



<https://openaccess.leidenuniv.nl>

### **License: Article 25fa pilot End User Agreement**

This publication is distributed under the terms of Article 25fa of the Dutch Copyright Act (Auteurswet) with explicit consent by the author. Dutch law entitles the maker of a short scientific work funded either wholly or partially by Dutch public funds to make that work publicly available for no consideration following a reasonable period of time after the work was first published, provided that clear reference is made to the source of the first publication of the work.

This publication is distributed under The Association of Universities in the Netherlands (VSNU) 'Article 25fa implementation' pilot project. In this pilot research outputs of researchers employed by Dutch Universities that comply with the legal requirements of Article 25fa of the Dutch Copyright Act are distributed online and free of cost or other barriers in institutional repositories. Research outputs are distributed six months after their first online publication in the original published version and with proper attribution to the source of the original publication.

You are permitted to download and use the publication for personal purposes. All rights remain with the author(s) and/or copyrights owner(s) of this work. Any use of the publication other than authorised under this licence or copyright law is prohibited.

If you believe that digital publication of certain material infringes any of your rights or (privacy) interests, please let the Library know, stating your reasons. In case of a legitimate complaint, the Library will make the material inaccessible and/or remove it from the website. Please contact the Library through email: [OpenAccess@library.leidenuniv.nl](mailto:OpenAccess@library.leidenuniv.nl)

### **Article details**

Shaev B. (2019), Socialism, (neo)liberalism, and the Treaties of Rome, *Renewal: A Journal of Social Democracy* 27(1): 31-40.

# LEFT INTERNATIONALISMS, PAST AND PRESENT

## Socialism, (neo)liberalism and the Treaties of Rome

Brian Shaev

---

Revisiting socialist debates on the Treaties of Rome (1957) opens a window onto early conceptions of the potential of a European common market – and Labour’s capitulation to the sovereigntist dogmas of late-imperial Britain.

---

It has become fashionable in the last decade for scholars such as Wolfgang Streeck to associate the Treaties of Rome that created the European Economic Community (EEC) with Friedrich Hayek, the neoliberal thinker and proponent of European economic federation. Yet Hayek had no direct, nor arguably any indirect, role in the Treaties. Three of the six governments that negotiated these Treaties were led by socialist, social-democratic and labour parties, and a socialist party was in a cabinet coalition in a fourth. The Treaties of Rome also gained the backing of the German Social Democratic Party (SPD), then in opposition. The reasons for this initial socialist embrace of European integration have dropped out of contemporary debates on the future of Europe, particularly in the English-speaking world. This article reconstructs the historic reasons for the continental left’s support for European integration. It also details some of the conflicts opened up by the British Labour Party’s repeated and vocal objections to the idea of a European polity enjoying a measure of supranational authority over its member states.

## British Labour and European socialism

It is no secret that UK Labour Party leaders were critical of most European integration initiatives in the 1940s and 1950s, although there were also prominent Labour supporters of UK membership of the EEC. Labour's reasoning and rhetoric are difficult to identify as strictly socialist. The party's discourses blended socialist ideas with positions held by Conservative and Liberal politicians, particularly concerning foreign trade interests, historical narratives of the 'English constitution', attitudes inherited from the UK's victory in the Second World War, and, perhaps most importantly, an attachment to the Commonwealth as an alternative vehicle for internationalist ambitions.

The debate among socialist parties regarding the prospects for European political and economic integration began during the Second World War. After the war a socialist clash emerged on international economic institutions, in 1948-50, reflecting a French-Belgian vs. British dispute over the principle of supranationalism. By the mid-1950s, the pro-integration French socialist (SFIO) position had broadly been taken up by key actors in the Dutch Labour Party (PvdA) and the German SPD. There was a growing continental socialist consensus that European integration was necessary for economic prosperity, for international peace, and for building positive forms of integration to mitigate the negative consequences of regional trade liberalisation. This consensus increasingly clashed with anti-capitalist rhetoric and other criticisms of the European communities emerging from Scandinavia and the UK. Here we capture a few snapshots of this inter-socialist dialogue, focusing on the fraught question of the balance of liberalism and socialism in the economic constitution of early European integration.

