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MSc Russian, East European & Eurasian Studies

'Brotherhood & Unity...& Utility': Labour Party-Yugoslav
relations during Harold Wilson's First Ministry (1964-
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Introduction

The impetus that drove this work was the desire to question the rigidity dictated by popular perceptions of Cold War logic: often defined as a site of material and ideological conflict between a capitalist West spearheaded by the United States and a communist East dominated by Soviet Russia. More specifically, I wanted to examine how, in the European context, there sometimes appeared elements of inter-party and inter-state relations that ostensibly existed outside of the aforementioned Cold War binary. This spurred the decision to focus on Labour Party-Yugoslav relations.

The broad church of the Labour Party constitutes a wide array of political leanings – from Fabian idealism, democratic socialism or, more recently, centrist gradualism. The pastiche of ideologies that exist in the various structures across the Party contributes to a heterogenous grouping that can be at odds with itself as much as other political parties. Broadly speaking, the Labour Party has found itself split between a Left that at all costs maintains a moral commitment to progressive beliefs; and a Right that finds strength in compromise in order to appeal to as much of the British electorate as possible. At various moments across the Party's history, these factions have viciously fought to direct policy and influence the political commitments of elected representatives. Many figures have shifted between these Left and Right-wings, forming unlikely alliances and bonds that have mystified both historians and commentators alike.

Much has been written on the Labour Party's foreign policy since its formation in 1900. However, there has tended to be little attention given to the period just after Attlee's premiership (ending in 1951) up until the collapse of the Cold War order. This intermediate moment deserves much greater scrutiny than it has been previously afforded. This is especially true if we wish to uncover the origin of the Labour Party's foreign policy attitudes in our contemporary post-Cold War moment. This predicament surrounding the dearth of historiography on the Labour Party's international outlook from this period is understandable. From 1951 to 1989, the Labour Party was in government for just 11 years.¹

¹ Labour was in office in this period from 1964-70, and again from 1974-79.

After the end of the Cold War, it would not be until 1997 that the Party returned to the governing benches of Westminster, allowing it to form policy on its own terms and not simply under the reactive pretence of oppositional agitation.

The *raison d'être* of the present investigation is an attempt to appreciate more fully historical phenomena usually found relegated to the status of Cold War marginalia. It is my desire to understand how the European Left spoke to each other; how this same Left carved out its policies in relation to its own beliefs on foreign and domestic policy and, at the same time, in reaction to the events of superpower aggression – moments when the realities of war were never far from returning once more to European soil. It is from this starting point that I have turned my attention to the interactions between the British Labour Party and Tito's Yugoslavia. By understanding how the Labour Party positioned itself towards the Yugoslav Communists, we are able to contribute to the existing historiography that reveals both the realities of Cold War interaction and those of the limitations on power for any government formed in a Western liberal democracy.

Choosing our 1964-70 timeframe was straightforward. Aside from the dearth of literature on the Labour Party's foreign policy in our intermediate Cold War period, this choice finds its roots in other academic work on Labour Party-Yugoslav relations. Two important contributions stand out: Vladimir Unkovski-Korica's *The Yugoslav Communists' special relationship with the British Labour Party 1950–1956* (2013) and Ann Schreiner's *Humanitarian Intervention, The Labour Party and The Press: The Break-Up of Yugoslavia in the 1990s* (2007).² These two works have instigated further study into the ways in which the Labour Party- Europe's largest social democratic Party- responded and entered into dialogue with Yugoslavia. These works consider the ways in which the Cold War (or indeed its formal conclusion) bore down on the geopolitical realities of transnational exchange and cooperation. They also take into account a further theme that informs much of my work: the fact that Yugoslavia was a communist country outside of direct subservience to the Soviet Union. Allowed to pursue an independent foreign and domestic policy, Yugoslavia after 1948 found itself constructing a myriad of political and cultural contacts beyond the

² V. Unkovski-Korica, 'The Yugoslav Communists' Special Relationship with the British Labour Party 1950–1956', *Cold War History*, Vol.14, No.1 (2013); A. Schreiner, 'Humanitarian Intervention, The Labour Party and The Press: The Break-Up of Yugoslavia in the 1990s', in P. Corthorn & J. Davis (eds.) *The British Labour Party and the Wider World: Domestic Politics, Internationalism and Foreign Policy*, (London: I.B. Tauris, 2008).

Eastern Bloc; remaining rhetorically committed to a national variant of Marxist-Leninist ideology whilst simultaneously turning westward in search of capital. This path thus naturally drew interest from many across the West. This is especially true of the Labour Party, who found multiple reasons to give their backing to Tito and support an independent Yugoslavia. Both Left and Right-wing factions of the Labour Party looked towards Yugoslavia as an important Cold War actor.

By focusing on the first two Wilson Governments (1964-66, 1966-70), my work will attempt to synthesise this existing scholarship on Labour Party-Yugoslav relations. However, my analysis will try to add the realities that control of the British state would bring to the Labour Party and its foreign and domestic pronouncements. Whereas Unkovski-Korica's work focuses on a Labour Party in opposition, my thesis will consider a Labour Party that had the responsibilities and boundaries of democratic governance to consider. This is best summed up in the words of Konstantina Maragkou when she writes on the Wilson's government's response to the Greek military coup of 1967: that the Labour Party, once in power, would face a 'constant clash between the preservation of its values and the safe guarding of the interests of the country- an unrelenting struggle between idealism and pragmatism'.³ This characterisation could be applied to how the Labour Party conceptualised its relationship with Yugoslavia throughout 1964-70.

As will become clear, a sense of *realpolitik* came to define the policies pursued by both the Labour Party and the Yugoslav Communists in the late 1960s. Economic reality assumed primacy in this transnational relationship. Their shared socialist heritage faded in importance, as the external events of the Cold War took precedence. I argue that, in matters concerning both trade and defence, a re-orientation occurred. This involved a greater drive, by Wilson and Tito, towards European integration. Pragmatism, not idealism, triumphed towards the end of the 1960s.

Yugoslavia in this period set off on a course that would have repercussion after Tito's death. Despite her position as between the blocs, Yugoslavia's closer integration with the structures of Western finance and security saw non-alignment as a less potent political force

³ K. Maragkou, 'The Wilson Government's Responses to "The Rape of Greek Democracy"', Journal of Contemporary History, Vol.45, No.1 (Jan., 2010), p.180.

by 1970. After the crushing of the Prague Spring in 1968, there was no doubt in the West that the maintenance of Yugoslavia was necessary to détente and peaceful co-existence.

After reviewing the relevant literature, I will look firstly at the Labour Party and its inheritance as it took office in 1964. Following this, I will examine Labour Party-Yugoslav relations as they were expressed through the machinations of trade and, subsequently, defence. This will produce findings that demonstrate a turn towards Europe in an era where pragmatism reigned supreme in the rationale of policy. Indeed, it becomes clear over the course of this work that existence outside of the Cold War bi-polarity was at best, fleeting, and at worst, illusory.

Literature Review

This chapter will review the relevant historiography from which I am able to enunciate my own work on Labour Party-Yugoslav relations. Specifically, I hope to construct a foundation that allows me to situate my own investigation into the wider trends and experiences of Harold Wilson's government from 1964-70. I will look to sources which deal, directly or indirectly, with the Labour Party and elements of transnationalism during the Cold War. I argue that the late 1960s became an era where ideology slowly began to lose its primacy and the realities of globalisation and economic integration were believed to hold the apparent key to détente and European security. This pattern, I argue, was mirrored by the respective strategies of Wilson's Labour Party and Tito's Communists, despite their own nuanced internal dynamics.

A good starting point is thus Geraint Hughes's *Harold Wilson's Cold War: The Labour Government and East-West Politics, 1964-1970* (2009).⁴ Hughes's book-length work is an excellent overview of how the dynamics of the Cold War were central to the actions of Harold Wilson and his ministers. *Harold Wilson's Cold War* uses both archival material and a wide-range of secondary literature to highlight East-West relations of the period. Hughes's work provides a strong background into which Labour Party-Yugoslav relations can be better historically situated.⁵ Hughes is keen to stress the myriad of voices that made up the British state and their varying influences on the Labour Party in government from 1964-70. *Harold Wilson's Cold War* resists temptation to homogenise the British response to the external conditions of the late 1960s. The book often reminds readers of the multiple and contradictory interpretations that existed: between the Labour Left and Right wings, between Wilson and his cabinet, between Wilson and Whitehall, and even between Whitehall and various other British institutions that could influence defence and foreign policy. Hughes refuses to simplify, and throughout his work stresses how these multiple actors would structure British Cold War discourse and the actions of the Labour

⁴ G. Hughes, *Harold Wilson's Cold War: The Labour Government and East-West Politics, 1964-1970*, (Suffolk: The Boydell Press, 2009).

⁵ Hughes, in chronological order, covers such topics as British Cold War policy from 1945-1964, the Vietnam War, Views on détente from 1964-70, Defence Policy before, during and after the 1968 Czech Crisis, Trade, and even Espionage. Importantly, he views all of these in terms of Harold Wilson and the Labour Government's rationale behind matters of foreign and defence policy.

government. For example, Hughes's work stresses Wilson's own hubris with regards to his diplomatic abilities to act as interlocutor between the superpowers. This third way that Wilson espoused, like Yugoslavia's own third way between the blocs, would eventually lose ground to the economic realities of the period; spurring thus a closer turn by both towards European integration.

Furthermore, *Harold Wilson's Cold War* explores a concept central to my own work: bi-partisan foreign policy consensus. Wilson, in the early 1960s, had moved from the Labour Left to more centre ground: a move which secured him the Party's nomination as leader, paying lip service to his capacity for compromise. When the Party took office in 1964, Wilson filled the top cabinet positions with those from the Labour Right (Denis Healey, Michael Stewart, George Brown etc.). Despite Wilson's own historical ties to the Labour Left and its moral policy ambitions, it was the Labour Right who proved most influential on matters regarding defence and foreign affairs. Hughes stresses how, despite the radical transformation offered in the 1964 manifesto, Wilson was ultimately confined by his inheritance from his Conservative predecessors. Wilson not only had to deal with the country's rampant balance of payments problem; he was also compelled to continue with a bi-partisan, cross-party foreign policy that was believed to be in the national interest. From this premise I attempt to trace how this developed from 1964, and the impact it had on Labour Party-Yugoslav relations up until 1970.

Finally, it is important to note that *Harold Wilson's Cold War* only mentions Yugoslavia a handful of times; most of them occurring with regards to the security issues generated by the invasion of Czechoslovakia in 1968. Nonetheless, this Yugoslav-lack in Hughes's work is commendable: by refusing to categorise Yugoslavia as an Eastern bloc appendage, he gives credence to the country's existence as a non-aligned force. He thus avoids the pitfalls of analysing Yugoslavia through a traditional Cold War lens, creating a space from which I am able to approach the nuances in relations between Harold Wilson's Labour Party and Tito's League of Communists of Yugoslavia.

