, thereby breaking what to the Germans appeared to be a tacit deal. Matters became worse after the outbreak of the 1973 Arab-Israeli war disrupted supplies of oil from the Middle East to Europe.

Heath had been insisting since before the Paris summit on the necessity for the EC to develop a common policy on

energy, but by this he meant a common stance towards the oil-producing states. This was part of his concern to use the EC as a substitute for US leadership in management of the international system. After the 1973 disruption to oil supplies, Heath renewed his demand for such a policy, but the other member states, led by France, insisted that any such move should be accompanied by agreements on an internal policy involving agreement to pool energy resources in a time of crisis. This was unacceptable to Britain, which was on the verge of becoming an oil producer itself. To retain control over this national asset was an important practical and political objective of the British Government, as well as being consistent with the long-standing British reluctance to surrender sovereignty in general to the EC.

It was the dispute over oil sharing that finally caused the collapse of Heath's hopes for a substantial regional development fund. The energy question so soured relations with Germany that no agreement had been reached on the size of the fund, before the fall of the Heath Government in the 1974 general election.

Although the Heath Government showed more sympathy with the idea of European unity than any of either its predecessors or successors, its support owed much to the special circumstances of the time, in which the United States had abandoned responsibility for management of the international system. Heath attempted to fill that gap by organizing the EC as a strong actor in world affairs under British leadership, much as de Gaulle had tried to organize it under French leadership. The objectives that the British Government was pursuing were no different from those of its predecessors: the defence of a multilateral free-trading world order, and the maintenance of stability in the capitalist system. Just as Britain's application for membership of the EC was less a change of direction than a change of tactics, so the Heath Government's strong support for EC unity was an adaptation of the established policy of the British State to changed international circumstances.

The Wilson and Callaghan Governments

The policy of the British State towards European integration has been coloured predominantly by the objective of ensuring that Western Europe does not become an inward-looking regional grouping; but since 1973 it has also been concerned with minimizing the economic costs of British membership of the EC. Another aspect, which is dealt with in the next chapter, and which has overlain these predominant objectives, has concerned domestic political considerations.

During the Wilson Governments of 1974–6, the first of these objectives was less dominant than in any other period; the objective of minimizing the economic costs of membership was apparent; but the domestic political considerations were uppermost. This was a period when the country was fundamentally divided in the aftermath of the failure of Heath's attempts to curb the power of the trade unions, and his effective defeat by the miners in the strike of 1974. Rising inflation and unemployment, consequences in part of the December 1973 rise in the price of oil, added to the sense of crisis. In this context, Wilson successfully used the issue of the terms of British entry to the EC to divert attention from the economic crisis and social tensions. He also used it as a means of outmanoeuvring the left within the Labour Party and reasserting his authority. This story, the story of the renegotiation of the terms of entry and the referendum, is told in the next chapter.

International considerations were very much secondary to domestic preoccupations in determining the policies that Wilson followed. They did figure prominently, though, in the policies of his successor, James Callaghan. During the period of Callaghan's premiership the differences grew wider, between the United States on the one hand and France and Germany on the other, over the management of the international system. French President Valéry Giscard d'Estaing had initiated a programme of economic summits of the major capitalist states in November 1975, and these continued to function as a forum for the co-ordination of policy; but the German Chancellor, Helmut Schmidt, found it increasingly difficult to accept that the new US Administration of Jimmy Carter was exercising responsible leadership. In these circumstances the Franco-German inclination was to move ahead to adopt European solutions, particularly to monetary problems, whereas the British Government returned to its pre-Heath, pre-Nixon role of advocate of Atlantic co-operation, and mediator between the EC and the United States.

It was in the role of mediator that in March 1978 Callaghan launched a plan to float the capitalist world out of recession in a 'convoy'. This was in response to the German rejection of Carter's own plan for the strong capitalist economies to act as a 'locomotive', which would pull the weaker economies out of recession. Callaghan's alternative involved co-ordinated policy responses to achieve a simultaneous stimulus to the world economy from the states with low inflation, and measures of monetary restraint in those with high rates of inflation. It was an initiative that actually produced concrete agreements at the Bonn economic summit in July 1978, and could have achieved a degree of success had its effects not been distorted by the renewed chaos introduced into the international economic system by the Iranian revolution and the consequent second round of steep increases in the price of oil.

Before this stage was reached, the French President and the German Chancellor had unveiled their own plan for a new advance towards economic and monetary union, the EMS. Although presented by both Giscard and Schmidt as part of a 'phased march' towards a new world system, rather than an attempt to create an exclusive regional monetary system (McKinlay and Little, 1986, p. 163), both Callaghan and Carter were concerned at the possible implications, preferring to tackle international monetary problems through existing institutions such as the International Monetary Fund (Statler, 1979, p. 215; Garavaglio, 1984, p. 19).

So, although domestic political considerations figured in Callaghan's decision not to take sterling fully into the EMS, the familiar British concern about regionalism was also a significant factor. The most significant consideration, though, was probably the anticipated effects on the British economy, which

several expert studies predicted would be damaging (Statler, 1979, p. 223; Gardner, 1987, pp. 120–3). In fact it seems possible that Callaghan only went along with the setting up of the EMS at all because of an understanding reached at the Bremen meeting of the European Council in July 1978 that progress on the EMS would be accompanied by a re-examination of Britain's contributions to the budget of the EC (Hornsby, 1978).

This long-standing problem came to the fore again in the course of 1978, as Britain approached the end of its transitional period of membership, and so the time when it would have to pay its full contribution. It rapidly became clear that the formula, which had been agreed as part of the renegotiation package, for correcting the imbalance in British net contributions compared to Britain's relative wealth, was going to prove ineffective. In 1979 Britain, with the third lowest *per capita* gross domestic product in the EC, would become the second largest net contributor to the budget. This was a major problem that the Callaghan Government bequeathed to its Conservative successor.

