

CENTRE FOR POLICY STUDIES

# Britain's Final Choice: Europe or America?

CONRAD BLACK





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I WANT TO THANK THE Centre for Policy Studies for this distinguished invitation. It would always be a privilege to speak to an organisation founded and inspired by Keith Joseph and Margaret Thatcher.

If it were not for Lady Thatcher and her close political associates' revival of this country, through the implementation of policies, many of which were devised at this Centre, I would not have been interested in buying the *Daily Telegraph*. It would not have been possible to restore it to financial health and certainly not to strengthen the franchise so that we could withstand and demonstrate, with our friends at News Corporation, the virtues of intense competition.

The Centre for Policy Studies not only survives but flourishes nearly a quarter century after its founding and in very different and (some might say) more adverse circumstances to those which obtained then. That achievement is, in large measure, down to the rigour and energy of my wife's and my dear friend, Tessa Keswick.

The mission of the CPS continues to be to provide the intellectual cutting edge in the struggle against coerced egalitarianism, collectivism, illiberalism and over-regulation of all kinds. Today, the greatest engines for collectivism, illiberalism and hyper-regulation in our national life are not as they were in this country 25 years ago, the trade unions; not the insatiable needs of the nationalised industries; nor the rigidities of centralised state planning; these were largely tamed or dispensed with by the founders and charter members of this centre. Rather, the principal threat to this self-governing nation and its freedoms as we have exercised them comes from the ever-increasing ambitions, benignly conceived though they are, of the European Union.



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It is because of the problems as well as opportunities posed by that supra-national entity that I return to the theme of Europe – the topic which I addressed at the CPS lecture at the Conservative annual conference at Bournemouth in October 1990. What really amazes me, looking back for the first time in eight years at that speech, is how little the dangers posed by the EU have changed, though the domestic and international political landscapes have changed drastically.

Margaret Thatcher was Prime Minister with close to a 100 seat parliamentary majority, the Soviet Union and the Yugoslav federation, though shaky, still existed. But the inner dynamics of the emerging European super-state were already visible.

Since then, the centralising passion – which results in the erosion of national institutions, the diminution of democratic accountability and promiscuous bureaucratic interference in our daily lives – has become more intense. And it has done so notwithstanding the confident (and it must reluctantly be added, usually inaccurate) predictions of the Major Government that “Europe is moving our way”, shedding its relatively authoritarian legacy. Looking back upon my remarks of October 1990, I only regret that I overestimated the will and capacity of the Tory political class as a whole to resist these trends.

In the 10 to 15 years following the 1975 referendum on whether to leave or remain in the EEC, the European debate seemed to go into abeyance. Eurointegrationists then spoke mainly in such anodyne terms as “Europe is a good thing and we want to be part of it”. There was an uneasiness that Britain often seemed to be outvoted 11 to 1. Jacques Delors’ concept of subsidiarity was obviously a scam but many hoped that it would be possible to temporise with the Eurointegrationists. The Conservative Government of the United Kingdom officially favoured the Exchange Rate Mechanism and there was a widespread hope that closer association with Germany would help keep inflation under control.

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Since the European debate revived in earnest in the late 1980s, I have noticed a persistent trend. Intellectually, Eurosceptics have won the argument easily to the point where even the present Government, with its apparent Europredilection and massive majority, feels obliged to move with the utmost caution.

I said to the CPS eight years ago:

It is not necessary to be a little England humbug to have serious misgivings about both the jurisdictional appetite and ideological tenor of the European commission.

Today, all polls indicate that around 70% of the people of this country share those misgivings. But despite the victories of the Eurosceptics, their task often seems Sisyphean. They have rolled the boulder of anti-federalism up the hill of political discourse, only to see it roll back down from the summit because it is endlessly alleged that, however fraught with danger Eurofederalism may be, we have no choice but to embrace it. The entire point of these remarks is that we do have choices and while the European option is an obvious and looming possibility, we must not be gulled or bulldozed into believing that it is the only possibility.



LET ME MAKE A FEW preliminary and perhaps mundane points. Unlike many Eurosceptics in this country, I am both a francophile and a germanophile. They are great and distinguished nationalities and I wish them well. I spent many summers in France, starting in my relatively impecunious youth and am a graduate in civil law from a French language university.

I think and hope Eurofederalism has some prospects of at least partial success for those countries with an aptitude for it. The French and Germans, for notoriously well-known historic reasons, have social safety nets that have effectively become hammocks. Out of fear of the role of discontented mobs in their history, a role that has no real parallel in the history of the English-speaking countries, France and Germany have tax and benefit systems which by Anglo-American standards, subsidise unemployment and disincentivise work.

Most of the institutions of the French state were devised by Richelieu, Colbert for Louis XIV, Napoleon and de Gaulle; great men but very authoritarian by our standards. And there is no indication that France is disposed to liberalise its institutions along lines we would recognise.

