
Liberalising Regional Trade:

Socialists and European

Economic Integration

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The socialist contribution to the creation of the European Economic Community has long been overlooked and misunderstood. Existing scholarship emphasises short-term considerations in explaining why the French Socialist and German Social Democratic Parties supported a European Common Market in 1956–7. This article offers a new perspective by placing these parties' decisions within a longer context of socialist views on free trade, tariffs and regional economic organisation. Based on fresh archival materials, this article explores how socialist proposals for securing an economic peace after the First World War continued to influence socialist policies on European economic integration in the 1950s.

In December 1950 socialist economic experts convened in a thirteenth-century French monastery to discuss liberalising European trade. They met during a period of considerable strain. Relations between the French Socialist Party (*Section française de l'Internationale ouvrière*; SFIO) and German Social Democratic Party (*Sozialdemokratische Partei Deutschlands*; SPD) were at their lowest point since the Second World War. The SPD had begun a rancorous campaign against the European Coal and Steel Community (ECSC), a French proposal supported by the SFIO. A year before the SFIO had opposed the inclusion of West Germany in a six nation customs union including France, an initiative supported by the SPD.

Despite this unpropitious background, SFIO and SPD economic experts presented ideas about regional economic cooperation that, while not identical, had much in common. German experts envisioned 'the building of a single European economic space [and] the removal of all barriers [and] tariffs'.¹ The SFIO delegate, Robert Lacoste, 'aimed for competition through liberalisation', adding that, '*liberalisation cannot proceed automatically, but as socialists we must continue to push for it until we achieve a large Common Market*' [emphasis in the original]. The meeting concluded

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¹ Memorandum der Sozialistischen Partei Deutschlands zu Punkt 8, Dec. 1950, Fritz Henssler (FH) 44, Archiv der sozialen Demokratie (AdSD), Bonn.

with two-thirds of the delegations, including the SFIO and SPD, declaring themselves ‘very positive towards the liberalisation of foreign trade’.²

This article contends that SFIO and SPD conceptions of international trade and organisation expounded at this meeting have their origin in their parties’ peace programmes developed during the First World War. Whereas the parties had contrasting policies on trade before 1914, by 1918 both asserted that economic protectionism leads nations to war. Disappointed by the emasculation of US President Woodrow Wilson’s proposals for a liberal peace, in the 1920 and 1930s they developed a woeful narrative of alternatives not taken. These alternatives, which married free trade with regional organisation, became fixtures of interwar congresses, international meetings and party programmes. During the Second World War these narratives passed through personal contact and ideological affinity from one generation of party leaders to another.

The article reinterprets SFIO and SPD support for the European Economic Community (EEC), a six nation common market, by highlighting a long tradition of socialist thought on trade liberalisation in transnational and national spheres. This approach contributes focus and precision to the more abstract discussions of interwar ideas of ‘Europe’ in studies by Willy Buschak and Tania Maync.³ It also accomplishes several historiographical innovations. First, it rebuts claims that SPD support for the EEC constituted what Gabriele d’Ottavio calls a ‘shift in the SPD’s European policy’, ‘a conversion’ according to Rudolf Hrbek, an ‘about-turn’ in Detlef Rogosch’s phrasing or a rejection of former SPD leader Kurt Schumacher’s legacy as Paterson argues.⁴ The argument here agrees with Jürgen Bellers who considers the SPD decision ‘not as surprising as it seemed to the public at the time’ but it does not credit the decision, as Bellers and D’Ottavio do, to the reformist impulses that led to the 1959 Bad Godesberg party platform.⁵ It concurs with Talbot Imlay’s claim that it represented ‘not a new departure as much as the logical outcome of earlier developments’, but the decision was less a ‘foregone conclusion’ than Imlay suggests.⁶

² Bericht über die fünfte Zusammenkunft der COMISCO-Wirtschafts-Sachverständigen vom 4.–8. Dezember 1950 in L’Abbaye Royaumont, Frankreich, Gerhard Kreyssig (GK) 187, AdsD.

³ Willy Buschak, *Die Vereinigten Staaten von Europa sind unser Ziel: Arbeiterbewegung und Europa im frühen 20. Jahrhundert* (Essen: Klartext, 2014); Tania M. Maync, ‘For a Socialist Europe! German Social Democracy and the Idea of Europe: Recasting Socialist Internationalism, 1900–1930’, PhD, University of Chicago, 2006.

⁴ Talbot Imlay, ‘“The Policy of Social Democracy is Self-Consciously Internationalist”: The German Social Democratic Party’s Internationalism after 1945’, *The Journal of Modern History*, 86, 1 (2014): 81–123; Gabriele d’Ottavio, ‘The Treaties of Rome: Continuity and Discontinuity in SPD’s European Policy’, *Journal of European Integration History*, 13, 2, (2007), 105; Rudolf Hrbek, *Die SPD, Deutschland und Europa: die Haltung der Sozialdemokratie zum Verhältnis von Deutschland-Politik und West-Integration (1945–1957)* (Bonn: Europa-Union, 1972), 257; William E. Paterson, *The SPD and European Integration* (Farnborough: Saxon House, 1974), 127; Detlef Rogosch, *Vorstellungen von Europa: Europabilder in der SPD und bei den belgischen Sozialisten 1945–1957* (Hamburg: Krämer, 1996), 243.

⁵ Jürgen Bellers, *Reformpolitik und EWG-Strategie der SPD: Die innen- und aussenpolitischen Faktoren der europapolitischen Integrationswilligkeit einer Oppositionspartei (1957–63)* (Munich: Tuduv, 1979), 78; Bellers, ‘The German Social Democratic Party, II’, in Richard T. Griffiths, ed., *Socialist Parties and the Question of Europe in the 1950s* (Leiden: Brill, 1993), 79.

⁶ Imlay, ‘“The Policy of Social Democracy”’, 106–19.

The article publishes excerpts of internal SPD debates where the crucial decisions on the EEC Treaty were made in 1957.

Further, the analysis follows Imlay's urging that scholars take international socialist meetings seriously, unlike Richard Griffiths (and others) who argues that they were 'inconclusive wrangle(s) . . . around pre-conceived, pre-rehearsed positions'.⁷ The discussions were indeed often inconclusive but focusing on loose coalitions rather than unanimous compromises reveals important achievements on issues of regional trade liberalisation. Laurent Warlouzet rightfully argues that Socialist Prime Minister Guy Mollet's contribution to the EEC 'has long been ignored' in existing historiography.⁸ Not only did it matter that a 'pro-European' government negotiated the Treaties of Rome, as Gérard Bossuat and Craig Parsons stress, but this article also demonstrates how Mollet's policy embodied a largely unbroken continuity in SFIO thought on regional trade.⁹

The common market offered a framework for post-war cooperation between the French and German governments, the states with the largest populations and most important economies in continental Europe, and inaugurated the French-German 'motor' that has fuelled European integration until the present day. Based on fresh research in national, socialist international, party and private archives, this article explores why the SFIO and SPD, the largest parties of the non-communist left, voted for the EEC treaty. Though Julia Angster and Michael Held discuss transatlantic networks and Keynesianism in the 1930–1960s and Christian Bailey traces the interwar origins of the SPD's *Ostpolitik*, they do not focus on international trade or the EEC.¹⁰ This continuity in international economic policy, though, is essential for understanding party responses to the EEC. Without their votes, there was no majority in either France or Germany to ratify the common market. Exploring party-level continuities is therefore indispensable not only for explaining socialist policies on European integration, but for analysing why a common market came into being in the first place. Socialist votes for the EEC were not inevitable consequences of interwar ideas. Nonetheless, interwar economic conceptions, reinforced at transnational socialist meetings, provided legitimacy and inspiration for socialists to endorse a European common market in 1956–7.

⁷ Richard T. Griffiths, 'European Utopia or Capitalist Trap? The Socialist International and the Question of Europe', in Griffiths, ed., *Socialist Parties and the Question of Europe*, 9–11; Guillaume Devin, *L'Internationale socialiste: Histoire et sociologie du socialisme international (1945–1990)* (Paris: Presse de la Fondation Nationale des Sciences Politiques, 1993); Talbot Imlay, 'The Practice of Socialist Internationalism during the Twentieth Century', *Moving the Social. Journal of Social History and the History of Social Movements*, 55 (2016): 17–38.

⁸ Laurent Warlouzet, *Le choix de la CEE par la France: L'Europe économique en débat de Mendès France à de Gaulle (1955–1969)* (Paris: Comité pour l'histoire économique et financière de la France, 2011), 34–5.

