

# LECTURE

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## United States of ... America or Europe?

*Charles Moore*

### Abstract

*Twenty-five years ago, in her groundbreaking 1988 Bruges speech, Margaret Thatcher spoke against the rise of a supranational federal Europe, warning that “to try to suppress nationhood and concentrate power at the center of a European conglomerate would be highly damaging and would jeopardize the objectives we seek to achieve.... We have not successfully rolled back the frontiers of the state in Britain, only to see them re-imposed at a European level with a European super-state exercising a new dominance from Brussels.” Given the troubles of the eurozone and the wider European Project, has she been proved right? And as the European superstate approaches, does traditional U.S. support for the ever-closer integration of the European Union look unwise?*

**Edwin J. Feulner:** Thank you for being here. This is the eighth Margaret Thatcher lecture at The Heritage Foundation. Our previous distinguished speakers have included former Australian Prime Minister John Howard, human rights champion and Soviet dissident Natan Sharansky, and leading free-market economist Hernando de Soto. The purpose of the lecture series is to advance the principles of freedom and liberty so greatly cherished by our patron, Lady Thatcher.

The Margaret Thatcher Center for Freedom was established at The Heritage Foundation in 2005. It is the only institution authorized by Lady Thatcher in the United States to bear her name. We are deeply honored by that. Our specific function is to strengthen

### KEY POINTS

- In the American mind, “integration” means getting on with one another and promoting cooperation; in the European Economic Community phrasebook, however, “integration” means creating pan-European government.
- As the European Union falls in its share of world economic power, the answer from the Brussels elites is “more Europe.” They are going for fiscal union, a new treaty, and what would bring about the United States of Europe in fact though not in name. But would it be a democracy when it does not really have a *demos*?
- The United States of Europe that is gradually coming into being is based on principles that would never have been accepted by the American Republic. It will likely threaten stability and prosperity, be unfriendly to the United States, and create enormous international tension.

This paper, in its entirety, can be found at <http://report.heritage.org/hl1229>

The Margaret Thatcher Freedom Lectures

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the Transatlantic Alliance, particularly that special relationship that the U.S. and the United Kingdom have enjoyed together.

Our speaker this morning is indeed well equipped to do that. Charles Moore, one of the U.K.'s leading political commentators, is also one of the sharpest analysts of current developments in Britain and Europe. Mr. Moore is the authorized biographer of Lady Thatcher and, as a journalist, has covered her leadership over the course of several decades as editor of *The Spectator* (1984–1990), *The Sunday Telegraph* (1992–1995), and *The Daily Telegraph* (1995–2003). He continues to write for both *The Spectator* and *The Daily Telegraph*.

Today, he will be speaking to us on issues close to Lady Thatcher's heart: the future of the European Union, Britain's future inside or outside the EU, and America's approach to Europe. He delivers his speech today 25 years after Lady Thatcher delivered her landmark Bruges speech at the College of Europe in September 1988. She warned against the creation of a European superstate: "We have not successfully rolled back the frontiers of the state in Britain, only to see them re-imposed at a European level with a European super-state exercising a new dominance from Brussels." Alas, some of us who watch these matters are fearful that perhaps that may in fact be what we are seeing.

These are worrying times, both within Europe and among those of us here who are concerned about the transatlantic relationship. The European 17 members of the eurozone are expected to remain in recession for at least another year, unemployment forecast to rise above 12 percent, 19 million Europeans out of the work. On the southern rim, Spain, unemployment at 26.5 percent, youth unemployment more than half, 55 percent. Despite the huge challenges facing the European continent, some of the leaders insist on pursuing ever-closer union, pressing for more economic and political integration.

These are the issues that Charles will be discussing with us today. We are honored indeed to welcome him back to The Heritage Foundation. He's been a visitor with us now for almost 30 years off and on, and it's a great, great pleasure for me to introduce him again and to ask him please to take the podium and share his thoughts with us.

—*Edwin J. Feulner, PhD, retired as President of The Heritage Foundation on April 3, 2013.*

**Charles Moore:** Thank you very much, President Feulner, ladies, and gentlemen. It's a great honor to be here. The roll of honor of the previous speakers is impressive and intimidating to me. I'm particularly admiring of John Howard, who I know. He seems to me a model of what you might call a tough, practical conservative who actually can run a country rather than just talking about it. It's an honor to be following him.