It is a cliché to say that Germany was too late unified, had great difficulty determining whether it was an eastern or western facing nation and that whenever it set out to assure its own security it made its neighbours insecure. Germany is now well unified in accepted if imperfect borders. The extension of NATO to Poland will ensure that the eastern border of the western world is not a German border and will entrench Germany in the west: one of the great political achievements of the post-war world. But the German desire for security could be an element in immersing some

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nationalities more completely in Europe than many of their citizens, including an apparent majority of the British, find comfortable.

None of the largest continental European countries has durably effective political institutions. Those of Germany date from 1949; France's from 1958; Spain's from 1975. The Italians are still trying to reform their constitution. It is understandable that these countries might feel that in moving toward federation they are not, in institutional terms, giving up much.

None of the continental European countries has a particular affinity with the United States and Canada or anything slightly comparable to Britain's dramatic modern historic intimacy with North America.

British trade patterns are also clearly distinguishable from those of the other EU countries. Almost twice as much of Britain's trade, as a percentage, is with North America than is the case with other EU countries as a group. Britain's share of trade with the EU has actually declined recently, and if exports shipped on through Rotterdam and other European ports outside the EU and overseas investment earnings are included, the EU's percentage of British exports is probably about 40% and less than 10% of the UK's GDP. Conversely, the exports of a number of countries to the EU, including those of the United States, have risen considerably more rapidly than have Britain's in recent years. Over the last ten years direct net investment in the United Kingdom from the United States and Canada has been 1½ times the corresponding figure for EU investment in this country. And British net direct investment in North America has been more than double UK investment in the EU. These trends are continuing, impervious to EU preferences.

Now that the World Trade Organisation is administering the Uruguay Round of trade liberalisation agreements, the EU's common external tariff has fallen from 5.7% to 3.6%, not a prohibitive barrier to Britain if she were not in the EU, given our more bearable social costs and provided we retain control of our own currency. The fear of being frozen out of Europe by



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vindictive community bureaucrats is now a complete fraud though that is not what many of Britain's political leaders and much of its media tell us.

Ironically for those, like Kenneth Clarke, who claim that Britain could reform Europe socially and fiscally from within, we could now probably assert a stronger and more positive influence from outside the European Union. We could export successfully into it, liberated from its costs and interference and demonstrate the superior competitiveness and ultimately humanitarian value of the so-called Anglo-Saxon model. Since the Uruguay round, attempts by the EU to limit imports from non-members can only be sustained if unanimously upheld by multi-national trade panels, which is practically very unlikely.

There is no credible version of Eurointegration that does not involve a massive transfer of authority from Westminster, which has served this country reasonably satisfactorily for centuries, to the institutions of Brussels and Strasbourg, which are, by Anglo-American standards rather undemocratic and unaccountable. Nor is there any definition of Eurointegration that does not run a large risk, as Jacques Delors infamously promised the TUC ten years ago, of imposing European pre-Thatcher taxing and spending levels and industrial relations. And I fail to see how any aspect of a special relationship with the United States and Canada could survive monetary union and a common European defence and foreign policy.

It is often informally acknowledged that pan-European requirements will be invoked to justify a relative Thatcherisation of individual European countries once monetary union has been achieved. This is commendable but Britain has already been through the necessary rigours of Thatcherisation and many in this country wonder why we should, as monetary union would require, bear much of the pain while others do the same. Jacques Delors used to accuse Britain of "social dumping". Monetary union means harmonisation. I don't like rhetorical questions as a device, but I

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must ask if anyone seriously imagines that EMU will cause British taxes and social spending to be harmonised downwards.

The steady cascade of Directives and European Court of Justice decisions subsumes the sovereignty of the EU member states into the Union gradually. Monetary union would deliver monetary policy to a supra-national authority and severely erode national control over fiscal policy. A common foreign and defence policy would reduce national sovereignty in the member countries virtually to the level of local government. No one should doubt the implications of going much further into Europe, for Britain and for the western alliance.

Britain may choose this course, but if so, it should be a conscious choice, not a resigned submission with no examination of alternatives. The grandeur of the concept of a united Europe is obvious but it is almost never advocated in this country, unlike in the continental European powers. Here, almost the entire argument is in terms of inevitability and gradualism, coupled with bland assurances that nothing will be lost. Britain, we are told, can be "at the heart of Europe" at the side of the United States, at the head of the Commonwealth. In effect, we are told, not only by Eurointegrationists but by ambivalent dissemblers of both major parties, that Britain can cede some sovereignty without really surrendering it, build up Brussels and Strasbourg without stripping Westminster, eat and retain the same cake, suck and blow at the same time. As the distinguished German journalist Josef Joffe of *Süddeutsche Zeitung* puts it, in Euro matters, the White Queen of *Alice in Wonderland*, who had six impossible ideas each day before breakfast, meets Winnie the Pooh, who when asked if he wanted honey or jam on his bread responded "both, but leave out the bread".



