

Chapter 4

Europe

“I belong to the party of civilization, the party of the twentieth century: from it will spring the United States of Europe, then the United States of the World.”

Victor Hugo

In considering how to design and build any new system, it is always useful to refer to some model or prototype. Supposing that our purpose was to build a democratic world federation, what previous models could we find?

There are many federal systems to choose from in the world today. William Penn in 1692 quoted the example of the United Provinces of Holland. For the past two centuries, however, the most obvious model has been the federation of the United States of America. This was discussed in the inspirational little book *Planethood* by Benjamin Ferencz and Ken Keyes, for instance. It took some five years after the War of Independence had been won, from 1783 to 1788, before the founding fathers could hammer out a new Constitution for the United States and get it ratified: the fascinating story of those times has been re-told recently by Carl van Doren in *The Great Rehearsal*. Yet the federation of the United States was an easy task compared to world federation, since it only involved the union of thirteen small and relatively homogeneous ex-British colonies.

Since the end of the Second World War, a new example has slowly been unfolding before our eyes, as the great and ancient nations of Europe gradually move towards some sort of European federation. This process is still going on, and nobody can be sure exactly what its end-point will be. But it is a process full of promise and hope for the world, and surely provides the best example for our purposes. Let us examine it more closely.

The Schuman Plan

The first organized movement for European union was begun by Richard Coudenhove-Kalergi, who was half Japanese and half Hungarian, and a Count of the old Holy Roman Empire. He published his book *Pan-Europa* in 1923. We have also seen how Aristide Briand made an abortive proposal for European Union to the League of Nations in 1930. By the time the Second World War began, the movement was well established in most of the countries of Europe. Branches of the Pan-European Union were founded in Germany, France, and the United Kingdom. In 1929 Ortega y Gasset published another famous book, *The Revolt of the Masses*, calling for a great nation to be constructed from the peoples of Europe. In Britain the Federal Union group was established in 1939.

Then the Second World War intervened, bringing death and disaster to many millions of people. This had been the fifth major war between France and Germany in 200 years, and the people of Europe collectively resolved that this nuisance should henceforth cease. It was widely recognized that the way to prevent war in the future was by some form of European integration, and a great deal of discussion and correspondence along these lines was carried on within the Resistance movement and among the governments in exile, even while the war was still in progress. In July 1944, delegates from various national resistance movements issued a *Declaration of the European Resistance Movement*, which stated in part that

“Federal Union alone could ensure the preservation of liberty and civilization on the Continent of Europe, bring about economic recovery and enable the German people to play a peaceful role in European affairs.”¹

After the war public support for both European federation and world federation swelled rapidly. The European Union of Federalists, led by Professor Brugmans of the Netherlands and Henri Frenay of France, soon claimed a membership of 150,000 in France, Italy, the Netherlands and Belgium. European federalists also figured prominently at the great conference in Montreux in 1947. Count Coudenhove carried out a survey of European parliamentarians in 1946, and found more than half of those in France, Italy, Belgium and Holland favoured some form of federation, while only 3% opposed federation on principle.² This groundswell of public opinion was now given political expression by a gallery of remarkable European statesmen.

The first was Winston Churchill, a soldier, statesman, historian, amateur painter and bricklayer, and descendant of the great Duke of Marlborough, who had led Great Britain through World War II. He hardly needs any further introduction. A second was Robert Schuman, who hailed from the border region between France and Germany. Small and spare, he was born in Luxembourg, and became a lawyer in the town of Metz, in the debatable land of Alsace-Lorraine. In World War I he worked in the German civil administration; whereas after the war, when Alsace-Lorraine became part of France, he was elected a member of the French Chamber of Deputies. In World War II he was arrested by the Gestapo, but escaped and went into hiding. After the war ended he re-entered parliament and became Foreign Minister in the government of Georges Bidault.

In Italy the leader was Alcide De Gasperi, another man of the frontiers. Born in the Tyrol, he became a member of the Austrian Parliament in 1911, and then a Catholic member of the Italian parliament after World War I. He was arrested by Mussolini in 1927, and afterwards took refuge for many years as a librarian in the Vatican. He re-emerged into Italian politics after World War II as leader of the Christian Democrats, and became Prime Minister in 1945. A foundation plank of the Christian Democrat platform was a call for a ‘federation of freedom-loving Europeans’, and Article II of the 1947 Italian Constitution declared that:

*“ Italy consents, on condition of parity with other states, to limitations of sovereignty necessary to an order for assuring peace and justice among nations; it promotes and favours international organizations directed towards that end.”*³

In Belgium there emerged the commanding figure of Paul-Henri Spaak. A powerful and emotional speaker, he bore a striking resemblance to Winston Churchill. He determined to enter politics while still at school, following a family tradition. In 1916, at the age of 17, he tried to escape from occupied Belgium, and was imprisoned by the Germans. After the war, he became a lawyer and joined the Belgian Socialist party. In 1932 he entered Parliament, and in 1938 became Belgium’s first Socialist Prime Minister. In World War II, he took refuge in London, and acted as Foreign Minister of the Belgian Government in exile. “I am often told”, he said later, “that I look like Winston Churchill and speak English like Charles Boyer. But I wish it were the other way round.”⁴

Spaak and his colleagues in exile believed in European unity, and as a first step they envisaged a customs union linking Holland, Belgium and Luxembourg (the Benelux countries). In 1946, Spaak went to see the Dutch Prime Minister, and together they told their officials to settle the technical problems within six months. The Benelux customs union was duly established, and marked the first concrete step towards European union. The Benelux countries have remained in the vanguard of European integration ever since - which is natural enough, since they have been crushed underfoot every time the greater powers went to war.

In Germany the driving figure was none other than Konrad Adenauer, the ‘old fox’, who became the first post-war Chancellor of Germany. He was born in Cologne in 1876, studied

law, and entered politics, becoming Mayor of Cologne in 1917, and President of the Prussian State Council in 1921. He was always an internationalist by conviction, and put forward a proposal as early as 1923 for a 'Franco-German Economic Community' leading to a 'European Common Market' and even a 'Coal and Steel Union'!⁵ Between the wars he was a prominent member of the Catholic Centre Party, detested by the Nazis. He was deposed as Mayor in 1933 and arrested, and after his release was forced to live quietly near Bonn. After the Stauffenberg plot in July 1944 he was again imprisoned for several months. Then the war ended, and he became leader of the Christian Democratic Union. In 1949 he became Chancellor of West Germany, after a cliff-hanger election which he won by a single vote, having characteristically voted for himself. There he remained for fourteen years, until he retired in 1963 at the age of eighty-seven.