Another important work is Vladimir Unkovski-Korica's article entitled 'The Yugoslav Communists' Special Relationship with the British Labour Party 1950–1956' (2013).⁶

⁶ Unkovski-Korica, 'Special Relationship'.

Unkovski-Korica traces what he calls 'the special relationship' between the British Labour Party and the Yugoslav communists in the early 1950s. This work indeed influenced my own interest in Labour Party-Yugoslav relations. By constructing a framework from which to view this aforementioned relationship, Unkovski-Korica explores a discourse of transnationalism between the Labour Party and the Yugoslav communists. The article uncovers a myriad of political links that have gone largely unnoticed from mainstream Cold War historiography. 'The Special Relationship' indeed sheds light on how the British Labour Party viewed Tito's communism, and vice-versa. Unkovski-Korica's work stresses how, over the course of 1950-56, this Labour Party-Yugoslav relation experienced both amiable and turbulent periods. Specifically, Unkovski-Korica introduces the useful dynamism that existed between the Labour Left and Yugoslavia's Communists. Whereas the Labour Right viewed Yugoslavia's non-alignment as a 'wedge' between the Soviet Union and the West, the Labour Left developed a much closer affinity that went beyond geopolitical utility. Indeed, Yugoslavia furnished many on the Labour Left with a model of socialism untinged by the negative publicity surrounding both the USSR and China. However, after the imprisonment of the dissenting social democrat Milovan Djilas, relations between the Labour Left and the Yugoslav Communists soured. Importantly, Unkovski-Korica's article attempts, from the margins, to uncover a relationship that at times defied the usual binaries of Cold War discourse.

In reference to my own work, I move Unkovski-Korica's central idea on Labour Party-Yugoslav relations to a period when Labour were in government: 1964 to 1970. This of course has its own difficulties regarding the tensions between Labour Party policy and the limitations of exercising power in the pursuit of national interest. Unkovski-Korica's work creates the possibilities for my own, where I try to demonstrate how, by the end of the 1960s, the realities of the Cold War pushed Britain and Yugoslavia closer towards Europe for both trade and security purposes.

These two works thus form the main basis for my own research. Other works that have been useful in consultation similarly have as their content transnational links with the Labour Party. These include (but are not limited to): work by Stefan Berger & Darren G. Lilleker on the recognition of the German Democratic Republic from 1949-1973; Ilaria Favretto's piece on contacts made between the 1964-70 Wilson governments and the

Italian Centre-Left coalitions; Konstantina Maragkou's essay on Wilson's response to the Greek Colonel's Coup of 1967; and finally Ann Schreiner's *Humanitarian Intervention, The Labour Party and The Press: The Break-Up of Yugoslavia in the 1990s*.⁷

What these works do is, together, initiate a broad study into a much understudied aspect of Cold War phenomena: the responses of the Labour Party to various foreign policy dilemmas on the European continent.

Berger and Lilleker's piece on the recognition of the GDR covers in detail how the Labour Party and its various Left-Right factions positioned themselves towards a key member of the Soviet bloc; a useful analysis when it is contrasted to the perceptions and uses of Yugoslavia during the same period. Similarly, Favretto's work on the Labour Party-Italian Centre-Left coalitions details a sort of mirrored progression for both forces from a belief in radical social change to a realisation of the limitations dictated by the constraints of economic necessity.

Maragkou and Schreiner's work deals specifically with Labour Party foreign policy in regards to moments of crisis: the establishment of a Greek dictatorship in 1967 and the violent break-up of the Yugoslav Federation in the 1990s, respectively. These two works, separated by over two decades, nevertheless highlight how myriad forces in the Labour Party would articulate competing visions of foreign policy, only to be later subsumed to what was believed as the Prime Minister's need to act in the 'national interest'. This indeed was a Labour Party precedent set during Harold Wilson's First Ministry, which can be seen as the heir to Tony Blair's similar project of technocratic modernity as embodied in *New Labour*. These works thus construct a viable historiography from which I will now proceed to integrate with my own findings on Labour Party-Yugoslav relations from 1964 to 1970.

⁷ S. Berger & D. Lilleker, 'The British Labour Party and the German Democratic Republic During the Era of Non-Recognition', *The Historical Journal*, Vol. 45, No.2 (2002); I. Favretto, 'The Wilson Governments and the Italian Centre-Left Coalitions: Between "Socialist" Diplomacy and *Realpolitik*, 1964-70', *European History Quarterly*, Vol.36, No.3 (2006); K. Maragkou, 'Greek Democracy'; A. Schreiner, *Humanitarian Intervention*.

Methodology

Since this is a work of historical research, the sole methodology used in my thesis is archival work. For my project there were two main sources. The first was The National Archives at Kew, London. These hold a large number of governmental documents such as cabinet papers and diplomatic correspondence. The second source was the Labour History Archive & Study Centre (LHASC) in Manchester. This archive contained documents pertaining to the British Labour Party; including editions of the Labour Left's mouthpiece, *Tribune*. These archives were vital resources, as they allowed me to pursue a more detailed analysis of the workings of Harold Wilson's government and party from 1964-70. The idea in using them was to extract data that pertains to how Yugoslavia figured in the foreign and domestic policy of Wilson's governments. Together with the secondary work referenced, I was able to construct a more accurate understanding of Labour Party-Yugoslav relations pertaining to the period under examination.

Limitations

The most obvious limitation is the language barrier. All sources are in English: preventing analysis of Yugoslav documents in Serbo-Croatian. However, correspondence between Britain and Yugoslavia tended to be written in English. A better work would have been able to utilise archival data from Belgrade.

Wilson's Inheritance

'The Labour Party is offering Britain a new way of life that will stir our hearts, re-ignite an authentic patriotic faith in our future, and enable our country to re-establish itself as a stable force in the world today for progress, peace, and justice'.⁸

And so concludes the Labour Party's 1964 manifesto - one that ends on the emphatic proposal for the British to again become the 'go-ahead people with a sense of national purpose, thriving in an expanding community where social justice is seen to prevail'.⁹ After 13 years in opposition, Harold Wilson was able finally to convince the electorate of Labour's commitment to the forces of modernity. Pointing to the nation's cultural, economic and political stagnation, Wilson's manifesto furiously argued how the Conservative Party had 'denied us the rate of expansion we could and should have achieved', with consequences that ultimately 'reduced our political influence in the counsels of the world'.¹⁰ Thus, on 15 October 1964, the Labour Party were returned once more to the corridors of power. A sense of optimism permeated Wilson's ascension, generated in part by his promise of a transformative 'white heat' that would forge a technocratic revolution.¹¹

However, despite the promises embedded in the 1964 election campaign, the Labour Party only managed to return a slim majority. It wouldn't be until the snap election of 1966 that the Party's majority substantially increased. In terms of the Party's success in government from 1964-70, a consensus is easily found amongst the accounts of these years. Mark Donnelly taps into this when he writes that '[t]he virulence of the criticism that the [Labour] government was to endure from 1966 onwards was inversely proportional to the heady optimism it had encouraged two years earlier'.¹² Wilson and his Party were unable to carry out the radical transformation that they had argued was necessary to counter 13 years of Tory ineptitude from 1951. The realities of a treasury on its knees, alongside Britain's defence commitments and Whitehall's foreign policy attitudes, severely limited the Labour

⁸ 1964 Labour Party Election Manifesto, <http://labourmanifesto.com/1964/1964-labour-manifesto.shtml>, consulted on 01.08.17.

⁹ Ibid.

¹⁰ Ibid.

¹¹ Labour's Plan for Science, <http://nottspolitics.org/wp-content/uploads/2013/06/Labours-Plan-for-science.pdf>, consulted on 10.08.17.

¹² M. Donnelly, *Sixties Britain*, (Harlow: Pearson Education Limited, 2005), p. 104. See also: K. O. Morgan, *The People's Peace: British History 1945-1989*, (Oxford: Oxford University Press, 2001).

Party's ability to enact change throughout their time in office. This mixture of Wilson's own policy shortcomings, the needs of the British State embroiled in a seemingly endless Cold War, together with the inheritance of a political economy crippled by a huge balance of payments deficit, constructs a context when looking at the period of 1964-70. This is especially true when situating our analysis of the interaction between the British Labour Party and Yugoslavia within this timeframe.

Therefore it is appropriate that we briefly study the Labour Party's political inheritance on taking power in 1964. This allows us to understand better the limits for both Harold Wilson's policy and indeed the wider transnational dynamic informing Labour Party-Yugoslav relations.

Domestic Agenda from 1951

The minor political relevance of the British Communists meant that the Labour Party were unencumbered by any major threat from the left. The same cannot be said for other social democratic parties of Western Europe, such as in France and Italy, where powerful communist parties strongly influenced political discourse and found representation in various chambers and assemblies. The Labour Party, in line with the wider trend of post-War social democracy, understood the benefits that capitalism -if managed correctly- could foster. The most extreme cases of want and destitution had been tackled by the creation of a thriving welfare state under Attlee's Labour ministry. Donald Sassoon writes of how the Labour Party had acquired an 'optimistic belief in Keynesian "fine-tuning" of the economy'.¹³ He argues that this belief was widespread amongst the socialist parties of Europe, and their reformist attitude was key to the electoral zenith of social democracy in the parliaments of the 1960s.¹⁴

This idea of managing capitalism, of mitigating its worst excesses whilst still being able to stimulate growth and financial plenitude thus became the cornerstone of Labour Party strategy in the 1960s. With its intellectual roots in Anthony Crosland's *The Future of Socialism* (1956), the Party's antidote to Conservative-induced stagnation of the 1950s and 60s are most evident in a document penned at Conference entitled *Signposts for the Sixties*

¹³ D. Sassoon, One Hundred Years of Socialism: the West European Left in the Twentieth Century, (London: I.B. Tauris, 1996), p. 282.

¹⁴ Ibid.

(1961). A collaborative effort by senior Labour figures, *Signposts*- whilst continuing to ostensibly uphold a belief in public ownership of industry (i.e. Clause IV) - has been understood as the 'central revisionist text of the modern Labour Party'.¹⁵ *Signposts* set out a domestic agenda that would achieve the 'modernization of Capitalism'.¹⁶ It argued that Labour in government would assure 'national resources are wisely allocated and community services humanely planned'.¹⁷ The Party thus re-orientated the way it presented itself to the British electorate and indeed the wider political community, imbuing its rhetoric with a nod towards the regenerative spirit of modernity. After Hugh Gaitskell's unexpected death in 1963, Harold Wilson secured his place as Party leader and was seen to embody this new strategy of social democracy, or, socialism with a capitalist hue. Despite starting his political life on the Bevanite Left of the Party, Harold Wilson's came to be viewed as a figure of compromise that many believed was needed to win over an electorate whose default allegiance was to a right-wing Conservative Party.