IT IS NOW ALMOST 40 YEARS since President Truman's secretary of state, Dean Acheson, said "Britain has lost an empire but not found a role".

Mr Churchill soldiered valiantly on with the theory that Britain could be the world's third great power. This effort essentially ended with Suez. Harold Macmillan worked hard on the special relationship, especially with President Kennedy, and produced the metaphor that Britain was a Greek Empire within the Roman Empire. This, understandably, was not a formulation popular with the Americans.

But Macmillan seemed ultimately to feel that Britain's place was in Europe. By then the US administrations were urging Britain into Europe to reinvigorate the continental Europeans as cold warriors. Harold Wilson was initially Eurosceptical, tepidly pro-European in his second term but always ambiguous. Edward Heath did his best to deconstruct almost any relationship with the United States and while advocating a common market did his best to promote practically unlimited European supra-nationalism. Margaret Thatcher rebuilt the American relationship, demonstrated that Britain could have some influence on US policy making and that Britain retained some autonomous moral authority in the world.

John Major started out believing Europe could be placated with gestures stopping well short of integration but discovered otherwise and is now a rather energetic Eurosceptic. The United States continued to urge Britain into Europe after the end of the Cold War, partly out of habit, partly to be a force for good government in Europe, but not for any reasons having to do with Britain's national interest. Tony Blair has said he will pool

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sovereignty without surrendering it and will be governed by the national interest in monetary union and other Euro questions. He will have to choose, and the fact that the prime minister will have to choose, is not compatible with the theory that Britain has no choice to make.

The European desire to close out a century of terrible European wars with a political structure that effectively precludes war is commendable enough. But the absence of a major war in Europe since 1945 is due to the American presence in Europe, not chiefly to the actions of the Europeans. Despite a good deal of public indifference to foreign policy questions, the United States has had a generally successful foreign policy throughout this century because it has not had to make an unseemly retreat from empire and has asked of the world only that it not be threatened. When the US did feel threatened, in 1917, 1940 and 1941, and again in the Cold War, it did the necessary to have the threat removed, with allies, of course, but with allies in gradually more secondary roles as the century progressed.

The reason the second half of this century has been so much more successful than the first is that the United States has been engaged in Europe and East Asia and has followed the course laid down by President Roosevelt in 1941. In January of that year he said:

We must always be wary of those who with sounding brass and tinkling cymbal would preach the 'ism of appeasement.

And in December, following Pearl Harbour, in asking for a declaration of war he promised:

We will ensure that this form of treachery never again endangers us.

American military strength and the determination not to appease dangerous antagonists have, finally, after many decades, in Wilsonian terms, made most of the world safe for democracy.



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The relevance of these aspects of history to contemporary Britain is that we are being invited to retire as autonomous members of an American led alliance and to be largely subsumed into a pre-Thatcher social democratic Europe that has some central political ambitions, woolly though they still are.

Lord Curzon was overly pessimistic when he said 90 years ago that without the Empire:

England from having been the arbiter will sink at best into the inglorious playground of the world. Our antiquities, our natural beauties, our relics of a once-mighty sovereignty, our castles and cathedrals, our mansion houses and parks will attract a crowd of wandering pilgrims. People will come to see us just as they climbed the Acropolis at Athens or ascend the waters of the Nile. England will become a sort of glorified Belgium.

It need not, but it could.

Next to the United States there are eight or ten other countries of which Britain is one, that are strong relative to all the others and have some international standing. In a world of 180 countries, this is not an unenviable status and it is certainly an adequate platform from which to consider more than one alternative course for Britain's future. Only the United States is greatly more important in the world than these eight or ten second echelon powers including Britain; and Britain is listened to now and traditionally more seriously by American policy-makers than any other country. Britain's status as a prosperous and respected country on the edge of Europe and also now on the edge of an English-speaking world which Britain founded, is wholly unsatisfactory only to those, and they are more numerous than they should be, who become severely neurotic in contemplating the overwhelming economic and military power and popular cultural influence of the United States. Such people are often prone to think that the Europeans, standing on each other's shoulders, could offer a credible and desirable rivalry to the US. My own view is that this vision is nonsensical as well as undesirable. It is largely held by those who thought the United

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States was locked in permanent strategic stalemate with the Soviet Union and was about to be displaced economically by Japan. I will return to this vision in a few moments.

The grandeur of a unified Europe is undeniable. Britain would be an important part of it and some of the other powers, Germany, France, Italy, Spain, in particular, will be contributing cultural and national traditions approximately as formidable as our own, though with much less proven political institutions and much less substantial international relationships outside Europe than Britain possesses.