The guiding spirit behind most of the major developments, however, was Jean Monnet. It was fitting, perhaps, that a Frenchman should lead the way towards a united Europe, following in the grand tradition of Pierre Dubois, Sully, the Abbé de St. Pierre, Rousseau, Saint-Simon, Hugo and Aristide Briand. Jean Monnet was the son of a brandy merchant in the town of Cognac. He was short and sturdy, and was said to resemble Hercule Poirot in appearance. He was not a strong speaker, and preferred to work behind the scenes. He had been everywhere, and knew everyone, and was an organizer and 'fixer' (in the best sense) of absolute genius. The story is told that at one stage he bought a converted farmhouse outside Paris with a thatched roof. A field owned by a neighbouring peasant farmer intruded into the property, but the previous owner could not convince the farmer to sell it, and neither could Monnet at first. He solved the problem by buying a better field elsewhere in the village, and offering it to the farmer in exchange. The offer was instantly accepted.⁶

Monnet's career was one of almost incredible variety. After leaving school, he went to the Canadian backwoods as salesman for the family brandy company. Returning to France in World War I, he found out that Britain and France were bidding against each other for scarce raw materials. Aged only 26, he arranged a meeting with the French Prime Minister, René Viviani, and proposed a joint procurement system for the Allies. The idea was accepted and Monnet helped to organize it as an official of the Board of Trade. Thus his reputation was made.

In 1919, while still only 30, Monnet was asked to become a Deputy Secretary-General of the new League of Nations by Britain and France, and was given an honorary knighthood by the British. In the space of three years, he helped to settle a dispute over Upper Silesia, and to implement a recovery programme for starving Austria. He then resigned from the League of Nations, to rescue the family firm from bankruptcy. He became an investment banker, and helped to stabilize the Rumanian currency. He made a fortune on Wall Street, then lost it again in the 1929 crash. He helped to reorganize the Chinese railways. He was sent by the French government to the US in 1938 to buy American warplanes.

When war broke out in 1939, he was appointed to co-ordinate French and British arms purchases. He was one of the prime movers behind Winston Churchill's eleventh-hour offer of union between France and England, just before the fall of France. Afterwards he went to America again to buy war supplies for Britain. He became a close friend of John J. McCloy, Harry Hopkins, and many others, and was credited with a major part in promoting the 'Victory program' of aircraft production in the United States, and also the Lend-Lease scheme. After the war, he persuaded General de Gaulle to agree to his 'Monnet Plan' for the postwar modernization of France, and was appointed 'Commissaire au Plan' to help carry it out. His record in establishing international co-operation was already an astonishing one.

A first step towards European unity was made by Winston Churchill in a speech at the University of Zurich in September 1946. "We must build a kind of United States of

Europe”, he said. “The first step must be a partnership between France and Germany.”⁷ He paid a handsome tribute to the earlier work of Count Coudenhove and Aristide Briand. Four months later, he became chairman of the United Europe Movement in the UK.

In 1947, an ‘International Committee of the Movements for European Unity’ was set up, and it organized a grand ‘Congress of Europe’ at the Hague in May 1948, which was attended by 750 delegates and statesmen from all over Europe. Winston Churchill presided at the Congress, and resolutions were passed calling for political and economic union in Europe, with a European Assembly, and a European Court of Human Rights. It was agreed to found a group called the European Movement to press these ideas, with Duncan Sandys as its first President. After many negotiations, these initiatives led to the Treaty of Westminster in 1949, which established the Council of Europe.

Despite Sir Winston’s initiative, the attitude of Britain towards the idea of federation remained ambivalent. England had not experienced the full horrors of war, such as invasion and occupation by a foreign power, since the days of William the Conqueror. Whereas Germany had lost 3.75 million killed in the war, representing 5 percent of her entire population, Britain had lost only one-quarter as many in proportion, and had emerged the final victor.⁸ She was still firmly wedded to what remained of the British Empire, including her many colonial possessions and the countries of the British Commonwealth, and she was still attached to her ‘special relationship’ with the United States. She was not ready to contemplate a full political union with the other nations of Europe. The most she would accept was a ‘confederation’, or a glorified alliance with the other European powers, and not a true federation. If the others wanted to go further, they would have to do it on their own.

This was reflected in the eventual Statute of the Council of Europe. Two bodies were established, a Committee of Ministers consisting of the foreign ministers of the member states, and a Consultative Assembly consisting of representatives appointed by the various national parliaments, providing a ‘means through which the aspirations of the European peoples may be formulated and expressed.’ They met once a year at Strasbourg. Ten nations were included at first: France, Britain, the Benelux countries, Denmark, Norway, Ireland, Italy and Sweden. Ten more were to join later on, namely Iceland, Germany, Greece, Austria, Turkey, Cyprus, Switzerland, Malta, Spain and Portugal, making twenty in all. The first meeting in August 1949 was a grand affair, with Churchill and many other powerful dignitaries among the delegates. Paul-Henri Spaak was elected as first President of the Assembly.

Unfortunately, the new Council of Europe had no legislative power: it was a sort of mini-United Nations within Europe. The Assembly could only make recommendations to the Committee of Ministers, and so became just another ‘talk-shop’; while the Committee of Ministers was empowered only to make recommendations to the member governments. Like the UN, the Council performed some useful technical tasks, and established a European Convention for the Protection of Human Rights, and a European Court. But as a political body, it was all but useless. Within two years, Spaak had resigned in disgust. Regarding the Committee of Ministers, he wrote: “Of all the international bodies I have known, I have never found any more timorous or more impotent.”⁹ It was clear that something more was needed.

The Americans, led by people such as George Kennan, Senator Fulbright, General George C. Marshall, Secretary of State John Foster Dulles, and President Truman himself, were all in favour of European federation. They were anxious to re-establish a strong Europe, and if possible a united Europe, as an ally and a buffer against the Soviet Union. Since they were not themselves involved, they could see the merits of a federation, on the American model, to prevent future wars. From a distance, it all looked easy. To help the process, they set up the Marshall Plan in 1947, which channelled an enormous total of over

\$20 billion in grants and aid towards European reconstruction over a period of several years. To administer the plan, the Organization for European Economic Co-operation (OEEC) was set up in 1948, which later became the OECD. A private American Committee on United Europe was incorporated in 1949. In the same year, the North Atlantic Treaty Organization (NATO) was created, establishing a military alliance between North America and Western Europe.

It was at this time, while federalists were mulling over their disappointment in the Council of Europe, that Jean Monnet stepped in. The problem of Germany was now becoming urgent. The Federal Republic had recently been created, with Konrad Adenauer as its first Chancellor, and industrial production was beginning to recover.

The question was how to integrate the new Germany into the polity of European states. Adenauer himself proposed, in interviews and speeches at this time, that a political union should be formed between France and Germany, to be open also to Britain, Italy and the Benelux countries.¹⁰ Monnet now came up with a more practical and carefully limited proposal, which came to be known as the *Schuman Plan*.

The scheme Monnet put forward was to amalgamate the coal and steel industries of France and Germany, together with any other interested parties, under a single authority. These industries provided the basic sinews of war, and once they were amalgamated it would become virtually impossible for the two countries to go to war against each other ever again. The functions of the common authority might later be expanded in a gradual and stepwise fashion, to form the basis of the hoped-for European federation.

