

## Brexit in Historical Perspective: The Age of Britain in Europe



When the bell tolls at eleven o'clock tonight, ringing out Britain's membership of the EU, an entire phase of British history will come to a close. For nearly half a century – from 1973 to 2020 – perhaps the single most important fact about British history was its membership of the European Union (or 'Community', until 1993). Membership touched almost every area of national life. It transformed how Britain was governed, who it traded with and who had the right to live and work here. It rewired Britain's manufacturing base, rewrote its constitution and transformed its judicial system. Its effects have been felt across the spectrum of public policy, from gay rights and environmental protection to regional policy, agriculture and the peace process in Northern Ireland. This was '*the Age of Britain in Europe*', and its passing marks an epoch in our modern history.

Membership provided an answer to three fundamental questions about Britain's role in the world, which reached a crisis in the years after 1945. *First*, how could Britain maintain its *prosperity*, as a declining industrial power that had lost its colonial markets? *Second*, how could it project *power* in the world, once it had lost its empire and its global military reach? *Third*, how could Britain preserve its *sovereignty*, in an increasingly globalised world? Put differently, how could Britain '*take back control*', at a time when it seemed to be leaking sovereignty to the currency markets, to the International Monetary Fund, and to big trading blocs that were setting the rules of world trade?

From 1961 to 2016, every government (whether Conservative or Labour) started from three basic assumptions: that the best way to rebuild Britain's economic strength was as the entry-point to an integrated, European market; that the surest route to influence in Washington or the Commonwealth was through a leadership role in Europe; and that the best way to maximise British sovereignty was to have a seat at the table where its destiny would be decided.

Yet recent governments have shown little understanding of *why* that decision was reached, or of the strategic dilemmas to which Europe became the answer. To say this is not to refight the arguments of the last four years. But unless we understand *why* Britain joined – and why alternative strategies were rejected – we will not be realistic about the scale of the challenge that lies ahead.

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In the years after 1945, the British state confronted a series of interlocking challenges. Its economy was exhausted; it was heavily in debt; and it was facing colonial insurgencies across much of the British Empire. Its global supremacy was at an end, leaving its armed forces severely overstretched and squeezed between the two emergent superpowers. On the Continent, similar challenges would inspire the first steps towards European integration: notably, the 1951 Treaty of Paris, which created the European Coal and Steel Community (ECSC), and the 1957 Treaty of Rome, from which the European Economic Community emerged.

The United Kingdom did not join either of those bodies at the outset. That was partly for cultural reasons: as Herbert Morrison, a Labour Foreign Secretary, famously put it, '*Britain was an island and that was not the fault of the British; that was the way God had arranged things*'. Britain's national institutions had not been tarnished during the war by invasion, occupation or collaboration; on the contrary: the prestige of the nation state in Britain was probably higher in 1945 than at the outbreak of hostilities. But there were also pragmatic reasons for staying out. As Britain confronted its own post-war crisis, it seemed to have better options than a shattered Continent, struggling to rebuild its moral and material capital.

First, Britain was rebuilding its economy on a strategy of public ownership. At the very moment that the ECSC was lifting industries like coal and steel *out* of national control, the Attlee government was reorganising them under the direction of the nation-state. In that respect, integration went against the very grain of Labour's emergent national strategy.

Second, Britain was still closely invested in its Commonwealth and Empire. As late as 1956, a Conservative report insisted that the Commonwealth had '*only to develop its resources to match the power of the United States of America or the Union of Soviet Socialist Republics*'. With Europe still rebuilding and dollars in short supply, the Commonwealth became central to economic reconstruction. In the early 1950s, Britain sent 95% of its car exports to the Commonwealth, and exported more to Australia – with a population roughly the size of Greater London – than to the whole of Western Europe. In the long run, the decision to prioritise Commonwealth markets over the Continent was probably a mistake; but it was not a foolish decision when it was made.