THE ANNUAL COST OF BRITAIN'S ADHERENCE to the EU is nearly £10 billion in gross budgetary contributions, though almost half of this is returned in EU spending, most of it, as Norman Lamont pointed out in his excellent address to the Conservative Philosophy Group two years ago, "on things which the UK government would not choose to spend money on." Higher food prices in the UK because of the Common Agricultural Policy cost this country rather more than £6 billion annually, though about half of that is rebated directly to British farmers. The overall cost of the EU to Britain then is between £8 billion and £12 billion, or around 1.5% of GDP. There are also, as Norman Lamont pointed out, the costs of regulation, and the heavy political costs of eroding sovereignty and the tacit encouragement of provincial separatism as Scottish and Welsh nationalists envision receiving the sort of direct grants that have benefited Ireland.

Despite these costs and the £3 billion annual trade deficit the UK runs with the EU, it is a grand concept. All who subscribe to its allure can plausibly but not with any certainty define the future of it unfolding according to their own preferences: enlargement, liberalisation, democratisation, and so forth.

It could be a multi-speed or variable geometry Europe, though we have seen the mitigated value of opt-outs, even before the present government subscribed to the Social Chapter, and this is likely to be more of a palliative than a solution.

Britain could join the European Economic Area with Norway, Iceland and Liechtenstein, which would maintain full access to the single market and avoid further political integration. But we would be giving up our position on the Council of Ministers for a

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very vague right to be consulted. Britain would save most of the present financial cost of the EU.

The Swiss option, the European Free Trade Association but not the European Economic Area, gives almost as good access to the EU market but only free movement of goods and not of people. If the British again had to produce passports when travelling to EU countries, it would be rightly seen by almost everyone as a retrograde step.

Finally, again using Norman Lamont's sequence, we could use the existence of our right of veto and our large current account deficit with the EU to negotiate complete reciprocal access of goods and people, withdrawal from the political and judicial institutions and emancipate ourselves from the herniating mass of authoritarian Euro-directives with which we have been deluged.

At the same time, we could negotiate entry into NAFTA, which will be renamed anyway and is already negotiating with the European Free Trade Association and with Chile.

Such an expanding NAFTA would have every commercial advantage over the EU. It is based on the Anglo-American free market model of relatively restrained taxation and social spending, which is the principal reason the United States and Canada together have created net, an average of two million more new jobs per year than the European Union for the last 15 years. NAFTA, as its name implies, is a free trade area only. The United States will not make any significant concessions of sovereignty and does not expect other countries to do so either.

A bloc based on NAFTA, EFTA, (which as I said is already negotiating with the Canadians), and the more advanced South American countries, could expand into eastern Europe faster than the EU, encumbered as the EU is by the Common Agricultural Policy and a powerful urge to protect onerous French and German social costs.

Of all these options, I think Britain should ultimately associate, with a larger bloc of states, with an acceptable but not punitive level of intimacy. Ultimately, a Norwegian or Swiss model would



leave the British with an unwelcome sense of solitude and deprive this country of some of its undoubted vocation for astute diplomatic manoeuvre. This leaves us associating with either the Europeans or North Americans. Exotic alternatives such as Enoch Powell's notion of an alliance with Russia, are not credible.

Serious exploration of the renegotiation of relations with Europe and association with the North Americans would require a change of mind in this country and the US, though with many Americans that process is already underway.

I must confess to some doubt about whether Britain's political classes have the self-confidence to explore radical alternatives, given their profound addiction to gradual entry into Europe, unless the wheels come off public support for Eurofederalism. This is why it is my contention that the North American option has been too airily dismissed, often by those who ought to know better. Many of those who question its feasibility do so out of ignorance; others because they do not want it to be true. For them the wish has become father to the thought. Even when the possibility of such an arrangement is admitted, the cry goes up that we would be dominated by the United States. The words 51<sup>st</sup> state are often uttered derisively, even though any such association would be a loose one and as if there were no danger of us being intruded upon by the Europeans.

In fact, Britain's sovereignty would be in much better condition than it now is. Canada, whose distinctiveness from the northern American states is fairly tenuous, has lost no additional sovereignty after entering into the free trade agreement that resulted in over 40% of Canada's GNP being derived from trade with the US.

This is more than four times the percentage of British GNP taken up by trade with the EU, but Canada suffers none of the jurisdictional intrusions that are routine in the British march to Eurofederalism.

Israel is in some respects an American dependency, but is notoriously independent of the US.

British opponents of any North American option also point out, with some reason as has been referred to, that the United States has long been urging Britain into Europe. This enthusiasm is now being reconsidered, and the American effort to propel Britain head first into Europe is abating.

Prominent administration officials such as the Deputy Treasury Secretary, Larry Summers, have entered some cautionary notes about the dangers of bringing in EMU without accompanying structural labour market and long-term fiscal reforms. The American experience put political union ahead of economic union and doing the reverse in the hope of making political union inevitably consequent has been described by many American observers, including senior legislators and members of the administration, as extremely hazardous. Most importantly, senior American foreign policy experts are becoming concerned about the likely influence of a centralised Europe in the western alliance and the conduct of US strategic policy.