⁹ Gérard Bossuat, *L'Europe des Français 1943–1959, une aventure réussie de la IV^e république* (Paris: Sorbonne, 1997); Craig Parsons, *A Certain Idea of Europe* (Ithaca: Cornell University Press, 2003).

¹⁰ Julia Angster, *Konsenskapitalismus und Sozialdemokratie: Die Westernisierung von SPD und DGB* (Munich: Oldenbourg, 2003); Christian Bailey, 'Socialist Visions of European Unity in Germany: *Ostpolitik* since the 1920s', *Contemporary European History*, 26, 2 (2017): 243–60; Michael Held, *Sozialdemokratie und Keynesianismus: Von der Weltwirtschaftskrise bis zum Godesberger Programm* (Frankfurt a.M.: Campus, 1982).

French Socialists, German Social Democrats and the Economics of Peace

In 1889 the Second International, the Universal Peace Congress and the Inter-Parliamentary Union (IPU) all held their founding congresses. A peace movement dominated by liberal activists proposed international organisations to secure peace among nations through binding arbitration, freedom of commerce and a 'United States of Europe'.¹¹ Socialists heaped scorn on these 'bourgeois apostles of peace', in the words of SPD theoretician Karl Kautsky, but also embraced many of their ideas. The 1907 Second International congress supported binding arbitration. In 1911 Kautsky wrote that, 'there is only one way' to 'ban the spectre of war': 'the union of the states of European civilisation in a confederation with a universal trade policy, a federal Parliament, a federal Government and a federal army – the establishment of the United States of Europe'.¹² The SPD's peace resolution during the First World War called for a 'supranational organisation' but, fearing a 'victors' peace', the party was ambivalent about Wilson's 1919 proposal for a League of Nations, as Ulrich Hochschild demonstrates.¹³ Radicals in the left-wing Independent Social Democratic Party (USPD) opposed Wilson's proposal but its moderate wing welcomed it, though it preferred a supranational 'European *Bundesstaat*', or federal state.¹⁴ In France, the SFIO embraced international organisation as a guarantor of peace at its 1915 congress and endorsed a 'League of Nations' the following year. French socialists who were not drawn to Vladimir Lenin's call for international communist revolution generally rallied around Wilson's vision. When the war ended SFIO officials demanded a 'socialist federal Republic of the United States of Europe'.¹⁵ The SPD turned to Wilson as well, hoping for a mild peace.

The SFIO and SPD emerged from war espousing the classic liberal assertion that free trade promotes peace among nations. This consensus was a product of the war. Previously, their views on international trade shared little in common. The SPD was an overwhelmingly urban, working-class party. French socialists, in contrast, built firm roots in agrarian France. The parties responded differently when their governments increased agricultural tariffs from the 1870s to 1890s. In France, socialists were 'flexible and pragmatic' on tariffs and courted the farming vote. Protectionism became part of France's 'liberal-democratic tradition'.¹⁶ To German social democrats, however, tariffs represented the power of East-Elbian agrarian estates. The burden of tariffs on urban consumers was higher in Germany than in France, feeding the SPD's class-based analysis.

¹¹ Sandi E. Cooper, *Patriotic Pacifism: Waging War on War in Europe, 1815–1914* (Oxford: Oxford University Press, 1991).

¹² Karl Kautsky, 'Krieg und Frieden, Betrachtungen zur Maifeier', *Die Neue Zeit*, 29, 2 (1911), 97–107.

¹³ Ulrich Hochschild, *Sozialdemokratie und Völkerbund: Die Haltung der SPD und S.F.I.O. zum Völkerbund von dessen Gründung bis zum deutschen Beitritt (1919–1926)* (Karlsruhe: Info, 1982), 13–26.

¹⁴ Georg Ledebour, *Reichstagsprotokolle*, 24 Oct. 1918, 6235.

¹⁵ Armand Charpentier, 'Vision d'avenir', *Le Populaire*, 20 Nov. 1918.

¹⁶ Rita Aldenhoff-Hübinger, *Agrarpolitik und Protektionismus: Deutschland und Frankreich im Vergleich 1879–1914* (Göttingen: Vandenhoeck & Ruprecht, 2002), 91–186.

Hochschild perceptively argues that what distinguished the SFIO among French supporters of the League was that ‘it understood [it] not only as a political and military organisation to prevent war but also intended it to be for economic affairs’ though here the argument is that socialists considered international economic organisation integral rather than ancillary to their anti-war program.¹⁷ A 1916 SFIO resolution proposed that a League of Nations prevent ‘prolonging the disasters of the European war in an economic war’ and dismantle ‘excessive protectionism’.¹⁸ The SPD resolved in a memorandum to an aborted 1917 international socialist meeting that, ‘the peace treaty should . . . prevent the military war from being prolonged by an economic war’ and ‘gradually eliminate protectionism’ by ‘suppressing all restrictions of a tariff or commercial nature’.¹⁹ A socialist party conference of the Entente powers in 1918 championed ‘a League of Nations, which implies compulsory arbitration, in order to reach general disarmament, and free trade in order to remove possible causes of conflict’.²⁰

Socialist peace programmes merged support for international organisation and free trade. This convergence facilitated the rebuilding of inter-party relations after the war. In 1919 an international conference in Bern assembled to offer a socialist alternative to the peace emerging from Paris. This was a dramatic meeting. For the first time since 1914 French socialists met their German social democratic counterparts. Tempers flared as the delegates debated the emotional question of German responsibility for the war. Yet there was unanimity at the conference on free trade and international organisation. The Bern resolution envisioned the League as an international economic organisation invested with powers to regulate interstate trade, approve or veto tariffs and ‘supervis(e) the world production and distribution of food and primary resources’.²¹

Socialist Free Trade: Peace and Economic Renewal

After 1919 the SFIO and SPD advocated central planks of liberal internationalism. Daniel Laqua emphasises the ‘blurred boundaries between’ interwar ‘socialist and liberal internationalisms’, but he does not explore the economic dimension of these socialist ‘politics of peace’.²² Stefan Feucht analyses SPD foreign policy under the Weimar Republic, but economics takes a back seat to the Baltic question, the Ruhr crisis, the Locarno treaty and disarmament, as it does in René Girault’s treatment

¹⁷ Hochschild, *Sozialdemokratie und Völkerbund*, 16.

¹⁸ Cited in ‘L’École socialiste, Cours de Pierre Renaudel, le 16 décembre 1930’, *La Vie du Parti*, 28 Jan. 1931.

¹⁹ Réponse de la délégation allemande aux questions posées par la conférence de Stockholm, 671 AP 18, Archives nationales, Paris; David Kirby, ‘International Socialism and the Question of Peace: The Stockholm Conference of 1917’, *The Historical Journal*, 25, 3 (Sept., 1982): 709–16.

²⁰ *Proceedings of the Inter-Allied Labor Conference. London September 17, 18, 19, 1918* (Washington D.C.: American Federation of Labor, 1918), 35.

²¹ Pierre Renaudel, *L’Internationale à Berne: Faits et documents* (Paris: Bernard Grasset, 1919), 61–83.

²² Daniel Laqua, ‘Democratic Politics and the League of Nations: The Labour and Socialist International as a Protagonist of Interwar Internationalism’, *Contemporary European History*, 24, 2 (2015), 175–92.

of SFIO parliamentary leader Léon Blum's European policy.²³ This article will demonstrate that economics were in fact central to socialist discussions on peace in the 1920s. In its resolution rejecting the Versailles treaty, the SFIO declared that 'tomorrow like yesterday, tariff barriers will separate territories . . . competition will recover the bitterness of before [and begin again] the historical cycle: commercial rivalry, diplomatic tension, unleashing of war'.²⁴ In 1921 Blum supported extending most favoured nation trading status to Germany to promote Franco–German reconciliation.²⁵ For the SPD's leading economic thinker and two-time German Finance Minister, Rudolf Hilferding, 'this politics of disrupting international traffic . . . the import–export ban, the high tariffs are so much more dangerous [because] we know from historical experience that they fan the flames of state conflicts and increase the likelihood of war'.²⁶

Trade liberalisation contributed to three socialist goals: a peaceful international system, economic modernisation and, especially for the SPD, lower consumer prices. Modernisation seemed imperative to compete with the US internal market, which experienced impressive growth in the 1920s. The SFIO developed a narrative of an unambitious, lacklustre French industrial class obtuse to the requirements of the international economy. Alexandre Bracke, the idol of post-war SFIO leader Guy Mollet, railed against 'economic Malthusianism' in French industry as early as 1919.²⁷ The German Metal Workers Union contended that post-war cartels in heavy industry, discussed by Wolfram Kaiser in this special issue, stunted technological modernisation.²⁸ Trade union federations also pushed socialists to support free trade. The General Federation of German Trade Unions (*Allgemeiner Deutscher Gewerkschaftsbund*; ADGB) supported a European internal market to lower production costs and to preserve peace.²⁹ The General Confederation of Labour (*Confédération générale de travail*; CGT), France's largest union, favoured 'a diffusion of products throughout the world by means of rapid and free trade'.³⁰ Under the impetus of CGT leader Léon Jouhaux the International Federation of Trade Unions voted to end 'economic nationalism' and to remove tariffs and subsidies for 'doomed' industries³¹ – preferences that the International Labour Organization also adopted as Lorenzo Mechi demonstrates in this special issue.

