

European federal integration: the case against

Dr Martin Holmes dispels the myths of European Unification

Three main arguments have been advanced in recent years in favour of a federal or integrated Europe (I am using federal and integrated interchangeably). First, is the argument that European integration has prevented war in Europe. Second, is the argument that the nation state and national sovereignty are obsolete, and that supranational federalism is a superior form of governmental institution. And third, is the argument that the European Union is economically successful, so that in John Major's famous phrase, 'Britain should be at the heart of it'.

peace in Europe since 1945

So the argument runs, the wars between France and Germany in 1870, World War One 1914-18, and World War Two 1939-45, were caused by nationalism. But whereas the virus of nationalism led to these terrible conflicts, since 1945, as the nation states have gradually surrendered their powers and sovereignty to the institutions of the European Community, a new era of co-operation in Europe has made war unthinkable. But how true is this contention? I would argue that it is a grotesque distortion of history. The cause of World War Two, as any half decent British history textbook will testify, was not nationalism, but fascism. Fifty years ago the Nuremberg trials rightly concluded that the German fascists were guilty of crimes against humanity and planning an aggressive war.

Nationalism and fascism were not the same thing. During World War Two, in the many cases of anti-fascist resistance, it was love of one's country - nationalism, patriotism - which was the most important single reason for defiance of Nazi rule. The greatest nationalist and patriot in Britain was Winston Churchill. That most nationalist of Frenchmen, General De Gaulle, personified the spirit of indomitable resistance to the Nazis and their Vichyite supporters. Equally significant is the way in which the Soviet Union resisted the fascist invaders. Stalin called on the people of the Soviet Union to fight not for Bolshevism, or Lenin or Marx; he called on them to fight for Mother Russia.

But just as it is untrue that nationalism caused World War Two, is it also untrue that the moves towards European integration have preserved the peace since 1945? Any analysis must start with Germany. After 1945, it is impossible to speak of Germany having the

same degree of freedom and latitude in its foreign policy which it enjoyed before 1939. After 1945 Germany was divided for 45 years. West Germany had on its soil up to 350,000 American troops and 55,000 British troops. East Germany had upward of 500,000 Soviet troops on, or proximate to, its territory. In these circumstances, it is impossible to conceive of Germany having the ability to start another war. Equally significant is the fact that the German government and people after 1945 clearly repudiated fascism. What then has kept the peace in Europe in this period? Again, any half decent history book will provide the answer. It was the balance of terror in the Cold War which kept the peace in Europe, and in particular it was the role played by



NATO. After its establishment in 1949 the heart of NATO doctrine was the possession of nuclear weapons as a deterrent, leading to "mutually assured destruction" and the balance of nuclear terror. A cursory glance at the chronology of the post-war period reveals that European integration reaches its maturity in 1957 with the Treaty of Rome and the establishment of the European Economic Community, a full eight years after the establishment of NATO. The truth is this: far from being the cause of peace in Europe since 1945, European integration is the consequence of peace in Europe.

Additionally, as the Cold War ended in the late 1980's, the European Community

was an unhelpful bystander obsessed with its own internal trivialities exemplified by the Single European Act and the moves which culminated in the Maastricht Treaty. Gorbachev, Reagan, Bush, Thatcher, Walesa, Havel and others combined to end the Cold War despite European integration not because of it.

the obsolescence of the nation state

European integrationists argue that the nation state is obsolete, that national sovereignty is outdated, and that federalism is a much more sensible form of political organisation. Thus, Helmut Kohl told his Louvain University audience in February 1996, "the nation state is associated with war and should be superseded by European integration". As Euro-integrationists tell us, many federal states are models of political success. But any examination as to why those federal states work well yields a clear pattern. Federalism works if its component parts are regions, provinces, cantons, or former colonies. Federalism works only if the component parts are not nations. This was one of the reasons why the Soviet system imploded; it was a federal state, based on the pretence that everyone was a Soviet citizen, everyone was a worker, and that the social cement of communism would transcend feelings of religion, nationality and culture. The same analysis applies to the tragic collapse into barbarism of the former Yugoslavia. Less extreme and bloody contemporary examples of the failure of federal states to contain and subdue national sentiment include Canada, Nigeria, the Central African Federation, India, and the Malaysian/Singaporean Federation. Federal states that are comprised of nations whose people have no ultimate allegiance to, nor affection for, the federal state, are doomed to collapse. Federalism only works in certain political circumstances; it is not a political doctrine of universal application.