You explained that I'm writing Lady Thatcher's biography. I'm what's called her authorized biographer. I have complete access to her and her papers and to the government papers, whether or not they've been released to the public, and the book cannot be published in her lifetime. This is a magnificent opportunity for study and a terrifying amount of work.

I find it very interesting to run it in parallel with my job as a journalist. You're seeing so many things that come up again, and they're treated in a different way. You often find, because collective memory is very weak, that people have completely forgotten what happened the last time such a problem arose, and you can compare how Mrs. Thatcher dealt with it with how others deal with it today.

I want to try today to talk in this rather parallel way. I want to first talk about the past and then about the present, and I want to relate the two.

You live in the United States of America, and I think the precise name of a country often tells you a great deal about what it is—like the Former Yugoslav Republic of Macedonia, for example. The fact that it is called the United States of America tells you in four or five words a lot about what you are and your history.

What is perhaps not fully understood is that in the European Union, we are moving toward a United States of Europe. If we think about that, we will realize just how problematic that might be and how unlike the foundation of the United States of America in its structure the United States of Europe is. You know what the first words of the U.S. Constitution are, but do you know the first words of the European Constitution? They are "Albert, King of the Belgians." I think "We the People" versus "Albert, King of the Belgians," tells you something about how these things are thought of.

## **The Continuing Battle**

The battle that Mrs. Thatcher fought very much alone in her time is one that conservatives are

probably going to have to fight again in this generation. So, first of all, I want to tell you how she had to deal with it. You'll remember that she became leader of the Conservative Party in 1975 and didn't become Prime Minister until 1979. On the first of January 1973, Britain entered what was then called the European Economic Community, now the European Union, and the Conservatives were the party that brought Britain into it.

There was then, for complicated political reasons, an *ex post facto* referendum introduced by the Labour Party as to whether we should stay in or leave. That happened just after she became leader. She was leading a party which was in favor of staying in, though many of its members were not in favor of staying in, and what they did not want was a massive row about it. She inherited a consensus on this subject, and she didn't want it to blow up in her face. The British people, advised by almost all the leaders that they should vote to stay in, did, and the issue went quiet for a bit.

When she became Prime Minister in 1979, she therefore was not in any position to make an argument about the principles of the matter, but she did start to have an argument with her European partners about the money because the British budgetary contribution was tremendously high, way out of sync with our then very poor economic performance. She wanted to change the system by which it was calculated and then reduce the contribution, and she had a long-running—it ran for five years—row about how much Britain should pay.

Already, the fundamental principle came up in this because what she used to say is, "I want our money back." Sometimes, when she got really angry, she'd say, "I want my money back." This was very much disliked by the European partners not only because they didn't want to return money to Britain, but because they hated the phrase, "our money." Under European theology, it wasn't Britain's money; it's the European Union's money. Therefore, Mrs. Thatcher was actually attacking the principle because she was reminding them of whose money it was in the first place, and Helmut Schmidt, and later Helmut Kohl and François Mitterrand, got absolutely furious about this.

This went on until 1984, and she won. She didn't win absolutely outright, but she got back two thirds of what Britain was paying and was generally considered to have won both in domestic political terms

and in terms of actually sorting out a better arrangement. All through the same period, she was also having to deal with another problem: the Exchange Rate Mechanism of the European monetary system, the ERM, which currencies were in so that they were within bands that linked to one another.

Britain had decided in 1978 not to go into this, but there was tremendous pressure to go into it all the same. Mrs. Thatcher was very unhappy with this because of the ceding of sovereignty over the pound sterling and being unable to make our own economic decisions. But again, for internal reasons and for external reasons, it wasn't possible, she believed, to take on the basic principle in public.

The British policy was not, "We're against the ERM." It was, "We will join when the time is right." So Mrs. Thatcher was fighting, when she thought really the time would never be right, to stop us going in, and most of her Cabinet colleagues were in favor of going in. Enormous internal eruptions took place, and when she got in a very weak political position a month, six weeks before she fell, she agreed to Britain's entry into the ERM against her better judgment. I think from her point of view, it was definitely mistaken.