²³ René Girault, 'L'Idée de la construction européenne dans l'œuvre de Léon Blum avant la Seconde Guerre mondiale', in René Girault and Gilbert Ziebur, eds., *Léon Blum, Socialiste européen* (Brussels: Complexe, 1995), 71–83; Stefan Feucht, *Die Haltung der Sozialdemokratischen Partei Deutschlands zur Aussenpolitik während der Weimarer Republik (1918–1933)* (Frankfurt a.M.: Peter Lang, 1998).

²⁴ 'À Propos de la ratification: Déclaration du groupe socialiste,' *L'Humanité*, 3 Oct. 1919.

²⁵ Blum, *Journal Officiel de la République française, Débats parlementaires, Chambre des députés* (JO), 13 Apr. 1921, 1608.

²⁶ Maync, 'For a Socialist Europe!', 61, 145.

²⁷ Bracke, 'Coin de voile', *L'Humanité*, 1 Feb. 1919.

²⁸ Toni Sender, 'Steigerung der Produktion', *Betriebsräte-Zeitschrift*, 12 Apr. 1921.

²⁹ Buschak, *Die Vereinigten Staaten von Europa*, 89.

³⁰ L. Servière, 'Les Chemins de fer et la Société des Nations', *Le Populaire de Paris*, 31 Jan. 1919.

³¹ Patrick Pasture, 'The Interwar Origins of International Labour's European Commitment (1919–1934)', *Contemporary European History*, 10, 2 (2001), 221–37.

International meetings nurtured this developing consensus into a core tenant of the socialist politics of peace. The USPD and SPD reunification in 1922 precipitated the re-founding of the Labour and Socialist International (LSI) in 1923. Invitations to its founding congress in Hamburg demanded that all parties accept the 1922 Hague Peace Congress's resolutions, thereby officialising the rapprochement between liberal and socialist internationalism.³² The LSI's first resolution states that 'the Peace Treaties violate all economic principles . . . unrestricted protectionism . . . has balkanized economically a Europe rent in pieces, and . . . added to the catastrophe', concluding that, 'labour must . . . fight against protectionism and in favour of free trade'.³³ When the French parliament contemplated new tariffs in 1927 the SFIO contacted the socialist parties of Belgium, Germany and Switzerland to form a united front against protectionism.³⁴ A 1927 SPD-ADGB resolution on the World Economic Conference listed three demands, the first of which was 'the removal of restrictions on international trade'.³⁵ Fritz Naphthali, an economic expert, wrote the SPD's proposal for the Third LSI Congress in 1928. He demanded 'the removal of restrictions on international trade, in particular inter-European trade'.³⁶

The Weimar-era SPD presented itself as defender of a free-trade fortress besieged by economic elites pursuing their interests at the expense of working-class consumers. Tariffs fuelled internal polemics over participation in coalition governments.³⁷ In the SPD's last period in office in 1928–30, frustrated SPD leaders were unable to break the protectionist alliance in the government's Foreign Trade Committee.³⁸ Party leaders were on the defensive at party congresses, beseeching delegates to understand that they could not block the Reichstag majority's support for higher tariffs. The situation was more complex in France, where conflicting interests continued to influence SFIO trade policy.³⁹ The SFIO voted for tariffs on sectors as diverse as textiles, shoes, coal and cars.⁴⁰ However, the socialists behind these measures did not challenge the party's economics of peace, asserting instead that war damages, periodic or structural crises and unfair competitive practices warranted temporary protectionist measures.

³² International Labour Congress of Socialist Parties. Hamburg 1923, ARCH01368.1, International Institute for Social History (IISH), Amsterdam.

³³ Motion 7, Resolution of the Committee on Point (1) of the Agenda, ARCH01368.7, IISH.

³⁴ Copie d'une lettre envoyée aux partis Allemand, Belge et Suisse, 19 Mar. 1927, ARCH01368.1570, IISH.

³⁵ Entwurf vorgelegt von der Sozialdemokratischen Partei Deutschlands gemeinsam mit dem Allgemeinen Deutschen Gewerkschaftsbund, 23 Apr. 1927, ARCH01368.907, IISH.

³⁶ Entwurf einer Entschliessung zum Wirtschaftsreferat für den Brüsseler Kongress. Vorgelegt von F. Naphthali (Berlin), ARCH01368.54, IISH.

³⁷ *Sozialdemokratischer Parteitag 1925, Heidelberg: Protokoll der Verhandlungen des Parteitages* (Berlin: Dietz, 1925), 14–16 Sept. 1925, 196–221; *Sozialdemokratischer Parteitag in Leipzig 1931 vom 31. Mai bis 5. Juni im Völkshaus* (Berlin: Dietz, 1931), 118–38.

³⁸ Joachim Radkau, 'Entscheidungsprozesse und Entscheidungsdefizite in der deutschen Aussenwirtschaftspolitik 1933–1940', *Geschichte und Gesellschaft*, 2, 1 (1976), 33–65.

³⁹ See the discussions of the SFIO agrarian program, *XXVIIe Congrès national tenu à Bordeaux les 8, 9, 10 et 11 Juin 1930* (Paris: Librairie Populaire, 1930).

⁴⁰ 'À la Chambre: La crise économique', *Le Populaire*, 22 Dec. 1920; 'Solidarité économique', *Le Combat social*, 27 Apr. 1930.

Despite pragmatic concessions on tariffs, most revealing is how the SFIO and SPD responded to the Great Depression. When political and economic liberalism collapsed between 1929 and 1933, the SFIO and SPD became the largest political forces in their countries committed to liberalising international trade. Both vigorously supported a moribund ‘tariff truce’ in 1930. SFIO economic experts lamented the world economy’s regression into a ‘mercantile system’, abandoning the ‘conquest[s] of modern society’.⁴¹ In his notes for the Fourth LSI Congress in 1931, Blum listed ‘lowering tariff barriers’ as an ‘essential condition for an amelioration of the crisis’.⁴² Hilferding’s proposal stated that ‘the war was the launching point for economic nationalism . . . protectionist policies, especially the constantly increasing tariff walls’. He called for ‘an international tariff peace pact’ and a ‘convention to remove tariffs for single goods’. Socialists, he said, should ‘support all efforts to build a single European economic area free from tariff walls’.⁴³

The next year Rudolf Breitscheid, the SPD’s parliamentary leader, dedicated a significant portion of his speech to a LSI conference on disarmament to international trade. ‘We experience with a shudder’, he said, how ‘ever more means are found to close a country against others. . . . We know how these trade disputes are roots for political disputes, political distrust, that contribute to raising walls between states instead of tearing them down’.⁴⁴ By 1933 world trade had collapsed to half its 1929 level. Once in power the Third Reich established an unprecedented system of import restrictions. After the French Popular Front won the 1936 elections SFIO Prime Minister Léon Blum concluded several commercial accords in an attempt to alleviate international tensions, including with Nazi Germany, as Gordon Dutter explores, but Blum soon concluded that trade concessions would not lure Adolf Hitler’s government from its path towards war. Blum’s next government instead undertook a mass program in French rearmament.⁴⁵

Socialists, International Organisation and Economic Institutions

At the second LSI congress in 1925 in Marseilles, Hilferding argued that ‘we must not only desire peace but organise it. Economic competition between nations for the conquest of markets must be replaced by cooperation’, comments to which Blum expressed his ‘entire agreement’, continuing that, ‘again in agreement with Hilferding . . . we must counter national sovereignty with international organisation’ by granting the League of Nations ‘super-sovereignty above states’.⁴⁶ The conference’s ‘Resolution on Unemployment’ stated that ‘the establishment of a stable and

⁴¹ ‘L’Année 1931 et la crise économique’, *Faits et Chiffres*, 25 Jan. 1932.