Third, Britain hoped to rebuild its influence through a '*special relationship*' with the United States. Harold Macmillan famously spoke of Britain playing '*Greece*' to America's '*Rome*', acting as a wise counsellor to its idealistic but naïve successor. Americans, thought Macmillan, were a '*great big vulgar, bustling people*', who could be gently guided to suit Britain's interests and experience.

The decision to stay out of Europe, then, was not a complacent nationalist spasm. Yet within five years of the Treaty of Rome, the UK would apply for membership. What had changed?

First, the EEC proved more successful economically than anyone in Britain had anticipated. From 1961 to 1974, GDP per capita grew by 215% in the EEC to just 88% in Britain. As Britain's share of world exports plunged – from more than a quarter in 1950 to barely a tenth in 1970 – West Germany launched an export boom that would make it one of the manufacturing capitals of the world. In 1962, for the first time since the War, Britain traded more with Western Europe than with the Commonwealth. Even without joining, it appeared, Britain was being drawn into the tractor-beam of the Common Market – and attempts at a comprehensive trade agreement, with all of the benefits but none of the burdens of membership, were politely but firmly rebuffed.

Meanwhile, the hopes invested in the Commonwealth were rapidly disappointed. Diplomatically, Britain found itself at odds with its former colonies over Rhodesia, apartheid South Africa and a host of other issues. Anticipating later critics of the EU, Harold Wilson complained in 1966 that Britain was being treated in the Commonwealth '*like a bloody colony*'. In Conservative debate, the organisation featured increasingly as a '*problem*': an instrument through which ungrateful foreigners fleeced Britain of cash, interfered in its affairs and undermined its nationhood through mass immigration. Economically, Britain's share of Commonwealth markets was shrinking long before it joined the EEC. A Foreign Office Report in 1972 concluded that Britain had '*paid a high, and perhaps an excessive price*' for the Commonwealth connection, adding that it would be '*important to avoid doing so in the future*'.

As for the '*Special Relationship*', it was painfully evident by the late-1950s how uneven this relationship had become. In 1956, in the greatest humiliation of British power since the fall of Singapore, US financial pressure forced British troops out of Egypt without firing a shot. It was increasingly apparent that, if Britain was to exert any influence on the relationship, it needed to offer something that Washington did not currently possess: including, perhaps, a voice in European decision-making.

By the early 1960s, there was a growing consensus that Britain's post-war strategy had failed. This was brutally laid out by the American statesman Dean Acheson, in a speech at West Point in 1962. '*The attempt to play a separate power role*', he declared, '*a role apart from Europe, a role based on a "special relationship" with the United States, a role based on being the head of a "commonwealth" which has no political structure, or unity, or strength ... this role is about played out*'. Privately, Harold Macmillan agreed: '*all our policies at home and abroad*', he lamented, '*are in ruins*'.

Debates about sovereignty were also changing in character. Even outside the EEC, British governments in the 1950s and '60s did not *feel* very sovereign. Britain's attempts at an independent nuclear policy had collapsed in disarray. Its currency was under constant attack, its budgets subject to scrutiny by the International Monetary Fund, and the '*National Plan*' on which Labour was elected in the 1960s was ripped up by international financial markets. Defeat in the '*Cod Wars*' with Iceland saw Britain's Atlantic trawler fleet expelled from its traditional waters, a painful casualty of NATO power politics. As *The Times* reflected in 1970, '*We may have been sovereign, but we were not our own masters*'.

The result was a fundamental reorientation of British strategy. In 1961 – just four years after the Treaty of Rome – the Conservative government of Harold Macmillan applied for membership. When that application was rejected, by the French President Charles de Gaulle, the baton was taken up by the incoming Labour government of Harold Wilson. When that, too, failed, a third application was lodged by the Conservative prime minister, Edward Heath. The goals of British policy had not changed: the challenge was still to rebuild Britain's economic strength, maximise its influence in the world, and maintain its sovereignty, but Europe was now its primary instrument. This did not mean rejecting a wider global role. Membership, it was hoped, would *increase* Britain's importance to the United States and the Commonwealth, by allowing it to represent their interests in Brussels.