### **"Theology of the European Union"**

Again, what appears to be a technical or at least a monetary and economic issue was actually an issue of the theology of the European Union, because the European monetary system was invented in order to bring into being the single currency which is foreseen in the Treaty of Rome, which founded the European Community. What appeared to be, "how can we coordinate our economies better?" was actually much bigger.

The more fundamental question is who's in charge? Who's boss? In the words of the Gospel, when Jesus was brought the tribute money, He says, "Whose image and superscription is on it?" Who is Caesar? What the European people believe is that Brussels should be Caesar, and Mrs. Thatcher, despite her sex, preferred herself as Caesar: again, a very big issue not expressed publicly in terms which really mattered.

If you look at all the debates that took place about the ERM in England at this time, they didn't mention this question of sovereignty. They were all about the exchange rates and economic stability, and they avoided this question of sovereignty.

After she won her victory on the budget, Mrs. Thatcher got into this idea of producing the single market. This was in many ways her greatest success in the European Economic Community and also the bringer of the biggest trouble. She said it's called a common market, but it's not; there are all sorts of restrictions. For example, British weren't allowed to sell insurance in Germany.

So she was very keen on a single market, and she was able to get an alliance of mainly Northern Europeans who wanted freer economics within the European Community to bring about this single market. She prevailed in this and produced something called the Single European Act, and it was a very considerable achievement. But again, the theological thrust came right through this, because the Single European Act is a piece of legislation applicable to all countries, and its preamble includes the idea of the single currency: once again, the abolition of lots of vetoes that individual member states have on policies.

They introduced what they called qualified majority voting, which really means that more and more issues come within the competence of the European Union and fewer within the competence of the member states, and you're moving all the time toward the ever-closer union which is foreshadowed in the Treaty of Rome. Though the specific policies were much more Thatcherite, the fundamental constitutional position was working against what she wanted.

Critics would say—and I think they would be right to some extent—that Mrs. Thatcher was culpable in not seeing quite how serious that was. She was worried about it, but I think she tended to think that because you're getting the better economic agreements, that's the main thing. And of course, her advisors didn't mention it very much because the Foreign Office had different attitudes from her about what the implications were. So you could say that she was winning and losing at the same time.

### **Rise of Gorbachev and the European Community**

Two things also happened simultaneously which pulled her in different directions. One was the rise of Mikhail Gorbachev in Russia and the change that started to come about in the Soviet Union and in the Eastern Bloc with Solidarity in Poland and so on.

You may remember that Mrs. Thatcher was the first Western leader to take great interest in

Gorbachev. She had him stay at Chequers, the Prime Minister's country house, just before Christmas 1984 when he wasn't even the leader. Since mid-1983 she had been looking for the next generation of Soviet leaders and had become convinced that the future lay with Gorbachev. At Chequers they had these fascinating, amazing arguments, very fierce arguments which produced the famous phrase, "Ready to do business with him." She saw change in the Soviet Bloc of the sort that she was pushing for.

At the same time, in the European Community, Jacques Delors became the president of the European Commission, and the commission at last had a very powerful leader. He's a very able man and a leader who agreed with Mrs. Thatcher on nothing except perhaps probity. He's a great man of probity in administration, but he's a socialist, and he's a huge European centralizer. To put it very simply, there was a light of hope in the East that started to be more trouble in the West, seen from her point of view.

This got worse and worse from her point of view. In 1988, Delors made two speeches, one of which predicted that in 10 years, 80 percent of financial and economic legislation in the European Union would emanate from Brussels, not from the member states. In the other, he came to speak to the Trades Union Congress, which Mrs. Thatcher intensely disliked and vice versa, in Britain, and he spoke of social Europe and the Social Charter, which would give all sorts of socialist rights to workers and which Europe would impose and Britain would not be able to resist.