Foreign Policy Consensus

As a Party in opposition, foreign policy pronouncements could be calculated in such a way as to criticise the incumbent Conservative governments more widely. When it suited, strands of left-wing internationalism could be instrumental in forming an arsenal from which to attack Tory failures. However, once in office, Harold Wilson and his cabinet would be severely limited by the realistic needs of the British State in an era defined by divisive Cold War logic. This is especially true if we consider Wilson's rhetorical flourishes in the lead up to his 1964 election victory, where he was keen to promote a common national interest so debased by 13 years of Conservative rule.

In terms of foreign policy and defence, Wilson in 1964 inherited his stance not only from the previous Conservative administration, but from Clement Attlee's own Atlanticism and Ernest Bevin's virulent anti-communism. The Labour Party had been in power during the tense heights of the early Cold War. The realities of western security in an era when the Red Army still occupied a significant portion of European soil led to the Party's endorsement of Truman's Marshall Plan and, in 1949, a firm commitment to the North Atlantic Treaty

¹⁵ Ibid., p. 304.

¹⁶ Ibid., p. 306.

¹⁷ Quoted in D. Sassoon, *One Hundred Years*, p. 305.

Organisation (NATO). Despite uproar from the Left, the Labour Party would be instrumental in the development of Britain's own independent nuclear programme in order to deter the perceived expansionism of the Soviet Union. Geraint Hughes points out that, in the early stages of European economic integration, the Labour-led British government was 'still determined to maintain a world role'.¹⁸ Despite the myriad of National Liberationist movements across the Third World, the Labour Party remained a committed leader to the Commonwealth. This is indeed true of Harold Wilson's early years as Prime Minister. He believed firmly in Britain's destiny as a major power on the international stage.

Nonetheless, Wilson and the Party's policy on East-West relations marked a new phase in the Labour-leadership's thinking on détente and peaceful co-existence. It was in this way that Yugoslavia was conceptualised in the minds of the Labour Party's chief thinkers and strategists.

As Unkovski-Korica makes clear in his work on this relationship in the 1950s, there existed an affinity between the Labour Party and the Yugoslav Communists. Unkovski-Korica's article correctly identifies the nuances of the internal politics that divided the Labour Party in its early period of opposition after 1951. As Harold Wilson took office in 1964, he surrounded himself with figures from the Right of the Labour Party. George Brown, Denis Healey and Jim Callaghan took up executive roles in the cabinet. Figures from the left such as Barbara Castle, Tony Benn and Richard Crossman ended up playing much more minor parts. This decision accompanied Wilson's shift towards a pro-Atlanticist, pro-American line. Nonetheless, he remained enthused in his belief to play this third force in Cold War politics, an interlocutor between the traditional power blocs.

Just as in the 1950s, Yugoslavia remained important for the Labour Party throughout Wilson's First Ministry for reasons across its Left-Right policy divide. Whereas the Labour Right saw the 'wedge strategy' as the most fruitful benefit from their transnational dialogue, the Labour Left pinned 'ideological hopes on promoting reforms by means of securing a more peaceful and multilateral international environment'.¹⁹ Despite Wilson's shift to the Right in terms of his foreign policy outlook, he remained confident as he took office in

¹⁸ G. Hughes, *Harold Wilson's Cold War*, p. 18.

¹⁹ V. Unkovski-Korica, 'Special Relationship', p. 42.

Britain's ability to remain a major power that could instigate positive change on the world stage. I argue that between 1964 and 1970, the Labour Governments of this period would continue to collaborate and consult Yugoslavia and both encourage and exploit her geopolitical position as another tangible third force in the Cold War- as country that pursued an independent, national road to socialism that had as much stake in Western security as it did in Eastern stability. Indeed, the Labour Party attitude towards Yugoslavia would find itself tied up in the complex security and economic issues that dominated the latter half of the 1960s. However, one element would remain constant in the Party's position towards Yugoslavia: the common desire of 'keeping the Soviet Union away from the Adriatic'.²⁰

²⁰ V. Unkovski-Korica, 'Special Relationship', p. 45.

The Anatomy of Trade

One of the most striking features when studying Yugoslavia is its unique geopolitical and geostrategic position throughout the Cold War. The country's history is well rehearsed for most scholars of Eastern Europe: success of the Partisans in resisting Axis occupation; accession to power of Tito's Communist movement; formation of an independent, non-aligned communist foreign and domestic policy; the Tito-Stalin split and expulsion from the Cominform in 1948; a series of economic and regional reforms to appease restless constituent Republics; Tito's death followed by brutal ethnic strife and inter-Republic fighting from the late 1980s into the new millennium. This paper has a more specific focus, namely the ways in which the Labour Party- between 1964 and 1970- interacted with Yugoslavia. I will use the insight gained through the investigation of primary sources to reveal how this interaction worked in a specific historical moment.

A natural entry point into such political interaction is evident in softer links such as trade and cultural co-operation. By 1964 Tito had long been turning to the West for credit in order to bolster the Yugoslav economy through a programme of rapid industrialisation. Yugoslavia's unique position between the blocs meant it avoided the typical sanctions that featured regularly in US-led policy towards the Soviet Union and her satellites. In order to secure Western credits and investment, it was important for Yugoslavia to maintain strong diplomatic ties to those able to provide them. Such was part of the geopolitical reality of the Cold War order. Similarly, Western regimes would wish to keep Yugoslavia firmly indebted to them, for reasons of security and maintenance of the European status-quo on the Adriatic. Indeed, this view of Yugoslavia was neatly expressed by the British Ambassador to Belgrade, Duncan Wilson, when briefing Denis Greenhill of the Foreign Office in 1965. In an attempt to extract more funds for the British Council, Wilson writes that the 'Council, like ourselves, treat Yugoslavia as a special case among Eastern European communist countries'.²¹

Trade and cultural co-operation became important cornerstones of Labour Party policy geared towards détente and, ultimately, peaceful co-existence. Yugoslavia's unique position meant that, as an independent communist country, she was free to pursue policy in the

²¹ D. Wilson to D. Greenhill, 1965, BW 66/17.

promotion of her own national interest. It is possible that the Labour Party's ascension to power in 1964 could have spurred closer economic and political ties between Britain and Yugoslavia. However, this is unlikely to have been the case. Bi-lateral trade does not in itself constitute a significant indicator of transnational co-operation; this is especially true in a period of increasing globalisation, where capital moved across borders at an exponential rate. However, what distinguishes Labour from their Conservative predecessors is how the Party approached questions of trade with Yugoslavia; and how these processes reflected more widely the Party's attitudes towards European security and détente with regard to East-West relations.

Patterns of Trade

The logistics of trade and financial exchange between Britain and Yugoslavia help reveal the economic realities and external pressures Harold Wilson's governments faced. Further to this, archival data ranging from government memos to aide-mémoires and newspaper articles provide evidence detailing the nuances of Labour Party-Yugoslav co-operation in the period from 1964 to 1970.

Looking at the raw data, trade between Britain and Yugoslavia increased substantially over the 1960s:

Table 1A:**(£) Million.²²**

	<u>1960</u>	<u>1961</u>	<u>1962</u>	1963	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	1968
Imports from Yugoslavia	15.7	19.2	20.1	15.1	18.3	14.5	13.3	15.7	23.4
Exports to Yugoslavia (including re- exports)	14.8	15.3	16.6	17.5	23.0	20.3	27.3	23.0	24.9

Indeed, the figures available run up to June 1969, where Britain maintained, as it had since 1963, a trade surplus (amounting to +£1.5 million mid-1969).²³

Yugoslavia's trade with Western Europe was significantly higher than with the Soviet Bloc. From 1960-63, an average of 42.3% of Yugoslavia's imports came from Western Europe, while exports to these same countries amounted 45.8%. In this same period, imports from the Soviet Bloc amounted to an average of just 21% of all imports, while exports to the East

²² Amalgamation of figures from FCO 28/869 & BT 11/6306.

²³ 'Anglo-Yugoslav Trade', FCO 28/869.

sat at around 28.5%. Imports from the United States alone from 1960-63 averaged at 17.5% of all imports for that period (a mere 11% behind those from the entire Soviet Bloc).²⁴

These figures emphasise how Yugoslavia used their unique position in the Cold War order to economic advantage. Unencumbered by the isolation afforded to a Soviet Bloc under Kremlin-led fiscal conservatism –and with the introduction of market elements in an increasingly de-centralised body politic- Yugoslavia was able to turn westward for the majority of her trade-relations. This same trend continued well into and beyond Harold Wilson's time as Prime Minister from 1964-70.

Yugoslavia's trading links with Britain were more important for the Yugoslavs than the British. This is not to diminish the political significance that Yugoslav exports and imports had to Britain; rather, it highlights the respective differences between these two economies, along with the various consumer and industrial demands that persisted. The most obvious disparity was the maturity and complexity of British industry in comparison to Yugoslavia's developmental lag. In 1969, as was the case throughout the 1960s, the Foreign & Commonwealth office noted that United Kingdom exports to Yugoslavia consisted mainly of 'manufactured chemicals, metal manufactures, machinery (electrical and non-electrical) and transport equipment'.²⁵ The Yugoslav government was clearly pursuing a programme of rapid industrialisation, as evident in the types of goods imported from Britain and the West.

Yugoslavia worked hard to industrialise. Nonetheless, Tito and his Party cadres felt that there existed multiple obstacles in the West that prevented Yugoslavia from reaching trading parity with other European nations. It is these so-called obstacles and organisations that impinged heavily on British-Yugoslav trade, forming major challenges to the governing Labour Party. Indeed, debates within the Labour Party on European economic policy of the period 1964-70 invariably lead us back, one way or another, to the Party's transnational relations with Tito.

Trading Obstacles

The European Free Trade Association (EFTA) was of crucial importance to the British State. Denied entry to the European Economic Community (EEC) after a French veto in 1963, EFTA

²⁴ 'Anglo-Yugoslav Trade', BT 11/6306.

²⁵ 'Anglo-Yugoslav Trade', FCO 28/869.

remained Britain's primary trading bloc in Europe. By reducing tariffs and increasing the ease of transactions across borders, EFTA remained a loose, economic grouping where the individual member-states seceded none of their decision-making sovereignty.

In a 1964 Whitehall trade briefing -produced when Labour was still in opposition- there is discussion of some form of association between Yugoslavia and EFTA. Interest in this association is attributed to be primarily from the Yugoslav side. The briefing states that this association should be avoided. Its authors argue that:

[a]ny fresh move in this direction should be discouraged, not only because of the impossibility of reconciling their present system of trading with the obligations of a free trade area, but also because the association [...] would further complicate any eventual association between E.F.T.A. and the E.E.C.²⁶

The two points made in this briefing extract that inform the framework from which to understand the evolution of Labour Party-Yugoslav trade relations in the late 1960s. Firstly, there is a recommendation given to prevent EFTA-Yugoslav association. Following the Labour Party's ascension to power in October 1964 this attitude slowly reverses; the realities of economic necessity increasingly impinge on the Party's policy towards trade within Europe. Secondly, the briefing discusses the possibilities of closer EFTA-EEC association for the British state. I argue that the EEC, after 1966, begins to loom large in the political imaginary of the Labour Party. Again this is dictated by a rapidly deteriorating domestic economic situation. The EEC and European integration thus become the trading focus for both the Labour Party and the Yugoslav Communists in the latter 1960s.