⁴² Blum. Pour la séance du Bureau de l’I.O.S., ARCH01368.653, IISH.

⁴³ Kongress der S.A.I. 1931. Für die Kommission zu Punkt 3. Resolutionsentwurf, ARCH01368.168, IISH.

⁴⁴ Beilage 3, 23 May 1932, ARCH01368.910, IISH.

⁴⁵ Gordon Dutter, ‘Doing Business with the Nazis: French Economic Relations with Germany under the Popular Front’, *The Journal of Modern History*, 63, 2 (1991): 296–326.

⁴⁶ Newspaper cut out, Maurice Bertre, ‘Au Congrès socialiste’, ARCH01368.44b, IISH.

expanded market is . . . incompatible with . . . protectionism . . . the Congress thinks that we must move towards organised exchange'.⁴⁷ Hilferding and Blum expressed similar thoughts at the LSI in 1931. Hilferding wrote, for instance, that 'the removal of unhealthy protectionism alone is not enough. On top of this is needed international cooperation under the leadership of the League of Nations and the International Labour Organization . . . to replace the chaos wrought by economic nationalism with a well-planned order of world-wide exchange.'⁴⁸

Hochschild discusses how, as early as 1919–20, socialists thought that the League was inadequate to meet the challenges of peace, though he downplays the economic dimension of their critiques. The League had no executive powers to resolve economic problems, and Germany was excluded (it joined in 1926). A SFIO official wrote in 1919 of his 'disillusion': 'we cannot find the generous spirit of Wilson's messages, nor the necessary provisions for the League's composition, action, and role'.⁴⁹ SPD leader Hermann Müller considered the League a 'shameless humbug'.⁵⁰ For his party the post-war settlement was a disaster. Thrust into power with Germany's defeat, it faced the bitter task of signing a peace treaty universally reviled in Germany. Nonetheless, after 1921 the SPD supported German membership in the League on the basis of an 'equality of conditions'.⁵¹

Interwar SFIO and SPD leaders sought international remedies for the reconstruction of war-damaged territories, for reparations, for raw material shortages and for agricultural and industrial crises. Free trade required international institutions to peacefully order economic relations among nations and mitigate negative domestic repercussions. Ernest Poisson, a SFIO delegate to international meetings, argued in 1919 that Allied wartime boards to distribute food and primary materials should serve as 'the first embryos of an international trade organisation'.⁵² Former SFIO Minister Albert Thomas called for an extension of 'the role of the League of Nations in the economic sphere' and for the 'international control of commerce'.⁵³ Soon after Thomas became Director of the International Labour Organization (1919–32). Under SFIO influence the Lucerne international socialist conference resolved in August that the League should supervise 'credit, navigation, food, and primary resources'.⁵⁴

A SFIO newspaper aptly described socialist views on international trade as 'a synthesis that borrows from free trade the notion of a world market and from protectionism its notion of a directed economy'.⁵⁵ The 1925 LSI Congress rejected a false choice between 'protectionism' and 'anarchic free-trade', demanding instead 'organised trade . . . under the [League's] control'.

⁴⁷ Résolution sur le chômage, ARCH01368.31, IISH.

⁴⁸ ARCH01368.168, IISH.

⁴⁹ Marcel Cachin, 'Le premier acte', *L'Humanité*, 14 Feb. 1919.

⁵⁰ *Protokoll über die Verhandlungen des Parteitag der Sozialdemokratischen Partei Deutschlands abgehalten in Weimar vom 10. bis 15. Juni 1919* (Berlin: Vorwärts, 1919).

⁵¹ *Protokoll der Sozialdemokratischen Parteitage in Augsburg, Sera und Nürnberg, 1922* (Berlin: Dietz, 1923).

⁵² Ernest Poisson, 'Vers l'Organisation des échanges internationaux', *Le Populaire*, 2 Mar. 1919.

⁵³ Albert Thomas, 'Les solutions qui s'imposent', *L'Humanité*, 7 July 1919.

⁵⁴ 'Au congrès du Lucerne', *L'Humanité*, 16 Aug. 1919.

⁵⁵ 'La fin du libre-échange', *Le Combat social*, 8 Nov. 1931.

A 'Collective International Economic Council' would 'regulate consumption, international production, currency and transport relations, [and] raw material distribution'.⁵⁶ A year earlier, Blum proposed extending the League's programme for Austria to all of Europe: 'an international issuing institute, a system of credit for countries incapable of consuming or producing, perhaps an international money supported by international taxes or loans'.⁵⁷ When the depression struck, the SFIO appealed for an 'international bank' to serve as 'the central financial organism of the future federated Europe'.⁵⁸

Pre-war 'free traders progressively convert[ed] to the regional solution', as Eric Bussière argues,⁵⁹ and socialist internationalism merged with this evolution of liberal internationalism. In 1925 the SPD became the first major European party to enshrine the 'United States of Europe' into its party programme. For Breitscheid, the aim was 'a European customs union'.⁶⁰ SPD chair Otto Wels proposed a 'European parliament' in 1921 and then a United States of Europe at the first LSI Congress.⁶¹ When Germany shed the shackles on its trade sovereignty established by the Versailles Treaty in 1926, the SFIO, the Belgian Workers Party (POB) and the SPD met to discuss the future of European trade. Their resolution called for a European customs union.⁶² Socialist statements supporting free trade, however, were almost always followed by demands for more powerful international institutions, often modelled on interventionist wartime economies. In his 1928 LSI speech Naphthali regretted that 'right after the war a revival of liberal views came about as reaction against the war economy'. 'Meanwhile', he continued, 'almost everyone now recognises that the hardest problems . . . can only be solved through . . . national and international organisations'. The resulting LSI resolution signalled socialists' disappointment with the 1927 World Economic Conference and adopted the SPD's call for an 'International Economic Office' under the League that would 'supervis[e] trusts and international cartels'.⁶³ In 1930 Naphthali proposed that the LSI appoint an 'international secretary for economic policy' who would reside in Geneva to lobby the League for the LSI's views on 'international tariff policy . . . cartels [and] agricultural co-operation'.⁶⁴

Blum sympathised with French Foreign Minister (and former socialist) Aristide Briand's 1929–30 call for a European customs union but criticised its vagueness and reaffirmation of national sovereignty. The Briand Plan, lacking enforcement mechanisms, seemed inadequate to address the growing tensions of the time. For

⁵⁶ 'Congrès de Marseille de l'Internationale Socialiste Ouvrière', *La Bataille*, 6 Sept. 1925; Arthur Crispian to SPD congress, *Sozialdemokratischer Parteitag 1925*, 17 Sept. 1925.

⁵⁷ Blum, 'Pourquoi le socialisme est internationaliste', *Le Combat social*, 1 June 1924.

⁵⁸ 'La Drôme', *Le Combat social*, 2 Feb. 1930.

⁵⁹ Eric Bussière, 'Premiers schémas européens et l'économie internationale durant l'entre-deux-guerres', *Relations internationales*, 123, 3 (2005), 51–68.

⁶⁰ Breitscheid, *Reichstagsprotokolle*, 27 Nov. 1925, 4628.

⁶¹ Buschak, *Die Vereinigten Staaten von Europa*, 134, 241.

⁶² Ernest Poisson, 'La Conférence de Bruxelles', *La Vie Socialiste*, 18 Mar. 1926.

⁶³ Point de l'ordre du jour, 671 AP 20, AN.

⁶⁴ 'Report by Comrade Naphthali on the Establishment of an Economic Department of the I.F.T.U. and L.S.I.', 8 Jul. 1930, ARCH01368.853, IISH.

the SPD the Briand Plan ‘was more a general conception than a concrete proposal’, but a ‘healthy’ idea of ‘great worth’.⁶⁵ The SFIO and SFIO also supported smaller integration projects within Europe including, in principle, a customs union between Austria and Germany. When proposed by the German government in 1931 without international consultation, though, it was a ‘deplorable’ act of aggression, prompting both parties to oppose it.⁶⁶

In the 1930s ‘planning’ ideas percolated within socialist parties and trade unions as alternatives to the apparent dynamism of Soviet and fascist examples, though they also met with suspicion or rejection. When crisis struck French coal the SFIO supported import quotas ‘for the moment’ but preferred a national coal board to fix prices and organise trade.⁶⁷ The best solution, though, was an ‘international organisation of the coal industry’.⁶⁸ When crisis hit French agriculture socialists voted ‘in desperation’ for minimum prices and tariffs but regretted their impact on consumers.⁶⁹ In 1931 Adéodat Compère-Morel, author of the SFIO agrarian program, wrote that ‘it is necessary that in the near future the representatives of European countries . . . create a vast International Wheat Office to end these disorganised and dangerous oscillations of wheat prices’.⁷⁰ The Popular Front government, in the absence of international solutions, established a Wheat Office in 1936 as a national interventionist body.