The Thatcher Governments

Margaret Thatcher's Governments after 1979 continued with much the same policies towards the EC as previous British governments. From 1979 to mid-1984 the emphasis was on correcting the imbalance in Britain's contributions to the budget. After the Fontainebleau meeting of the European Council in June 1984 a new agenda emerged around the idea of freeing the internal market of the EC by the end of 1992, an idea that was supported enthusiastically by the British Government, although it was less enthusiastic about other parts of the 1992 programme that other member states saw as essential complements to the freeing of the market.

Mrs Thatcher took an extremely determined and even confrontational approach to the negotiations on British budgetary contributions. She upset her partners by repeatedly refusing

what they considered to be reasonable offers for rebates, and by linking the issue to reform of the common agricultural policy, a sacred cow of the original member states which they would not abandon easily because of the domestic political influence of the farmers. The reasons for the nationalistic tone in which Thatcher conducted her part of the negotiations are considered in the next chapter, where they are treated as a reflection of domestic political circumstances. But in the demand for reform of the common agricultural policy the normal policy of the British State can be detected.

British insistence on reform of the agricultural policy reflected the fact that Britain's imbalance in net contributions to the budget was due to its relatively low level of receipts from the agricultural funds which dominated the budget. But as well as the objective of minimizing the economic cost to Britain of membership of the EC, there was also the objective that has been described above as globalism. Agriculture is the biggest export industry of the United States; the common agricultural policy, which gives preference to EC farmers within the Community and subsidizes their exports to the rest of the world, has been the biggest single cause of friction between the United States and the EC.

Eventually a settlement of the budgetary dispute was reached at the Fontainebleau meeting of the European Council in June 1984. Although it was not an unfavourable settlement for Britain, it was only marginally more favourable than agreements that had been offered, and rejected, earlier. Nor did this settlement involve a radical reform of the common agricultural policy, although there was some progress on reform in separate negotiations. The most likely reason why the Government accepted the settlement at this time was that the other members of the EC, led by French President François Mitterrand, were openly talking of proceeding with a new initiative to further European integration, without Britain if necessary.

This possibility worried the British Government because it opened up the prospect once again of the EC falling under French leadership, and following a line of development that might result in the emergence of a closed regional bloc.

Mitterrand's initiatives were openly inspired by concern that the United States and Japan were forging ahead of the EC in the new technology industries, and that the US and Japanese economies were outperforming the EC. In other words, there seemed to be a revival of Gaullist thinking (albeit from a Socialist President) on the purposes of European integration, stressing the threat to Europe from non-European competitors. To counter this threat, Mitterrand proposed a joint European programme of technological research, and a drive to free the internal market of the EC of non-tariff barriers to trade which prevented European firms operating freely across national boundaries.

For the British Government the idea of freeing the internal market of the EC was attractive because it appeared at one and the same time to serve Britain's economic interests, to coincide with Thatcher's attachment to free market economics, and to be a means of moving other member states away from their attachment to non-tariff barriers to trade that interfered with the proper functioning of the wider international capitalist system.

So far as British economic interests were concerned, the freeing of the internal market included commitments to remove barriers to free trade in financial services and in transport (particularly air transport), restrictions that were particularly damaging to the prospects of the British economy performing well within the EC, these being areas in which Britain appeared to have a comparative advantage.

So far as Thatcher's commitment to free-market economics is concerned, little more needs to be said other than the obvious point that from this perspective the freeing of the market was an end in itself, and formed the complete 1992 project. Part of the disagreement between Thatcher and other EC leaders arose because they saw the freeing of the market as only one component of the project, needing to be balanced and complemented by other measures.

The persistence of non-tariff barriers to trade throughout the capitalist world was a serious concern of the United States, which saw the EC as a major culprit in this departure from the principle of multilateral free trade. It was not coincidental that

the Uruguay Round of GATT negotiations, which began in 1986, had these issues as the main items on its agenda. Here again, Britain could be seen as acting in a manner that was consistent with US views, and with defence of the global internationalism that the United States consistently advocated.

However, the removal of non-tariff barriers to trade between the members of the EC would only be welcome to the United States if accompanied or followed by a dismantling of the same non-tariff barriers relative to the rest of the world. The alternative of a 'fortress Europe' was certainly not welcome to the United States, as it made clear. Britain also fought against any suggestion that the EC should become inward-looking and even protectionist against the rest of the world after 1992.

It did not seem that other member states saw matters in quite the same way. The freeing of the internal market was certainly not an end in itself for François Mitterrand, the French President, nor for Jacques Delors, the President of the Commission, for whom 1992 appeared to have five aspects. One was the freeing of the internal market. The second was the institution of a European programme of economic and technological research, which was effected in the form of the EC's framework programmes in telecommunications, biotechnology, electronics, and the application of advanced technology; and through the EUREKA programme for European collaboration on technological research, which extends beyond the EC to involve other states of Western Europe. The third aspect was the achievement of a genuine economic and monetary union; the fourth was what came to be termed 'the social dimension'; and the fifth was reform of the decision-making procedures of the EC, to strengthen the role of the central institutions.

Each of these elements could have served to feed European regionalism. The freeing of the internal market would allow an economy to emerge that was large enough to insulate itself against the outside world if necessary, and not suffer the disadvantages that would ensue to the economy of a single state that tried to do the same thing. The programme of technological research and development was designed to keep Europe in the

race with Japan and the United States to dominate the high technology markets and particularly the capital goods industries. An economic and monetary union was essential if Europe was to be economically unified internally, and not subject to having its policies driven off course by decisions taken in other parts of the world, particularly the United States. The social dimension was clearly designed to obtain the consent of trade unions to the freeing of the internal market, which at least in the short term carried with it risks to jobs; but adoption of a 'social charter' involved giving workers a degree of protection that was not available to workers in other capitalist states that competed with the EC states, and would therefore risk EC products being rendered uncompetitive; and this in turn could well be used as an excuse for excluding the free entry of goods from non-members to the post-1992 market, so that the social dimension could have become the key which locked the door of a 'fortress Europe'. Institutional reform would have weakened the ability of the British Government to block such moves towards regionalism.