There were, of course, some who rejected that strategy – and the goals that underpinned it. Enoch Powell, for example, wanted to slay the demon of ‘*gigantism*’: the idea that Britain should aspire to be a leading player in the world. Rather than searching for new arenas for British influence, he urged his country to ‘*come home from years of distant wandering*’. Tony Benn wanted to build a socialised economy behind protective barriers, organised on national lines. Both Benn and Powell offered authentic alternatives to Britain’s national strategy, in that they questioned the very premises on which that strategy was based. But both were pushed to the margins of their respective parties, as Labour and Conservatives alike embraced Europe as a vehicle for the pursuit of greatness.

That was neatly illustrated by Margaret Thatcher. Unlike Ted Heath or Tony Blair, Thatcher was not temperamentally pro-European. As prime minister, she fought a number of bruising battles in Europe, particularly over the budget, the Exchange Rate Mechanism and the expansion of Europe’s social role. Yet until she left office, she never seriously challenged Britain’s place in Europe. In the first referendum on membership, in 1975, Thatcher stumped the country demanding a ‘*massive YES*’ vote, resplendent in a woolly jumper adorned with the flags of the various member states. Her government was one of the central architects of the Single Market, described by one of her ministers as ‘*Thatcherism on a European scale*’. Even in her most Eurosceptic phase as Prime Minister, in the Bruges Speech of 1988, she insisted that ‘*Our destiny is in Europe, as part of the Community*’.

Until her retirement, Thatcher broadly accepted the three principal assumptions of British Europeanism: that Britain’s *prosperity*, its *global influence* and even its *sovereignty* were best served by membership. Launching the single market in 1988, she spoke in chiliastic terms of its possibilities: Just think for a moment what a prospect that is. A single market without barriers—visible or invisible—giving you direct and unhindered access to the purchasing power of over 300 million of the world’s wealthiest and most prosperous people. Bigger than Japan. Bigger than the United States. On your doorstep. And with the Channel Tunnel to give you direct access.

Diplomatically, Thatcher bowed to no one in her determination that Britain should cut a dash in the world. But she saw membership as a continuation, not a rejection, of Britain’s global role:

A century ago, we had the jewel of India, while enterprising Britons carried our flags, our trade, our culture and our justice to the corners of the earth. Our Empire in turn grew into the British Commonwealth – a unique partnership of nations with us at its centre. ... And so it is, in this decade, that the pursuit of this traditional outward-looking role has brought us to exert our influence within the growing European Community.

As for sovereignty, Thatcher was keenly aware of the limitations on any single state. ‘*If Britain were to withdraw*’, she told Conservative activists in 1975, ‘*we might imagine that we could regain complete national sovereignty. But it would, in fact, be an illusion. Our lives would be increasingly influenced by the EEC, yet we would have no say in decisions which would vitally affect us*’. Opponents of membership, she complained, ‘*promise independence by return of post. But their prospectus ignores the fact that almost every major nation has been obliged by the pressures of the post-war world, to pool significant areas of sovereignty so as to create more effective political units*’.

In government, in business and in the civil service, that consensus held until 2016. Yet it was losing support outside of Whitehall: particularly in the media, in the Conservative Party and, ultimately, among the electorate. Its collapse opens a strategic vacuum in British politics, of a kind it has not experienced since the 1960s. Yet there has been little sign of the new strategic thinking that will be necessary. That owes something to the circumstances in which Euroscepticism was forged, and to a pervasive historical amnesia about the dilemmas from which membership emerged.

Modern Euroscepticism incubated in the 1990s, a period in which many of the strategic dilemmas of British politics seemed to have lost their salience. In the unipolar world at the end of the Cold War, the threat to European security seemed to have vanished. The United States was the guarantor of a liberal trading order that was extending free markets across the world. Trade wars, trade blocs and great power competition seemed things of the past, while distance had apparently been eliminated as a factor in either trade or security.