Monnet sent a copy of his scheme to the French Prime Minister, Georges Bidault, but it was mislaid in a drawer. Meanwhile, he showed it to the Foreign Minister, Robert Schuman, who accepted it almost at once. On 9 May 1950, Schuman presented it formally to the French Cabinet, who approved it, and that afternoon he announced it to the press. Meanwhile, copies had been sent to Germany and the US, and Adenauer's agreement had been obtained. The Benelux countries and Italy soon joined in. Britain, however, was not initially informed, and the Foreign Secretary, Ernest Bevin, was hostile to the whole idea. Britain could not be persuaded to join.

The Schuman Declaration included the following passage, which announces the underlying intention of the plan:

“Europe will not be made all at once, or according to a single general plan. It will be built through concrete achievements which first create a de facto solidarity .. The pooling of coal and steel production will immediately provide for the setting up of common bases for economic development as a first step in the federation of Europe.”¹¹

This is very much a ‘functional’ approach, in accordance with ideas which were first becoming fashionable about that time. The anniversary of the declaration, on the 9th May, is now celebrated as ‘Europe Day’ each year.

The following month, delegations from ‘the Six’ gathered in Paris to draft a detailed treaty. The work took nine months, under the leadership of Jean Monnet, and resulted in the Treaty of Paris establishing the European Coal and Steel Community (ECSC) signed in 1951. The Treaty was then the subject of long and heated debates in all six national parliaments, but was eventually ratified and came into force in 1952. It provided for a common market in coal, coke, steel, iron ore and scrap, and established five main organisms:

- ?? a 9-man High Authority, to run the organization from day to day;
- ?? a Council of Ministers from the member states, to approve overall policy;
- ?? a 78-member Common Assembly chosen by and from the national parliaments, which could make recommendations to the Council;
- ?? a Consultative Assembly consisting of producers and users of coal and steel products,

to provide technical advice;

?? a supreme Court of Justice with seven judges and two advocates-general.

The ECSC was clearly over-engineered for a mere industrial association: the Common Assembly and the Court were included in anticipation of its evolution into a full European federation. Monnet himself was elected as the first President of the High Authority, and threw himself energetically into the task. The common markets in coal and steel were opened in 1953.

Monnet did not rest on his laurels. Having set in motion plans for a European economic community, he next began to formulate separate plans for a European Defence Community (EDC) and a European Political Community (EPC).

The Korean War had by now begun, and the US was proposing that Germany should be rearmed, in order to contribute to European defence. The French were alarmed at this prospect, and suggestions were made by several people that German forces should only be raised within the context of a common European army. Monnet sent a plan to the French Defence Minister, René Pleven, for an EDC very much along the lines of the Schuman Plan, with a European army administered by a Commissariat, a Council of Ministers, and an Assembly and a Court which were to be shared with the ECSC. This draft proposal was presented to the French National Assembly by René Pleven in October 1950, and became known as the Pleven Plan. Again, a treaty-making conference was convened in Paris, and the resulting EDC Treaty was signed in May 1952.

The ECSC itself decided to draft another treaty providing for a European Political Community, and by March 1953 the draft was ready. It envisaged a European Executive Council, a Council of national Ministers, a Court, and a Parliament consisting of a Senate chosen from the national parliaments, together with a People's Chamber elected by the citizens as a whole. It seemed that a federal Europe was almost built already.

It was now that the wheels began to fall off the process, and opposition began to be felt. The EDC Treaty was at length approved by the legislatures in Germany, Holland, Belgium and Luxembourg, but not in Italy or France. The British would have nothing to do with it. Opposition came from both the Left and the Right. The Communists objected to the creation of a European army which could only be aimed at the Soviet Union; while the ultra-nationalists, such as the Gaullists in France, objected to the loss of sovereignty which would be involved in committing part of the national forces to a European army. The war in Korea had now ended, and the need for an integrated defence force seemed less urgent. De Gasperi's government in Italy had fallen, and in France a more conservative government was in office, which included several Gaullists. The EDC Treaty was presented to the National Assembly by the new Prime Minister, Pierre Mendès-France, but he was himself lukewarm about it. In the event the Assembly voted to reject the Treaty by 319 votes to 264, with 43 abstentions including Mendès-France himself. The idea of a common European defence force had been dealt a mortal blow, from which it has still not recovered forty years later. The EPC Treaty made even less progress. The draft treaty was not approved by the Foreign Ministers of the Six, and after the defeat of the EDC it was tacitly dropped.

A less ambitious plan for defence co-operation was prepared by the British, and signed in October 1954. It created the Western European Union (WEU), which amounted to a military alliance of the European nations. It has acted essentially as a forum for discussion, and has been completely overshadowed by NATO, to which all the actual forces were attached until recently.

The Common Market

European federalists were generally dismayed by the defeat of the EDC Treaty, but Monnet and Spaak were not discouraged. They determined in early 1955 that Europe must

be relaunched. The Benelux countries prepared a memorandum suggesting that the coal and steel community should be extended to form a common market covering the whole economic field. Spaak arranged a meeting of the Foreign Ministers of the Six, who supported the idea, and they set up a Committee to work out detailed proposals, headed by Spaak himself. Meanwhile, Jean Monnet stepped down from his Presidency of the High Authority of the ECSC, and formed a private 'Action Committee for the United States of Europe' to push things along. This committee was to continue its campaign for another twenty years, until 1975.

Spaak's committee began its meetings in Brussels in July 1955, and produced a report by March 1956 which was approved by the ECSC Assembly and the Foreign Ministers of the Six. The Committee was then commissioned to draft some actual Treaties. Spaak drove them hard. On one occasion, when the experts could not agree on the tariff to be applied to imported bananas, he lost his temper. "I give you two hours", he said. "If it's not settled by then, I shall call the press in and announce that Europe won't be built after all, because we can't agree about bananas!"¹²

By March 1957 the two Treaties were ready, and were signed in Rome. By January 1958 they had been ratified by all the Six, and entered into force. One of the Treaties established the European atomic agency Euratom, and the other established the European Economic Community (EEC), usually called the Common Market. The EEC was based in Brussels, and its first president was Walter Hallstein, a protégé of Konrad Adenauer who had been Rector of Frankfurt University before being appointed head of the German Foreign Office. He was another ardent pro-European.

The structure of the EEC followed what was by now the standard European pattern. It consisted of:

- ?? a 9-man Commission, headed by Walter Hallstein, to run the day-to-day operations;
- ?? a Council of national Ministers, to approve overall policy;
- ?? a Court of Justice;
- ?? the European Parliament of 142 members.

The Court and the Parliament were shared as common institutions between the ECSC, Euratom and the EEC.

As a means of promoting economic growth, the Common Market was an immediate success. By mid-1961, the tariff barriers between the Six had been almost halved, trade between them had increased by 70 percent, and overall production was up 20 percent.¹³ An 'economic miracle' was occurring, and the practical benefits of European integration were becoming obvious for all to see.