In a speech in Bruges in September 1988, Thatcher attacked the extended 1992 project on a number of fronts. What received the most attention from the Press throughout Europe was her assertion that Europe would be stronger with 'France as France, Spain as Spain, Britain as Britain, each with its own customs, traditions and identities' and that 'it would be folly to try to fit them into some sort of identikit European personality' (Thatcher, 1988, p. 4). This was seen by the European media as a reassertion of nationalism in the tradition of General de Gaulle.

Yet the focus on this passage in the speech perhaps indicates that the media generally approached it expecting an assertion of nationalism, and leapt upon evidence that confirmed their expectation. In fact the passage took up only one page of the published version of the speech, which ran to nine pages. Far more frequent than assertions of British nationalism were assertions of British internationalism.

The speech began with a strong affirmation of Britain's acceptance of its European identity, reviewing the historical role of Britain in Europe, and making an unequivocal statement: 'Britain does not dream of some cosy, isolated existence on the fringes of the European Community. Our destiny is in Europe, as part of the Community' (Thatcher, 1988, p. 3). However, that statement was accompanied by an equally strong qualification: 'That is not to say that our future lies *only* in Europe.' This was a reassertion of the established British position, as was the insistence that: 'The European Community is *one* manifestation of that European identity. But it is not the only one' (Thatcher, 1988, p. 2).

The rest of the Bruges speech contained many passages that were internationalist in tone. Indeed, the last of four 'guiding principles' which Thatcher identified was 'that Europe should not be isolationist' (Thatcher, 1988, p. 7). On the other hand, as the Press showed, the Prime Minister's objections could be presented as expressions of nationalist sentiment, and to some extent were so presented by the Prime Minister herself.

Thus, the rejection of centralized control of the European economy from Brussels was apparently contrasted with national control. The passage in which she said: 'But working more closely together does *not* require power to be centralised in Brussels or decisions to be taken by an appointed bureaucracy' (Thatcher, 1988, p. 4) suggested a contrast with decisions democratically taken in national parliaments. It is equally plausible, though, to suggest that Thatcher's rejection of centralized control was based on suspicion of the purposes for which that centralized control would be used. Not only could it have implied a more interventionist and directive role in economic affairs than was acceptable to her own liberal economic philosophy, it could also have implied the closure of the EC market to open commerce with the rest of the world.

Thatcher's objections to the social dimension were again expressed in nationalist terms: not allowing a democratic choice of the British people to be overturned from Brussels: 'We have not successfully rolled back the frontiers of the state in Britain, only to see them reimposed at a European level, with a European super-state exercising a new dominance from Brussels' (Thatcher, 1988, p. 4).

Again, though, it was compatible with a desire not to see a wedge driven between Europe and the rest of the world. Her other refrain was that: 'we certainly do not need new regulations which raise the cost of *employment* and make Europe's labour market less flexible and less competitive with overseas suppliers' (Thatcher, 1988, p. 7). Proposals such as the harmonization of social security benefits, and the introduction of workers' rights to information on the investment plans of companies, were liable to render European industry uncompetitive with companies in other parts of the world that did not have to pay the taxes necessary to sustain high social benefits, did not have to bear the direct burden of paying employees during periods of pregnancy and child rearing, and did not have to reduce their flexibility by having to inform their employees of their investment plans. The fact that all European companies would have the same obligations would only make any difference if the intention was to insulate the European market from wider international competition.

So, although the Press treated the Bruges speech as a sustained assertion of nationalism, it was also compatible with the global internationalism, and resistance to European regionalism, that had been a constant of the policy of the British State towards the EC under successive governments since 1945.

Conclusion

The policy of the British State towards European integration has remained broadly consistent under successive governments. It has been marked above all by a concern to prevent an exclusive regional grouping emerging in Western Europe which would disrupt the global economic and political order that the British State consistently supported. After circumstances made British membership of the EC necessary in pursuit of this primary objective, the subsidiary objective emerged of minimizing the cost to Britain of membership.

These objectives explain in large part the positions taken

up by successive British governments towards European integration and the EC. Initially Britain supported forms of integration which were intergovernmental in nature, and which did not involve going beyond economic free trade. A serious underestimation of the commitment of the six original EC states to a closer form of integration led to Britain becoming marginalized within Western Europe, so that by the late 1950s, 'the British Government had lost the initiative and was reacting to European situations created by others; it was not itself setting the pace' (Camps, 1964, p. 505). This eventually resulted in the British applications for membership of the EC: a reversal of tactics which was made necessary by the prospect of a French-dominated regional grouping emerging.

Once membership was achieved, the subsidiary objective of minimizing the cost to Britain emerged. For the Heath Government this meant pursuing the creation of a substantial European regional development fund. For the Wilson Government it meant renegotiating the terms of entry. For the Callaghan Government it meant not taking sterling fully into the EMS, and raising once again the issue of Britain's contributions to the budget of the EC. For the Thatcher Governments it again meant the budgetary issue, which dominated the period from 1979 to 1984. This remained, however, a subsidiary objective. The primary objective was still the prevention of European regionalism.

Although the Heath Government appeared not to follow the same policy, because of the drive to achieve EC policies in opposition to those of the United States, this was again more of a tactical adjustment to circumstances than a departure from the general strategy of global internationalism. It was the Nixon Administration which abandoned the commitment to multilateral free trade; the British Government was attempting to organize the EC as a champion of those values which had hitherto been common ground between Britain and the United States.

International considerations hardly affected the policies of the Wilson Governments, which were concerned predominantly with domestic political problems; but the same general

approach was evident again in the attempts of the Callaghan Government to act as a mediator between the United States and the EC.

For the Thatcher Governments the point at which the budgetary battle had to be settled was the point at which the EC threatened to move ahead again without the restraining hand of the British State on the steering wheel. Preventing a re-emergence of the threat of regionalism took priority over the objective of minimizing the costs to Britain of EC membership. Although both objectives were present in the dispute between Mrs Thatcher and the rest of the EC over the extent of the 1992 project, which dominated the late 1980s, the emphasis of the Press on the nationalism of the British Prime Minister ignored how far the objective of preventing regionalism could also be an explanation of the positions taken by Britain.

