

# Speech by Prof. Tim Congdon

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The UK's relationship with the European Union cannot be analysed in isolation; it needs to be set in the larger context of the institutional relations that bind (or sometimes divide) all the world's nations. In this note two models of the relationship between nations are distinguished, in order better to clarify the issues at stake in the British debate on EU membership.

Nations nowadays are fortunate compared with their counterparts before the 20<sup>th</sup> century, in that they have a range of global clubs they can join. Small and even midget nations are particularly lucky because the most important of these clubs commonly have a rule, that members are to receive equal treatment regardless of their size. The contemporary application of the equal-treatment principle originates in the Atlantic Charter of August 1941. This was agreed between Roosevelt and Churchill, speaking respectively for the United States of America and "the British Empire" (as it then still was, more or less), and gave concrete expression to the ideals of Anglo-American liberal internationalism. It is hardly an exaggeration to say that the Atlantic Charter is as basic to the modern conception of relations between nation states as the Constitution of the USA is to relations between its own citizens.

After their victory in the Second World War, the USA and the United Kingdom established a range of international institutions which embodied the eight points of the Atlantic Charter.<sup>1</sup> These are the clubs – the clubs in which non-discrimination between members is so fundamental – that all the nations of today can join. The idea of non-discrimination leads onto another of great importance, that the clubs are "multilateral" in scope. They are meant to discourage bilateral or regional blocs of countries, in which a big country (read: Germany in the 1930s) tries to make itself even more of a heavyweight by attaching smaller neighbours into its sphere of influence. In multilateral arrangements one member nation recognises reciprocal obligations to every other; it does not give special favours to a particular nation.

The three principal non-discriminatory, multilateral institutions of today's world are the United Nations, the World Trade Organization and the International Monetary Fund.<sup>2</sup> All three have their roots in Anglo-American negotiations starting in 1944, although foreshadowed in the earlier exchanges between Roosevelt and Churchill. As far as member states are concerned, these institutions have a cost (in terms of an annual subscription, the need to pay official representatives and so on) and cede a degree of sovereignty. However, the overwhelming majority of nations nowadays regard the membership dues and the loss of sovereignty as worthwhile because of the benefits to their citizens from easier international relations. All nations can join the non-discriminatory clubs that have defined the international scene since the Second World War. But membership is not obligatory and some have chosen, for extended periods, to stay outside. The voluntary nature of membership is evidenced in the different number of members that the UN, the WTO and the IMF have. (At the time of writing [December 2013], the UN has 193 member states, the WTO 159 and the IMF 188.)

Indeed, the continued existence of separate nation states – and explicitly of their right to self-determination – was emphasized in the Atlantic Charter. Without being

too forthright about the matter, the USA and “the British Empire” were confident about one vital aspect of the settlement. This was that for an extended period after the end of the war they would, acting together, be powerful enough to guarantee the borders of every nation that wanted to participate in the new global arrangements.<sup>3</sup> But, just as it was not compulsory for nations to join any of the UN, the IMF and so on, nations retained their right to full independence and could leave any of the international institutions whenever they wished. The purpose of the post-war Anglo-American organizations was not to supersede the nation state or to end the independent existence of their constituents. On the contrary, the nation state was meant to be the defining unit of the post-war world.

Twelve years after the end of the Second World War, in 1957, six European countries came together to set up a very different type of international club when they put their names to the Treaty of Rome. This was widely taken – at the time and for many years afterwards – to be concerned above all with economic cooperation, particularly with the promotion of free trade between member nations. In fact, the signatories of the Treaty of Rome included as one of its main aims “an ever closer union among the peoples of Europe”. The new international structure was known as the European *Economic Community*, apparently in accordance with its *economic* rationale. But in truth from the outset the founders of the EEC believed themselves to be engaged in an altogether more ambitious project, to evolve over time into a “United States of Europe” comparable to the USA on the other side of the Atlantic. The Treaty of Rome had followed a few years of increasing Franco-German discussion and collaboration, with the Schuman Declaration of 1950 as perhaps the defining document.