Britain had still been reluctant to take part, and had refused to join the Treaty of Rome. In 1960 she formed a rival organization, the European Free Trade Association (EFTA), made up of Austria, Denmark, Norway, Portugal, Sweden and Switzerland. This was a much smaller and more widely scattered group than the Common Market, however, and it did not have the same striking success.

Britain now began to reconsider her position. Selwyn Lloyd, the Foreign Secretary, actually admitted in 1960: "I believe we made a mistake in not taking part in the negotiations which led to the formation of the coal and steel community."¹³ John Kennedy had become President in America, and he gave strong encouragement for Britain to join the Common Market. At last in July 1961, Harold Macmillan announced to the House of Commons that Britain would begin negotiations to join the EEC, and Ireland and Denmark quickly did the same. The British negotiators were led by Edward Heath.

There were some difficult obstacles to overcome. Britain was concerned about her Commonwealth partners, and wanted to preserve access for their products such as New Zealand butter, at least to the British market. She was also concerned about the farm support program, one of the major priorities of the EEC, which was likely to be a drain on

the British taxpayers, and of little benefit to the efficient British farmers. Negotiations dragged on for over a year, until they were brought to a sudden halt by the even more formidable obstacle of Charles de Gaulle.

General de Gaulle was a towering figure in French politics. He had been leader of the Free French during the war, and served briefly as the first French President after the war; and in 1958 he was dramatically returned to power during the Algerian crisis. He was a nationalist first and foremost, and stood always for the power and glory of France, and he had no sympathy for supranationalist ideas. He and his party had opposed the Schuman Plan, the Common Market, and Euratom. He was impatient with the British hesitations, and suspicious of their ties to America. He was also offended when Britain purchased American Polaris missiles instead of collaborating on a missile development program with the French. On 14 January 1963 he announced that Britain was not ready to join the Common Market because of her links with overseas countries, and instructed his Foreign Minister, Maurice Couve de Murville, to break off negotiations. One German delegate is said to have sat weeping at the table as the negotiators left the conference in Brussels.¹⁴

De Gaulle was to stifle further progress towards European integration for the best part of a decade. In 1965, the European Commission proposed some improvements in the EEC, consisting of a farm finance package, independent financing for the EEC, and greater powers for the European Parliament. The French wanted the farm finance package, but not the rest, which would have extended the supranational powers of the EEC. Once again, Couve de Murville broke off the negotiations, and the French actually boycotted the meetings of the Council for several months. Again in 1967, the British under Harold Wilson applied to join the Common Market. Once more the proposal was vetoed by Charles de Gaulle. The only forward progress occurred when the European structure was rationalized, and the ECSC and Euratom were merged into the EEC in 1967 to form a single entity, which was henceforwards simply called the European Community (EC).

In 1969 General de Gaulle finally resigned, to be succeeded as President by the much more progressive Georges Pompidou. Pompidou called a summit meeting of European leaders at the Hague, where it was agreed to widen the community by inviting Britain and others to reapply for membership. Here and at a subsequent meeting in Paris in 1972 some important new goals were laid down. It was agreed to deepen the community by aiming for full economic and monetary union, and eventually political unification as well. The Community was given its own independent sources of revenue, made up from agricultural levies, customs duties, and value added tax, and the budgetary powers of the European Parliament were strengthened.

In 1970 the British under Edward Heath applied for the third time to join the EC, along with Ireland, Denmark and Norway. Their applications were approved, and Britain, Ireland and Denmark were finally admitted in 1972. The Norwegian people, however, voted by a narrow majority at a referendum not to join, whereupon their government promptly resigned. In later years, Greece (1981) and Spain and Portugal (1986) were also to join the EC.

Further progress was impeded by the economic crisis caused by the OPEC oil shock. Attempts had been made to limit fluctuations between the European currencies, in preparation for monetary union, but these had to be abandoned in 1974. Britain was also unhappy about the scale of her contributions to the Common Agricultural Policy (CAP), and did not feel she was getting enough in return. Her conditions of entry to the EC were renegotiated by Harold Wilson in 1974, and her continued membership was put to a national referendum in 1975, which approved it.

Another important summit meeting was held in Paris in 1974, at the invitation of Valéry Giscard d'Estaing, who had become President of France after Pompidou's death, and had previously been a member of Monnet's Action Committee for the United States of Europe. Three notable decisions were taken. Firstly, it was agreed to institute direct elections for the

European Parliament: this was finally implemented in 1979. Secondly, it was agreed to explore ideas for European Union: this led nowhere for a time. Finally, it was agreed to hold regular summit meetings to discuss community policy, forming a European Council of Heads of Government (not to be confused with the earlier Council of Europe!). This in itself was a recognition of the increasingly important role of the EC. From this point on, all important decisions about the future of the community were to be taken at meetings of the European Council.

In 1979, moves towards monetary union were restarted by Roy Jenkins, then President of the Commission. The monetary 'snake' was reinstated, restraining currency fluctuations within a narrow band. The European Monetary System (EMS) was set up, and a European Currency Unit (ecu) was established, based on a basket of currencies of the member states.

The European Union

One of the members of the first elected Parliament in 1979 was Altiero Spinelli from Italy. Spinelli had early in life been a member of the Italian Communist Party, and was interned by Mussolini's régime for a total of sixteen years. He was one of the founders of the 'Movimento Federalista Europeo' in Milan in 1943, and was later Secretary General of the European Federalist Movement from 1948 to 1962. He served on the European Commission from 1970 to 1976, before being elected to the Parliament. He was keen to promote reform of the EC, aiming towards a complete union.

In 1980 Spinelli founded the 'Crocodile Club', a group of parliamentarians named after a restaurant where they went to dine in Strasbourg. They succeeded in having a *Draft Treaty for European Union* drawn up, which was adopted by the Parliament on 14 February 1984 by 231 votes to 31, with 43 abstaining. The structure it proposed was much more far-reaching than the one recently adopted under the Maastricht Treaty. It gave the Union responsibility for foreign affairs and defence, and also education, research, and cultural matters. It was thus a rather 'maximalist' proposal, although it did adopt the so-called principle of '*subsidiarity*', according to which the union "shall only act to carry out those tasks which may be undertaken more effectively in common than by the Member States acting separately."¹⁵ It called for free movement of people, goods, services and capital within the union. The Council of Ministers and the Parliament were to be given equal weight in making decisions. The Parliament had no power to put this Draft Treaty into operation itself, but the European Council agreed to set up an Ad Hoc Committee to study the proposals.