This concentration of the Press on the nationalist rhetoric of Thatcher may have been precisely what the rhetoric was designed to achieve. Ever since membership was first mooted, the tone in which the EC has been discussed by British statespersons has reflected the fact that they are also politicians who have to sustain the support of their political parties and of the electorate behind their actions in the domain of foreign policy. This dimension has been relatively ignored in the book up to now, in order to focus attention on the consistencies in the policy of the British State across all governments. In the next chapter the focus shifts to the domestic political dimension.

3 Party Politics and European Integration

Ever since the decision of the Macmillan Government to apply for membership of the EC, European integration has been an important issue in domestic British politics. At times it has become the most important single issue; and certain aspects of the attitude of British governments to the EC have been the direct result of domestic political constraints.

Electoral constraints have been important, but largely because neither of the major political parties has been prepared to give a clear and unequivocal lead to the electorate in favour of European integration. Only the minor parties of the centre (Liberals, Social Democrats) have been consistent in their support for the EC. Both the major parties have been internally divided, and as a result their leaders have generally been forced to take a line which has enabled them to hold together so far as possible the different factions in their parties.

The attitudes of party leaders to European integration, especially when their party has been in office, have largely been determined by the objectives outlined in the previous chapter; but the rhetoric of British politicians on the issue has been heavily influenced by the requirements of 'party statecraft' (Bulpitt, 1988).

Public opinion

Public opinion in Britain only slowly came round to support for membership of the EC. With the significant exception of a

brief period around the time of the 1975 referendum, public opinion surveys showed only between a quarter and a third of the electorate in favour of British membership through until the middle 1980s, after which time there was a steady increase in support, culminating in a majority of 55 per cent evaluating British membership as a 'good thing' in May 1989 (Gallup Poll, 1989). A number of explanations may be offered for this reluctance to embrace membership.

Whereas in most of continental western Europe the experience of the Second World War undermined nationalism, in Britain it reinforced an already strongly developed sense of national identity. In the six original member states of the EC, politicians presented participation in the process of European integration to the electorate as an ideal which would reduce the force of nationalism and the risk of a future European war.

In Britain there was no such ideological support for integration: membership of the EC was presented to the electorate in purely pragmatic terms, as something that was necessary for the economic well-being of the country. For the British people, European integration was at best a necessity, not the realization of an ideal.

That difference of attitude was reinforced by the fact that Britain did not become a member of the EC until after the rapid economic growth of the 1960s came to an end. British membership coincided with the onset of persistent recession. Whereas the citizens of the original six member states came to identify the EC with prosperity in the early years, the population of Britain had no such positive experience.

Britain's geographical position as an island on the edge of Europe must also have contributed to the less positive view of integration. For the people of the continental heartland, European integration was more of a daily reality: businesses operated across frontiers, and people of different nationalities were in regular contact with one another. In Britain such contact was much less frequent. The rest of Europe remained 'overseas' in the perception of much of the British population, even at the end of the 1980s.

But perhaps the most significant factor was the attitude of Britain's political leaders. Had there been a leader who was committed to the ideal of European integration, and brave enough to defy the dominant ideology of narrow nationalism in public statements, there might have been a change in the electorate. But Edward Heath was the only leader of either of the major parties who might have had the personal commitment, and even he tended to talk in much more pragmatic terms. Others, both Conservative and Labour, gave no lead in the direction of European integration, often quite the contrary.

The Conservative Party

Both the major British parties are coalitions of different political groups, which in a different political system might well exist as separate parties. The Conservative Party contains the heirs of the Tory tradition of paternalism, but also free-market liberals, and pragmatic modernizers like Edward Heath who have little time for either the concept of tradition which inspires the Tories or the dogmatic adherence to the virtues of the free market which inspires the new liberals.

Of these three groups, the traditional Tories have tended to be the strongest opponents of British membership of the EC; the liberals have been supporters of membership so long as European integration could be limited to economic integration on free-market principles; while the pragmatic modernizers have been the strongest supporters of EC membership, and even of a degree of central direction of economic policy from Brussels so far as this has been likely to contribute to the renewal and regeneration of the British economy.

No leader of the Conservative Party can afford to ignore any one of these factions completely, and the rhetoric of the leader will usually contain elements of the language used by each of the groups. This has applied to the rhetoric used in connection with European integration as much as, if not more than, it has applied to other issues.

Harold Macmillan is perhaps remembered as a traditional Tory because of his criticisms of the social and economic

policies of the Thatcher Governments during his later years when (as Lord Stockton) he was a member of the House of Lords. But it is probably more accurate to see Macmillan the Prime Minister as a pragmatic modernizer. His association with the policy of British withdrawal from the Empire in Africa was in line with a concern to reduce insupportable external commitments as part of a strategy of economic modernization, and it led him into conflict with the traditional Tory wing of the Party, which saw an attachment to Empire as one of the bedrocks of Conservatism. The decision to apply for membership of the EC ran into resistance from the same quarter.

Macmillan was aided in weathering the storm by the tradition within the Conservative Party of loyalty to the leader, and by the prosperity of the country in the 1950s, which although based on a relatively poor economic performance in comparison with other West European states was nevertheless impressive by previous British standards. The prosperity meant that Macmillan was able to present himself as a successful Prime Minister, who could win further electoral success for the Conservative Party, which made unassailable his position as leader.

At the same time, even a successful Prime Minister has to hold his colleagues in the Cabinet and in the Party behind him, and so it was probably inevitable that when Macmillan came to the conclusion that Britain should apply for membership of the EC, he presented the decision to Parliament and the country in purely pragmatic terms. There was no attempt to replace the strong sense of national identity that still existed in Britain with an alternative sense of a European destiny, which had been the way in which the formation of the EC had been sold to the electorates of the original six member states. Whatever Macmillan's personal feelings about European integration, his approach of 'backing into Europe', as his critics put it, was the only prudent course available. No British Prime Minister could have expected to be taken seriously had he begun to espouse the virtues of a federal Europe to the British public at a time when nationalism formed a part of the underlying political consensus.