To do so, we focus on the views of the continental socialists who were the most engaged in the European project: members of the Socialist Group of the European Common Assembly/Parliamentary Assembly, the predecessor of today's European Parliament. These were politicians delegated by national parliaments whom we would expect to favour European integration. As Talbot Imlay writes in his history of socialist internationalism, 'the Strasbourg Assembly quickly became a central site for the practice of socialist internationalism on the issue of European unity'.<sup>1</sup> It is well known that continental socialist parties were keen to have the UK join the European Communities. Yet they were also – and with good reason – concerned about the potential impact of British membership on their own visions of European integration.

## Free trade or Common Market?

During the negotiations of the Treaties of Rome, a vigorous transnational debate unfolded over the philosophical bases and potential of a European common market. The European Economic Community, most Labour leaders asserted, would remove the ability of a Labour-led government to build socialism in Britain and deprive the British people of the sovereignty they had earned over centuries of parliamentary representation. The response to this by Labour's allies on the continent intersected directly with debates surrounding a 1956 proposal for a Free Trade Area (FTA), a British-inspired complement (or alternative) to the EEC, and the predecessor of today's European Free Trade Area (EFTA).

The FTA proposal excluded agriculture, which directly contradicted French designs for regional trade. As a comparatively simple free trade agreement, offering little capacity for positive economic coordination between member states, this was a greater cause of concern to continental socialists than the potential challenges posed by British membership in the EEC. As a bridgehead for Anglo-liberalism into European trade politics, it threatened to destroy the kernels of socialism they saw in the EEC Treaty.

In November 1955, John Edwards, a Labour MP, met with Socialist Group members to discuss a Labour position paper on European integration. Edwards found himself facing totally contrasting interpretations of what liberalism and socialism meant in an increasingly interdependent world and in the context of post-war European integration. In his opening remarks, he told his international colleagues that, 'the danger consists in the fact that Socialists in Europe too often affirm certain things that could also, and with more conviction, be affirmed by others, notably by liberals'.

Edwards's statements bring us to the crux of the matter: the liberal vs. socialist content of the envisioned European common market. Gerard Nederhorst, a prominent Dutch labour politician, responded at length to Edwards. First, he asked whether Edwards supported free trade. He expected a positive response since this was anyway the goal of the Organisation of European Economic Co-operation (OEEC), which the UK had helped build under Clement Attlee's government. Edwards replied affirmatively – but simultaneously referred to the sovereignty of the British government as embodied in parliament.

His premise confirmed, Nederhorst presented a socialist interpretation of the common market. If one accepts free trade, does this imply its automatic execution without regard to its consequences? Then he argued that the automatic execution of free trade, without any regard to consequences, 'would return us to the most absolute liberalism of the nineteenth century'. Rather, socialists must insist on

‘safeguards’ to mitigate any negative social effects arising from liberalising markets, and also on economic ‘planning’.

With this logic Nederhorst attacked Labour’s insistence on unanimity in international organisations. Unanimity – hence ‘intergovernmentalism’ rather than qualified majority voting (the ‘Community principle’) – would destroy socialists’ efforts to construct community policies to mitigate the negative consequences of lowering trade barriers, because it would probably be impossible to get unanimous agreement on safeguarding measures. It would therefore leave intact the freer trade socialists supported, but remove from their hands the possibility of building socialist policies at the European level. As for building socialism in one nation, Nederhorst’s Dutch colleague Paul Kapteyn argued that ‘not one of the European nations can carry out’ on its own an economic and social policy capable, in the long term, of ensuring full employment and economic security.<sup>2</sup>

Over the next two years, these differences sharpened, as European governments signed the Treaties of Rome, followed quickly by successful parliamentary ratifications among ‘the Six’. The Conservative UK government withdrew from the negotiations in late 1955 and proposed an industrial Free Trade Area that would include the European community member states and non-member states. It is likely that the FTA proposal began as a failed attempt to scuttle the common market negotiations.<sup>3</sup> Certainly, the German social-democratic leadership saw matters this way. The SPD’s perception of British obstructionism pushed the party towards supporting the Treaties of Rome – the first time it had supported European integration treaties since WWII.<sup>4</sup> Meanwhile, an international socialist debate to define the ideological content of a European common market continued. Nederhorst asserted in a European parliamentary committee that, ‘there exists an essential difference between liberalisation and integration’: integration initiatives sought to harmonise economic policies and build common institutions to promote macroeconomic policy-making, while liberalisation did not.<sup>5</sup>