Attitudes towards European integration followed a consistent pattern within the European Council throughout the 1980s. The original Six were consistently in favour of further integration. A strong bond was formed between the giant figures of Helmut Kohl of Germany and François Mitterand of France, which provided the engine for progress, steadily supported by the Benelux countries and Italy. The latecomers to the community were much less enthusiastic, particularly Britain, Denmark and Greece. The leader of the opposition was Margaret Thatcher, the 'Iron Lady' from Britain. She was a true-blue Conservative, who saw herself as cast in the Churchillian mould, charged with restoring Britain's self-respect and economic prosperity after decades of decline. Like de Gaulle, she wanted nothing to do with further supranational adventures, and attended European Council meetings with her famous handbag at the ready. In the early 1980s she campaigned strongly for a reduction in Britain's financial contributions to the Community, and succeeded in obtaining agreement for a substantial rebate in 1984.

Another force for progress was Jacques Delors, who became President of the Commission in 1985, and moved immediately to revitalize its somewhat decayed bureaucracy. He proposed a seven-year timetable for removing the remaining trade barriers

within the Community, in order to achieve a single market. He also oversaw the drafting of the Single European Act, which provided the first major changes to the EC structure since the Treaty of Rome. Both measures were approved by the Council, and the Act came into force in 1987.

The Single European Act gave formal status to the European Council, and gave greater voice and influence to the Parliament. The member states agreed to harmonize their economic and monetary policies, and to standardize policies concerning taxes, employment, health and the environment. A Court of First Instance was established to hear appeals against EC rulings. Most importantly, a system of weighted voting on some issues was introduced into the Council of Ministers instead of the previous unanimous voting rule which had given an effective power of veto to each member state.

In the late 80s, the Common Agricultural Policy was rationalized. It had previously accounted for fully two-thirds of the entire EC budget, resulting in the accumulation of huge surpluses of agricultural products: the 'butter mountain', the 'wine lake', and so forth. Under a new scheme introduced in 1988, payments under the CAP were limited, and agricultural subsidies began slowly to decrease.

As preparations continued for the coming single market, calls for greater European unity in other areas were made. The Commission prepared a three-stage plan for achieving economic and monetary union (EMU), and proposed a social charter on human rights. West Germany and France proposed an intergovernmental conference (IGC) to discuss these ideas, and to begin work on a treaty to incorporate them. Margaret Thatcher voiced strong opposition to any further European integration, but in so doing she split her own Conservative party, and this was partly responsible for her being voted out of office and replaced by John Major in 1990.

The Treaty on European Union was signed in Maastricht on 7 February 1992. It was then put up for ratification by the member states. A referendum was held in most countries, and in some cases the result was very close. In France the treaty was approved by a thin margin of only 3.4%, while in Denmark the first referendum was actually lost, and a second vote had to be engineered later to get the treaty through. In Britain the government did not dare to put the issue to a referendum, and John Major had to battle the treaty through the parliament clause by clause. Nevertheless, by October 1993 the treaty had been ratified by all twelve member states, and came into effect.

The Maastricht Treaty transformed the EC into the European Union (EU), and established the single market. All trade barriers were eliminated, so that for example the customs post at Dover was removed and 500 Customs inspectors were put out of work. European citizenship was granted to the citizens of each member state, with freedom to live, work or study anywhere within the Union. Provision was made for full economic and monetary union by 1999. Enhanced powers were given to the European Parliament, and commitments were made towards a common foreign policy and defence policy for the Union. The treaty also included a Social Chapter, which Britain decided not to ratify at first.

The Treaty was also designed to reassure the Member states that their sovereignty was not threatened. Article F of the Treaty states: "The Union shall respect the national identities of its member states." The principle of subsidiarity is enshrined within the Treaty, and is interpreted in a rather stronger sense than in the Draft Treaty, so that whatever can be done locally, regionally or nationally should not be done at community level.¹⁶

New states have since applied to join the Union. Austria, Sweden and Finland were admitted to membership at the beginning of 1995: thus the Union now has a total of 15 member states. Switzerland and Norway were invited to join, but their citizens voted to reject membership at a national referendum in each case. There is also a long queue of further states in the Mediterranean and Eastern Europe who have applied for membership. Turkey, Cyprus, Malta, and Morocco have been granted associate status, but their

applications for full membership have been deferred. In the case of Morocco, the application was rejected outright, on the grounds that she is not a European state. The applications of the former Soviet satellites Bulgaria, Hungary, Poland, Romania, the Czech Republic and Slovakia have been regarded favourably, but some appropriate economic criteria must be met before they can be accepted.

The Current Situation

The years since 1993 have largely been occupied in attempting to digest the provisions of the Maastricht Treaty. A certain amount of public disenchantment with Europe has set in. The strict financial criteria required by the timetable for monetary union have been blamed for causing budget cuts and unemployment. The parliamentarians in Strasbourg are seen as overpaid and underworked (quite unfairly), and the bureaucracy in Brussels is blamed for officious interference in the affairs of everyday life. Regulations from Brussels have dictated the shape of electrical plugs, the type of apples which can be grown in Denmark, and even the approved shape of cucumbers. Such pettifogging restrictions cause a good deal of public resentment, whereas the huge but rather intangible benefits of European integration are harder for the man in the street to see. Could it be that Europe won't be built after all, because they can't agree about cucumbers?

The deadline for monetary union, with the establishment of a European Central Bank and a common currency (the 'euro'), is 1 January, 1999 at latest. A recent public opinion poll has shown public support for a single European currency is presently 67% in France, but only 40% in Germany, with 52% opposed. In Britain, 58% are opposed.¹⁷ Britain has in fact reserved the right not to join in the third phase of EMU (i.e. the single currency), and Denmark has already decided not to join it. On the issue of an eventual United States of Europe with a federal government, there is substantial support but not a majority, with 41% in favour in Germany and 45% opposed, 38% in favour in France and 52% opposed, and only 27% in favour in Britain, with 57% opposed.¹⁷

The present lack of any common European policies on foreign affairs and defence was starkly exposed by the recent crisis in Yugoslavia. The United States for a long time left Europe to sort out this problem in its own backyard. The Europeans, however, could not agree what ought to be done, and apart from sending envoys to try and mediate a settlement, they completely failed to find any effective measures to halt the conflict. It was only when the US and NATO stepped in that the war in Bosnia was ended by means of the Dayton accords.

Britain remains politically divided over Europe. Opposition to Europe has hardened within the Conservative Party, but the new Labour Government of Tony Blair appears more sympathetic to the European ideal.

A new Inter-Governmental Conference on EU Reform began in Turin in March 1996. All aspects of the Maastricht Treaty were open for discussion, except the provisions for economic and monetary union, which are supposedly already settled. A central topic was to be moves towards a Common Foreign and Security Policy (CFSP), as called for under the Maastricht Treaty. Should Europe continue to rely on NATO for its defence, or should it create an independent European force? There have been proposals to merge the old Western European Union with the EU, and make it the military arm of the union, but there is also strong opposition to such a move. Britain and Holland fear it would undermine NATO; and Austria, Finland, Ireland and Sweden argue it would threaten their neutrality.¹⁸ France has also proposed the appointment of a high diplomatic representative to act as spokesman for the Union on matters of defence and foreign policy. In the end, very little progress was made on these issues in the new Treaty of Amsterdam, although Britain did end her opt-out on the Social Chapter of the Maastricht Treaty.