EFTA Association

In 1965, just after Labour took office, the Yugoslav Communists enacted a series of widespread reforms. These were the result of intense debates within the LCY over proposed solutions to persistent economic stagnation and the disparities between the wealthier Northern Republics (Croatia, Slovenia and parts of Serbia) and the more underdeveloped Southern lands (including southern Serbia, Bosnia-Herzegovina, Montenegro and Macedonia). Despite resistance from the more conservative Communist

²⁶ 'Yugoslavia and E.F.T.A.', BT 11/6306.

officials, the Yugoslav authorities undertook reforms that would liberalise the economy and, in turn, make it more attractive for Western trading partners. Stella Margold lists in full these major reforms, which included a move for 'wages to be linked with productivity' and 'competition with the West by stress on quality and price without subsidy'.²⁷ Evident in these reforms was a drive to improve exports by determining a 'domestic price level based on supply and demand in a free economy'.²⁸ Yugoslavia underwent increasing liberalisation to stimulate competition, with further concessions given to the role of the market in structuring a reality that increasingly distinguished itself from the centralised command economies of the Soviet Bloc.

During the early Wilson years, Western governments were generally guided by Keynesian macro-economic thought with an emphasis on the primacy of the market. Concurrent Yugoslav economic reforms post-1965 were geared towards ensuring smoother trade and co-operation with these European economies.

Up until this point, Yugoslavia complained about barriers to European trade, in the form of tariffs and quotas as dictated by organisations like EFTA and the EEC. In an aide-mémoire circulated to the Foreign Office in 1965, there is discussion over Yugoslavia's association with EFTA and her continued integration into the General Agreement on Tariffs and Trade (GATT).

From 1962, Yugoslavia had been made a provisional member of GATT; in 1965, the Yugoslav authorities petitioned the British government to support her move towards full membership. The aide-mémoire relates the argument presented by the Yugoslav authorities; they felt their country had made a 'satisfactory contribution ("entrance fee") to get the status of a full-fledged member to the General Agreement'.²⁹ In terms of EFTA-association, a 1965 note to Walter Padley -Labour's Minister of State for Foreign Affairs- stated that the 'practical possibilities of Yugoslav/E.F.T.A. co-operation are probably pretty

²⁷ S. Margold, 'Yugoslavia's New Economic Reforms', The American Journal of Economics and Sociology, Vol.26, No.1 (Jan., 1967), p. 66.

²⁸ Ibid.

²⁹ 'Aide-mémoire', 1965, FO 371/182859.

limited'.³⁰ Nonetheless, Yugoslavia's petitioning to the UK government was noticed by Labour Party members of parliament.

Support for Yugoslavia's full-membership to GATT was relatively simple for the Labour Party to rally behind. Since the 1965 economic reforms, Yugoslavia was in an easier position to acquiesce to the terms as dictated in the General Agreement, following her increased market liberalisation and her desire to strengthen exports. EFTA-association would prove to be a trickier matter.

As Harold Wilson's Secretary of State for Foreign Affairs, Michael Stewart visited Yugoslavia in April 1965. The Yugoslav daily *Borba* commented on Stewart's visit and reports on his statements delivered at a press conference from his tour. When asked the reasons for his visit, Stewart answered that it was the 'promotion of economic relations' that had been in the 'first plan' for discussion with Yugoslav officials.³¹ Just 3 months before the implementation of the July 1965 reforms, Stewart's visit would have no doubt covered Yugoslavia's desires to join GATT in full, and most likely included frustrations with EFTA. The fact that Stewart spent his visit with the Yugoslav Foreign Secretary, Koca Popović, suggests that discussions on stronger economic links were of a serious nature and in the interests of both the British government and the Labour Party more generally.

Indeed, *The Guardian* in November 1965 produced an article with the headline 'Labour group welcomes Yugoslavia's approach'.³² The article details how members of the Labour Party's Wider Europe Group were 'urging the Government to back Yugoslavia's recent approach to the EFTA Council'.³³ The Wider Europe Group was formed in June 1965 and included in its ranks some Labour heavy-hitters such as Peter Shore and David Ennals (both close to Harold Wilson's inner circle). 'The group', the article continues, 'works for the removal of political obstacles that divide Europe'.³⁴ The Wider Europe Group sought to pressure Her Majesty's Government into easing trade across European frontiers and to help secure peace on the continent. The group's belief in finding 'common ground among European countries' had driven their support for Yugoslavia's approach to the EFTA council,

³⁰ 'Note to Mr Padley', 1965, FO 371/182859.

³¹ M. Stewart, 'Press Conference in *Borba*', 1965, BW 66/17.

³² *The Guardian*, 5 November 1965, p. 2.

³³ *Ibid.*

³⁴ *Ibid.*

and indeed their belief of the benefits derived from bridge-building initiatives with Eastern Europe more generally.³⁵ Clearly, therefore, high-ranking Labour Party ministers were interested in closer economic integration with Yugoslavia. Stewart's visit, and the support given to EFTA-Yugoslav association from the Wider Europe Group, is evidence of how elements in the Party came to view Yugoslavia as a useful European trading partner.

Due to the success of the 1965 Yugoslav reforms, and with support from the Labour Party in government, Yugoslavia gained full membership of GATT in 1966 and thereafter the International Monetary Fund (IMF). Following full membership of GATT and in order to meet more fully the needs of the Agreement, Yugoslavia de-valued the Dinar in to foster parity with the more convertible currencies traded on the Western markets.

Further to this, in 1967, Yugoslavia was able to take a step closer to EFTA association. The creation of a Yugoslav-EFTA working group was reported in *The Guardian* in December 1967.³⁶ This would eventually lead to an even closer partnership after the first Bergen Declaration in 1983 and the creation of a Joint EFTA-Yugoslavia Committee.³⁷ The Committee met annually until the eventual dissolution of the Yugoslav Federation.

In no small part, therefore, did the Labour Party play in the encouragement of stronger trading ties with Yugoslavia, and towards increased European co-operation in a period of relatively successful détente in the latter 1960s.

However, this forms only part of the picture in the politics of trade that bore down upon Labour Party-Yugoslav relations under Harold Wilson. It is pertinent that we turn to the more important role the EEC played, and the ways in which its existence would impinge upon the Labour Party, Yugoslavia, and wider debates surrounding European integration.

The EEC

As discussed, the Labour Party's Wider Europe Group had forcefully fought for the 'removal of political obstacles that divide Europe'.³⁸ This statement may, on the face of it, seem like

³⁵ Ibid.

³⁶ *The Guardian*, 12 December 1967, p. 9.

³⁷ Commemoration of 40th Anniversary of EFTA, <http://www.efta.int/sites/default/files/publications/efta-commemorative-publications/40th-anniversary.pdf>, consulted on 15.08.17.

³⁸ *The Guardian*, 5 November 1965, p. 2.

an antecedent to coherent Labour Party endorsement of British entry into the EEC. This could not be further from the actuality of the Party's attitude.

Whereas EFTA was a series of treaties aimed at increasing frictionless trade with its members and Third Country associates, the EEC was a more homogenous politico-economic unit. Policy, such as the debated Common Agricultural Policy (CAP), was dictated by Brussels. Individual member states were required to carry through on its pronouncements. In the early 1970s, Britain would eventually be granted entry into the EEC, following previous attempts. Bookended by two Conservative Party applications- a rejection in 1963 and an acceptance a decade later- the Labour Party itself unsuccessfully sought membership in 1967. Nonetheless, Harold Wilson's attempt at EEC membership was preceded by his own ambiguity towards the Community, and the application was submitted against the backdrop of a Labour Party deeply divided over the issue.

Tito, as he had with EFTA, similarly complained over the unfair tariffs and quotas that the EEC imposed on Yugoslavia's trade. Despite being more akin to the underdeveloped nations of the Third World in terms of economic sensibilities, Yugoslavia did not feel it fair to be treated as such with regard to pan-European trade. *The Guardian* reported in November 1968 of Tito's outrage with the EEC. Tito appeared to place the blame for the 'current stagnation in Yugoslav agriculture' at the feet of the EEC.³⁹ 'Protective and discriminatory tariffs' caused difficulty for Yugoslav farmers trying to sell their meat.⁴⁰ The article closes with Tito's promise that Yugoslavia would take counter-measures against countries that 'obstructed its foreign trade'.⁴¹ The next day, Labour MP Alf Morris was quick to appropriate Tito's anti-EEC rhetoric for his own ends. Morris himself attacked the 'economic selfishness' of the EEC, giving credence to Yugoslavia's anger at the protectionist tariffs that had so profusely affected her exports.⁴²

Looking back at our Anglo-Yugoslav trade figures above (Table 1A), there is evidence of the effects EEC tariffs had on Yugoslavia. From 1963 onwards, the balance of trade with Yugoslavia turned from a British deficit to a British surplus. This pattern stemmed directly

³⁹ *The Guardian*, 11 November 1968, p. 2.

⁴⁰ *Ibid.*

⁴¹ *Ibid.*

⁴² *The Guardian*, 12 November 1968, p. 4.

from the protectionism of the EEC and, indirectly, from the Labour Party's increased drive to associate more closely with Yugoslavia as a trading partner.

In 1963 the trade balance in Yugoslavia's favour was reversed. This was attributable to the re-direction of Yugoslav beef -intended for the United Kingdom- through the Italian market.⁴³ Italy's membership of the EEC and its attendant Common Market meant that, to Third Countries like Yugoslavia, high trade tariffs substantially reduced the bottom line figures for exports. However, this Common Market agricultural tariff made the United Kingdom 'once more attractive', meaning that Yugoslav imports to Britain rose dramatically following closer EFTA-association and, importantly, Britain's second rejection from the EEC in 1967.⁴⁴ Re-direction of Yugoslav beef through Italy ceased in the course of 1968, and Anglo-Yugoslav trade under Wilson's Labour government resumed its healthy upward trend.

This example of the protectionist scourge of EEC trade with non-member states -such as Yugoslavia- formed part of a wider anti-Common Market discourse endemic on the Labour Left. Despite the ostensibly Europeanist proclamations of our friends in the Wider Europe Group, the Labour Party was deeply divided over the benefits and costs of EEC membership.

In taking office in 1964, the Labour Party had rallied against the humiliating application to join the EEC as pursued by the previous Macmillan administration. Wilson's 1964 manifesto argued that, if Britain had been accepted into the Common Market, the terms of entry would have 'excluded our Commonwealth partners' and would have 'broken our special trade links with them'.⁴⁵ The 1964 manifesto stated that, while seeking to achieve 'closer links with [Britain's] European neighbours', the Labour Party remained convinced that the 'first responsibility of a British Government' was to the Commonwealth.⁴⁶ The early years of Wilson's premiership thus saw him focus more on trade and partnership with the Commonwealth, believing it to be foundational to Britain's international standing.