## A colonial project?

There was also a colonial dimension to the Treaties of Rome. Particular critical attention has been given to the disastrous colonial policies of French socialist prime minister Guy Mollet – who was a key actor in the Treaties of Rome, the Suez War and the mass state violence of the Algerian War.<sup>6</sup> Some left-wing critics have emphasised this in order to denounce the neo-colonial nature of European integration from its very beginnings. But the picture is more complex than this would suggest. On the one hand, Mollet did successfully argue for the EEC to include a

development fund for European overseas territories, and for special association status for former colonial territories in the EEC Treaty; on the other, it is almost certain that it was not his government's Suez humiliation nor the Algerian War that determined Mollet's support for the Common Market. Nevertheless, these (neo)colonial features so troubled the SPD that some German social democrats decided to vote against the entire treaty. In the end the treaties formally eschewed direct EEC involvement or financing in the Algerian War, and this won over most of their wavering SPD comrades.

In France, hard-line supporters of French Algeria on the SFIO's right wing, who had a direct hand in waging the Algerian War, were generally those most sceptical of European integration (viewing it as an obstacle to French Union). The left wing of the party was the most hostile to colonialism, but supportive of European integration and the Treaties of Rome. There were even prominent advocates of a Eurafrikan community among representatives of the French overseas territories, in particular from West and Central Africa.<sup>7</sup>

Before the calamitous violence of the Algerian War led to a party schism, the SFIO centre (around party leader Mollet) and the SFIO left both agreed that larger economic units, (con)federations or 'grands ensembles' were necessary for France as well as for France's colonies. They hoped that they could find a pathway out of colonialism without turning to a 'reactionary' form of national sovereignty, though such hopes were dashed after it became clear that the Algerian revolutionaries would support nothing short of independence.<sup>8</sup> In such a complex political context, one cannot simply equate socialist support in the 1950s for European integration with French colonialism.

## Back to the jungle

That the EEC Treaty created a common market, rather than just a customs union or a free trade area, allowed pro-European integration socialists to argue that the common market was the only means to realise a socialist economic policy agenda. A German social democrat, Joachim Schöne, noted that the EEC Treaty 'certainly has some holes' in it, but it was 'good enough if we have the good will of those involved to pursue an active economic policy oriented in a socialist sense'. What the Socialist Group should strive for, he said, was 'a well-organised market', blending together here old SPD discourses of 'organised capitalism' and SFIO preferences for 'organised trade'. Another SPD deputy, Heinrich Deist, agreed. He also 'had the impression that socialists have a tendency to adopt a much too liberal conception of free trade';<sup>9</sup> but he rejected characterising the EEC treaty as 'neolib-

eral', arguing that, 'it includes sufficient possibilities to lead a progressive policy if one has the will and the force'. The Belgian socialist René Evalenko claimed that the Treaty's ban on state aid (with exceptions), one of the economic aspects to which the Labour Party objected, would be 'substituted by a dynamic economic policy' of supranational executive bodies.<sup>10</sup> John Edwards, for his part, announced that the Labour Party, under certain conditions, would support the Free Trade Area but not the EEC.<sup>11</sup>

In summer 1957, as ratifications of the Treaties of Rome were concluding in continental Europe, Aneurin Bevan launched a broadside in a *Tribune* article titled 'Back to Free Markets – and the Jungle'. In it he wrote that under the EEC Treaty, the market would be 'endowed with the sacrosanctity of a totem'. Free competition and economic planning, he argued, were mutually exclusive. Perhaps most damningly, he wrote that the Common Market was 'an escapist conception' resulting from the 'political malaise following upon the failure of [continental] Socialists to use the sovereign power of their Parliament[s] to plan their economic life'.

Bevan's article did little to endear Labour to its continental colleagues. In internal meetings in autumn 1957, PvdA deputy Marinus van der Goes van Naters called it 'false', arguing that, 'The EEC contains the possibility of putting in place *dirigiste* ideas'. Moreover, the Socialist Group viewed the negotiations that were gathering pace for a European FTA, which the Labour Party supported, albeit unenthusiastically, as the real threat to socialism.