Both major parties had a history of nationalism. For the Conservatives suddenly to become European federalists would have been to court electoral disaster: the Labour Party would have jumped at the chance to attack its opponents for a lack of patriotism, and to accuse them of selling the nation to foreigners. Such attitudes were just as prevalent amongst many of the Tory rank-and-file.

The legacy of Macmillan's approach to the first application was that debate on the issue continued to be conducted in terms of what best served the national interest. There was no appeal to the ideals of furthering peace and overcoming nationalism which were so powerful a part of the debates on European integration on the Continent. Opponents of the EC attempted to show that membership involved costs for Britain that were not outweighed by the benefits; supporters argued that it was the other way round. There were few voices raised at any stage to say that some costs were acceptable in order to serve a higher purpose. Without that dimension to the debate, the rhetoric of politicians was always likely to sound negative.

Within the Conservative Party the doubts raised at the time of the Macmillan application were resurrected when the Heath Government pursued the application which its Labour predecessor had renewed. But these doubts were overridden by the the new Prime Minister, whose determination to enter the EC was fired by his own long-standing personal commitment and by the role that membership played in his strategy for modernizing the British economy.

Another key aspect of this strategy was the reform of the trade unions, a serious barrier to the restructuring of the economy that even the preceding Labour Government, beholden as it was to the trade unions, had been forced to recognize. In these two ways Heath's programme for revitalizing Britain bore strong resemblances to Wilson's programme. But Wilson's failure to gain entry to the EC and to push through his trade union reforms had put him on the defensive within the Labour Party and had forced him to oppose the measures which he must have known were necessary to Britain's economic future, in order to ensure his own political survival. Instead of a new

consensus emerging around membership of the EC and reform of industrial relations, both became issues of controversy between the political parties (Frankel, 1975, pp. 311–12; Newman, 1983, p. 222).

The replacement of Heath by Margaret Thatcher as leader in 1975 did not change the formal commitment of the Party to membership of the EC, but there was a distinct change of tone. Thatcher from the outset made it clear that whilst recognizing the need for British membership of the EC, she would vigorously defend British national interests, and oppose supranationalism.

During the first period of the Thatcher Governments' dealings with the EC, the phase from 1979 to 1984 when the budgetary dispute dominated, nationalistic rhetoric was very much to the fore. After the settlement of the budgetary issue in mid-1984 there seemed to be a change of tone as the Government aligned itself behind the objective of freeing the internal market of the EC by the end of 1992. But the nationalistic tone reasserted itself gradually, especially in the pronouncements of the Prime Minister, culminating in her infamous Bruges speech of October 1988.

According to some commentators (for example, Peter Jenkins in his columns in *The Independent*), the nationalistic tone could be explained fully by reference to the prejudices of the Prime Minister herself. However, it is not necessary to deny that Mrs Thatcher's instincts lay in this direction to recognize that domestic political considerations were also compatible with the strong nationalist tone.

When Margaret Thatcher became leader of the Conservative Party she did so as a candidate of the right wing, a coalition of neo-liberals committed to free market economics, and Tory nationalists. Her free-market credentials were easily established, but she had to allay doubts about the strength of her nationalism. While in opposition she did this primarily by vigorous support for the British independent nuclear deterrent, linked with attacks on the Soviet Union that earned her the title of 'the iron lady'. But when she became Prime Minister in 1979, some of the measures that she took, such as the abolition of exchange controls and the freeing of capital movements, could have been presented as being against the national interest. It was therefore important for Thatcher to re-establish her nationalist credentials, both in order to counter the charge from the Labour Opposition that she was selling out the national interest, and to reassure her nationalist supporters within the Conservative Party, where her position was far from secure.

To underline her nationalism, Thatcher chose to fight the battle with the EC over Britain's budgetary contributions in a very public and confrontational manner, using phrases about wanting Britain's money back, which were anathema to the rest of the EC, but were designed primarily for domestic consumption. It should be stressed, though, that there was nothing new in either the cause or the approach. Callaghan's Government had clearly signalled its intention to contest the size of budgetary contributions as a priority matter. And the approach of battling against the EC with a Union flag metaphorically draped over one shoulder had been perfected by Harold Wilson during the renegotiation of the terms of entry. As during the Wilson period, the tone adopted was determined by domestic political considerations, and may even have been counter-productive in obtaining the terms sought within the EC.

Once that phase ended, with the Fontainebleau settlement, the Thatcher Government threw its support behind the programme to free the internal market. But the Prime Minister's statements, especially her Bruges speech (which is analysed in chapter 2 above) continued to have a decidedly nationalist tone. If, as argued above, the opposition of the Government to certain aspects of the 1992 programme can be understood as an expression of the established policy of the British State, the domestic political arena must still be judged to have influenced the tone of the Prime Minister's statements on the EC.

In the course of 1989 the internal opposition to Thatcher's approach began to build steadily. Heath's criticisms, which had begun soon after his defeat in the leadership election, could perhaps be dismissed. But to Heath's voice was joined that of Michael Heseltine, a popular figure within the Party who was

seen by some as a credible future challenger for the leadership. More importantly still, it was increasingly evident that there was a split within the Cabinet itself, with such senior figures as the Foreign Secretary, Sir Geoffrey Howe, and the Chancellor of the Exchequer, Nigel Lawson, pressing for sterling to be put into the exchange rate mechanism of the EMS, a move which Thatcher was reluctant to make. Eventually, in October 1989, Lawson resigned over the issue. The shock of the resignation added to a growing feeling in senior Conservative and Government circles that the Prime Minister's approach to European matters was too negative and was not helping Britain to achieve its diplomatic objectives.