### **The Bruges Speech**

So Mrs. Thatcher delivered the Bruges speech, which Ed Feulner mentioned at the beginning. In conceiving this speech, she was really speaking from the heart and without really concerting the policy of the whole government, and if you read it now, you wonder what the fuss was about, because it seems to be very clear, true things which would be quite hard for a reasonable person to disagree with. For example, she said, "We must never forget that east of the Iron Curtain, people have been cut off from their roots. We should always look on Warsaw or Prague and Budapest as great European cities." But that was really against the doctrine of the European Community, which saw itself as very Western and almost wanted the Eastern Bloc to continue as a separate bloc. She also used the progress of the Cold War and economic success to adopt a forward

position. Thanks to the leadership of Ronald Reagan, which she so strongly supported, she felt able to say, “The fact is that things are going our way. Freedom is on the offensive for the first time in my lifetime.” Therefore, she argued that we should strengthen defense and recognize that the future of Europe lay with what she called “willing and active cooperation” between individual sovereign states. She specifically compared the Soviet Union with the European Community and said that, just as the Soviets were dimly beginning to perceive, they could not succeed unless they started to disperse power.

The EEC was becoming an appointed bureaucracy “with power centralized in Brussels—power centralized in Brussels is not the answer.” She opposed the European currency that was being considered because “you can’t build on unsound foundations.” And she contrasted her own economic success at home with what was happening at the heart of the EEC: “We have not successfully rolled back the frontiers of the state in Britain only to see them reimposed at a European level with a European super-state exercising a new dominance.”

She ended her speech by saying, “Let us have a Europe which plays its full part in the wider world which looks outward, not inward, and which preserves that Atlantic Community, that Europe on both sides of the Atlantic which is our noblest inheritance and our greatest strength.”

When you put together these quotes, what you see is not at all an anti-European or isolationist position, but, as she said, an outward-looking one. Its significance was that it was actually the first speech by an EEC leader to challenge the EEC institutions, to question the way in which they were going, to suggest the direction of travel was wrong at a key moment in European history. Therefore, they were furious, and so were her more Europhile Cabinet colleagues, and I don’t think it would be paranoid to say that they plotted revenge.

I also think it was important that she used so much the word “freedom,” which is actually a word that’s used very little in EEC rhetoric. Of course, EEC leaders wouldn’t say, “We’re against freedom.” But they don’t want to use that word because it—well, we can speculate on why they didn’t want to use that word.

They pressed on very hard with the idea of economic and monetary union, and Jacques Delors was already chairing a committee on how to bring in a

single currency. In the spring of the following year, the committee reported about how this would come about, and essentially it was the work of that committee that produced the euro that we know and love today. This sort of backwash, which was, among other things, very against what Mrs. Thatcher wanted, coincided more than a year later with the fall of the Berlin Wall, which began on the ninth of November, 1989.

### **A German Europe or European Germany?**

Mrs. Thatcher found herself in a very difficult position. In a way, this was her dream come true. Everything that she’d been working on all through the Cold War looked like it was going to happen. But she was very worried about two related things. One was what would happen to Gorbachev and whether there would be a coup by the “true” Communists in the Soviet Union against him, whether this would be provoked by the unification of Germany, and whether the unification of Germany would cause tremendous instability and lead to greater concentration of power in the hands of the Germans.

There was reason for these fears, and Gorbachev himself had them. He said to President Mitterrand of France that the day Germany was unified, “a Soviet marshal will be sitting in my chair,” and a Soviet marshal did have a go a bit later on but failed.

Helmut Kohl, the chancellor of Germany, was naturally very keen to bring about reunification, and he moved forward very fast. At the end of November, he had his 10-point plan about how this might happen, which he put to the Bundestag without consulting allies. The next day he talked to U.S. President George Bush on the telephone. President Bush gave him his backing for the plan and told the chancellor, “We’re on the same wavelength.”

Kohl offered an early intimation of a grand bargain that he wanted to make which would allow German reunification, and that grand bargain was European economic and monetary union. He told Bush, “I’ll see to it that we make progress with respect to the economic and monetary union. I think it’s a great mistake on Maggie’s part to think that this is a time for caution. It’s an iron law that there will be no going alone in German policy. It’s our responsibility that we are anchored in a general whole.”