In October-November 1957 the Socialist Group laid out detailed criticisms in private of the threat posed by the FTA to socialist policies. These are especially noteworthy considering that their parties otherwise supported an agreement between the EEC and countries proposing the FTA. In effect, these socialists redeployed elements of Labour's critique of the Common Market against the FTA. Nederhorst said that, 'the Socialist Group must be on guard against an overly liberal conception of the free trade area' and oppose 'any customs union of the classic type'.<sup>12</sup>

The Dutch labour deputy Hein Vos was entrusted to write a report on the FTA for the Socialist Group. He stated that: 'socialists must always highlight that the liberal doctrine of free trade is not an end in itself. Socialist policy can only be a *dirigiste* policy'. Defending his view at the Council of Europe, he said, 'we should be aware of the dangers that go with free trade'. It had proved no shield against depression, unemployment or inflation: 'We need a lot of instruments to shape our economic and social policies'; and, 'in the treaty on the common market the possibilities for a real planned economy are laid down'. These, he claimed, could only come to fruition in a community that did not require unanimous decision-making.<sup>13</sup> He emphasised the socialist potential to build an active community social policy based on institu-

tions set up by the Treaties of Rome – including the European Social Fund to retrain workers, the European Investment Bank to provide capital for disadvantaged regions and the EEC's supranational programmes in agriculture.

Vos concluded that the British FTA proposal would be good for productivity and Western political unity but bad for economic stability and the community's social structure. He recommended that socialists support the FTA but with a stronger 'institutional structure' that would transform the FTA into a 'European Economic Association'.<sup>14</sup> If we dig into the details of Vos's proposals and the Socialist Group's published resolution, their vision of an acceptable FTA begins to appear a lot like the Common Market; they included, among other institutions, a Social Fund, an investment fund, an agreement on organising agricultural markets, and rules on competition enforced by common authorities.<sup>15</sup>

## Painting Gaullism red

Charles de Gaulle's caustic termination of the EEC-FTA negotiations in November 1958 put this discussion on hold but the inter-socialist dispute about Britain and European integration nonetheless proved resilient. With an FTA agreement with the EEC no longer in prospect, the UK's Conservative government, led by Harold Macmillan, then became a founding member of EFTA, in 1960, but soon afterwards it applied to join the EEC in 1961. The reaction of European socialist parliamentarians to the British application was almost exactly the same as it had been when considering British membership and/or a free-trade agreement in 1955-57.

Meeting amidst rumours of a pending British application, the SPD's Willi Birkelbach, President of the Socialist Group, opened a meeting by saying that British accession would be 'an extraordinary political success'. However, he then went on to lay out a series of community features 'which no negotiations, even with Great Britain, can be permitted to weaken'. Van Naters remarked that British commentators only emphasised the economic advantages of joining the EEC, ignoring the goal of European unity. He feared that 'UK accession to the EEC will have a paralysing effect' on the community, while his colleague Henk Vredeling reminded the group that in a series of issue areas, member-state socialists 'have continuously demanded measures that go beyond the current clauses of the treaty'. A Belgian Socialist, Georges Bohy, wondered aloud whether the UK government sincerely wanted to join the EEC. Warning that it would undermine the EEC's political ambitions, he called for postponing British accession.<sup>16</sup>

In the wake of Prime Minister Macmillan's announcement on 31 July 1961 of his government's intention to apply to the EEC, comments made by Labour Party leaders

in the House of Commons exacerbated these concerns. The Labour Party abstained on a motion to support the British application, though the Trade Unions Congress was more supportive. On 10 August Macmillan's government formally applied to the EEC (accompanied by a long list of conditions for EEC governments to address before the UK might join). A Socialist Group information document summarising statements in the Commons noted Labour's rejection of direct elections and European federation, and Harold Wilson's embrace of the Gaullist idea of a 'Europe of Nations'.<sup>17</sup> At the moment of the first British application, the Labour Party and socialist members of the European parliament appeared as divided as ever.

In September, there was an exchange of views between the Socialist Group and the Labour Party's Michael Stewart and other non-EEC socialists on a potential EEC enlargement to Denmark, Ireland, Norway and the UK. Nederhorst gave an introductory speech warning that the accession negotiations could be exploited to transform the common market into a mere free trade area. If this were to occur, 'it would mean a return to neoliberalism and would compromise the real possibilities of a planning of economic development'. 'Full employment and economic expansion', he continued, 'can only be preserved if the Common Market is directed by an Executive equipped with powers that previously lay with national governments'. Referring to recent British debates, he complained that 'a number of Labour Party deputies defended points of view in the House of Commons that, on the continent, are only shared by reactionary forces'. The continental socialists who were most engaged in the European communities had reached an unhappy conclusion in the early 1960s: Labour Party leaders shared more in common with the European vision of Charles de Gaulle than they did with social democrats in EEC countries.