The United States has long been irritated by the longstanding European habit of trying to fashion a mid-East policy by awaiting American initiatives and then staking out positions more favourable to the Arab powers. This has contributed absolutely nothing to the peace process. The US government is also concerned that the EU's shameful, arms-length treatment of Turkey will destabilise that crucial country and the entire region.

The European practice of embracing the Turks whenever they need an ally in the Middle East and then spurning them as a rabble of Islamic migrants whenever they seek a closer association with Europe will lead to disaster if the United States cannot devise a method of keeping Turkey in the West, possibly in an expanded trade agreement. Europe's insane mistreatment of the Middle East's most important country, in which the leading European powers hide behind the Greeks, is in vivid contrast to the whole-hearted generosity of the American and Canadian extension of their free trade agreement to Mexico, and of US assistance during Mexico's currency crisis.



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President Clinton privately acknowledges that although he entered office enchanted by pleasant memories from his Oxford days of the joys of German Social Democracy – which he once thought brought prosperity and social justice – he is not enamoured of the European model any longer. His feeling today is one of vexation with the European resistance to further market liberalisation. And like all his predecessors starting with Franklin D. Roosevelt, he has learned how relatively easy and important it is to reach agreement with the British and Canadians.

Such concerns are, in my view, leading to a gradual sea change in traditional American attitudes towards European integration. Over the past year, a galaxy of prominent figures, some of them still serving in high office, have explicitly questioned the Euro-orthodoxy of the post-war epoch in quite radical ways.

Henry Kissinger emphasises, and mentioned in London last week, that an integrated Europe, with or without British adherence, while giving lip service to the American alliance, would almost certainly intensify its dissent from American policy in many areas and would likely imperil the transatlantic alliance and at the very least make it very much harder to manage. No Briton in his right mind would wish to abet such an enterprise.

These concerns are no longer a matter for the marginal or the eccentric in the United States. The issue is now prominent and these views are shared by Richard Holbrooke, who would likely be Secretary of State in a Gore Administration and by practically all the Kissingerians who would be prominent in any Republican administration that comes in 2001.

Allow me briefly to summarise the common themes of "America's New Eurosceptics" if I may apply that sobriquet to so heterogeneous a grouping. As Martin Feldstein noted in his ground-breaking article in *Foreign Affairs*, Americans have backed political union partly as a way of reducing the risk of another intra-European war among the individual nation-states. But now there is concern that the attempt to manage a monetary union and subsequent development of a political union, for all the

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reasons you know about, will lead to increased conflicts within Europe and between Europe and the United States. The tensions caused by EMU are now seen to hold the potential for a stampede to the extremes of left and right, so leading to the very instability that successive administrations have sought to prevent and to increased protectionism. As both Henry Kissinger and Newt Gingrich have noted, the EU risks much by placing the cart of monetary union before the horse of a single labour and housing market – and without sufficient political control. Moreover, as Henry Kissinger has written, even if it succeeds, there is no reason to suppose that a united Europe would necessarily be more willing to share the burdens of global leadership, as some American policy makers have hoped.



I HATE TO SPEAK SO UNADMIRINGLY of these venerable nations, but apart from Konrad Adenauer's rejection of Stalin's subtle proposal of German neutrality in exchange for reunification, and Charles de Gaulle's perfervid efforts to revive a broadly defined French bloc (usually at the expense of the Anglo-Americans and Canadians, and the Franco-German reconciliation), the statesmanship of western continental Europe has been generally confined to falling in unenthusiastically and often after rancorous debate, behind American leadership, to keep Soviet communism out of western Europe. To find constructive Franco-German statesmanship that ramified beyond western Europe, we have to go back 70 years to the time of Briand and Stresemann. Of course, France and Germany, acting together, could rediscover a vocation for enlightened international policy-making, but on recent form in France and especially if the SPD leads the government in Germany, it would be impetuous to count on it. Henry Kissinger is surely accurate when he says that it is much more likely that their energies would be spent emancipating themselves from the gentle leadership of the United States, and dismantling history's most successful alliance system as we have known it.

Of course the American foreign policy establishment wishes Europe well and wants EMU to succeed. But, as Henry Kissinger has observed, it no longer gives an enthusiastic blank cheque to any form of European integration. Indeed, the successful French effort to kill off the proposal of Sir Leon Brittan for a New Transatlantic Marketplace is a sure sign of the prevailing state of EU official opinion, despite lip service to maintenance of the American alliance. It is in these circumstances that American curiosity about Britain's course is clearly rising.

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Speaker Newt Gingrich in his recent article in *The Daily Telegraph* stated that:

If, as appears likely, there is some movement in the US Congress, as there has been in the Parliament of Canada to offer Britain some associate status in the North American Free Trade Agreement, I would support it. Britain must know she still has friends on the other side of the Atlantic.