The world of 2020 looks very different. As trade wars become the new norm; as climate change makes cheap food harder to access; as Britain finds itself choosing between Chinese internet providers and American intelligence co-operation; and as a resurgent Russia becomes more active once again in Europe, the unipolar moment of the 1990s looks more like deviancy than destiny. With an erratic '*America First*' primacist in the White House, and with the Commonwealth drawn increasingly into China's economic orbit, Britain may find its allies outside Europe less reliable than it had once anticipated.

Meeting that challenge requires, first, a recognition that it exists. The danger is that governments refuse to acknowledge the choices they face, a risk that is increased by their reliance on fantastical visions of history. As I have argued elsewhere, Brexit ideology has been strongly influenced by muddled narratives of the past, which feed the comfortable illusion that '*nothing has changed*'. In the mythic histories of Boris Johnson, Jacob Rees-Mogg and Daniel Hannan, Britain features, not as a global empire, but as a plucky little underdog, '*punching above its weight*' in the world; a '*swashbuckling*', '*buccaneering*' nation, singeing the beards of more powerful rivals. The effect is to overstate the continuity between past and present, by minimising the significance of empire.

Contrary to popular mythology, the empire barely features in Brexit historiography – because, if it did, those telling these stories would have to engage with its *end*. Recasting the story of British history as one of *smallness* not only ignores the significance of empire; it serves to minimise the importance of decolonisation as a rupture. In so doing, it denies the importance of change, and suggests that Britain can simply resume the role it abandoned in 1973.

This is closely related to the memory of World War Two. For most Britons, the iconic year of the War is not 1945 but 1940: the year that Britain '*stood alone*' against the might of the Nazi empire. It is no disrespect to the courage of that generation to say that Britain did *not* stand '*alone*' in 1940: it stood alongside hundreds of millions of people from across the British Empire. Britain in 1940 was a military and industrial superpower that could draw men and materiel from across the planet, which is precisely what made it such a formidable opponent to Hitler's Germany. Only if the empire is wiped from public memory is it possible to say, '*we stood alone in 1940; we can stand alone in 2020*'.

That has had very serious consequences. For a whole generation of politicians after 1945, the big challenge was to adapt to the contraction of British power: the fact that Britain was losing its global empire, its colonial markets and its control of the sea lanes. Joining the EEC was a way of responding to that challenge: to a fundamental *shift* in Britain's options. It may have been the *wrong* response – that is an entirely legitimate argument – but it recognised that the *status-quo* could not be sustained. The danger of the history propagated by Johnson, Rees-Mogg and their ilk is that it dodges that challenge. In writing a history of Britain as a small power, it pretends that *nothing* has changed: that a nation stripped of its colonies, its industrial power and its control over global finance has the same options today as in the age of its pre-eminence. That means that we are not being serious about the choices in front of us.

For the big strategic questions have not gone away. What is Britain's economic future, as a medium-sized economy in a world dominated by China and the United States? What is Britain's diplomatic role, in a world without an empire? How can Britain maximise its sovereignty over its internal decision-making – which is not an unworthy ambition – in a world in which trade rules are set internationally, in which companies like Google and Facebook have larger GDPs than many countries, and in which issues like climate change render national borders irrelevant?

Europe may have been the wrong answer to those questions – though that is not my own view – but Brexit means we are going to have to find *new* answers, under perhaps less favourable conditions. If we pretend those dilemmas do not exist, or if we simply go back to old answers because we have forgotten why they were rejected in the first place, disaster lies ahead. Brexit requires a fundamental recasting of Britain's national strategy. Achieving that will require more imagination, more humility and a more clear-eyed appreciation of the options than anyone has yet offered in Britain's tortured Brexit debate.

**Robert Saunders**