By the end of 1989 the Press detected a change in the tone of Thatcher's pronouncements on the EC. For example, at the June 1989 meeting of the European Council in Madrid, the Prime Minister for the first time laid down four specific conditions which when met would allow sterling to enter the exchange rate mechanism of the EMS, a definite advance on her previous vague formula that sterling would enter 'when the time was right'. (The conditions were that other states should remove their exchange controls; that they should remove their controls on movements of capital; that real progress be made on freeing the internal market; and that inflation in the UK should be on a downward trend.)

Perhaps this, and other changes of tone, indicated that the balance of domestic political considerations had shifted. As well as the need to avert further dissension within the Cabinet, there was greater support for a more co-operative attitude within the Conservative Party, particularly in the aftermath of the elections to the European Parliament in June 1989, which the Conservatives had fought on a negative anti-Brussels platform, but which had proved something of a disaster for the Party (Table 3.1). Perhaps more importantly, there were indications of a change of mood amongst the electorate from which Labour, by posing as the more European of the two major parties, might well have been able to gain an advantage.

Table 3.1 Euro-election results, 15 June 1989

	Seats (UK) 1989 (1985)	*Votes % (GB) 1989 (1985)*	*Votes % (GB) 1987*
Conservative	32 (45)	34.7 (40.8)	43.3
Labour	45 (32)	40.1 (36.5)	31.5
Centre	– (–)	6.7 (19.5)	23.1
Green	– (–)	14.9 (0.6)	0.3
Other	4 (4)	3.6 (2.7)	1.8

Source: David Butler, 'Elections in Britain,' in Peter Caterall (ed.) *Contemporary Britain: An Annual Review 1990* (ICBH / Blackwell, London, 1990) p. 47.

The Labour Party

The transformation of Labour by the end of the 1980s into the more 'European' of the two major parties was quite remarkable, because throughout most of the post-war period it was Labour which had been the more divided party, with a consistent majority of the membership appearing to be hostile to European integration.

At the risk of some slight oversimplification, it can be said that the Labour Party was also divided into three factions on the issue of European integration. First there were the modernizers, who did not differ much in their beliefs from their counterparts within the Conservative Party. Secondly, there were the traditionalists, some of whom were more to the right of the Party, some more to the left, but who were united by a dislike of the idea of Britain becoming involved with Europe at all; they were progressive nationalists who believed in the multiracial Commonwealth as the only suitable international organization for Britain to co-operate with economically. Thirdly there were those on the left of the Party, who essentially saw the EC as a capitalist organization.

Macmillan's application divided the Labour Party, but the then leader, Hugh Gaitskell, came down firmly on the side of the opponents of membership. This probably reflected Gaitskell's own instincts: most politicians of that generation were imbued with the same sense of nationalism, and Gaitskell was also a firm believer in the ideal of a multi-racial Commonwealth. But it was also a politically opportune decision.

When the Government announced its decision to apply for membership, Gaitskell was engaged in an attempt to modernize the Labour Party, to get it to follow a similar route to that of the German Social Democratic Party. At its Bad Godesburg Congress in 1959 that Party had finally, after a long period of internal debate, abandoned its (purely theoretical) commitment to Marxism, and had accepted the legitimacy of the social market economy upon which the conservative (Christian Democrat) Government of the new Federal Republic of Germany had built the prosperity of the people and its own consequent electoral success.

The Labour Party had never drawn its inspiration from Marx, but it incorporated within its constitution a commitment to economic centralization and a hostility to the workings of the free market that was most graphically expressed in the Clause 4 commitment that a Labour Government would take state control of the 'commanding heights' of the economy. Gaitskell had wanted to get rid of that commitment, but his attack on Clause 4 had produced a serious split within the Party between the social democrats and the traditionalists. Nominally the victory went to the traditionalists: Clause 4 remained. In practice the battle paved the way for the modernization of the Party from which, after Gaitskell's untimely death, Harold Wilson was to benefit in the 1964 election.

When the issue of EC membership arose, the Party was still deeply divided over Clause 4, and also over the question of nuclear defence, which the leadership supported against strong opposition from the rank-and-file and the left of the Party. By coming out in opposition to British membership of the EC, a position favoured by the traditionalists, Gaitskell managed to avoid a further damaging split within the Party, and was able to

strengthen his own position as leader after the battle over Clause 4. Following his speech to the 1962 Party Conference, in which he referred to the Conservative Government's application as a betrayal of a thousand years of history, 'the party united, found electoral confidence and ideological strength in its identity as the "Commonwealth" Party, and agreed to Gaitskell's continued leadership' (Robins, 1979, p. 41). This was the first instance of the internal politics of the Labour Party interacting with and possibly influencing the position of the leadership of the Party on British membership of the EC. It was not to be the last.

Wilson took over the legacy of Gaitskell when he became the leader of the Party. He had not been leader long when he became Prime Minister, which strengthened his position considerably. All the same, he faced determined opposition from within the Party when he decided to renew the British application for membership in 1966. Again, for party-political reasons there was no question of the application being defended in anything other than purely pragmatic terms, and the speed with which de Gaulle renewed his veto helped to dampen the ferocity of internal Party opposition. But it was clear from the reaction that a majority of Labour's membership, and probably of the Parliamentary Party too, opposed membership. This was an unexploded time bomb which Wilson took into opposition with him.

Having himself applied for membership while Prime Minister, it was difficult for Wilson flatly to oppose the application by the Heath Government, but it was also clear that if the Labour leader attempted to make the issue one of cross-party consensus he would not be able to hold his Party behind him. In these circumstances he came up with the ingenious compromise of opposing entry on the terms negotiated by the Conservative Government, and began to rehearse this theme as a running critique of the negotiations even before the final terms were agreed.

During Wilson's second spell as Prime Minister, in 1974–5, domestic politics came to be dominated by the issue of British membership of the EC, and Britain's attitude to the EC in turn

came to be dominated by considerations of domestic politics.

The Labour Party in opposition had made a commitment that if returned to office it would renegotiate the terms of British entry to the EC and would put the new terms to the British people for their verdict. Eventually it was decided that the form of consultation would be a referendum.