Reclaiming Europe for Socialism: Exile, Resistance and War

When the German military won the 1940 Battle of France, French socialists dispersed to Algeria, London, home or underground. The party organisation dissolved. Soon after Blum was imprisoned he wrote *A l'échelle humaine*, in which he portrayed the League of Nations as a ‘magnanimous and magnificent creation’. A post-Nazi ‘world must draw tomorrow a lesson from its defeat’ by creating a ‘Supreme State’ with powers ‘distinct from and superior to national sovereignties’. Invested with ‘means to borrow, [its own] budget’, it ‘must regulate the problem of customs, manage currency crises perhaps with an international monetary institution’ and ‘undertake massive works of international utility’.⁷¹

Slowly, a small socialist resistance formed around the Socialist Action Committee (*Comité d'action socialiste*; CAS) in the Vichy South and around *Libération-Nord* in the German-occupied North. Within these organisations socialist ideas about international organisation and trade passed from interwar *blumistes* and anti-fascists to the generation of post-war SFIO leaders. CAS leader Daniel Mayer was a Blum disciple. Important figures in the Nord and Pas-de-Calais federations, home of

⁶⁵ Buschak, *Die Vereinigten Staaten von Europa*, 158–85.

⁶⁶ Salomon Grumbach, *JO*, 8 May 1931, 2669–70; for the SPD, see Feucht, *Die Haltung der Sozialdemokratischen Partei Deutschlands*, 498.

⁶⁷ Raoul Évrard, ‘Il faut solutionner le problème minier’, *Le Combat social*, 27 Jan. 1935.

⁶⁸ ‘Le Contre-projet socialiste pour l'équilibre budgétaire’, *Faits et chiffres*, 20 Mar. 1933.

⁶⁹ Tanguy Prigent, ‘Le Socialisme et les paysans: La question du blé’, *Le Combat social*, 17 May 1936.

⁷⁰ ‘Un Office de blé: C.M.’, *Le Combat social*, 25 Jan. 1931.

⁷¹ Léon Blum, *A l'échelle humaine* (Paris: Gallimard, 1945), 168–74.

Libération-Nord, strongly supported Blum's interwar foreign policy and argued for international organisations with executive powers and for free trade.⁷² During the war they rubbed shoulders with a younger generation of northern resisters, including Gérard Jaquet and Christian Pineau, who survived the war to become forceful advocates of European integration.

Ensnared in this web of personal ties Blum's vision became the template for the SFIO's 1943 resistance manifesto laying out the party's objectives for a post-war peace.⁷³ The manifesto called for a 'super-state to which nations will cede part of their sovereignty', in particular over 'the distribution of primary resources, emigration, transportation, working conditions, hygiene, public works, customs legislation . . . and monetary exchange'.⁷⁴ This 'political confederation must have its own government . . . a budget, tax resources, borrowing capacities'. The SFIO resistance took up Blum's call to re-appropriate 'Europe' from its Vichy and National Socialist usurpers. It endorsed a 'United States of Europe' as a step towards a 'United States of the World', with the power to 'supervise the problem of customs'.⁷⁵ The clandestine press promoted 'unions of federation . . . of neighbouring states . . . to suppress monetary, customs, and military borders and to manage their resources in common'.⁷⁶ It also saw 'joyful' signs for convergence with exiled German socialists, reprinting a 1944 resolution of the Organisation of German Socialists of Great Britain that stated, 'we advocate a Federation of all the peoples of Europe because full national sovereignty is no longer compatible with the economic and political conditions of Europe'.⁷⁷

German social democrats fractured into splinter groups during the National Socialist dictatorship. Boris Schilmar discusses the broader exile community's diverse discourses on Europe, Paterson the exiled socialists' 'general agreement' on European federation and Bailey the importance of the International Socialist Combat League (*Internationaler Sozialistischer Kampfbund*; ISK) in carrying support for a united Europe into the post-war period.⁷⁸ This section builds on their work by demonstrating continuities in social democratic thought on international trade and organisation. It departs from Paterson by rejecting the implicit break he sees between exiles and the 'nationalist' post-war SPD and, though it agrees with Bailey on this point, former ISK figures were less relevant than Bailey suggests for the SPD's ECSC policy than

⁷² Jean Lebas, 'La leçon d'une crise', *Le Combat social*, 5 Aug. 1934; Amédée Dunois, 'Une esquisse de politique internationale', *Bataille Socialiste*, Feb. 1932.

⁷³ Wilfried Loth, *Sozialismus und Internationalismus: Die französischen Sozialisten und die Nachkriegsordnung Europas, 1944–1950* (Stuttgart: DVA, 1977).

⁷⁴ 'Notre Programme', *Le Populaire. Édition Zone Nord*, 16 Jan./1 Feb., 1943.

⁷⁵ Daniel Mayer, *Les socialistes dans la Résistance: Souvenirs et documents* (Paris: Presses universitaires de France, 1968), 222–36.

⁷⁶ 'Les Cahiers de Libération', *Le Populaire*, fragment, undated.

⁷⁷ 'Vers les États-Unis du Monde: La politique internationale des Socialistes Allemands', *Le Populaire. Édition Zone Nord*, Apr. 1944.

⁷⁸ William E. Paterson, 'The German Social Democratic Party and European Integration in Emigration and Occupation', *European History Quarterly*, 5 (1975), 429–41; Boris Schilmar, *Der Europadiskurs im deutschen Exil 1933–1945* (Munich: Oldenbourg, 2004); Bailey, 'Socialist Visions of European Unity'.

Ruhr-based politicians like Fritz Henssler, as I have argued elsewhere, or Willi Birkelbach and Erich Ollenhauer for the EEC, which is the focus here.⁷⁹

Exiled social democrats saw no inherent contradiction between a united Europe and a united world but the geographic contours of their vision shifted with the vagaries of world politics. Many supported a post-war European federation; others thought that federation must include the United States and/or the Soviet Union. Hilferding, for instance, opposed a League of Nations for Europe in 1939. In contrast, Heinz Kühn, later Minister President of North-Rhine-Westphalia, criticised a ‘colourless world republicanism’ and supported regional federation. Georg Ritzel and Wilhelm Högner of the organisation Europa-Union published a draft European constitution in 1940 that envisioned a European union within a larger League of Nations. After the war Ritzel continued as leader of Europa-Union and Högner became the first Minister President of Bavaria.

The official exiled SPD (SOPADE) chaired by Erich Ollenhauer called for supranational institutions and European trade liberalisation, as did the ISK and *Neu Beginnen*. SOPADE declared in 1939 that ‘there must never again be a high-tariff Germany’.⁸⁰ Hilferding supported free trade within a European customs union and a ban on raising tariffs. Willy Brandt of the leftist Socialist Workers’ Party of Germany (*Sozialistische Arbeiterpartei Deutschlands*) and later SPD mayor of Berlin in 1957–66 and German chancellor in 1969–74 supported a ‘European planned economy’ based on ‘economic disarmament’.⁸¹ Gerhard Kreyszig, an exiled economics expert close to Ollenhauer, rejected the ‘sovereignty mania’ he claimed characterized the 1919–20 peace settlement.⁸² He designed a European Trade Corporation, a European Economic Community that would include a European Iron-Steel Community and a European Coal Community in 1942–3. Small wonder, then, that Kreyszig was delegated to represent the SPD when the ECSC Common Assembly opened in 1952.

(Dis)Continuities: Socialist Economic Visions in Post-War Europe

Post-war SFIO and SPD leaders had been socialised within their parties’ interwar *milieus*. Mollet, a minor official, defeated Mayer in 1946 to become SFIO secretary-general. His victory left SFIO European policy in place because, as Bossuat argues, ‘Mollet converted to Europe under the influence of Léon Boutbien and Léon Blum (through the theory of internationalism)’.⁸³ In Germany, Schumacher emerged from

⁷⁹ Brian Shaev, ‘Workers’ Politics, the Communist Challenge, and the Schuman Plan: A Comparative History of the French Socialist and German Social Democratic Parties and the First Treaty for European Integration’, *International Review of Social History*, 61, 2 (Aug. 2016), 251–81.