However, this pro-Commonwealth position, along with ambiguity towards EEC membership, became increasingly untenable over the course of Wilson's time in office. Wilson's own position had mutated throughout his parliamentary career. Trouble with Britain's balance

⁴³ 'Anglo-Yugoslav Trade', 1969, FCO 28/869.

⁴⁴ Ibid.

⁴⁵ 1964 Labour Party Election Manifesto.

⁴⁶ Ibid.

of payments, along with unrest in the Commonwealth, forced Wilson to concede to the necessities of Britain's membership of the Common Market. EFTA could not compete with the EEC, so even the goal of closer association between the two was relegated and, in place, Wilson and his coterie began to draw up plans for Britain's second application to the EEC.

Wilson and his Labour Party associates were forced to confront head on the economic challenges of the late 1960s. Ian Smith's Unilateral Declaration of Independence in Rhodesia should be understood as part of a wider trend that saw Commonwealth relations deteriorate; no longer could the Commonwealth provide trade at the level needed to mitigate the outstanding balance of payments deficit that hung heavy over Britain's economy. Wilson's pragmatism, combined with his commitment to a tangible British national interest, forced a re-orientation of policy away from the Commonwealth and towards greater European integration. The cabinet's very own Michael Stewart and George Brown argued in 1966 that 'politically, Britain had to seek [EEC] accession in order to remain a world power'.⁴⁷ Pro-EEC accession was not always a stalwart policy of Labour's Right-wing (which Stewart and Brown no doubt belonged to). Gaitskell, for example, derided Macmillan's application earlier in the 1960s, believing that it had ended 'a thousand years of British history'.⁴⁸ However, this pro-Commonwealth stance loosened its grip on the Labour leadership as the 1960s progressed. In typical Wilson fashion, the Labour Prime Minister tried to absorb the disparate trends surrounding issues of sovereignty and the EEC, culminating in his belief, as Helen Parr surmises, that it was in Europe that Britain's 'future political independence' lay.⁴⁹

The Labour Left, however, were not best pleased at the leadership's apparent U-turn. Names like Barbara Castle, Richard Crossman and Tony Benn represented the most senior dissenting voices against Wilson's decision to re-apply for EEC membership. Many figures not usually associated with the Labour Left similarly felt that the Common Market represented a seceding of sovereignty to Brussels that would threaten Britain's ability to control her own affairs. Peter Shore and David Ennals from the Wider Europe Group both

⁴⁷ H. Parr & M. Pine, 'Policy towards the European Economic Community', in G. O'Hara & H. Parr (eds) The Wilson Governments 1964-1970 Reconsidered, (Abingdon: Routledge, 2006), p. 113.

⁴⁸ J. W. Young, The Labour Governments 1964-70: International Policy (Volume 2), (Manchester: Manchester University Press, 2003), p. 142.

⁴⁹ Parr & Pine, 'European Economic Community', p. 118.

spoke out against EEC membership. Ennals, in an article from 1965, made his case against what he saw as a step towards a Federalised Europe under the guise of a Common Market. He wrote that the central position of the Wider Europe Group was that 'European problems must be seen as a whole' and would not be solved by Britain's accession to a supposed supra-national body such as the EEC.⁵⁰ Douglas Jay, Labour MP and President of the Board of Trade from 1964-67, similarly took to the press to argue against Wilson's drive for EEC membership. Writing in the *New Statesman* following his ousting from the Board of Trade, Jay argued that Britain's 1967 rejection from the EEC spurred a 'sigh of relief [...] throughout EFTA and the Commonwealth'.⁵¹ He argued that, by focusing on the removal of barriers such as tariffs between EFTA, the EEC, the US, and the various Eastern European trading blocs, European security and co-operation would become a much more realistic achievement. He even went as far to suggest that this type of loose integration could have paved the way for countries like Yugoslavia and even Poland to join a 'wider Atlantic free-trade area' if it had been allowed to materialise.⁵²

Members of the Labour Party against EEC membership viewed it as an impediment to self-determination that would deeply disrupt the British government's ability to mediate upon matters such as foreign policy and industrial relations. They argued that a looser form of co-operation within Europe could facilitate an easier route towards détente, therefore spurring closer economic integration that would better meet the needs of the continent as a whole.

Table 1A indeed shows the impediment to Yugoslavia's trade that EEC tariffs caused; disrupting its ability to easily and cheaply export its beef to the British market. This, taken alongside Tito's outspoken remarks against the EEC would, *prima facie*, suggest that those Labour MPs outspoken against Common Market membership would make natural allies for Yugoslavia. Indeed, Douglas Jay's remarks ostensibly give credence to this idea. Figures from the Labour Left such as Richard Crossman had even envisaged the 'option of a socialist offshore island', whereby Britain would 'expedite the withdrawal of its global defence role [...] and pursue the Swedish route of social democracy.'⁵³ This idea of a 'socialist offshore island', pursuing a non-aligned foreign policy, was of course a subtle nod to Yugoslavia's

⁵⁰ *The Guardian*, 3 August 1965, p. 8.

⁵¹ *New Statesman*, 10 November 1967, p. 630.

⁵² *Ibid.*

⁵³ Parr & Pine, 'European Economic Community', p. 113.

experience between the blocs. Despite all this, the Yugoslav Communists chose to side with the Labour Right and its attempts in the late 1960s to accede to the EEC.

In late 1969, during the twilight of Wilson's First Ministry, an impromptu discussion took place between Sir Alec Douglas-Home (ex-Conservative Party leader) and President Tito in Yugoslavia. In the course of the meeting, the two men discussed various topics pertaining to the international situation. Strikingly, when the Common Market was mentioned, the briefing of the meeting reads: 'President Tito thought that British membership was something that had to happen'.⁵⁴ Despite problems with the tariffs and levies that had disrupted Yugoslavia's main agricultural exports (see Table 1A), and despite the outspoken remarks swearing reprimand and counter-measure, Tito stressed what he saw as the necessity of British membership in the EEC. His views here aligned not just with Douglas-Home, but with a substantial majority of the Labour cabinet of the period, including Harold Wilson.

Despite the ideological trappings that thinking historically about the Cold War engenders, when it came to Anglo-Yugoslav trade, both the Labour Government and the Yugoslav Communists found themselves pursuing a strategy of pragmatism that promoted economic self-interest over any commitment to a Socialist Internationale. Both Britain and Yugoslavia suffered from a balance of payments deficit that ultimately precipitated their respective leader's evolution towards a shared pro-EEC position. Despite the Labour Left's belief in learning as much as they could from the Yugoslav experiment in socialism, the realities of trade and European security led to greater harmony between the views expressed by the Labour Right and Tito's League of Communists.

On 19th March 1970, an EEC-Yugoslav Trade Deal was signed, in an attempt to remove the aforementioned tariffs and quotas that had earlier wreaked havoc on Yugoslavia's beef exports. The EEC-Yugoslav trade deal was emblematic of a wider desire to see Yugoslavia indebted to the various market economies she traded with, keeping her further from the malignant influence of the Soviet Union. Andreja Živković writes lucidly about how the structural trade deficit with the EEC effectively led to the 1970 deal, which in turn helped

⁵⁴ Tito-Home Meeting, 1969, FCO 28/870.

force Yugoslavia 'onto the path of deeper market integration with the Community'.⁵⁵ This Westward turn was of course celebrated by the Labour Right, in their attempts to maintain the 'wedge strategy' that kept the Soviet Union at bay on the Adriatic. The Labour Left took great displeasure in seeing Yugoslavia -a possible model of actual existing Socialism outwith Kremlin malevolence- being moulded by the corrupting forces of capital and free market exchange.

The realities of the Cold War order were slowly eroding Yugoslavia's unique position as between the blocs, turning her Westward through the credit and debt mechanisms of the IMF, GATT and the EEC. As economic dependence to the West deepened it is interesting to read alongside this documents from the Foreign Office that detail the 'Occidentation' of Yugoslav culture. One analysis from 1965 stated that Yugoslavia was mainly 'Western-oriented' in its cultural make-up (more-so in the wealthier Northern, Roman Catholic regions).⁵⁶ However, this is not just the view of a biased British diplomat. The late 1960s had become an era of increasing détente. The Yugoslav authorities at every opportunity sought to rapidly develop the economy, and thus it was accepted as beneficial to look westward, especially as détente continued to keep peace on the European continent.

Whilst Tito continued to adeptly carve out a politics that existed between the blocs, there was a feeling that non-alignment and political liminality was beginning to run its course.⁵⁷ Closer integration with Western Europe increasingly became the only viable option for Yugoslavia's continued survival. When a Labour Party delegation visited Yugoslavia in 1969, the Foreign Secretary Mirko Tepavac confirmed that, for Yugoslavia, 'non-alignment was "not an Afro-Asian - Latin-American tactic but a European policy"'.⁵⁸ Similarly, when the leading light of the Labour Left -Tony Benn- met with the Yugoslav Prime Minister in early 1970, Benn recounts in his diary how Mitja Ribičič had remarked that 'Yugoslavia just wanted to be a European country'.⁵⁹

⁵⁵ A. Živković, 'From the Market ... to the Market: The Debt Economy after Yugoslavia', in S. Horvat & I. Štiks (eds.) Welcome to the Desert of Post-Socialism: Radical Politics After Yugoslavia, (London: Verso, 2015), p. 33.

⁵⁶ 'Belgrade Dispatch', 1965, FO 536/122.

⁵⁷ FO 536/122.

⁵⁸ 'M. Tepavac to British Labour Party delegation', 1969, FCO 28/870.

⁵⁹ T. Benn, Office without Power: Diaries 1968-72, (London: Hutchinson, 1988), p. 242.

On matters concerning trade and co-operation, Anglo-Yugoslav relations took a turn towards closer European integration. Despite uproar in the Labour Party over the EEC, Harold Wilson in his typical fashion attempted to unite the disparate concerns of both nation and Party by stressing that their resolution could be found in Britain's accession to the Common Market. Similarly, Tito's Communists found it increasingly useful to focus on strengthening exports by turning towards Western Europe. Economic reality for Britain and Yugoslavia dictated the direction of each country towards a common European goal. As I will go on to show, this *realpolitik* was to find even greater convergence when considering foreign policy and defence. The needs of European security would, as is the case with trade, impinge deeply upon the relations between the Labour Party and the Yugoslav Communists.