The European Commission, under its new President Jacques Santer, prepared a report for the IGC entitled *Reinforcing Political Union and Preparing for Enlargement*. Its proposals included provisions for majority voting on interior and justice policy as well as increased powers for the Commission, especially in the area of human rights, and an end to Britain's 'opt-out' over the Social Chapter. It also proposed more majority voting on foreign policy, and establishment of a common military policy.

The most controversial of the Commission's proposals, however, was an end to the power of veto over alterations to the EU's founding treaties. The Maastricht Treaty, for example, would not have come into force if any one of the 12 member states had failed to ratify it. As the membership expands, it will become harder and harder to achieve such unanimity. As the report says: "maintaining unanimity will lead to paralysis. The European Union must not be condemned to progress at the rate of its slowest member. If the Treaties can only be changed by unanimity, the chance of real progress in European construction will be undermined."¹⁹ Chancellor Kohl warned at one stage that if Britain continued to block further progress, the others might go on without her, forming a 'two-speed Europe'. In any case, the drive for further integration in Europe is clearly still going on.

Structure and Functions

The reader will now have become totally bewildered by the blizzard of acronyms passing under his (or her) nose. Let us pause to review the present structure of the European Union, and the functions of its various bodies.

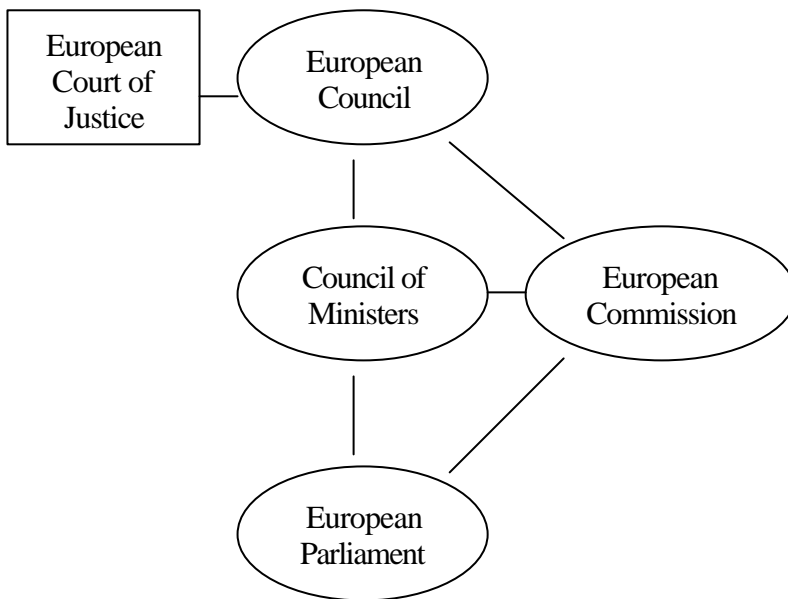


Figure 5. *Principal organs of the European Union*

The principal organs of the European Union consist of the following bodies.²⁰

The European Council

This consists of the Heads of Government of the 15 member states, together with the President of the Commission, who hold a summit meeting two or three times a year. They are assisted by the Foreign Ministers of the member states, and by another member of the Commission. They make decisions on major issues confronting the Union, particularly those concerning changes to the structure and functions of the community, or progress towards further integration. Structural changes have hitherto required the unanimous assent of all members of the Council, as discussed above. The European Council was given formal status by the Single European Act.

The Council of the European Union (or Council of Ministers)

This is the main law-making body of the EU, and is composed of cabinet ministers, one from each member state. If the subject is agriculture, the agriculture ministers meet; if it is transport, the transport ministers meet, and so on. It is thus quite possible for two or more sittings of the Council to be going on simultaneously, concerning different subjects. The Presidency of the Council is held by each member state in turn for a period of six months. The Council has its own staff of some 2,500 officials in Brussels.

The proposals before the Council are generally prepared beforehand by the Commission, and the Council then decides whether to approve or disapprove the proposal. The Council may approve: a) regulations, binding on the member states; b) directives, which are binding but leave members free to choose how they will comply; c) decisions on specific actions; and d) recommendations and opinions, which are not binding. Unless there are provisions to the contrary, decisions are reached by a simple majority vote. More important matters require either unanimity, or a 'qualified' or weighted majority vote. Under the qualified voting rules, France, Germany, Italy and the UK receive 10 votes each; Spain 8; Belgium, Greece, the Netherlands and Portugal, 5 each; Austria and Sweden, 4 each; Ireland, Denmark and Finland, 3 each; and Luxembourg 2, for a total of 87 votes. A qualified majority requires the assent of 62 out of these 87 votes.

The Single European Act extended qualified majority voting to matters involving the single market, economic and social cohesion, and technological research and development. Unanimity is still required on matters involving taxation, common foreign and security policy (CFSP), and justice and home affairs. It is also required where the Council amends a proposal from the Commission, or overrides a rejection by the Parliament. In all these cases, a single member can thus veto a decision.

The European Commission

This is the executive branch of the EU. It consists of 20 Commissioners, who are appointed by agreement among the member states for a term of five years, renewable. They act as department heads for the EU bureaucracy, which consists of some 17,000 staff, located mainly in Brussels, with some in Luxembourg and other locations. The President and two Vice-Presidents are appointed from among the Commissioners. Decisions are taken by a simple majority of members.

The Commission is responsible for carrying out the decisions of the Council of Ministers. It prepares new proposals and legislation for the Council of Ministers and the European Council. It also represents the EU in negotiations with other countries or international organizations. It manages the EU funds and programs, and delivers aid to outside countries. The Commissioners undertake to remain completely independent of the national governments and the Council. They cannot be dismissed by the Council.

The right of the Commission to initiate and draft new proposals gives it a very powerful role in the union, which has been inherited from that of the High Authority in the ECSC. This role has been exploited to the full by strong Commission Presidents, such as Walter Hallstein and Jacques Delors.

The European Parliament

This consists of 626 members, directly elected every five years by the citizens of the member states according to their respective electoral systems. The number of seats in each state is based on population, with Germany having the largest representation at 99 seats. Turnout at the last elections in 1994 ranged from 90% in Belgium down to 36% in Holland and the UK. The members are grouped by political affiliation rather than nationality, with the largest group being the European Socialists with some 220 seats, and the next largest being the European People's Party (or Christian Democrats). Other substantial groups include the Liberals, the Gaullists and Conservatives, the Greens and the Communists. The Parliament is headed by a President and 14 Vice-Presidents elected by the members. It meets in Strasbourg, France, and has its own staff of over 4,000 personnel.

The powers of the Parliament are limited mainly to consultation and review. The appointment of a new Commission is subject to a vote of approval by the Parliament. The assent of Parliament is required for the accession of new members, for all international agreements, and for sundry other matters. The Parliament works with the Council on the EU budget, and may reject a budget plan. If necessary, it can compel the Commission to resign, by adopting a censure motion with a two-thirds majority.