What he was articulating is his doctrine that in order to avoid a German Europe, which because of

the two world wars everybody else was very frightened of, we had to have a European Germany. That was the phrase he constantly used, and that meant that Germany would be reunited, but it would be reunited on very European terms and would sacrifice its very successful currency, the Deutsche Mark, in the wider interest of the creation of a single currency. Kohl was very cross with Thatcher, and Thatcher with Kohl. This is Kohl talking to Bush:

Thatcher says the European Parliament can have no power because Whitehall cannot yield a bit of sovereignty. Her ideas are simply pre-Churchill. She thinks the post-war era has not come to an end. She thinks history is not just. Germany is so rich and Great Britain is struggling. They won a war but lost an empire and their economy. She does the wrong thing. She should try to bind the Germans into the EC.

And he says in his memoirs, “I shall never forget Margaret Thatcher’s furious remarks. ‘Twice we’ve beaten the Germans’ she said, ‘and now here they are again.’”

### **The American Dilemma**

And so ill-feeling abounded, and the Bush Administration were worried about this. As you know, the Bush Administration was much less close to Mrs. Thatcher than the Reagan Administration and was looking—probably rightly from its point of view—to a much closer relationship with Germany and didn’t like her tone. Here’s a senior official in an internal memo in October of 1989:

Mrs. Thatcher’s handling of European integration issues, like her handling of SNF [i.e. Short Range Nuclear Forces] often shows an extraordinary insensitivity to West Germany’s unique situation. This sometimes serves our own interest but we should encourage the British not to lose sight of our most basic objective of linking Federal Republic of Germany even more closely in a web of Western cooperation.

You can see the American dilemma here, because when they’re talking about integration, Western cooperation, this is really in the American mind quite a very important but quite a vague idea. It’s just about everybody getting on well with one another

and trying to organize things, whereas the word “integration” in the European Economic Community phrasebook has a very specific meaning about creating pan-European government.

Charles Powell, Lady Thatcher’s closest advisor, says that President Bush didn’t know what integration meant. He didn’t know that it was a term of art. It was used to describe positive steps forward, including monetary union, going far beyond anything Mrs. Thatcher was willing to contemplate. For Bush, European integration just suggested a sort of tidiness in Europe.

Actually, we can tell by other documentation at the time that it wasn’t that President Bush was wildly pro-European integration in that theological sense. He didn’t actually like what he sometimes referred to as the Eurocrats very much, but the Administration thought it would be more prudent just to ignore that and get on with German reunification. Brent Scowcroft wrote to Bush:

It would be best all-round if Mrs. Thatcher took a more constructive attitude towards the EEC, seeking consensus instead of staking out a defiant ideological position. The PM may get closer to her own long-term objectives if, while sticking to her principles, she changes her tone and tactics so that Helmut Kohl will not continue to refer to her as “that woman.”

In all these negotiations, the key phrase that was settled among the European partners was that Germany would have the right to unity through self-determination but “within the perspective of European integration.” The whole point, or one of the main points of European monetary union, was to “bind Germany in.”

Mrs. Thatcher didn’t believe that this would be the effect of economic and monetary union. She didn’t think it would weaken Germany, but that it would strengthen it. At lunch with President Mitterrand at the Rome Summit of October 1990, she insisted that he had the issue back to front. If you allow this to happen, she told him, Germany will become dominant. It won’t be weakened; it will become the dominant power in Europe. It will make other countries satellites of the currency in whose image the euro will be fashioned. (The word “euro” wasn’t used at the time, but that’s what she meant.)

Those views were very unfashionable then, and it's a fair criticism of Lady Thatcher that they were colored by the fact that she was personally very anti-German in a way which was unfair to modern Germany and to do with the war. So there was an element of sheer dislike in it and also perhaps of some jealousy, as Kohl pointed out, about economic success. But was she completely wrong? I don't think she was wrong about the effect of the creation of economic and monetary union, and I think that's in fact what we're seeing today.

### **The Rome Summit and Its Aftermath**

It was this Rome Summit which was the key moment for Mrs. Thatcher, because essentially they ganged up against her, and when she came back and made a statement to the House of Commons, what she said in her statement caused Geoffrey Howe, her most senior minister, to resign, accusing her of "living in a ghetto of sentimentality about the past." It was Howe's resignation that triggered the challenge to her, and she fell the following month.

The following is from Mrs. Thatcher's report to the House of Commons on the Rome Summit. I should explain she's speaking to, obviously, her Labour opposition. So she's directing her attacks at Labour, but the real point of it is what she's saying about Europe.