Defence & Continental Security

In terms of defence and security, Yugoslavia in the late 1960s found that it was with the West -rather than the Soviet East- that her interests were more intimately tied. Our analysis of the dynamics of Anglo-Yugoslav trade revealed a turn, by both countries, toward Europe in the late 1960s. A sense of realism and indeed *realpolitik* bore down on the economic necessities of Britain and Yugoslavia; the solution was to promote trading parity with other European nations in order to stabilise each respective domestic economy. Despite the fact that Yugoslavia proclaimed a body politic that was of communist character, the reforms of the 1960s made her heavily indebted to the machinations of Western finance. Increasing liberalisation and decentralisation allowed market forces to take precedence in structuring Yugoslav reality. Yugoslavia, under the twin forces of material need and growth-led reform, thus seceded to the dictates of organisations that encouraged trade and co-operation amongst the more developed economies of Western Europe. Despite this, the LCY never fully turned their backs on the Eastern Bloc and their maternal-like ties to the Soviet Politburo. Yugoslavia maintained her position between the blocs. As we have seen, however, this position increasingly gave way to pressures to open more fully towards the West. Yugoslavia's strategic location on the Adriatic placed her, not just ideologically, but topographically between the NATO and Warsaw Pact blocs. This was to have repercussions as the 1960s progressed and the status-quo on the European continent momentarily seemed to be in jeopardy.

Upon taking office in 1964, Harold Wilson attempted to distil the conflict endemic across the broad church of the Labour Party. More widely, he tried to govern in the British national interest. Whilst ostensibly a social democrat, Wilson's attitude to British defence needs were deeply entwined with the security of the West. This security was ultimately underwritten by the USA. Whereas Wilson's cabinet enacted a series of progressive domestic reforms that pushed Britain towards greater social equality, his foreign and defence policies ended up defined by their close convergence to those of his Conservative predecessors.

Despite the actuality of the Labour government's foreign and defence policies from 1964-70, Wilson entered office in spirits to defy the Conservative Party-induced stagnation. The

optimism of 1964 accompanied what John Callaghan cites as Wilson's belief that Britain 'would be able to play an independent role mediating between the superpowers'.⁶⁰ However, even in 1964, it was easy to see the difficulties in sustaining this third way. Callaghan uses an analysis which I believe remains pertinent to understanding the bind that Wilson, or indeed any other British Prime Minister, found themselves in. Callaghan highlights the 'vicious circle' that dictated British foreign policy of the period.⁶¹ The 'real priorities' of successive British governments after the war were 'maintenance of Britain's world role' and 'defence of the value of sterling'.⁶² Acting therefore in a perceived national interest, the Labour governments of 1964-70 quite openly continued with the previous Conservative government's foreign policy. In fact, this cross-party bi-partisan foreign policy consensus had its origins in the post-War Attlee ministry, in which Atlanticism secured a centrality in Labour Party thought during the first 30 years of the Cold War. In resisting the logic of Britain's decline, Wilson's cabinet remained firmly in alliance with the USA on all matters of defence. This was the price to pay to protect speculative attacks on sterling (before its eventual devaluation in 1967). Just days following the Labour Party's election victory in October 1964, Patrick Gordon-Walker, as Foreign Secretary, remarked to Dean Rusk of the US government that the United Kingdom did not plan 'any radical foreign policy initiatives embarrassing to the United States'.⁶³

One thing that could not continue into the late 1960s, however, was the high costs associated with these aforementioned policies. As the balance of payments problem continued, Wilson and his ministers agreed that defence spending had to be significantly cut if the deficit was to be reduced. This supports my argument that economic reality slowly took primacy in the decision-making apparatus of Wilson's First Ministry. The financial benefits of closer European integration took precedence over Britain's Commonwealth trading-links, and thus Wilson and his cabinet sought membership of the EEC in order maintain Britain's status as a global economic powerhouse. Similarly, in pursuit of this much vaunted world role, Wilson et al. realised the necessity of adhering to fiscal constraints if any sense of international leadership was to be maintained by a post-Empire Britain. John

⁶⁰ J. Callaghan, The Labour Party and Foreign Policy: A History, (London: Routledge, 2007), p. 254.

⁶¹ J. Callaghan, The Labour Party and Foreign Policy, p. 254.

⁶² Ibid, p. 255.

⁶³ C. Pointing, Breach of Promise: Labour in Power 1964-1970, (London: Hamish Hamilton Ltd, 1989) p. 44.

Callaghan sums this up succinctly: “‘Punching above its weight’ was the British aspiration. Spending above the average was the British reality’.⁶⁴

Indeed, the 1964 Labour Party manifesto promised to review defence spending. Deriding ‘tory nuclear pretence’ regarding an independent British deterrent, the manifesto stated:

Our stress will be on the strengthening of our conventional regular forces so that we can contribute our share to Nato defence and also fulfil our peacekeeping commitments to the Commonwealth and the United Nations (sic).⁶⁵

Despite this, once in office, Wilson and his cabinet colleagues went against their own manifesto pledges. Instead of re-assessing the previous Conservative Government’s purchase of the costly Polaris missile system, the new Labour Government decided to see the transaction through to its conclusion. Rhiannon Vickers surmises that this effectively meant a ‘rejection of unilateral disarmament’ which had been a key policy of the Labour Left since the late 1950s.⁶⁶ Vickers continues, stressing how the retention by Wilson of an independent nuclear force had two consequences. It not only gave the ‘appearance of power and diplomatic leverage’, but also remained the ‘cornerstone of Britain’s deterrence against the perceived threat of Soviet aggression’ that continued -albeit in latent form- into the late 1960s.⁶⁷

The Labour Government did re-asses its defence expenditure in other ways, and from this we begin to see the ways in which relations with Tito’s Yugoslavia fit into issues surrounding foreign policy from 1964.

Michael Stewart’s 1965 visit to Yugoslavia, pertaining mainly to a focus on trade, led naturally to discussions over the international situation. Unrest in South-East Asia grew, as the American campaign in Vietnam intensified. Despite a refusal to commit British boots on the ground, the Wilson administration continued publically to give moral support to the American effort. Those vehemently opposed to Britain’s closeness with the Americans

⁶⁴ J. Callaghan, The Labour Party and Foreign Policy, p. 250.

⁶⁵ 1964 Labour Party Election Manifesto.

⁶⁶ R. Vickers, ‘Foreign Policy beyond Europe’, in G. O’Hara & H. Parr (eds) The Wilson Governments 1964-1970 Reconsidered, (Abingdon: Routledge, 2006), p. 139.

⁶⁷ R. Vickers, ‘Foreign Policy beyond Europe’, p. 139.

sought to use Vietnam to attack Wilson's Atlanticism more generally.⁶⁸ Support for the American effort in Vietnam was arguably one of Wilson's biggest mistakes in office. Resentment didn't just emanate from non-aligned countries such as Yugoslavia, but from the British public itself, who took to the streets to protest continued association with the American campaign. The Labour Party lost around 250,000 members in its period in office from 1964 to 1970. Callaghan attributes this in no small part to Wilson's support of Johnson's offensive in South-East Asia. By the end of the 1960s, the war in Vietnam saw an increase in anti-American sentiment 'embodied in theories which placed the USA at the centre of much that was wrong with the world'.⁶⁹ The victory of the Viet Cong in the mid-1970s, coupled with the revelation of US atrocities, only strengthened the Left in its attacks on both American imperialism and Harold Wilson's subservience to such.

Borba, commenting on Michael Stewart's 1965 visit, relates that the Foreign Secretary believed Britain and Yugoslavia had points in common regarding the crisis in Vietnam. Both countries maintained the conviction that a 'negotiated settlement' could be achieved.⁷⁰ The same article ends on a statement by Stewart that I wish to extrapolate onto British-Yugoslav relations more generally. In concluding remarks, the disagreements regarding British and Yugoslav views on international affairs are highlighted by Stewart when he emphasises how 'differences usually appeared in analysing the causes of various crises'.⁷¹ However, he qualifies this, stressing 'unanimity was frequently established [...] with respect to what *should be done to remove* various difficulties'.⁷² Whereas the Yugoslav authorities maintained a rhetorical belief in historical materialism as enunciated through Marxist-Leninist discourse, commonality between Britain and Yugoslavia did exist when it came to practicalities, solutions and vested interests. I argue this is especially true, from 1964 onwards, with regards to European security and co-existence in an age of increased détente. Regarding policy outside of Europe, the Yugoslavs continued to promote a pro-communist, anti-Western line. In a Foreign Office briefing preparing Stewart's 1965 visit, there is discussion over how 'Yugoslav tactics' were designed to gain leadership of the Third World;

⁶⁸ At the 1967 Labour Party Conference, a motion was passed condemning the British government's continued support of the United States' campaign in Vietnam.

⁶⁹ J. Callaghan, *The Labour Party and Foreign Policy*, p. 280.

⁷⁰ Article in *Borba*, 1965, BW 66/17.

⁷¹ *Ibid.*

⁷² *Ibid.* (My stress).

‘urging them to be as extremist as possible’ in order to ‘discredit the developed countries of the Western world’.⁷³ As chief architect of Yugoslav communism, Edvard Kardelj argued that ‘under-development’ in the Third World was simply a ‘hangover of colonialism, maintained by capitalism in the neo-colonial era’.⁷⁴ Kardelj’s solution, of course, was Yugoslav-aided development (i.e. leadership) whose ‘end-product would be world socialism’.⁷⁵ Yugoslav public pronouncements tended towards little more than a continuation of propagandistic discourse. This was especially true regarding their near-hubris as self-proclaimed leader of the Non-Aligned Movement (itself made up mostly of Third World countries). Nevertheless, the same Foreign Office briefing to Stewart attributed to the Yugoslavs a ‘schizophrenic’ attitude: blustering public displays of ideological-laden sentiments but with a more ‘reasonable and well-informed’ attitude towards the underlying economic realities of both the Non-Aligned Movement and, more importantly, Europe.⁷⁶ Cabinet papers indeed reveal that Stewart’s 1965 visit had even persuaded the Yugoslav authorities to ‘adopt a more favourable view of [Britain’s] own record of decolonisation’.⁷⁷

In terms of Britain’s waning role as leader of the Commonwealth, Yugoslavia would continue to side with the anti-colonial camp over such issues of Rhodesia and Gibraltar. Yet there was a feeling -as relayed by British diplomat J.B.T. Judd- that, by 1965, Yugoslavia was approaching her ‘evening’ as a leader of the non-aligned powers.⁷⁸ This indeed chimes with Mirko Tepavac’s remarks, 4 years later in 1969, that non-alignment was a ‘European policy’.⁷⁹ A creeping sense of realism, over both economic matters and European security, began to infiltrate the Yugoslav authorities’ own discourse surrounding their hitherto existence between the blocs.

Thus we are reminded of the overarching theme guiding this work on Labour Party-Yugoslav relations between 1964 and 1970: an increasing sense of *realpolitik* that came to define both Labour Party and Yugoslav actions in the latter 1960s. Tito’s League of Communists may have supported the revolutionary aims of National Liberationist movements across the

⁷³ ‘Briefing for Stewart’s Visit to Yugoslavia’, 1965, FO 536/122.

⁷⁴ Ibid.

⁷⁵ Ibid.

⁷⁶ Ibid.

⁷⁷ Minutes from Meeting of Cabinet, ‘Europe: Yugoslavia and Czechoslovakia’, April 1965, CAB/128/39.

