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Ten Reasons to Rethink U.S. Support for British Membership of the European Union

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By the end of 2017, likely in 2016, Britain will hold a referendum on the results of Prime Minister David Cameron's pledged renegotiation of the terms of British membership of the European Union. If the public rejects those terms, Britain will likely exit the EU. The "Brexit" referendum will be the most important event in Britain's EU membership since a similar referendum was held in 1975, shortly after Britain joined the European group in 1973.

While the renegotiated terms are not yet known and the question on which the public will vote has yet to be finalized, it is not too soon for the United States to consider its position on the referendum. The Obama Administration has come out strongly in favor of continued British membership of the EU, with President Barack Obama stating in July 2015 that "Having the UK in the EU gives us much greater confidence about the strength of the transatlantic union"—an assertion that many British politicians have criticized.¹

The referendum and the terms of Britain's relations with the EU are ultimately and always matters for the British people to decide. However, in advance of the referendum, the U.S. would be well advised to consider its own interests carefully and not to continue its unthinking support for the EU, which has marked the Obama Administration and too much of U.S. policy since the end of the Cold War.

Rethinking U.S. Support for British Membership

Here are 10 reasons for the U.S. to rethink its support for British membership of the European Union:

- 1. The EU detracts from national sovereignty.** The EU takes powers away from the nation-states of Europe and transferred them to Brussels. In so doing, it has reduced the control that the parliaments of Europe, including the House of Commons in Britain, have over their national policies, thus reducing the democratic accountability of those governments. The U.S. vigorously defends its own sovereignty. It should not support institutions that diminish the sovereignty of other democracies. The U.S. should want for them what it wants for itself. Brexit would be a victory for democratic sovereignty.
- 2. The EU damages the transatlantic security alliance.** Since 1949, the chosen American instrument for promoting transatlantic security has been the North Atlantic Treaty Organization (NATO). Through its Common Security and Defense Policy, the EU is seeking to develop its own military capabilities, but every pound or euro that European nations spend on the EU is one not spent on capabilities on which NATO can draw. At best, the EU is duplicating NATO; at worst, it is distracting and weakening it. Brexit would eliminate the EU as a competitor to NATO for U.K. defense spending.

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- 3. The EU damages the broader transatlantic political alliance.** To advance its broader interests in Europe and around the world, the U.S. has long worked bilaterally with the nations of Europe. By increasingly forcing those nations into an agreed, lowest-common-denominator policy, the EU makes it harder for the U.S. to work with Europe. The EU tendency to focus on its own internal development, not broader issues, is a further problem, as is the desire of some EU leaders to make it into a political union that will exist in part to oppose the United States. Brexit would restore bilateralism as the guiding U.S. principle in Europe.
- 4. The EU promotes political extremism.** One of the fondest EU claims is that it has promoted democracy and political moderation in Europe. But the many far-right and far-left political movements that have sprung up across Europe demonstrate that the EU's policies, by suppressing democracy, have provoked a response. The policies espoused by many of these movements are illiberal and anti-capitalist, but the U.S. should not ignore the fact that, if not for the EU, these movements would have remained on the fringes of European politics. Brexit would vindicate the principle that the people, not the bureaucrats, control the destiny of Europe's nations.
- 5. The EU is bad for transatlantic finance.** One of the most important transatlantic connections is the financial link between the City of London and Wall Street, but the EU is seeking to use eurozone rules to discriminate against the City. The British government describes the future of the City as "perhaps the single most important issue" in the renegotiations.² Brexit would keep the City free as a center of world finance to invest in the United States.
- 6. The EU is bad for transatlantic trade.** The common belief that the EU is a free trade area is untrue. The EU is a managed market. As such and thanks in particular to its tenacious support for its Common Agricultural Policy, the EU is skeptical of free trade unless it can write the terms of such trade in a way that favors the heavily managed, bureaucratic model that it promotes within Europe. Brexit would liberate Britain to negotiate a genuinely free trade area with the United States.
- 7. The EU is bad for the European economy.** The euro has gravely distorted the eurozone economy and delivered none of its promised benefits. More subtly, the EU, by pressing EU member states to adopt similar policies, reduces the competitive drive between them. Finally, because those policies rely on high taxation and high benefits, they further suppress growth. A core U.S. aim in Europe since 1945 has been promoting economic growth. Brexit would keep Britain forever out of the euro and allow it to continue adopting policies that provide a competitive spur to Europe, thus benefitting its economies and American trade and investment.
- 8. The EU distorts immigration policy.** The freedom of movement and employment that the EU promotes is understandably popular with tourists and in Eastern Europe. Yet in practice, the EU requires EU member nations to discriminate in their employment markets against foreigners, including Americans. Brexit would enable Britain to design its own immigration and employment policies and to end a system that requires it to discriminate against talent from the 93 percent of the world's population that lives outside the EU, including in the United States.

1. Andrew Sparrow, "Britain Must Stay in EU 'to Make World More Prosperous,' Says Obama," *The Guardian*, July 24, 2015, <http://www.theguardian.com/politics/2015/jul/23/barack-obama-britain-remain-eu-world-more-prosperous> (accessed September 21, 2015).

2. George Parker and Alex Barker, "UK Seeks EU Treaty Overhaul to Protect City," *Financial Times*, September 9, 2015, <http://www.ft.com/intl/cms/s/0/c147ea8c-5700-11e5-a28b-50226830d644.html> (accessed September 21, 2015).

3. Open Europe, "Top 100 EU Rules Cost Britain £33.3bn," March 16, 2015, <http://openeurope.org.uk/intelligence/britain-and-the-eu/top-100-eu-rules-cost-britain-33-3bn/> (accessed September 21, 2015).

9. The EU wastes a lot of money. Both directly because of its spending and, in particular, indirectly through the rules it imposes, the EU is a wasteful organization. Open Europe, a European think tank, estimates that just the top 100 EU rules alone cost the U.K. 33.3 billion pounds a year.³ That is money that Britain cannot spend on other things, including American goods and services—money that would be liberated by Brexit.

10. The EU is based on a false assumption. At the heart of the EU is the assertion that the continent of Europe is—or should become—a demos, a single political entity. That is incorrect. The European continent self-evidently has a long history of cultural, social, linguistic, and political diversity. The effort to force it into an artificial unity is being made, and must be made, through undemocratic means. Unlike the U.S. Constitution, the EU's Lisbon Treaty was never approved by the people. The best basis for friendship and cooperation within Europe is accepting its diversity, not seeking to suppress and deny it. Brexit would make it clear that Britain, like the U.S., rejects political union at the expense of the will of the people.

What the U.S. Should Do

The U.S. should recognize that the Anglo–American relationship will continue no matter what the outcome of the referendum. Because of this fact and because the referendum will pose a question that only the British people have the right to decide, the U.S. at the official level should adopt a policy of expressing no preference on the outcome of the referendum. Instead, the U.S. should state the truth: The U.S. and the United Kingdom will continue to work productively together no matter how the vote goes.

At the same time, the U.S. should recognize that its policy of supporting the EU represents the triumph of political inertia and intellectual laziness. Promoting greater unity in Western Europe made sense during the Cold War as a way to resist the Soviet Union, but that policy has become increasingly out of date since 1989. The time is at hand for a full and thorough U.S. reevaluation of its policies in and toward Europe, based not on hand-me-down dogmas, but on a serious assessment of the ways to advance U.S. and European interests alike by promoting the restoration of democratic sovereignty and the free market in Europe.

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