⁸⁰ ‘Protokoll der Parteivorstandssitzung am 5. Mai 1939’, in Ursula Langkau-Alex, *Deutsche Volksfront 1932–1939: Zwischen Berlin, Paris, Prag und Moskau, Dritter Band* (Berlin: Akademie, 2005), 400.

⁸¹ *Ibid.*, 218–92.

⁸² Schilmar, *Der Europadiskurs*, 56–77, 169–87, 219–26.

⁸³ Gérard Bossuat, ‘Léon Blum et l’organisation nouvelle de l’Europe après la Seconde Guerre mondiale’, in Girault and Ziebur, eds., *Léon Blum, Socialiste européen*, 149.

twelve years of imprisonment and hiding to lead the SPD. Ollenhauer became Schumacher's deputy and replaced him after Schumacher died in 1952. Despite the long hiatus of National Socialist rule, post-war German social democrats had maintained their affective ties to their party.

Emerging from war, the SFIO promoted trade liberalisation within international organisations. When it concerned economics most often the party conceptualised regional institutions. With a socialist-led coalitional government in power, Blum wrote that liberalisation 'creates the conditions for peace, whereas tariff wars prepare the spirits for war'.⁸⁴ The government also launched a state-directed modernisation programme. Socialists insisted that there was no 'contradiction between the progressive return of free foreign commerce and an internal economic regime founded on the direction of the economy [*dirigisme*]'.⁸⁵ The party continued to propose supranational institutions. In supporting the Marshall Plan the SFIO announced that '*dirigisme* is absolutely indispensable at the international level' and welcomed the US government's demand that European governments coordinate their recovery programmes in what became the Organisation of European Economic Cooperation (OEEC).⁸⁶ It supported executive powers for the OEEC, which, it argued, should not only liberalise, but organise trade through 'the unification of taxes, salaries and social security legislation'.⁸⁷ Plagued by coal shortages, the SFIO urged an 'internationalisation' of European raw materials and heavy industry. François Tanguy-Prigent, SFIO Agricultural Minister in 1944–7, drew inspiration from interwar SFIO proposals to call for a European agrarian union in 1949, a year before an official French proposal for a 'green pool'.⁸⁸

At the SPD's founding post-war congress, Schumacher resurrected Wels's call for a 'United States of Europe'. The SPD supported the Marshall Plan and German entry into the OEEC on the basis of an 'equality of conditions'. Kreyssig renewed his support for a European customs union.⁸⁹ Internal policy documents in 1949 emphasised the 'necessity of a European-regional connected economy' and 'striv[ed] for a true world economy on the basis of a regional (not nation-state) connected economy'.⁹⁰ Another document, titled 'Supranational Economic Relations', favoured 'planned, supranational economic relations as a foundation for European-Union'.⁹¹ When Dutch Labour colleagues attended a SPD parliamentary meeting in January 1950 Schumacher asserted that Europe should lower tariffs and create a common currency, a united dollar pool and a European division of labour.⁹²

⁸⁴ Léon Blum, 'La protection paysanne', 1 Nov. 1946, in *L'Oeuvre de Léon Blum*, Vol. 7 (Paris: Albin, 1958), 329–32.

⁸⁵ Francis Leenhardt, *JO*, 1 Aug. 1946, 2889.

⁸⁶ Jean Le Bail, *JO*, 31 July 1947, 3571.

⁸⁷ André Philip, *JO*, 6 July 1948, 4350–1.

⁸⁸ Tanguy-Prigent, *JO*, 25 Feb. 1949, 953.

⁸⁹ 'Blöcke in Europa', 20–12–49, GK 23, AdsD.

⁹⁰ Entwurf eines Arbeitsschema für die Aufstellung eines Wahlprogrammes, GK 187, AdsD.

⁹¹ Johannes Petrick, *Übernationale Wirtschaftsbeziehungen*, GK 187, AdsD.

⁹² 24 Jan. 1950, Bundesfraktion 1.1, AdsD.

Nonetheless, growing domestic and international anxieties tempered SFIO and SPD enthusiasm for regional integration. The British and Scandinavian governments, governed by Labour and social democratic parties, refused to participate in supranational institutions. SFIO and SPD leaders worried about the submergence of socialism within continental institutions dominated by Christian democrats. The SPD fretted that new economic borders on the North Sea would stymie growth in German port cities, electoral strongholds. Both parties feared that a Franco–German *tête-à-tête* could spell disaster. Further, Schumacher believed that his party had to steal the thunder of anti-democratic forces by appealing to German national interests. When French Foreign Minister Robert Schuman proposed a supranational coal and steel community in May 1950 each party hesitated before the SFIO announced its support in June and the SPD its opposition in October. The SPD argued that French governments intended to ‘colonise’ Germany, an argument that placed it in an awkward position vis-à-vis the German Federation of Trade Unions (*Deutscher Gewerkschaftsbund*; DGB). DGB leaders supported the ECSC after bargaining with German Chancellor Konrad Adenauer for a law on workers’ participation in the management of heavy industries.

When, in 1949–50, OEEC governments negotiated trade liberalisation, French socialists complained that they should first integrate fiscal and welfare systems, otherwise ‘anarchic and often disloyal competition’ would prejudice French industries which had ‘[higher] social . . . and . . . production costs’.⁹³ The SFIO shared widespread concerns about French economic competitiveness and a narrative that German industrial hegemony had driven Nazi expansionism. It insisted that international institutions protect French ‘economic security’ vis-à-vis Germany. Manufacturers’ pressure convinced the SFIO to pull its support for a customs union with Italy and the Benelux countries in 1949 after Dutch leaders demanded the inclusion of the new West German state. Lacoste summarised the French government’s predicament:

the formation of a large European market is a necessity of our time because we are now facing industrial and commercial dimensions that largely surpass national dimensions. . . . We cannot leave Germany out. It is necessary therefore to have enormous guarantees. The export strength of the German economy is such that we strongly risk winding up with a flooding of the French market by German products.⁹⁴

Reticence towards trade liberalisation grew within the SPD as well. In 1950–1 West Germany developed a massive balance-of-payments deficit after it entered the European Payments Union (EPU), a multi-currency clearing house. SPD leaders called for trade liberalisation to halt until conditions improved. Yet even a leading proponent of the freeze, Erik Nölting, said that

⁹³ 1 and 7 Dec. 1949, Groupe parlementaire socialiste (GPS), Archiv d’histoire contemporaine (AHC), Paris.

⁹⁴ 10 Nov. 1949, GPS, AHC.

we are of course ‘old fighters’ for the idea of worldwide free trade. We are against superfluous trade restrictions, we are for the integration of Western Europe as an economic union.⁹⁵

Significantly, the parties continued to support trade liberalisation in international conferences. The compromise ‘Resolution on the Liberalisation of Trade’ of the 1951 First Congress of the Socialist International (SI) in Frankfurt a.M. reflected the success of the SFIO, the SPD and other parties in beating back proposals by the British Labour Party.⁹⁶ This congress was preceded by economic expert meetings, the first of which published a resolution in March 1950 that rejected trade liberalisation. Both the SFIO and SPD worked to change this resolution. Ollenhauer attended a September meeting armed with a report that the SPD was more liberal on trade than the German government, which it accused of protecting special interests (clearly the agricultural sector). The SPD called on European countries to eliminate tariffs on whole sectors of goods. West Germany would eliminate agricultural tariffs if nations like France would eliminate industrial tariffs. The goal was ‘the preparation of a customs union’.⁹⁷

The SFIO, for its part, produced four documents for the December meeting discussed at the opening of this article. One document expressed indirect approval for the SPD’s call to end luxury goods imports during the EPU crisis. The other documents clearly laid out the SFIO’s desire for regional trade liberalisation. Lacoste’s report, titled ‘Trade Liberalisation’, demanded multilateral rather than bilateral trade agreements, the ‘elimination of quantitative restrictions on imports’ and stated that ‘we, socialists, we agree with . . . the goal of achieving . . . a single European market’.⁹⁸ The SFIO’s International Bureau prepared another document supporting trade liberalisation that emphasised the importance of intra-European trade. Interestingly for the outcome of the EEC negotiations which included a twelve-year transitional period for the elimination of internal tariffs, the SFIO document concluded that ‘perhaps one can fix a delay – that could be around a dozen years – during which political and economic measures can be taken to arrive at the final objective’.⁹⁹ As discussed above, the SPD and SFIO joined the two-thirds socialist majority that was ‘very positive towards the liberalisation of foreign trade’. The British, Danish and Norwegian delegations opposed this statement and their countries did not join the EEC in 1957.