⁷⁸ ‘Letter from J.B.T. Judd’, 1965, FO 536/122.

⁷⁹ ‘M. Tepavac to British Labour Party delegation’, 1969, FCO 28/870.

Third World, but when it came to his country's own foreign policy strategy in Europe, there was a greater sense of reason and pragmatism that attended the Yugoslav approach. In no small part have we already seen this at work with regards to Yugoslavia's westward pivot in terms of trade and integration into the structures of European finance. In terms of European defence, Yugoslavia and the Labour Party developed similarly an approach that was pragmatic, understanding both the limits imposed by economic reality and a shared desire for peace on the continent.

Wilson's governments were continually hindered in scope by the inheritance of a massive balance of payments deficit. Estimates suggest that up to '3/8^{ths} of the 1964 balance of payments deficit was accounted for by defence expenditure'.⁸⁰ Action had to be taken to reign in the deficit. For example, a £2 billion budget ceiling was introduced in defence spending. However, as Rhiannon Vickers makes clear, 'Wilson, like all his predecessors, did not want to appear to be downgrading Britain's status as a world power'.⁸¹ In the early stages of Wilson's first ministry, the Labour cabinet broadly agreed that Britain should maintain her role east of the Suez Canal. However, following the 1966 economic crisis, a further defence review took place – ultimately drawing up a plan to relinquish Britain's east of Suez role. Dual purposes were served here. The new defence plan appeased the Labour Left, as it looked like the necessary acceptance that Britain's days as an imperial power were over. However, it also served to assuage economic worries that ultimately dictated the abilities of Britain to maintain her status via troops stationed across the globe. Shortly after the defence review, sterling was devalued in November 1967 in a further attempt to lessen the balance of payments deficit. Together, these signified a transformation in the way in which Britain, under Harold Wilson, would subsequently approach matters of defence and security.

Let us not forget that, in terms of trade, Wilson had already acquiesced to the realities of an ever-weakening Commonwealth; by looking towards Europe and the EEC, the Labour Party had had hoped to avoid economic catastrophe. Indeed, by finally accepting the logic of

⁸⁰ R. Vickers, 'Foreign Policy beyond Europe', p. 140.

⁸¹ *Ibid.*, p. 141.

Britain's decline, Wilson and his cabinet abandoned the east of Suez role, and turned once more towards Europe for integration and security in the late 1960s.

Détente, NATO & the 1960s

Throughout the 1960s and up until 1968, conflict on European soil had seemed an increasingly remote possibility. After the construction of the Berlin Wall in 1961 and following the Cuban Missile Crisis of 1962, the British government felt confident that détente had progressed smoothly. Khrushchev's replacement by Leonid Brezhnev was at first a cause for some alarm. Brezhnev was believed to have been pursuing a more aggressive foreign policy than his predecessor. Despite this, Brezhnev's transformation of the USSR's military and naval capabilities was tempered with a 'cautious and non-confrontational approach to East-West relations'.⁸² The 1960s seemed to be an era where ideological confrontations between East and West occurred mainly through proxy wars in areas such as the Middle East, South-East Asia and the African continent. Whilst supporting the various sides with arms and aid, the USSR and the USA were careful to avoid any action that could trigger a superpower confrontation (and one in which the Soviet Union knew it could not win). Added to this, the intensification of the Sino-Soviet rivalry had diverted the Russian's attentions away from any serious provocation in Europe. However, there did continue to be a build-up of Warsaw Pact forces in the 1960s, and the Mediterranean found itself replete with an increased Soviet naval presence. Nevertheless, this was standard practice in the drive for military prestige inherent to the Cold War's superpower rivalry. Generally, Whitehall sensed a more stable era of détente. No imminent danger was felt from Soviet policy, and there remained only a 'latent threat to the security of the UK' that had existed since the late 1940s.⁸³

Prior to the devaluation of sterling and the reduction in the east of Suez role, senior Labour figures such as Defence Secretary Denis Healey had maintained a commitment to preserve Britain's world role. As the economic realities set in, the Labour cabinet were forced to re-define the strategies and aims of British foreign policy. Plans were made for the near-complete withdrawal of British troops stationed in the Middle East and South-East Asia.

⁸² G. Hughes, Harold Wilson's Cold War, p. 90.

⁸³ *Ibid.*, p. 93.

Despite this, no plans were ever made to renounce Britain's nuclear deterrent; this is demonstrated by Wilson's continuation of the purchase of the Polaris ballistic missile submarines. Thus, the Labour government sought to re-affirm Britain's status, not through global peacekeeping abilities, but through the retention of powerful nuclear weapons. This accompanied a turn inwards to focus more closely on European security. As Geraint Hughes argues, by 1968, Wilson and his ministers had decided to 'abandon Britain's "world role" in order to focus on NATO responsibilities'.⁸⁴

NATO's central aim was the promotion of European security. In terms of expenditure, the USA was its main benefactor; effectively underwriting the defence budgets of countries such as West Germany. Britain's own contributions to NATO were second only to those of their Atlantic partner. Wilson's increasing focus on Europe in the late 1960s thus accompanied a closer integration of Britain's defence needs with those promoted in NATO policy. While Wilson, his cabinet, and the various governmental departments all promoted their own heterogeneous views on the strategy of détente, closer European integration would in turn force a closer acquiescence to official NATO analysis of security on the continent.

Evanthis Hatzivassiliou has written widely on NATO's approach to the Balkans during the Cold War. Indeed, in one such work, he focuses on NATO's analysis regarding 'Yugoslavia's *sui generis* position in the Cold War' from 1951-72.⁸⁵ Hatzivassiliou argues that Yugoslavia's 1965 economic reforms managed to convince NATO experts that a 'major change was taking place in Yugoslav affairs'.⁸⁶ As we know from the relevant literature, Labour Party-Yugoslav relations had already been carved out long before this period.⁸⁷ However, as I have argued, the 1965 reforms opened Yugoslavia more towards Europe, and the various trade deals with the USA and EFTA and the EEC meant that Tito et al. sought closer ties westward. Before the 1965 reforms, NATO's analysis tended to view Yugoslavia as a marginal force. Despite Tito's commitment to be leader of a non-aligned world between the blocs, NATO analysis stressed that the multiple Soviet-Yugoslav rapprochements following the 1948 split was evidence of an 'instinctive tendency to return to the fold'.⁸⁸ However, following the reforms

⁸⁴ Ibid., p. 84.

⁸⁵ E. Hatzivassiliou, 'The Puzzle of the Heretical: Yugoslavia in NATO Political Analysis, 1951-72', in S. Rajak, K. E. Botsiou, E. Karamouzi & E. Hatzivassiliou (eds.) *The Balkans in the Cold War*, (London: Palgrave, 2017), p. 89.

⁸⁶ Ibid., p. 98.

⁸⁷ See, for example, V. Unkovski-Korica, 'Special Relationship'.

⁸⁸ E. Hatzivassiliou, 'The Puzzle of the Heretical', p. 102.

and Yugoslavia's westward pivot, official NATO analysis transformed; no longer a neglected force in the politics of East-West détente, Tito's Yugoslavia now represented a 'real "heresy" which could be exploited by the West'.⁸⁹ Thus NATO thinking on Yugoslavia evolved to view her as a much more important actor in the Cold War. In fact, the Labour Party had stressed this analysis since the early 1950s for reasons important to both its Left and Right-wing factions. This convergence of Labour Party-NATO thinking on Yugoslavia, coupled with the British government's re-focus towards European security and integration, would find its apotheosis during the Czech crisis of 1968.

Crisis in Czechoslovakia, 1968

In August 1968, Russian tanks rolled across Central Europe into Czechoslovakia. With military assistance from the Warsaw Pact, Brezhnev put an end to the reform communism pursued by those atop the Czechoslovak Party. The crushing of the Prague Spring (nicknamed Operation Danube) threatened to disrupt a period of détente that had come to define East-West relations in Europe. Despite warnings of the Soviet Union's intentions to quell the reformist elements in Prague, the invasion of Czechoslovakia came as a surprise to NATO and the West. Criticism abounded regarding NATO's response to such events; questions were asked about the readiness of the West if fighting were to break out along the borders of NATO-Warsaw Pact countries. For a short period following the invasion, many wondered if Brezhnev had abandoned his careful tempering of East-West sentiment, instead re-introducing an aggressive expansionist foreign policy into the European theatre once more.

The invasion had multiple implications for Yugoslavia. These implications impacted on the logistics of European security and thus affected the defence attitudes of Wilson's government in the months following August 1968.

Indeed, Soviet aggression towards the dissenting Czechoslovak Communists sparked fears of Yugoslavia's safety; Yugoslavia's existence was defined by its open defiance of Soviet control, pursuing a national variant of communism in spite of Kremlin orthodoxy. These existential fears were relayed to the Labour government. The Yugoslav ambassador to London asked what action would be taken if Brezhnev's tanks were to cross the Romanian

⁸⁹ Ibid., p. 89.

border into Belgrade. Wilson met with his Defence Secretary (Healey) and his Foreign Secretary (Stewart) in early September to discuss the Soviet threat to Yugoslavia following the events in Central Europe.

With Yugoslavia's increased post-1965 acquiescence to the structures of Western capitalism, there was a greater impetus for both British and NATO concerns over the fate of the Federation. Stewart, in his meeting with Healey and Wilson, was keen to stress how vague NATO's position had been hitherto on the security of her non-aligned allies. Whereas a Soviet strike against West Germany or Italy would have been quickly countered by the Alliance, it was unclear of the course of action that would be taken in the event of an attack on countries such as Yugoslavia or Austria. This was therefore a crucial gap in NATO defence policy, with severe consequences for European security if unaddressed. As the Labour government itself began to seek greater European integration, the matter of Yugoslavia's continued safety and existence between the blocs took primacy following the invasion of Czechoslovakia.

The Czechoslovak crisis of 1968 attracted widespread condemnation across the globe. The entire Labour Party expressed deep outrage at such a flagrant violation of sovereignty. The Left of the party were more explicit in their condemnation, compared to Wilson's relatively weak public derision. The cover of *Tribune* from August 23rd, just days following the invasion, ran with the headline 'A CRIME AGAINST SOCIALISM'.⁹⁰ Interestingly just under the headline, *Tribune's* editors led with a quotation from Tito himself:

The sovereignty of a Socialist country has been trampled on. A heavy blow has been struck at the Socialist and progressive forces in the world.⁹¹

Michael Foot, on the cover of this same edition, lamented that it would be 'hard to find words of outrage and tragedy which the Soviet action in Czechoslovakia will spread throughout the world'.⁹²

The Labour Right were similarly outraged – albeit not because of a concern for international socialism, but rather in worry over European security. The Right's control of the cabinet

⁹⁰ *Tribune*, 23 August 1968, p.1.