Senator Phil Gramm of Texas, one of the most influential legislators on questions of economic policy, has now introduced a Bill offering Britain just that. The leader of the opposition in Canada, Preston Manning, has made a similar proposal. Canada advocates an energetic expansion of NAFTA.

No one should underestimate the extent to which Eurofederalism is inspired by a resentment of the soft hegemony of the Americans and, as some would have it, the Anglo-Americans, these 50 years. The Christian right in Western Europe, including the Gaullists, were prepared to accept US protection to keep the Red Army out of the west, but much of the social democratic left was constantly susceptible to Soviet bait-and-switch enticements, from Stalin's overture to Adenauer which most of the SPD would have leapt at, to Gorbachev's confidence trick about our "common European house". The Thorez-Duclos and Togliatti communist parties were effectively Soviet Trojan horses within the gates.

In all of the circumstances, we did astonishingly well to keep the Soviet Union at bay, but I know of no reason for confidence that Europe's former aptitude for international organisation is returning and their record in the Middle East, Africa, and nostalgic Hispanic meddling in Latin America affords no optimism in this respect.

When scratched at all, many of the leading Eurofederalists of my acquaintance profess some resentment at the subordination of Europe during the Cold War and have a somewhat mystical concept of the early re-emergence of European leadership in the



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world. In my opinion, Europe possesses neither the geopolitical strength nor the political maturity to exercise any such role. We are not slaves to the past, it is not necessarily irrelevant that the only major European country to have had a consistently responsible foreign policy for the last two centuries is Britain and that there is no precedent for a war free Europe without an American presence in it.

Even in this country, the old Labour left believes the United States escalated and prolonged the Cold War, and the High Tory right, the followers of Arthur Bryant and Enoch Powell, have held that the United States cheated Britain out of her empire and replaced it with an imperialism of its own. It deeply disconcerts me to hear many such diversely misguided people chanting a mantra about the inevitability of Britain's entry into a federal Europe.

You will recall that when the war in the former Yugoslavia broke out in 1991, the then president of the European Council, Jacques Poos of Luxembourg, declared that

This is the hour of Europe.

Less well known is that he went on to say:

If one problem can be solved by the Europeans it is the Yugoslav problem. This is a European country and it is not up to the Americans. It is not up to anyone else.

The Americans were delighted to abstain from that theatre and the European solution was the traditional one in the Balkans of the major powers choosing their local protégés and turning a blind eye to the "cleansing" of the most vulnerable local parties in the hope that the strongest would maintain order. It was only when Senator Dole announced that the US Senate would demand that the European embargo, which in practice only applied to the Moslems, be ignored and that the Serbians, the European choice for Balkan policeman, be bombed, that the process toward the Dayton Accords, imperfect though they are, began.

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It would be unfair to make too much of a single episode, but we must face the fact that Europe's solution was both ineffectual and unjust and only a US military presence which Europe initially requested stay away, produced any humanitarian progress. If this was the hour of Europe, as Jacques Poos said, we may all be grateful that we are only in the first of America's centuries.

The preposterous encouragements of the Castro regime are another example. It is a Stalinist despotism that has ruined the Cuban economy and incarcerated or driven into exile 20% of the population. The EU is defending the right of investors in Cuba to take over property that was seized from Americans without compensation and still trade freely with the United States. Canada's record in these matters is only slightly better but in most other areas Canada acts in concert with the United States. Apart from gratifying Spain's sensibilities over the rough handling received from the United States 100 ago in the Spanish-American War, I can't imagine what the Europeans expect to achieve. Irritating the US over a regime 90 miles from Florida that can not possibly endure much longer and has no emulators in all of Latin America makes no sense. When democracy finally does emerge in Cuba, its leaders will not be grateful for Europe's coddling of Castro. Here again, the omens are not encouraging.

Though its advocates often admiringly cite the process of American confederation as a precedent for their own ambitions, one of the main purposes of advocates of European unity in this decade and in less reputable efforts earlier in this century has been to stand up to America – culturally, as well as economically and politically.

This has been a common theme of both the respectable and the less respectable champions of European unity. As John Laughland has shown in his brilliant work *The Tainted Source: The Undemocratic Origins of the European Idea*, such considerations also figured prominently in the writings of leading Nazi economists such as Werner Daitz, the head of the Third Reich's Central Research Institute for National Economic Order and Large Area



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Economics. Vichyite apologists such as Drieu La Rochelle and Francis Delaisi were no less confident about the need to create a new European order to stand up to America. Obviously current Eurointegrationists draw no inspiration from such distasteful precedents, but these disreputable forms of anti-Americanism have impinged on the European political centre from right and left for a long time.