⁹⁵ Gegen die Zwangswirtschaft! Die wirtschaftspolitischen Vorschläge der SPD: Referat von Prof. Dr. Erik Nöling, 1 Apr. 1951, Parteivorstand, AdSD.

⁹⁶ Resolution über die Liberalisierung des Handels, Socialist International (SI) 350, IISH.

⁹⁷ Die Liberalisierung der Wirtschaft b. Aussenhandel von dem Parteivorstand der Sozialdemokratischen Partei Deutschlands, für die Konferenz Sozialistischer Wirtschaftsexperten (COMISCO) in Strassburg, 11–16 Sep. 1950, FH 43, AdSD.

⁹⁸ Libéralisation des échanges (Rapport de Lacoste), SI 350, IISH.

⁹⁹ Libéralisation des échanges, Rapport introductif présenté par la délégation française, SI 350, IISH.

The EEC and Institutional Guarantees

The SPD made German reunification the centrepiece of its critique of Adenauer's government in the 1950s. During its raucous campaign against the European Defence Community (EDC) in 1952–4, anti-EDC discourses and critiques of 'small Europe' collided with older discourses supporting regional economic integration. All the while SPD economic experts promoted trade liberalisation because it would 'multiply the economic strength of Western Europe, markedly increase real income and . . . working-class living standards'.¹⁰⁰ After the German balance of payments crisis subsided, the SPD promoted lower tariffs and the removal of all quantitative and administrative restrictions in a 1953 resolution titled 'Closer European Economic Cooperation'.¹⁰¹ The SPD delegation to the ECSC Common Assembly also adopted a constructive attitude. Birkelbach, a SPD delegate and future president of the assembly's transnational socialist group (1959–64), told his international colleagues that, whereas agreement on geopolitical issues was difficult, 'socialists can easily reach agreement on the concrete economic and social questions dealt with by the [ECSC] Assembly'.¹⁰² In 1955 Ollenhauer joined Jean Monnet's Action Committee and supported its campaign for a six nation supranational atomic energy community. The SPD remained cautious though towards a six nation customs union because it feared that it might become a protectionist bloc, dividing Europe, already split in two, into three.

French governments were far more resistant to trade liberalisation than Germany due to fears of industrial competition and widening French trade deficits in the EPU. Socialist leaders, in opposition in 1951–5, supported deeper economic integration but wanted institutional guarantees. The SFIO acknowledged French economic problems in a 1952 report to the SI but praised the EPU for 'maintain(ing) and develop(ing) intra-European commerce'. Further, 'it would be beneficial to orient ourselves towards surpassing the dilemma of trade liberalisation and bilateralism by proceeding further in the integration of Europe, that is to say, towards the creation of a homogenous space subject to the same planning'.¹⁰³ Pineau synthesised the SFIO's position in 1954, describing trade liberalisation as

first of all enlarging the market by opening to goods produced in Europe, a notion that is at the base of most of our European conception. . . . On the European level, the free circulation of goods ought to include as corrective an organisation of production so that competition does not become murderous in the end for the states concerned . . . the term 'liberalisation of trade' should be opposed to 'protectionism' and not to 'organisation'.¹⁰⁴

¹⁰⁰ Memorandum der Sozialdemokratischen Partei Deutschlands.

¹⁰¹ Fraktion der SPD im Bundestag, Antrag der Fraktion der SPD, Betr. Engere wirtschaftliche Zusammenarbeit Europas, 23 Mar. 1953, Parteivorstand, AdSD.

¹⁰² Séance du 25 Septembre 1952, Confederation of Socialist Parties of the European Communities 13, IISH.

¹⁰³ Rapport général d'introduction, SI 352, IISH.

¹⁰⁴ Pineau, *JO*, 6 Aug. 1954, 3927.

Pineau's comments are important because he oversaw the EEC negotiations as French Foreign Minister (1956–8). His predecessor agreed to negotiations for a European customs union at the Messina conference in June 1955, but it is not clear whether the government wanted them to succeed. A powerful coalition of politicians, industrialists, and ministry officials opposed the proposal. The centre-right government coalesced around demands for 'guarantees' and social harmonisation. For many, these were cudgels to sabotage the negotiations. Meanwhile, SPD deputy Herbert Wehner supported the common market proposal in the name of the ECSC Socialist Group.¹⁰⁵

Griffiths has emphasised the conditions posed by French socialists to argue that they were not predisposed towards the EEC before Mollet became prime minister.¹⁰⁶ Mollet did tell the SI in July 1955 that 'the final objective of the Six – a generalised common market – will be achieved' 'only progressively' 'in a more distant future'. Further, 'it is necessary to overcome . . . French fears of increased foreign competition' and 'we would refuse any measures which would be permanently disadvantageous in the short or long-term to a country'. These are words of caution but the first statement anticipates the EEC's transitional period and the second reasonably calls attention to French interests. Mollet expressed 'disappointment' with the Messina resolution, but his critique was that it envisaged a weaker supranational framework than the ECSC, a point Wehner also made. Mollet privileged deeper integration over widening to more countries, warned that time was running out and praised liberalisation measures as 'precious instruments in European recovery'. Finally, he noted that 'the creation of a common market . . . is generally regarded as a factor of economic expansion and could also be the means of social progress'.¹⁰⁷

Meanwhile, a SFIO Congress resolved that 'French industry has been able to shelter itself through protectionism to maintain its obsolete structures and entrench itself in mediocrity'. Only 'trade liberalisation . . . can incite these businesses to the necessary modernisation effort, but it must be accompanied by . . . [measures against] disloyal competition, whether they be dumping practices or intentionally backward social legislation'.¹⁰⁸ Then, in preparation for a November SI meeting on 'Economic Planning', the SPD and SFIO prepared documents that shed light on their future decisions on the EEC treaty.¹⁰⁹ To the SI's request to 'please state your party's position on free trade, tariff protections and quota systems', the SPD replied that it was not 'dogmatic' but 'the party tends fundamentally towards free trade'.¹¹⁰ The SFIO, to the question, 'are import controls considered a permanent element of your country's economic system', responded:

¹⁰⁵ Débats de l'Assemblée commune, 24 June 1955, Archive of European Integration, Pittsburgh.

¹⁰⁶ Griffiths, 'European Utopia or Capitalist Trap?', 21.

¹⁰⁷ The Unity of Europe, SI 247, IISH.

¹⁰⁸ 43ème Congrès national Asnières, 30 Juin–3 Juillet 55, Projet de Programme économique et social présenté par la commission nationale d'études (Section Affaires économiques), AGM 11, Office Universitaire de Recherche Socialiste (OURS), Paris.

¹⁰⁹ Griffiths, 'European Utopia or Capitalist Trap?', 22.

¹¹⁰ Fragebogen, Die Technik der staatlichen Wirtschaftsplanung, Direkte Kontrollen, SI 357, IISH.

NO. These controls are a consequence of the balance-of-payments deficit. Socialists . . . would like an equilibrium of these balances that would permit trade liberalisation. They know however that the balance of French trade has deep causes that will require a lot of time to eliminate.

The SFIO response continued:

The French Socialist Party would like trade to be liberalised, first within Europe, then in a larger space. However, it thinks that this liberalisation requires conditions that are not currently met in France and which it would dedicate itself to fulfilling if it were to take power.¹¹¹

A month later, a left-leaning coalition won the French national elections. Mollet became Prime Minister in January 1956 after promising to pursue common market negotiations in his investiture speech. The new French leaders continued to insist that European institutions mitigate the negative consequences of trade liberalisation. Gradually, though, ever-moving targets became goals to achieve, rather than pretexts for delay. Mollet gave Pineau a green light to pursue ‘guarantees’ in tenacious negotiations in August–October 1956. When the talks stalled Mollet assiduously marked up notes on the French negotiating position in preparation for a November 1956 meeting with Adenauer.¹¹² Mollet’s pro-EEC position was strengthened by an ILO report that rejected making social harmonisation a precondition for a European common market, as discussed by Mechi, and ministerial reports arguing that social costs only had a marginal impact on price disparities between France and other ECSC economies.¹¹³

A breakthrough agreement in Mollet’s meeting with Adenauer included funds for retraining workers, reconverting uncompetitive enterprises, a European Investment Bank, equal pay for female workers and greater flexibility in the customs union’s transitional stages in the event of economic difficulties.¹¹⁴ The agreement contained fewer ‘guarantees’ than those sought by the French delegation, but far more than those envisioned at Messina. Mollet and Pineau considered them sufficient to implement their economic vision, rooted in interwar SFIO preferences, that trade liberalisation would foster peace and modernise France’s economy. To ratify the EEC treaty they reconstructed the centrist majority that had dominated French policy-making until 1952, including the Christian democratic Mouvement Républicain Populaire, now in opposition, pro-European radicals and right-wing deputies who supported Mollet’s hard line in Algeria. Bossuat, Parsons and Warlouzet are therefore validated in their assessment that Mollet and Pineau were decisive for the EEC treaty against scholars like Alan Milward and Andrew Moravcsik who downplay the importance of pro-integration actors.¹¹⁵ This success, though, had as much to do with long-held socialist ideas on regional trade liberalisation as their general pro-European attitudes.