In Britain, democratic accountability and national sovereignty are as important today as ever before. Whatever we think of individual politicians and their policies, our system of government itself should not be negotiable. In retaining the concept of parliamentary sovereignty we should co-operate with other countries as necessary in international bodies. Internationalism not isolationism has always been the Eurosceptical watchword in respect to GATT/WTO, the Commonwealth, the G7,

NATO, the United Nations, and the "special relationship" with the United States. But internationalism - unlike supranational federal integration does not imply the acceptance of laws made by institutions which are not directly accountable to us and from which we have no redress or exit.

economic success

Supporters of a federal Europe have long since argued that the European Community is an economic success story, and that Britain has an economic destiny within it. But why should the EC be regarded as an economic success story? The answer is obvious; during the Cold War, the countries of central and eastern Europe languished under a Communist regime which retarded their economic growth and depressed their living standards. Viewed in this way, the European Community was a fantastic success. But now that we are in the post-Cold War world, this comparison not relevant. It is no longer sufficient to compare the EC to our eastern European neighbours; that is too insular an approach, a "Little European" approach. Instead it is necessary to look at the wider world. Over the last ten years or so, the rate of economic growth in the European Community has been lower than that in the United States, and much lower still than that of Japan. During the last decade, when the European Community launched its Single Market programme with the intention of catching up with the Americans, in reality there has been a further divergence. Not

only is the European Union bedevilled by low growth, for a rich part of the world, its level of unemployment is scandalously high. In the United States, unemployment in 1995 was 5.5%; in Asia, 3%; it was over 10% in the European Union. The primary cause is well documented; by keeping interest rates too high, in order to artificially procure a single European currency, the recession of the early 1990s crushed the already faltering EC economy. When the rest of the world cut interest rates and relaxed monetary policy, the European Union increased interest rates in the teeth of the recession, causing more bankruptcies, under-investment and high unemployment. Such a macroeconomic policy response exacerbated the EU's already serious structural unemployment and low growth caused by the inflexibility of the VAT regime, excessive wage and non-wage burdens on business, bloated welfare budgets and inefficient industries artificially cosseted by external protectionist tariffs.

EC membership has disadvantaged the British economy primarily because the whole structure of Britain's trade is global; it is not confined to Western Europe, as the advocates of EC membership twenty years ago presupposed. Last year Britain's balance of payments deficit with the European Community was 7 billion pounds; with the rest of the world, 5 billion pounds surplus. In the last decade, the accumulated deficit with the European Community amounted to 105 billion pounds; with the rest of the world a 13 billion pound

surplus. There are other economic disadvantages as well. The single Market 1992 project has produced a plethora of unnecessary harmonisation measures which damage business by imposing greater regulatory burdens to the advantage those bureaucrats who dream up, and enforce, a multitude of petty tyrannies. The Common Fisheries Policy is a disaster with government policy a pitiful exercise in damage limitation. VAT is a tax on the factors of production which is now levied at a 15% minimum rate. Britain's experience of the European Community in economic terms can be summarised as follows: we can survive within it, but we would prosper outside it.

conclusion

The march to an integrated federal Europe may be unstoppable; the project that begun in the 1950s will reach its logical conclusion with the full implementation of the Maastricht Treaty, including the imposition of a single currency. But this project is intellectually and historically flawed. Euroseptics should not be downcast; the Europe of Maastricht is just as doomed as the Europe of Napoleon or Hitler.

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