⁹¹ *Ibid.*

⁹² *Ibid.*

meant that the opinions of its heavy hitters had a much more profound effect on Wilson and his policy. This influence had tangible outcomes in Wilson's decision to re-orient the British State towards efforts pertaining to European integration in both trade and, eventually, defence.

In the course of the emergency meeting between Wilson, Healey and Stewart, the possibilities of a Soviet attack on Yugoslavia were discussed. Although unlikely, this attack would have posed a serious threat to the security of Europe and thus NATO. Healey in the course of the meeting acknowledged that the invasion of Czechoslovakia had been 'designed to maintain the status quo'.⁹³ A similar Soviet exercise into Yugoslavia would, instead, 'drastically change' this status quo.⁹⁴ However, the dangers of an attack on the Yugoslav Federation are emphasised. Yugoslavia's position on the continent meant that, in the event that it was occupied, NATO would be exposed in multiple directions; across the Adriatic lay Italy, and Yugoslavia bordered both Greece and Turkey. Further to this, the events of the Greek Coup in 1967 brought further instability to the region and was especially pertinent following the Czech crises. Full Yugoslav association with NATO was regarded as 'out of the question'.⁹⁵ Healey however maintained that military support to the Yugoslav army would be given if the Russians were to cross into Belgrade. An attack on Yugoslavia would, again in Healey's words, not only have 'profound political consequences':

[An attack on Yugoslavia] would represent a major change in the military balance which NATO could not permit without risking encouraging the Russians subsequently to move against such countries as Finland, Sweden, Iran, and possibly even members of the Alliance such as Greece or Turkey.⁹⁶

Healey indeed suggested an Alliance warning to the Russians that the British would give the 'same kind of support to Yugoslavia as [Russia was] giving to North Vietnam – or as [Russia] had given during the Spanish Civil War'.⁹⁷

⁹³ 'Meeting between Wilson, Stewart & Healey', September 1968, DEFE 13/707.

⁹⁴ Ibid.

⁹⁵ Ibid.

⁹⁶ Ibid.

⁹⁷ Ibid.

Although unlikely, the fears envisaged by an attack on Yugoslavia after August 1968 deeply impacted on Labour Party policy in an era when Wilson and his cabinet became more Euro-centric. Fears of Soviet expansionism once more entered into the discourse surrounding East-West détente in late 1968. As a result of this, Healey was instrumental in increasing the number of British ships within NATO's Southern Flank on the Mediterranean. The maintenance of Tito's Yugoslavia had become deeply entwined with the essence of European security.

After 1965, Yugoslavia's Westward turn had integrated her more closely with Britain and her NATO allies. The invasion of Czechoslovakia had been condemned by the Labour Left as a blow to socialism. Fears over the defeat of Tito's Communists would have similarly been interpreted by the Left as the triumph of imperialism over progressive world forces. However, for the Labour Right, the possibilities of a Russian-led Yugoslav invasion posed an even bigger problem; it would have signalled a rupture in the European status quo, and would have removed Yugoslavia as that all important 'wedge' between NATO and the Warsaw Pact. Thus the maintenance of Yugoslavia was guaranteed by promises from a Labour cabinet who, at the onset of a possible Soviet invasion, would be prepared to increase aid and military assistance in order to protect the West. These promises were concurrent with the economic realities that led to the Labour government's retreat from Britain's position as a world power- focusing more on promoting her interests in a Europe unified by both trade and NATO securitisation.

Geraint Hughes makes clear, however, that Operation Danube had 'no fundamental effect on the essential features of British policy towards the USSR and other Soviet bloc states'.⁹⁸ He argues that more important foreign policy issues –the EEC, Nigeria, Northern Ireland- absorbed the Labour government's and the British public's attention.⁹⁹ Nonetheless, in terms of Labour-Party Yugoslav relations, the Czech crisis of 1968 made clear that a non-NATO member such as Yugoslavia had a central part to play in the European security apparatus. Yugoslavia's 1965 reforms started the country onto a more Western-inclined development. The threat of Soviet expansion towards the Adriatic awoke both the Labour Party and NATO to the need to maintain Yugoslavia as out-with Kremlin control. Despite

⁹⁸ G. Hughes, Harold Wilson's Cold War, p. 162.

⁹⁹ Ibid.

further Yugoslav-Soviet rapprochement following Operation Danube, NATO would continue encourage support for 'Yugoslavia's international position' as central on the road to détente. This position had long been supported by the Labour Party; but in the late 1960s, the dominance to the Party's Right-wing, along with increasing economic realities, meant that Wilson and his cabinet would treat Yugoslavia as a building block to European security, rather than as a comrade in the struggle for an international socialist order. Labour Party foreign and defence policy from 1964-70, as with trade and finance, looked pragmatically towards Europe and the maintenance of the continent's status-quo. The retention of Yugoslavia's non-aligned status became central to the Labour Party's promotion of détente in the late 1960s. However, as we have seen, this non-aligned position became less and less tenable as the Yugoslavs opened themselves up further to the west, on both trading and defence matters. This is especially true following the Czech crisis of 1968 and the period of instability that followed Soviet aggression.

Conclusion

In thinking of Yugoslavia's increasing acquiescence to the West, it is perhaps speculative to envisage the fate of the Federation if a different course of action had prevailed. Would fuller integration into the EEC, or even NATO, have prevented the bloodshed that came to define the break-up of Yugoslavia? Similarly, if Tito's League of Communists had managed to resist the logic of Western dependency, would the country's position as a non-aligned force have survived beyond the collapse of the Berlin Wall? Or would the revival of fierce Cold War tensions of the 1980s have caused Yugoslavia, as NATO theorists once believed, to 'return to the fold' of Kremlin-led policy?¹⁰⁰

All of these questions are beyond the purview of my work. Nevertheless, they help highlight the actual path Yugoslavia undertook in the 1960s. In an attempt to foster growth, Yugoslavia introduced sweeping reforms mid-decade. Increasing de-centralisation and liberalisation re-orientated the Yugoslav economy towards a focus on exports. Since Yugoslav trade was already predominantly westward in direction, her authorities pursued closer integration with the structures of Western finance and capital. Rapid industrialisation was the aim; but secession of political neutrality was the consequence. Towards the end of the 1960s, Yugoslavia had made strides with regards to its ease of trade with the West. The price, however, was the increasing realisation that her position as a non-aligned force between the blocs was losing ground. The dictates of capital meant that, by 1970, Yugoslavia was deeply indebted to her western trading partners. The consequences of such were felt much later, following Tito's death and the onset of financial crisis in the 1980s; paving the way for the subsequent horrors of the following decade.

For the British Labour Party, the 1960s were an era where idealism gave way to the pragmatism that accompanied the maintenance of a status-quo power. After 13 years in opposition, the Labour Party returned to office in October 1964. Harold Wilson had been the figure of compromise to lead the Party. Indeed, his own hubris led him to believe he could do the same in international affairs. However, this position of interlocutor in both Party and national questions soon gave way to the realities of a sour political inheritance. The huge balance of payments problem would ultimately steer the direction of Labour

¹⁰⁰ E. Hatzivassiliou, 'The Puzzle of the Heretical', p. 102.

policy. Wilson's own past –as part the Bevanite left- slowly buckled under the economic realities of the 1960s. It was the Labour Right who came to dominate Wilson's successive cabinets. As the decade progressed, it became clear that Britain could no longer maintain the high defence costs associated with the remnants of a once vast empire. Wilson and his cabinet, like the Yugoslavs, turned towards Europe as a solution to the myriad of domestic and foreign policy problems that had limited the Labour government's scope. A sense of *realpolitik* came to define Wilson's First Ministry.

These external factors would heavily impinge on Labour Party-Yugoslav relations in the latter 1960s. In his article on Labour Party-Yugoslav relations in the early 1950s, Vladimir Unkovski-Korica demonstrates the utility the Labour Party had for Yugoslavia; Tito's communists were able to legitimise their fairly new regime with links to Europe's largest social democratic Party. Similarly, Yugoslavia was of great importance to the Labour Party. The Labour Left had been able to gain inspiration from a socialist country with a progressive foreign policy out-with the auspices of an authoritarian Kremlin. The Labour Right, however, viewed Yugoslavia more in terms of her utility on the Adriatic; as driving a wedge between Soviet aggression and continued Western security.

However, Unkovski-Korica's article takes as its historical moment a time when the Labour Party was in the wilderness of opposition. My work thus has as its focus Labour Party-Yugoslav relations at a time when the former was able to implement its own programme of government.

What I have shown is that, the Labour Party's turn inwards towards Europe was mirrored by that of the Yugoslav communists. Despite the upset caused in the 1950s by the arrest of Milovan Djilas, the Labour Left continued to seek from Yugoslavia inspiration; giving weight to the possibilities of progressive unity in a time of Cold War.

Despite this, the Labour Party –led by Wilson- saw the triumph of its Right wing in terms of policy. The utility of Yugoslavia, for those atop the Labour Party, had little to do with a belief in socialist transnationalism outside the superpower blocs. Instead, following 1964, closer trading links were encouraged. This accompanied both the devaluation of sterling, and a second rejection from the EEC. Labour's much disputed turn towards closer European

integration meant supporting greater trading parity between Yugoslavia and the West more generally; both in the form of EFTA and, subsequently, the ECC.

Post-Commonwealth, then, the Labour Party encouraged Yugoslav trade in a wider framework of European co-operation. Similarly, in terms of European security, Yugoslavia subsequently loomed large in the Labour Party imaginary.

After the invasion of Czechoslovakia in 1968, the Labour Party (especially its Right wing) stressed the need to maintain Yugoslavia's non-aligned status in order to prevent Soviet advance on both the Adriatic and Mediterranean. Yugoslavia's position between the blocs thus received greater attention from NATO members due to its key role promoting East-West détente in the late 1960s. An increased drive for European security accompanied the Labour Party's undertaking of a more Euro-centric role. The same can be said of Yugoslavia's pivot to the West. Increased trade and financial dependency encouraged a greater interest in the security of Yugoslavia; especially following the 1968 crisis in Prague.

The role of Prime Minister thus acted as a crucible for Harold Wilson; by 1970, he had all but shed any remnants of his Bevanite past. In the pursuit of the 'national interest', he continued with a bi-partisan foreign policy, and an Atlanticism inherited from the post-War Attlee administration. After taking office, Wilson's own belief in compromise between the blocs became an increasingly illusory ideal. Yugoslavia's ability to remain in complete non-alignment was similarly an exercise in illusion. The turn towards Europe by both Wilson and Tito was dictated by the economic necessities of the moment. The late 1960s thus started Yugoslavia on a path of indebtedness to the West that would haunt the country in the 1980s. Capitalism alone was unable to fill the vacuum left by Tito, and the story of what would happen next is all too familiar. For the Labour Party, Wilson's increasingly non-ideological, technocratic vision could be seen as a precursor to the strategies developed by New Labour under Tony Blair. Indeed, Blair would be the next Labour Prime Minister forced to consider the Party's links with Yugoslavia- or what was left of it.

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