On Economic and Monetary Union, I stress that we will be ready to move beyond the present position to the creation of a European Monetary Fund and the common community currency which we have called a hard ecu. But we would not be prepared to agree to set a date for starting the next stage of Economic and Monetary Union before there is any agreement on what that stage should comprise. And I again emphasize that we would not be prepared to have a single currency imposed upon us, nor to surrender the use of the pound sterling as our currency....

It is our purpose to retain the power and influence of this House, rather than denude it of many of the powers. I wonder what the right honorable Gentleman's policy is, in view of some of the things that he said. Would he have agreed to a

commitment to extend the Community's powers to other supplementary sectors of economic integration without having any definition of what they are? One would have thought, from what he said, that he would. The Commission wants to extend its powers and competence into the area of health, but we said no, we would not agree to that.

From what the right honorable Gentleman said, it sounded as if he would agree, for the sake of agreeing, and for being Little Sir Echo, and saying, "Me, too." Would the right honorable Gentleman have agreed to extending qualified majority voting within the Council, to delegating implementing powers to the Commission, to a common security policy, all without any attempt to define or limit them? The answer is yes. He hasn't got a clue about the definition of some of the things that he is saying, let alone securing a definition of others....

...Yes, the Commission wants to increase its powers. Yes, it is a non-elected body and I do not want the Commission to increase its powers against the House, so of course we differ. The President of the Commission, Mr. Delors, said at press conference the other day that he wanted the European Parliament to be the democratic body of the Community, he wanted the Commission to be the Executive and he wanted the Council of Ministers to be the Senate. No. No. No.

Perhaps the Labour Party would give all those things up easily. Perhaps they would agree to a single currency and abolition of the pound sterling. Perhaps, being totally incompetent in monetary matters, they'd be only too delighted to hand over the full responsibility to the IMF, as it did to the IMF. The fact is the Labour party has no competence on money and no competence on the economy—so, yes, the right honorable Gentleman would be glad to hand it all over. What is the point in trying to get elected to Parliament only to hand over sterling and the powers of this House to Europe?<sup>1</sup>

Those words—"No. No. No"—in that statement were what provoked the resignation, so they were in a

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1. Margaret Thatcher, "HC Stmt: [Rome European Council]," October 30, 1990, <http://www.margaretthatcher.org/document/108234> (accessed May 1, 2013).

sense what provoked her fall. It's very interesting that her fall is therefore provoked by her standing very strongly on this principle of the independence of the nation-state. That's expressed in very graphic form in those words, and it was the issue that broke her not with the public, who tended to sympathize with her on this subject, though she was unpopular for other reasons by that time, but with her senior colleagues.

Was she really backward-looking? Was she really living in a ghetto of sentimentality about the past? Where have we got to?

Because of her and the argument she made and the example she set, Britain didn't join the euro. Though both parties' leaderships would quite have liked us to do so, we didn't, and if we had, we would be in a position like Spain's today, because we are suffering from the eurozone crisis. Our own economy is dragged down by that.

### **Intrusiveness of the European Union**

Even though we're not in the euro, we are ruled in ways by the European Union, whether it's the capacity to set rates of indirect taxes, whether it's a proposal now coming through that the amount that bankers should be paid is controlled by European law, whether it's the fact that we're not allowed to control any immigration to our country within the European Union. We're not allowed to control our fishing or our farming. The shape and nature of our light bulbs are dictated. The amount of noise made by lawnmowers is subject to rules. And recently, the European Court of Justice said that car insurance premiums for young women should double to be equal to those for young men because otherwise, it violated equality.

The European Convention on Human Rights, not itself a European body but tied in through the Charter of Fundamental Rights of the European Union, tells us things like what we must give. For example, the House of Commons has been told it must give votes to prisoners, which at present it doesn't do. You would have thought that a country's capacity to decide its own franchise was something it should be allowed to decide for itself.