Two of the leading figures in the preparation of that document – Robert Schuman and Jean Monnet – had trouble finding the right vocabulary for what they planned. They were not sure whether the intended degree of interdependence should be best described by the word “supranational” or the term “federation”.<sup>4</sup> At any rate, their vision – whatever its ambiguities – did endorse a conscious and potentially massive erosion of national self-determination. In this vision Germany and France, and some or all of their neighbours, were in the long run to subsume their national identities in the larger identity of a new European nation.<sup>5</sup> By committing themselves to the EEC and hence to “ever closer union”, the member states of the EEC embarked on a process that might last generations. A tacit principle was that they could not withdraw from the process, which in some eyes acquired the character of historical inevitability and in that respect resembled Marxism. As an assortment of contemporaneous statements, speeches and pontifications spelt out, the purpose of the Treaty of Rome was to supersede the nation state. Right from the word go, post-war European integration envisaged an end to the independent existence of the nations that participated in it.

Germany and France worked with their neighbours in the task of unification, but were understood to be leading the process from the front. In 1963 their heads of state, Charles de Gaulle and Konrad Adenauer, signed the Élysée Treaty which pledged them to collaborate in the design of the integrationist agenda. Meetings between the German and French heads of state, and meetings also of high-level civil servants from the two countries, were timed and organized so that they had the initiative at subsequent meetings of the European Council. In effect, Germany and France shared the driving seat. Other EEC/EU member countries might involve themselves in taking the vehicle forward, but they were the back-seat drivers.

The closeness of the collaboration between Germany and France may seem surprising, given the previous long-run historical antagonisms between them. The motivation was in part wholly admirable, to stop another major European war. But another geopolitical consideration was at play. Germany and France had been losers in the Second World War, and they had a subordinate role in the Anglo-American creation of the defining non-discriminatory international institutions of the post-war world (i.e., the UN, the IMF and so on). Through the EEC/EU the elites of Germany and France saw themselves as forging a vehicle which could enhance their international standing and power. To some degree the EEC/EU was an attempt to counter the Anglo-American dominance of the West that characterized the first decade after the Second World War and has now evolved into a more purely American leadership.

In line with an apparently economic agenda, the EEC was widely known in the British public debate as "the Common Market". In the 15 years from 1957 to 1972 the Common Market six enjoyed much faster economic growth than the UK, leading to fears that Britain would become "the poor man of Europe". On 1<sup>st</sup> January 1973 the UK joined the EEC, and over the next few years underwent a range of institutional upheavals (the introduction of value added tax, the application of the Common Agriculture Policy to farming and the Common Fisheries Policy to fishing, and so on) in order to conform to the Accession Treaty. Entry into the Common Market was controversial, but a large majority for membership was secured in a referendum in 1975.

There is little doubt that the British public supported EEC membership because they wanted its perceived economic benefits. Most people in Britain – then and now – were opposed to the end of their nation's political independence. Nevertheless, the UK became a nation "in" the EEC and, eventually, "in" the EU. As has been explained, membership of the EU is a very different commitment from membership of the global multilateral clubs set up in the mid-1940s. Whereas those clubs allowed countries to leave and endorsed the self-determination of nation states, no matter how small, the EU aims at an "ever closer union" and does not contemplate the withdrawal of any of its members.<sup>6</sup> Further, the EU is seen by its supporters as legitimately taking to itself a large number of "competences" from its members, reducing their sovereignty to such an extent that they cease to be meaningfully independent nation states.

Enough has now been said to describe the framework of international institutions facing the UK at the opening decades of the 21<sup>st</sup> century. The world consists of two kinds of nation, those that belong to the EU (the 28 "in" countries) and the 165 or so that do not. The EU members are all also members of the UN, whereas most other countries combine their non-membership of the EU with membership of the UN. The EU's relationship with the other global multilateral clubs is complicated, to say the least, and becoming more so with time. The complexity of the EU's position in the global arena reflects the ambiguity of its multi-nation quasi-federal set-up, an ambiguity which – as we have seen – baffled Schuman and Monnet way back in 1950.