## Europe without Britain

What are we to make of this inter-socialist dispute over the Common Market from the vantage point of 2019? The debates of the 1950s-60s appear particularly relevant given the international left's return to emphasising the importance of national sovereignty in recent years. Academic scholarship has followed intriguing parallels with contemporary politics, with historians arguing that neoliberalism in its modern post-war form has been anything but 'laissez-faire'.<sup>18</sup> Neoliberals were eager to build international institutions with their own regulations and institutions, shielded from the reach of national authorities elected with democratic mandates. As this article reminds us, however, the EEC Treaty received both support and opposition in all major ideological groups in the 1950s. Liberals, Conservatives and Socialists could all invoke different treaty articles and interpretations in support of their own desired futures.

One of the ironies that should not be lost in today's Brexit debate is that continental socialists were right to fear the influence of the UK – including its Labour Party – on the evolving constitution of the EU. The neoliberal elements of the European Community became stronger over time, and the socialist elements weaker, in part due to the influence of the UK's forty-plus years of membership.

Returning to Bevan's 'Back to the Jungle', it is certainly plausible to argue that continental socialists were grasping at socialist straws in a (neo)liberal treaty, due to their failure to build socialism in their own countries. Looked at from another angle, however, one could argue that the Labour Party's position before and after the UK's accession in 1973 – half-heartedly echoing Conservative and Liberal understandings of British trade and world power – undermined the efforts of continental left parties to activate the socialist potential of the EEC. The lesson for today is clear. Even in absentsing itself from the vital forums of European political life, the British Labour Party can have an outsized influence on what takes place within them: for good or ill.

**Brian Shaev** is Lecturer in History at Leiden University.

## Notes

1. T. Imlay, *The Practice of Socialist Internationalism: European Socialists and International Politics, 1914-1960*, Oxford University Press, Oxford, 2018, p.326.
2. 'Compte rendu analytique de la réunion du sous-comité des affaires économiques et sociales', 11 November 1955, Groupe Socialiste au Parlement Européen (GSPE)-II.
3. W. Kaiser, *Using Europe, Abusing the Europeans: Britain and European Integration, 1945-63*, St. Martin's Press, New York, 1996, p.61.
4. B. Shaev, 'Liberalising Regional Trade: Socialists and European Economic Integration', *Contemporary European History*, Vol. 27, Special Issue 2: Continuity and Change in European Cooperation during the Twentieth Century, 2018, pp.258-279.
5. AC AP PV MACO-195603130010FR, 13 March 1956, Historical Archives of the European Parliament.
6. P. Hansen, *Eurafrica: The Untold Story of European Integration and Colonialism*, Bloomsbury, London, 2014.
7. F. Cooper, *Citizenship between Empire and Nation: Remaking France and French Africa, 1945-1960*, Princeton University Press, Princeton, NJ, 2014.
8. B. Shaev, 'The Algerian War, European Integration, and the Decolonization of French Socialism', *French Historical Studies*, Vol 41, No 1, 2018, pp.63-94.
9. 'Compte rendu de la réunion du groupe socialiste', 7 November 1957, GSPE-19.
10. 'Conférence des partis socialistes des pays membres de la Communauté, Compte rendu analytique', 25 January 1957, GSPE-15.
11. *Ibid.*, 26 January 1957.

12. 'Compte rendu de la réunion du groupe socialiste', 7 November 1957, GSPE-19.
13. 'Speech made by comrade H. Vos, Netherlands, on the European Free Trade Area, Council of Europe. Consultative Assembly, 23<sup>rd</sup> October 1957', GSPE-19.
14. H. Vos, 'Problèmes de libre-échange', 3e Conférence des partis socialistes des pays membres des Communautés européennes, 18-19 October 1958, GSPE-21.
15. Communiqué de presse, 'Les socialistes de l'Europe des Six et la zone de libre échange', 18-19 October 1958, GSPE-21.
16. 'Procès-verbal de la réunion du Groupe socialiste', 8 May 1961, GSPE-29.
17. 'Document d'information. Avis de certains députés travaillistes britanniques sur la question de l'adhésion du Royaume-Uni aux Communautés européennes', GSPE-30.
18. Quinn Slobodian, *Globalists: The End of Empire and the Birth of Neoliberalism*, Harvard University Press, Cambridge, Mass, 2018.