This commitment guaranteed that the EC would figure prominently among the issues to be tackled by the new Government. Concentration on the EC suited Wilson: he inherited a country that was deeply divided along class lines, following the conflicts in the last years of Heath's premiership between the Government and the trade unions. The issue of membership of the EC was a welcome diversion from such matters, and because it divided the country along lines other than class, it offered a possible escape from the danger of such conflict becoming entrenched.

The issue also suited the left of the Labour Party, which following the disappointments of the first Wilson Governments had been strengthened, and had a new leading figure, the Cabinet Minister Tony Benn. The 'Bennite' left seemed intent on dislodging from leadership positions the pragmatic modernizers, the heirs of Gaitskell, who were now generally described as 'social democrats'. Their prime target was Roy Jenkins, the Deputy Leader. Membership of the EC was a good issue for the left to use in their attack on the social democrats. Unlike Gaitskell himself, the social democrats were united in support of EC membership; but they were in a minority in the Labour Party as a whole. On this issue it was possible for the left to win allies amongst Party members who were unsympathetic to other parts of their programme. The campaign would be sure to isolate the social democrats, and a decision to withdraw from the EC would be likely to precipitate their resignations (Bilski, 1977).

This whole strategy was predicated on the assumption that the British people would reject membership if given the choice in a referendum, an assumption that appeared reasonable from the evidence of opinion polls. But the left seriously underestimated the ability of an incumbent Prime Minister to sell even an unpopular policy to a majority of the electorate, if he had

the backing of the leaders of the opposition parties and of a majority of the Press. The referendum produced a convincing two-thirds majority for continued membership on a two-thirds turn-out; as Wilson said, a more convincing majority than any British government had received in an election in the twentieth century (Wilson, 1979, p. 108).

Wilson's victory was bought at a price in terms of goodwill in the EC. The renegotiation produced few changes which could not have been achieved by normal diplomatic bargaining without the threat of withdrawal, but was conducted in the confrontational manner necessary to convince the British people that the Government was fighting vigorously on their behalf. Wilson, and his Foreign Secretary Callaghan, who did most of the negotiating, posed as national champions fighting the foreign enemy for a fairer deal. So successful was this approach in domestic political terms that it was to be imitated after 1979.

The referendum result did not put an end to opposition to the EC within the Labour Party, and Callaghan faced much the same constraints when he became Prime Minister. Consequently he adopted a tone in domestic discussion of the EC which was far from sympathetic to the idea of European integration, and which at times caused a certain amount of friction with his EC partners.

A good example was the letter that Callaghan sent to Ron Hayward, the Secretary of the Labour Party, before the 1977 Party Conference. In it the Prime Minister defended his Government's record in the EC in terms of its effectiveness in promoting the national interest; he acknowledged that there were continuing problems, but rejected withdrawal as a solution on the grounds that it would 'cause a profound upheaval in our relations with Europe, but also more widely in our relations with the United States'. This reasoning was hardly likely to endear him to Britain's European partners. Callaghan also defended the priority that Britain gave, during its first presidency of the Council of Ministers in 1977, to further enlargement of the EC on the grounds that 'The dangers of an over-centralized, over-bureaucratized and over-harmonized

Community will be far less with twelve than with nine' (*The Times*, 1 October 1977).

It has also been suggested that Callaghan's decision not to take sterling fully into the EMS when it was set up in 1978 was finally determined by the debate at the Labour Party Conference of that year, when speaker after speaker condemned the idea (Ludlow, 1982, pp. 217–18). However, it has already been argued in chapter 2 above that there were other reasons for that decision.

An issue on which domestic political considerations certainly did determine the Government's behaviour, though, was direct elections to the European Parliament. There was a clear commitment in the Treaty of Rome to move from the indirectly elected Assembly, which consisted of national members of parliament who were seconded to sit in Luxembourg, to a directly elected institution. At a meeting of the European Council in September 1976, this was firmed up into an agreement to hold direct elections in 1978. Callaghan's acceptance of this commitment may have been in fulfilment of some sort of deal made by Wilson with French President Giscard d'Estaing to secure France's agreement to the renegotiated terms of entry.

Whatever the reason, Callaghan did not take the steps necessary to introduce into the Westminster Parliament the legislation that would make it possible to hold the elections in Britain. The thinking behind this almost certainly concerned domestic politics. The hostility exhibited towards the idea of direct elections at the 1976 Labour Party Conference may have had some influence. But the main factor was that Callaghan was working with a slender majority in Parliament and needed to ensure the support of his backbench MPs for a domestic economic programme that was not tremendously popular with them; he therefore did not want to antagonize them unduly. Also, even amongst pro-EC members of the Cabinet there was some doubt about holding such elections in 1978. All the indications were that Labour might do badly in elections held then (Whitehead, 1977, pp. 275–6).

Moves were only made to implement the Brussels commitment when the Government's majority finally disappeared, and Callaghan was obliged to turn to the Liberals for support. David Steel, the Liberal leader, made it a condition of sustaining the Government in office that enabling legislation be introduced as soon as possible and that the elections be held under a system of proportional representation (Steel, 1980, p. 39). Callaghan was unable to deliver on the second of these conditions, but he went as far as he could in allowing a free vote on the issue and supporting proportional representation himself, contrary to a lifelong personal preference for the traditional British first-past-the-post system.

Because the Conservatives supported the introduction of direct elections, the legislation went through against opposition from the Labour backbenches; but the proportional representation system was not adopted, which meant that the Boundary Commission had to draw up European constituencies, with a consequent delay which meant that the first direct elections had to be postponed until 1979 throughout the EC.

With the exception of this issue, though, the policies of the Callaghan Government towards the EC were less obviously driven by domestic political considerations than had been those of the Wilson Governments. What was certainly affected by domestic considerations, though, was the tone of the Government's statements on the issue, which remained predominantly negative and narrowly nationalistic. The same phenomenon was to appear again with the Conservative Government that succeeded to office in 1979.