A fair comment is that governments of the EU's member states are uncertain about how best to conceptualize and label the association to which so many of their "competences" have been surrendered. Nevertheless, the European club in which they participate expects them ultimately to embrace "ever closer union", perhaps to the point that the competences surrendered wholly outweigh the competences retained.<sup>7</sup> Would they then remain "sovereign" nations? Once issues of trade,

currency, energy policy, transport and such like were decided at the European level on a supranational and/or federal basis, why should its members continue to send delegations to the multilateral clubs of the post-war world? At that point the European Union might become a member of the UN, the WTO, the IMF and so on in its own right. (After all, the Lisbon Treaty accorded full "legal personality" to the EU.) The UK, France, Germany and the EU's 24 other states would no longer need a seat at the UN, in just the same way that the then 48 states of the USA were deemed not to need their own seats in 1945. The UK's own seat on the UN Security Council would have to be forfeited, as an anachronism arising from a past conflict now of only historical interest.

The last paragraph may seem strained, even a little shrill. Let the American precedent be noted. Congress may admit new states to the Union on an equal footing with existing ones, as it last did with Alaska and Hawaii in 1959. The Constitution is silent on the question of whether states have the power to secede from the Union, but the Supreme Court ruled in the *Texas vs. White* case of 1869 that secession was unconstitutional. In reaching that position the Supreme Court appealed to the phrase "a more perfect union" which does appear in the Constitution, even if in fact the immediate justification was more brutal, the outcome of the American Civil War.

At any rate, the complexities and ambiguities of EU membership do not trouble countries that are outside it. Whatever their ultimate geopolitical destiny, the out countries – including such entities as Singapore, Panama and Bahrain which are mere specks on the map – need not bother themselves about lost competences or eroded national independence. Moreover, they do not envisage a future era at which their sovereignty is so residual and vacuous that they might as well quit the UN, the IMF, the WTO and so on. As Roosevelt and Churchill might have hoped, no evidence can be adduced that over the seven post-war decades the citizens of small nations have suffered – in terms of material, cultural or human-rights outcomes – relative to those of large nations. The great majority of the world's nations do not belong to the EU and have not tried to form regional power blocs. Critically for the UK debate, these nations have not been handicapped relative to the EU by being outside it or for failing to establish regional blocs of their own.<sup>8</sup> Non-membership of the EU is a valid and successful geopolitical option, even for small nations, as demonstrated very obviously by (say) Singapore and New Zealand. If the great majority of the world's nations can survive and flourish outside the EU, so can the UK.

To summarize, since 1945 two approaches have been available to governments that want their citizens to have the opportunity to interact (economically, culturally and so on) with the citizens of other nations in much the same way that they interact with citizens of their own nation. They can subscribe to the multilateral and non-discriminatory institutions set up by the USA, with British backing, in the mid-1940s or they participate in a regional power bloc such as the EU which pursues "ever closer union". In the case of the EU the objective has been and remains to establish a rival to the USA as a global power, to end the separate existence of the member nations and to forge citizenship of a European nation in the place of UK citizenship (or citizenship of Germany, France or whatever).

The British people must be given the chance to decide what they want, and sooner or later a referendum on EU membership is inevitable. In Berlin on 13<sup>th</sup> November 2013 Andrew Duff, Liberal Democrat MEP for the East of England, spoke to the Union of

European Federalists as its outgoing president. He claimed that 2014's elections to the European Parliament would be a "crunch time" and urged his audience (and implicitly the Liberal Democrat party) to "campaign for the federal Europe which we espouse". Duff argued that pro-federalists have to persuade the "those who hold the reins of national power to realize their relative impotence", although acknowledging that "it would be naive for those of us who wish to strengthen the firepower of the EU to expect to be loved for what we do and say". As well as mocking the "so-called 'eurosceptics' who march to the beat of the nationalist drum", he attacked the prime minister David Cameron for peddling "his defeatist prospectus of a weaker, looser confederation of nation states". According to Duff, Cameron's position was unattractive, since – in Duff's words – "we now have our optimistic prospectus of a strong, democratic federal union of states and citizens".