Committees of the Parliament review legislation before it goes to the Council of Ministers, and may propose amendments at that stage. After the Council has approved a proposal, a rather complicated decision-making process involving the Parliament comes into play. In cases where the Council adopts a decision by a qualified majority, a 'co-operation' procedure applies, by which the Parliament may decide to approve, amend, or reject the proposal. It then requires unanimous agreement for the Council to override the decision of the Parliament. In some limited areas, such as matters involving the internal market, a 'co-decision' rule applies, according to which the Council and Parliament attempt to settle any disagreements through a Conciliation Committee, where necessary. In these cases the Parliament acts on equal terms with the Council, and may finally decide to reject a proposal by a majority vote.

The Parliament has little power to initiate community legislation or determine policy for the community on its own account. It can ask for existing policies to be amended, or new ones initiated, as in the case of the Draft Treaty. It may, by a majority vote, ask the Commission to submit proposals in a certain limited number of less important fields.

The Court of Justice

This consists of 15 Judges and 9 Advocates-General, appointed for six-year terms by the member states. It is responsible for the interpretation and upholding of the Treaties, and for making sure that community law is observed. Cases may be brought either by member states or by individuals or organizations. A Court of First Instance was set up in 1989 to carry out initial hearings of cases brought by individuals. The Court sits in Luxembourg.

The decisions of the Court are binding on member states, and take precedence over national laws in areas of community responsibility. In the "Simmentha" case in 1978, the Court of Justice declared that "every national court must, in a case within its jurisdiction, apply Community law in its entirety and protect rights which the latter confers on individuals and must accordingly set aside any provision of national law which may conflict with it,

whether prior or subsequent to the Community rule.” Failure to comply may incur penalties, such as fines. Over 300 cases were settled one way or another by the Court in 1994. Individuals may also bring cases which involve Community law in their respective national courts.

In addition to the major organs listed above, there are also several lesser organs of the Union:

- ?? The Court of Auditors, responsible for monitoring the accounts and expenditures of the community;
- ?? The Economic and Social Committee, which has a consultative role on economic and social matters;
- ?? The Committee of the Regions, which enables local and regional authorities to have a say in the work of the community;
- ?? The ECSC Consultative Assembly still exists, as the last separate remaining organ of the original Coal and Steel Community;
- ?? The European Investment Bank, established in 1958 to finance capital projects according to community policy;
- ?? The European Monetary Institute was set up in 1994 to prepare the way for monetary union and for a European Central Bank, which is due to appear by 1999.

*Budget*²¹

The total revenue of the Union in 1995 amounted to 76.5 billion ecu, or approximately \$100 billion, of which 50% came from value-added tax, 17% from customs duties, and 30% from a national levy based on each member's GDP. The total revenue amounted to 1.2% of the community's GDP.

Over half the total expenditure went to agriculture and fisheries, with the farm support program taking the lion's share. Another 32% went on structural funds, to encourage development in more backward regions of Europe. About 4% went to research and technology, and 2.2% to aid for ex-European colonies under the Lomé Convention. A further 6% was committed to external measures such as development finance and aid for countries of the former Soviet Union and Eastern Europe, and in other regions. Administration, carried out by a total of 28,500 officials, takes up 5% of the budget - quite an efficient operation.

Economically, Europe is the largest grouping in the world. Its population is 370 million, about 6.5% of the world total, but its GDP accounts for one-quarter of the entire world economy, and its trade is 22% of the world total. Its aid to Third World countries amounts to about 40% of the world total. All these exceed the corresponding figures for the United States.

Shortcomings and Future Prospects

From our comfortable position as armchair critics, how are we to assess the progress made towards a democratic European federation?

On the positive side, it is clear that the required pieces of the jigsaw are almost all in place. The European Union possesses:

- ?? an executive, in the form of the European Commission;
- ?? a democratically elected parliament to represent the people, in the European Parliament;
- ?? an assembly to represent the member states, in the form of the Council of Ministers. The European Council can be considered as an extension of the Council of Ministers, corresponding to the case when the ministers happen to be Prime Ministers;
- ?? a court to adjudicate community law, in the European Court of Justice.

The only missing item is a European security force to defend the federation and enforce the law, if necessary. So far, Europe has got on reasonably well without it.

Unlike the United Nations, the EU has gained the power to make legislation, and to make legal judgements which are binding on its members, based on that law. Economic union has been achieved, and monetary union is moving towards completion, although there may yet be some hiccups on the way. The Union also disposes of a budget commensurate with its obligations.

The major shortcomings of the Union arise from the fact that the pieces of the jigsaw do not quite fit together properly. They include the following.

The Parliament

The Parliament has not yet been given sufficient power or responsibility. As the democratically elected assembly, it should have the power to initiate legislation, and at least equal power with the Council to approve legislation. It should also have greater control over the executive, and ideally the executive should be elected from within its ranks. The battles over future policy and directions in Europe should be fought out primarily in debates within the Parliament, rather than outside it. Only then will true democratic accountability be achieved within the European government. Only then will European citizens develop any appreciable interest or loyalty towards the Union.

A number of these issues were addressed by the Parliament itself in the lead-up to the Maastricht Treaty. It produced a report entitled 1993: The New Treaties, which contained its proposals for Maastricht.²² The report refers to the “democratic deficit” within the community, and calls for “reform of the Community in the context of a federally-based European Union.” It includes proposals whereby the Parliament:

- ?? “Calls for Parliament and the Council to be given equal rights and equal weight in the legislative process”;²³
- ?? “Calls for Parliament also to be given the right to initiate legislative proposals in cases where the Commission fails to respond within a specified deadline to a specific request adopted by a majority of Members”²⁴ (this would essentially give the Parliament the right to initiate legislation whenever it wanted);
- ?? “Calls for Parliament to be given the right to elect the President of the Commission on a proposal from the European Council; the President should, with the agreement of the Council, choose the Members of the Commission; the debate and the vote of confidence in a new Commission, which Parliament has held since 1981, should be formalized in the Treaties”²⁴; and later “a new Commission shall be appointed at the beginning of each parliamentary term.” The Parliament did not go so far as to say that the Commission should be selected from within its ranks, but these proposals would certainly make it possible to do so in the future.

In the event the member states did make some concessions in the Maastricht Treaty. The Parliament was given a somewhat more equal say in the legislative process via the co-decision mechanism, while the Commission’s term of office was changed to five years to match the Parliament, and the right to vote approval of a new Commission was formalized. The other points were not conceded.

The Parliament had also proposed that a single seat should be chosen for the Parliament, the Council and the Commission. This would put an end to the present absurd situation, where the Parliament sits in Strasbourg, but its committees meet in Brussels, while its secretariat is based in Luxembourg. As a result, much time is wasted while everyone perambulates around the countryside.