Following the 1979 election defeat the left regained the initiative in the internal struggle within the Party, and pushed through a number of reforms which alienated and marginalized the social democrats. But the issue which split the Party, and led several prominent social democrats to leave to form the Social Democratic Party (SDP), was again the EC.

In 1980 the left achieved a major success in getting Michael Foot elected as leader of the Labour Party. Although Foot was generally thought of as being on the left, he was never part of what came to be known as the 'hard left'; but he was indulgent towards parts of the programme of the hard left; and he was a

long-standing opponent of British membership of the EC. His opposition to the EC was much more that of a traditionalist than of a left-wing socialist: his main argument against membership was that it would undermine the sovereignty of Parliament and the established system of parliamentary democracy, rather than its implications for the viability of a socialist economic programme (Foot, 1975). But with the sympathy of the leader, and the defection of leading pro-European figures to the SDP, the left was able to get withdrawal from the EC accepted as Party policy, and it was part of the manifesto on which Labour fought the 1983 election.

That election was disastrous for Labour, and was quickly followed by Foot's resignation. Neil Kinnock, who succeeded Foot, was thought to be from a similar point on the political spectrum, but he soon showed that he was intent on pragmatically reforming Labour to turn it back into a credible party of government. The process of policy review under Kinnock included a change of attitude to the EC. Opposition to continued membership in 1983 had been successfully presented by the Conservatives as evidence of Labour's lack of realism; to make the Party's claim to be an alternative party of Government credible, some policy had to be developed which would involve a positive view of Britain's future in the EC, to replace the negativism of the policy of withdrawal. But the change in the attitude of the Party to the point where it could end the 1980s being seen as the more 'European' of the two major parties was due to three circumstances.

First, the strongly nationalistic tone adopted by Thatcher in her approach to the European integration made it difficult for Labour to criticise the Conservatives for selling out the national interest; yet as divisions emerged within the Conservative Party over the EC, it was increasingly difficult for the Labour leadership to turn down the opportunity to embarrass the Government, which was much easier to do from a pro-EC than an anti-EC direction.

Secondly, just as the intense hostility generated by Heath's attempts at reforming industrial relations had spilled over into a rejection by Labour's supporters of Heath's policy of EC membership, so Thatcher's attacks on the trade unions and other natural Labour supporters led to a resentment that extended to antagonism to her apparent discord with the EC.

Thirdly, there was a shift in thinking on the left of the Party. Whereas the left in the late 1970s and early 1980s championed an 'Alternative Economic Strategy' that involved import controls and other economic protectionist measures which were incompatible with membership of the EC, the failure of the reflationary strategy of the French Socialist Government in the early 1980s sparked off an intellectual reassessment of the possibility of one government being able to act alone to control the effects of what was an increasingly interdependent European economy. There was increasing recognition that the existence of multinational corporations, and the internationalization of banks and financial markets, meant that the nation-state was no longer able to regulate these structures (Rosamond, 1990).

Perhaps the most important factor in the reorientation of Labour, though, was the gradual conversion of the trade unions to a more sympathetic attitude to the EC. This was based on experience of working with other European unions in the European Trade Union Confederation, and on direct experience of participation within the various committees and working parties of the EC itself. This experience was combined with a growing awareness that there was an opportunity to realize some of the social objectives of trade unionism through the EC, where there was no prospect of doing so through influencing the British Conservative Government.

This factor was highlighted by the dispute over the social charter. The proposals in the Commission's charter covered most of the objectives of the British trade unions in terms of fair wages, decent working conditions, and participation in industrial decision-making. Thatcher's rejection of the proposals was contrasted with the personal championing of them at the 1988 Trades Union Congress by the President of the Commission, Jacques Delors, after which he received a standing ovation; and with the acceptance of the charter by the governments of almost all the other member states.

Although the policy review document left room to doubt

whether Labour's conversion to Europeanism was as complete as the popular perception of it (Rosamond, 1990), there was no doubt that by the end of the 1980s Labour had changed considerably in its stance towards the EC from the situation in 1974 when Michael Foot, then Secretary of State for Employment, 'vetoed an employment protection regulation otherwise quite in accord with Labour thinking, rather than accept such reforms at the hands of the Community.' (Grahl and Teague, 1988, p. 73).

Conclusion

British politicians of both major parties fought shy of embracing the ideal of European integration. Partly this may have been for electoral reasons: public opinion in Britain only slowly came round to acceptance of the EC. But there is something of a 'chicken-and-egg' dilemma here. Was the electorate unenthusiastic about European integration because its political leaders did not give it a lead in that direction? The result of the 1975 referendum on membership would seem to indicate that when the political leaders gave a positive indication that the electorate should support EC membership, that lead was followed (Pierce, Valen, and Listhaug, 1983). More often, though, political leaders adopted anti-EC stances for short-term gain. This certainly applied to Harold Wilson, both before and after the referendum, and to Margaret Thatcher.

Both Conservative and Labour leaders, though, would have faced tremendous problems within their own parties had they embraced European integration too warmly. Within the Conservative Party the strength of the ideal of nationalism, not just on the right of the Party but with the bulk of the ordinary members, was such that neither Macmillan nor Heath could risk ever appearing to sacrifice the national interest for the ideal of European integration. Within the Labour Party the strength of opposition to membership was based on both nationalism and a view of the EC as a capitalist organization that was inimical to the interests of workers.

After 1979 positions began slowly to change. The strength of Thatcher's apparent hostility to the EC was initially functional in strengthening her own position as a right wing leader; but as it came to threaten Britain with isolation within the EC, and to alarm sections of both financial and industrial capital with the prospect of partial exclusion from the full benefits of the post-1992 single market, so opposition to her stance began to build up within the Party.

At the same time, Thatcher's opposition to developments in the EC encouraged Labour to look on it more sympathetically, especially because some of the objectives of the social dimension of 1992, which Thatcher hotly resisted, coincided with the objectives which the labour movement hoped to achieve in Britain.