My point is that the United States of America would not tolerate for one second the idea that another country or group of countries should dictate, or probably even suggest, any of these things, especially not if the body doing that had a constitution which had only minimal democracy. Now we have a

eurozone, which is subject to slump and instability with enormously high youth unemployment of over 50 percent in places like Spain and Greece and with several countries—Spain, Greece, Portugal, Ireland, Italy—effectively under the orders of the EU and the European Central Bank and Germany.

There are stories about the bailouts that these countries have got and whether they can have new terms for them. These countries are trapped in the one-size-fits-all doctrine of the single currency, and as a result, there are tremendous ill feeling, growing poverty, popular demonstrations which are often directed against Germany. Germany, on the other hand, is very successful, with very low unemployment, though its growth is weakening now. The euro is very good for it because it makes goods cheaper than they would otherwise be. So Kohl's famous warning that we must have a European Germany to avoid a German Europe has in fact produced a German Europe or at least a German eurozone.

In 2011, Italy and Greece had prime ministers imposed on them by the European troika, in effect. They were not elected, and when Italy had their elections, the party of Mario Monti, the imposed prime minister, got less than 10 percent of the vote. So you can see the sort of problems that arise.

The European Union is also falling in its share of world economic power. The equivalent space, as it were, produced 31 percent of world output in 1980 and about 18 percent today. The answer from the Brussels elites and, indeed, most of the powerful politicians is what they call "more Europe." What they're going for is fiscal union, a new treaty, and what would bring about the United States of Europe in fact though not in name, and you have this problem: Would it be a democracy when it hasn't really got a *demos*?

Larry Siedentop wrote an interesting book, using Tocqueville's famous title, called *Democracy in Europe*. He made a point about the people who made the Constitution in Philadelphia in 1787: "There was a tacit agreement among the delegates that some functions of the British Crown were only temporarily in abeyance waiting, so to speak, for a central authority to take them over again." Now, of course, in trying to think of that central authority in Europe, there is none, and whenever somebody's tried to impose it, a great many people have been killed.

The comparison shows the problem. The EU has an ideology of what the Catholic Church would call one flock and one shepherd, and that seems not to fit



with the circumstances of the time and the wishes of the people who live in these places.

Mrs. Thatcher, after leaving office, gave a speech in The Hague in 1992. She said that Europe was being built as “yesterday’s tomorrow.” I think that’s quite a good phrase for the mentality of this construction. Our own British government supports this centralizing move of a fiscal union as long as it’s not in it, which is a strange situation to be in. So we are encouraging this great European power to try and forge itself because we’re so frightened of the instability that might result otherwise.

It does seem strange that in the 21st century, people could be thinking this is the best future. If we look at the rising powers in the world—China, Brazil, India—these are all nation-states, and they are able to act with some decision as nation-states. We don’t want a United States of Europe which, to use President Nixon’s phrase about his own country, is a pitiful, helpless giant. Nor, even more, do we want it to be a powerful giant. It’s very unsatisfactory either way you look at it.

### **What Should the United States Do?**

It’s not for me to say what the United States should do about the European Union, but I do think Americans tend to be rather vague about what’s at stake here. They naturally want harmony within Europe, and in paraphrasing the famous Henry Kissinger phrase about having no phone number when he wants to call Europe, like the idea of a

European Union speaking with one voice. And, of course, they’re rightly frightened by the dangers of breakup. President Obama and Treasury Secretary Tim Geithner were running around before reelection desperate to get some sort of guarantees from the European Central Bank to buy sovereign bonds because of the sheer fear of collapse. That collapse could come quite easily.

The U.S. Administration today constantly says it’s in favor of the European Union and has publicly criticized Britain because we were promised a referendum by the Conservatives on whether we want to be in or out of the European Union. This is being criticized by President Obama.

I think that the United States does need to be aware that the United States of Europe is gradually coming into being, and it’s based on principles from the top down which would never have been accepted by the American Republic. I’m not warning that the United States of Europe will pose a threat to American power, because I don’t believe that the United States of Europe can work. I don’t think it will be totally powerful, but I think it will threaten stability and prosperity, and it’s quite likely to be unfriendly to the U.S.A. and very likely to create enormous international tension.

I want to leave you with the thought that it is the task of statesmen to concentrate on the things that really matter. Margaret Thatcher did this. She didn’t always get it right, but she raised the essential questions, and 30 years on, history is vindicating her.