The main home for such sentiments remains France, where they are espoused by both pro-and anti-European forces. Thus, François Mitterrand – whose own record on Vichy was, to say the least, unheroic – is recorded by Georges-Marc Benamou in *Le Dernier Mitterrand* as saying:

France does not know it, but we are at war with America. Yes, a permanent war, a vital war, an economic war, a war without death. Yes, they are very hard the Americans, they are voracious, they want undivided power over the world.

Indeed, during the 1992 Maastricht referendum in France, the government campaigned with anti-American (and anti-Japanese posters) showing a caricature “Yank” in a stetson squashing the globe with the slogan “Faire l’Europe c’est faire le poids”; and in 1993, France dragooned the rest of the EU into its culturally nationalistic project of removing the audio-visual sector from the liberalising remit of the GATT talks. This may have been good for the uncompetitive French media sector, but there is nothing in it for Britain. Even if Britain succeeded in smoothing down the rough edges of French policy, the need to be *communautaire* would have dragged her into a more anti-American, more anti-free trade posture than would otherwise be the case.

Nor was this just a feature of the Mitterrand years, even though I note that in last week’s *Le Monde* his egregious culture minister, Jack Lang – now chairman of the National Assembly’s foreign affairs committee – was again banging the drum of resisting American cultural imperialism. Likewise, at the EU summit in November 1995 in Madrid, President Chirac extolled the victory of “European values” over the ideology of world

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liberalism. Nor is it confined to France: even so staunch an Atlanticist as Chancellor Kohl stated in a speech in Louvain in 1996 that he conceived of a world of three blocks: the United States, the Far East and the EU. Europe, he claimed, should “assert itself” against the other two. Others within the German political class have elaborated upon the reasons for this. Thus Horst Köhler, the main German negotiator of Maastricht told industrialists from the Federal Republic in Washington in 1996 that they must not abandon the “German path” in squaring up to the challenge of global free trade.

The Anglo-Saxon model of shareholder value, transparent balances and short-termism...

had to be rejected, he declared. What is astonishing to me is how this desire to cut the Anglo-Saxon community down to size – which in practical terms means detaching Britain from her transatlantic moorings and subordinating her to Europe while straight-arming the North Americans, except for possibly Quebec – animates even some of the most cosmopolitan and democratic of modern-day Europeans. The wish to cut down Britain’s freedom of manoeuvre is also to be found in the still-resentful élites of other smaller EU nations such as Ireland, which are especially wedded to the federalist project. This is understandable given the scale of the transfers they have received, but it also presumably has to do with a desire to complete the elimination of their subordination to England within the British Isles.

With the dramatic Soviet military build-up of the 1960s and 1970s under way, it seemed sensible even in western European circles not particularly friendly to the United States, for the nations of Europe to come together to prevent “Finlandisation”. This often happens when there is a clear and present danger: the best known example is that of Churchill agreeing Union between France and Britain in June 1940 to keep the Third Republic in the Second World War. But in the absence of such a threat, there is normally no desire to sacrifice any sovereignty at all.



IT SEEMS TO ME THAT EU foreign policy can have four possible consequences for the United States. The first is that the EU will assume its fair share in defending liberal world order: sometimes in disagreement with the nuances of American policy, but basically acting in partnership with it. This seems to me to be the least likely option, not only for the ideological and political reasons that I have outlined but because the European nations are cutting their defence budgets and steadily becoming less competitive arms manufacturers; for them, force is not so much an option of last resort as no resort at all.

Second, EU foreign and security policy could be simply ineffectual because the decision-making process requires an approach based upon the lowest common denominator. It could be virtually impossible to achieve a consensus to do anything, on current form.

Third, it can be ineffectual in terms of its impact on a given situation but also obstructive of effective American responses (such as in the Middle East, or in targeting weapons of mass destruction, or combating "rogue regimes". Thus, the EU sends Iran, Iraq and Libya the message that it is all right to resist the Americans because the more emollient and commercially minded EU will give them a way out).

The fourth possibility is that Europe will successfully come together and form a bloc that seeks gradually to diminish American influence on the Continent and elsewhere. The purpose of some of those who want to "Europeanise" NATO, such as certain prominent Christian Democratic politicians in Germany, is to reassure Russia about NATO expansion: shorn of its American component, NATO looks much less threatening. The American

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presence thus becomes a stumbling block to building a "common European home" as Gorbachev intended.

Europe would be much less respected militarily without the full American guarantee of its security. Indeed, as Martin Feldstein has argued:

There can be no doubt that a Europe of nearly 300 million people with an economy approximately equal to that of the United States could create a formidable military force. Whether that would be good or bad in the long run for world peace cannot be foretold with any certainty. A politically unified Europe with an independent military and foreign policy would accelerate the reduction of the US military presence in Europe, weaken the role of NATO, and, to that extent, make Europe more vulnerable to attack.