¹¹¹ Réponse au questionnaire de l’IS sur la technique de la planification économique, SI 357, IISH.

¹¹² AGM II, OURS.

¹¹³ Warlouzet, *Le choix de la CEE*, 39–42.

¹¹⁴ Hanns Jürgen Küsters, *Fondements de la Communauté économique européenne* (Brussels: Labor, 1990); Edelgard Mahant, *Birthmarks of Europe: The Origins of the European Community Reconsidered* (Burlington: Ashgate, 2004).

¹¹⁵ Alan Milward, *The European Rescue of the Nation State* (London: Routledge, 2000); Andrew Moravcsik, *Choice for Europe: Social Purpose and State Power from Messina to Maastricht* (London: Routledge, 2003).

SPD leaders meanwhile pondered whether to support a six nation common market. Ollenhauer told the party that it could still reject the treaty but he tipped the scales towards the EEC, reflecting that 'it would be bad for the party to refuse in the economic field that which it has always pushed for'.¹¹⁶ Wilhelm Mellies argued that economic integration would endanger prospects for reunification.¹¹⁷ However, Wehner, who oversaw SPD policy on the German Democratic Republic, thought that the party 'must be for the European Economic Community and the customs union', though the association of colonial territories concerned him. In the end Wehner abstained. Later Mellies said the party should ratify the EEC Treaty for tactical reasons as federal elections approached.

Tariffs were central in the SPD's internal discussion. Baade urged rejection, warning that ceding sovereignty over tariffs would likely result in higher tariffs.¹¹⁸ In February 1957 SPD economic experts debated whether to make their support conditional on a prior agreement between a British-inspired free trade area and the EEC. The British government's clumsy attempts to derail the EEC negotiations informed the position the SPD adopted.¹¹⁹ The party supported an OEEC-wide free trade area but SPD leaders knew that the British government had proposed it in order to pre-empt the customs union. Birkelbach told the meeting that:

there is in truth only one project because the idea of the Free Trade Zone was only developed by countries with special concerns about the Common Market. As for us, in truth, we have already given up the argument [against] 'small Europe'.¹²⁰

In May the experts officially recommended that 'we cannot . . . ignore the multiple arguments brought forward that the greatest possibility is that without the erection of a common market the Free Trade Area will under no circumstance be built'.¹²¹ Birkelbach's view prevailed again in the party's Central Committee meeting later that month. An optimistic Karl Mommer thought that, 'we can support the treaty. . . . The Free Trade Zone will come and then tariffs will fall, as we have long demanded'.¹²² SPD leaders perceived their choice to be between *this* custom union, hopefully to be expanded, or *no* European economic integration and *no* trade liberalisation. Presented with a rather vague treaty and uncertain about the prospects of a larger free trade area, the SPD voted with the CDU/CSU in July to ratify the EEC treaty.

¹¹⁶ Sitzung des Parteivorstandes am 30. März 1957, Parteivorstand, AdsD.

¹¹⁷ Sitzung des Parteivorstandes am 7./8.3.1957, Parteivorstand, AdsD.

¹¹⁸ Baade to SPD-Fraktion, 19 June 1957, 1/HWAA1535, AdsD.

¹¹⁹ Wolfram Kaiser, *Using Europe, Abusing the Europeans: Britain and European Integration, 1945–63* (New York: St Martin's Press, 1996), 61–81.

¹²⁰ Protokoll über die Sitzung des Wirtschaftspolitischen Ausschusses beim Parteivorstand der SPD am 8./9. Februar 1957, Bruno Geist 158, AdsD.

¹²¹ Erste Stellungnahme des Wirtschaftspolitischen Ausschusses beim Parteivorstand der SPD zum 'Vertrag zur Gründung der Europäischen Wirtschaftsgemeinschaft (EWG)', 7 May 1957, Bruno Geist 158, AdsD.

¹²² Sitzung des Parteivorstandes am 30. Mai 1957 in Bonn, Parteivorstand, AdsD.

Conclusion

Six nations ratified the Treaties of Rome in 1957. In retrospect, there was only a narrow window for success. In 1955 the Messina proposals did not have majority support in the French National Assembly. Nor did Charles de Gaulle, who became French prime minister in June 1958 and then President in December, support supranationalism. Adenauer's CDU/CSU won an absolute majority in September 1957. By that time the Bundestag, with SPD votes, had approved the EEC treaty over the votes of Adenauer's coalitional allies, the Free Democratic Party (*Freie Demokratische Partei*; FDP). The CDU/CSU could have ratified the treaty without SPD votes in fall 1957 but, if the six nation process had been delayed to 1958, the treaty may have fallen victim to the disintegrative forces that buried the French Fourth Republic.

Short-term considerations offered incentives for the SFIO and SPD to support the EEC. After holding out for German reunification, by 1957 SPD leaders were more pessimistic than ever. The Soviet invasion of Hungary bolstered Adenauer's contention that only a 'policy of strength' could deter Soviet aggression. Schumacher believed that opposing the ECSC and EDC would bring the SPD electoral rewards, but European integration was a political success by 1956–7. For Ollenhauer, opposing the EEC would be a liability in the 1957 election. In France, Mollet experienced a series of political reversals in autumn 1956. Socialist critics began to abandon him due to his government's disastrous military escalation in Algeria and the French-British-Israeli invasion of Egypt. Mollet no doubt urgently desired a foreign policy success when he met Adenauer to discuss European integration.

Viewed in a longer perspective, however, SFIO and SPD decisions reflected party preferences for regional economic cooperation originating in the peace programmes of the First World War, when the parties advocated free trade and international organisations. In the 1920s socialists argued that tariffs, war by another means, should come under the supranational governance of the League of Nations or of a European customs union. After 1945 the Cold War division of Germany, the challenges of reconstruction and the recalcitrance of northern European governments towards supranationalism changed the post-war calculus. In 1955–7, however, older preferences for European economic cooperation rose to the surface. This time, when SFIO and SPD leaders contemplated a six nation common market, they prioritised socialist ideas about international trade and organisation passed down by a previous generation and still firmly entrenched in party ideology and programmes.

These ideas continued to shape socialist approaches to European integration in the next decade. In 1958 de Gaulle suspended negotiations for an association between the EEC and a British-led free trade group. A rival European Free Trade Association (EFTA) of the so-called 'outer seven' countries was founded in 1960. In 1963 de Gaulle vetoed Britain's application to join the EEC, ignoring objections from a wide swath of European public opinion, including from French and German socialists. Despite these setbacks the SPD embraced the EEC and argued for stronger supranational institutions than those desired by Adenauer, as did the SFIO. The SPD

also remained eager to liberalise beyond the EEC. The successful conclusion of the Kennedy Round negotiations under the General Agreement on Tariffs and Trade, which lowered tariffs between the United States and the EEC by an average of 35 per cent, mollified concerns of the community becoming a protectionist bloc.

In the late 1960s French socialist and German social democratic views on European integration increasingly diverged. Brandt, foreign minister (1966–9) and then Chancellor (1969–74), promoted a deepening and widening of the EEC. With Karl Schiller as finance minister, the SPD pursued a liberal approach to international trade, a legacy that Helmut Schmidt continued as Chancellor (1974–81). The SFIO, by contrast, was in decline in the 1960s, struggling to fashion a centre-left majority to win the presidency of the Fifth Republic. In 1971 the SFIO dissolved into the new Socialist Party (*Parti Socialiste*; PS), led by François Mitterrand. He supported the EEC but the party became increasingly critical of the ‘capitalist’ Community. A socialist–communist alliance won the 1981 presidential elections. President Mitterrand tried to build socialism within the nation state while keeping France in the EEC. When his project failed, Mitterrand ‘turned’ to Europe, giving impetus to the Single European Act and the Maastricht Treaty, landmark agreements that established today’s EU.