Duff has to be commended for his candour and clarity, including his frank endorsement of an EU with federal status comparable with that of the USA. However, he was wrong to sneer that opponents of this vision are marching "to the beat of the nationalist drum". On the contrary, the alternative to EU membership is for the UK to be like the 165 or so nations that do not belong to the EU, and instead participate in global cooperation through the non-discriminatory clubs (the UN, the WTO and so on) envisaged by Roosevelt and Churchill in the Second World War. In this sense the eurosceptics are every bit as internationalist in outlook as the pro-federalists. References to "the reins of *power*", "impotence" and "firepower" (author's italics) betray Duff's (and indeed the EU's) real mission, which is to make "Europe" in some sense more powerful and greater than the USA, and hence the world's leading nation. That sort of thing recalls the dark ages of Europe in the first half of the 20<sup>th</sup> century and is the antithesis of liberal internationalism. Britain's long-term geopolitical commitment – today, as in 1941 – must be to a non-discriminatory international rule of law, and to the institutions that defend and promote it. Britain must not let its sovereignty be surrendered totally to an entity such as EU, which fancies itself as a regional bloc and global superpower.

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<sup>1</sup> On 1<sup>st</sup> January 1942 all the allied nations then fighting the Second World War pledged themselves to the Atlantic Charter in the Declaration by United Nations

<sup>2</sup> The UN has a number of agencies, including for example UNESCO (the United Nations Educational, Scientific and Cultural Organization) and FAO (the Food and Agricultural Organization), but the three mentioned in the text are the most important in the fulfilment of the key principles of equal treatment and non-discrimination.

<sup>3</sup> The Atlantic Charter was agreed only a few weeks after the German invasion of Russia, when Roosevelt and Churchill had good reason – because of the estimates of the relative production of military equipment, particularly of warplanes – to be confident that Germany would be defeated. But Roosevelt repeatedly misunderstood the malicious intentions of Stalin and communist Russia, so that in the event the Anglo-American guarantee did not protect many nations near to the Soviet Union from virtual annexation in 1945.

<sup>4</sup> The Schuman Declaration of 9th May 1950, later known as Europe Day, was a French government proposal. The French government's decision to share sovereignty in a European community of some sort was based on a text, written and edited by Schuman's friend and colleague, the Foreign Ministry lawyer, Paul Reuter with the assistance of Jean Monnet and Schuman's Directeur de Cabinet, Bernard Clappier. Schuman saw his proposal as the first example of supranational community, which he understood to be a new development in world history. The plan was also seen by some, like Monnet, who crossed out Reuter's mention of "supranational" in the draft and inserted "federation", as a first step to a "European federation". (This footnote draws on Wikipedia.)

<sup>5</sup> On the occasion of the 40th anniversary of the Élysée Treaty in 2003, the EU Commissioners Pascal Lamy (France) and Günter Verheugen (Germany) presented the so-called Lamy-Verheugen Plan that proposes a *de facto* unification of France and Germany in key areas of national sovereignty, including

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the unification of armed forces, the combining of embassies and the sharing of the seat at the UN Security Council now held by France.

<sup>6</sup> The 2009 Lisbon Treaty does contain article 50 on the procedures for a nation's withdrawal from the EU. But article 50 was new in 2009 and, with the minor if interesting exception of Greenland, no part of the EU has withdrawn from it until now.

<sup>7</sup> In his speech on the UK and the EU on 23<sup>rd</sup> January 2013, David Cameron said that "ever closer union" was not the UK's objective. But it is uncertain that he or indeed any British government can secure the agreement of other EU states for deleting that phrase from the EU's key constitutional documents.

<sup>8</sup> Regional trading arrangements – such as the North American Free Trading Area or Mercosur in Latin America – are restricted to economic and commercial matters; they are not intended to replace the governments of the member nations with a new federal government.