But what I am fairly certain of is that none of the possible consequences which would result from a European foreign policy are very attractive from Britain's point of view. The only scenario that is attractive to Britain is the Kenneth Clarke theory that Britain will move effortlessly to the headship of Europe, consign most of their social democracy to the proverbial dustbin of history and lead a semi-Thatcherised Europe into a world-wide partnership with the United States. I can't believe even Kenneth seriously believes this. Britain has had virtually no success persuading Europe to move at all, given how resentful of Anglo-Saxon perspectives, not to say Anglo-Saxon success, many European officials are.

That is why it is so disturbing to learn in the *Financial Times* last week that officials think it vital that the Government's comprehensive review of the United Kingdom's approach to the EU demonstrates support for closer integration in foreign and defence policy.

This cannot be right, Britain is at the centre, geographically, culturally and politically of an Atlantic community; whereas she is in all respects on the periphery of an exclusively or predominantly European order. No doubt sincerely, the British Government seeks to maintain NATO as the lynch-pin of the



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country's defence arrangements. But the unintended consequence of a Britain ever more closely integrated into a European foreign and defence policy would be a Britain torn away from her natural Atlanticist vocation. The emerging continental order would deprive her of much of her residual freedom of action.

Britain would gradually disassociate herself from a proven Alliance system – with clear command structures – for a less efficacious model that was taken far less seriously by potential adversaries. This new security architecture could not mediate internal disputes as effectively because there would be no one superpower to settle them in this new organisation of relative equals. If, in time, it evolved into a fully fledged Common Foreign and Security Policy with majority voting, think of the consequences: had it operated at the time of the Gulf War in 1990-1, it is almost certain that the majority of EU nations would have voted against military action. Nor, as has been observed by Michael Howard – to his credit, one of the few British politicians who has sought to take this message to the United States – could Britain have bucked the inclinations of her European partners and allowed the Americans to bomb Libya in 1986. Nor could Britain have launched the Falklands campaign.

## 7

THE QUESTION FOR BRITAIN IS whether she wants to be part of the fracturing of the Free World that increasingly appears to be a likely consequence of greater European integration – or whether she wishes to escape its consequences. If the United States received a signal from a British Government that it wished to avail itself of a North American option, it would respond immediately. After all, if Mexico with all its labour, environment and emigration problems – managed to gain membership of NAFTA over the objections of many Americans, then Britain would be received with rejoicing and extensive reminiscences about Churchill and Roosevelt, Truman and Eisenhower, Macmillan and Kennedy, Thatcher and Reagan.

If America were jubilant, Canada would be ecstatic. Canada has watched with dismay as Britain has receded in its national life. The re-emergence of Britain as a closer associate and another G8 country with which Canada shares so much, to assist in the gentle task of assuring that closer association with the United States does not lead to complete homogenisation, would be greeted with inexpressible happiness. This would be quite a contrast from the groans, scowls and lectures the British are accustomed to receiving from our European partners.

Finally, for Britain, at the risk of being cynical, if our European friends realised such an alternative was being seriously considered, it would make the work of British negotiators much easier as very senior UK government officials have privately confirmed. It is unlikely that Britain would be so cavalierly singled out for discriminatory treatment as it was in the beef embargo.

Britain, unlike all other EU countries, has a choice. It has a common Atlantic home. If Europe realised this it would either make Eurofederalism a more comfortable prospect for this country or demonstrate conclusively by not doing so just how uncomfortable



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Eurofederalism could be. In either case, the British government and people would be in a much better position to make an informed decision than they are now. Now we are being herded and prodded into a European cul-de-sac amidst official prevarication and dissembling with the only enthusiastic noises coming from unrepresentative and often aberrant quarters. We are proceeding one unsteady step at a time, with no indication of our real destination and little serious analysis of consequences or alternatives.

I am in favour of Eurointegration for most of the EU countries. I agree with them bringing as many of their number as they can into EMU despite recourse to accounting practices that in the private sector would lead to a jail cell. It is no particular concern of mine but I think they are making a tactical mistake not going for full federal union now, rather than gambling so much on monetary union as an intermediate step. However, I think there are better alternatives for Britain suitable to this country's unique historic, cultural and geographic characteristics.

The more venerable among you would remember, and all of you would know of President Roosevelt's despatch to Mr Churchill at the end of 1940 of the hand-written verse from Longfellow beginning "Sail on, oh Ship of State" which, he said, applied to both countries. How fortunate we were that the Anglo-American leaders at that critical time largely personified the civilisation whose defence they were leading. You will recall that Mr Churchill responded with Clough's "Say not the struggle Naught availeth," whose last verse begins "If hopes were dupes, fears may be liars".

Conditions are almost incomparably better now, and our former enemies are good friends, whatever our differences. And it is a mistake to relive endlessly those far-off days, glorious though they were. But I am afraid many of the hopes reposed in Europe by Britain are dupes and I'm afraid that many of the fears of alternative courses of action are false.

Failure seriously to examine alternative European and Atlantic policies now would be a monstrous disservice to this country, to its history and to all that it may yet achieve.

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