The Council

The Council functions effectively as an assembly representing the member states. It is not an elected body, like the Senate in the United States for instance, and thus does not conform to the classical pattern of a states' house. Instead, it has been set up to provide direct representation of the governments of the member states, and as such it arguably performs a more useful function than the classical 'senate'. The need for such an assembly has been felt in other federal systems: in America the state governors hold regular meetings, for instance, while in Australia the state premiers now hold periodic round-table meetings with the Federal government.

The difficulty with the Council of Ministers and with the European Council concerns the age-old problem of the veto. In cases where the unanimous voting rule holds, a single member state can frustrate the will of the majority, and paralyze the organization. But the Council has also shown the way out of the dilemma, in the form of the qualified majority rule. Once this has been extended to all the normal areas of business of the Council, the veto problem will be largely resolved. The Parliament, for instance, included in its 1991 proposals a declaration that it "believes that unanimity should no longer be required for decision-taking in Council, except for constitutional matters, accession of new Member States, and extension of the field of Community responsibilities."²⁵

The Commission has made the radical proposal, as we saw previously, that the power of veto should be ended even for alterations to the EU's founding treaties, i.e. for constitutional alterations.¹⁹ At present, Article N of the Maastricht Treaty talks about "determining by common accord the amendments to be made to those Treaties", and provides that "The amendments shall enter into force after being ratified by all the Member States in accordance with their respective constitutional requirements."²⁶

Now a sovereign state cannot be forced to accede to a treaty against its will - that would only lead to disaffection and rebellion of some sort. But it might be possible to provide that amendments can proceed if some sort of qualified majority of member states agree to it, with the states opposed to them being allowed to 'opt out' of the amended sections. We have already seen how Britain opted out of the Social Chapter of the Maastricht Treaty, and Denmark opted out of the third stage of EMU. No doubt this would lead to a 'two-speed Europe' for a time, but it would remove a major impediment to further progress.

The Commission

The European Commission acts as the executive of the European government. It is a powerful body, and seems to have operated effectively hitherto. There are dangers, however, in having the executive and legislative branches of government separated. This can lead to disputes, and a budgetary or legislative deadlock between the two branches of government, as was shown recently in the United States in the stand-off between Bill Clinton and Newt Gingrich. Even American studies, such as that by Everett Millard's group CURE²⁷, have recognized the advantages of cabinet-style government. The Commission needs to be made more accountable to the Parliament, and ideally should be elected from within it, so as to provide leadership from the inside. This would also raise the status of parliament, and lead to higher quality among the parliamentarians themselves. The change involved would not be enormous: a number of people have already served both as MEP's and Commissioners, such as Altiero Spinelli, for example.

An alternative would be to move towards the American model, with the President of the Commission being directly elected by universal suffrage, and then appointing the remaining members of the Commission himself.

Common Foreign and Security Policy (CFSP)

Perhaps Europe's greatest shortcoming is its lack of a common foreign and security policy, which is one of the core areas of responsibility of any government. This problem was cruelly exposed by Europe's complete failure to resolve the recent crisis in Yugoslavia and Bosnia. It is often remarked that Europe at present is an economic giant, but a political dwarf.

The Maastricht Treaty declares that its members are "RESOLVED to implement a common foreign and security policy including the eventual framing of a common defence policy, which might in time lead to a common defence, thereby reinforcing the European identity and its independence in order to promote peace, security and progress in Europe and in the world."²⁸ It is a little vague about exactly how this is to be put into effect, but gives the major responsibility to the European Council and the Council of Ministers, which must act unanimously in these areas (meaning the veto applies). The Parliament is given only the right to be consulted.

The CFSP was one of the main topics of discussion at the recent inter-governmental conference, but the many contentious issues involved in areas of such vital importance are unlikely to be settled at one blow. Let us examine the two areas separately:

a) Foreign policy

The mechanisms for agreeing on common foreign policies are already in place. As part of the Council of Ministers organization, the Ministers for Foreign Affairs already meet regularly once a month, in what is dubbed the 'General Council', to deal with external relations and major political questions. If there was sufficient mutual confidence between the member states to allow qualified voting rules to apply in foreign affairs, then common policies could be arrived at in the General Council and the European Council.

On some matters, the union is already obliged to reach a common policy. Concerning foreign trade, for example, Europe must have a single policy because she forms a single market, and her policies are spoken for by the relevant Commissioner. In the same functional way, she is bound to develop over time a common policy in other areas of shared responsibility, such as research and technology, the environment, transport and foreign aid, to choose a few examples. The one major area where a coherent foreign policy is lacking is that of defence and security, where she has not put her own house in order.

The French have proposed that the Union should appoint a senior representative dubbed "Monsieur PESC" (Politique Étrangère et de Sécurité Commune) to act as its official spokesperson in foreign affairs and defence, to help give the community more presence and stature in these areas.¹⁸

b) Defence policy

In the area of defence and security, Europe is faced with a choice between two basic options:

?? To continue to rely on NATO for her collective defence, as she has done for almost 50 years since 1949;

?? To establish her own joint forces for security and defence, possibly merging the old Western European Union with the EU to become her defence wing.

Some possible nuclei for a joint European force already exist. France and Germany have established a joint brigade-sized force called Eurocorps, based on Strasbourg; while France, Italy, Spain and Portugal have created a rapid intervention force called Euroforce, together with its aeronaval wing Eurmarforce. These are quite small at present, however.

There is strong opposition to any proposal to undermine NATO, as remarked previously.¹⁸ President Chirac announced in 1995 that France would resume operational membership of NATO, after boycotting the alliance ever since the time of General de Gaulle. Discussions are likely to centre on ways of building a 'European pillar' to NATO,

and indeed the North Atlantic Council met in June, 1996, to consider the creation of a European defence capability as part of the organization. One EU source has described the idea of a completely independent European army as “becoming ever more fanciful”.²⁹ Objections to the NATO option, on the other hand, are likely to centre on the dominance of that organization by the United States.

Europe’s present weakness in the area of security and defence can be illustrated by a hypothetical ‘wargaming’ example. Suppose that Spain were to announce that on historical and geographical grounds Gibraltar rightfully belonged to her, and began to mass troops on the border. Suppose that Britain rejected the claim, and began to reinforce the garrison by air, while sending aircraft carriers steaming towards the area. Suppose that both sides refused to negotiate, and rejected the jurisdiction of the World Court, so that fighting was imminent. What could the European Union do? Does she have the legal right to intervene, and demand that the Court of Justice adjudicate in the dispute? The answer is no, the Treaties give the Court of Justice no right of adjudication in territorial disputes. Does the EU have the military resources to intervene and prevent or halt any conflict? The answer is no, the EU has no substantial forces of her own. Her only recourse would be an appeal to NATO, which would also be highly embarrassed since Britain and Spain are both members of the alliance. Hopefully this example is highly unrealistic, but it does serve to highlight the present weakness of both the European and the world security systems.

Federalists versus Nationalists

The future shape of the European Union is clearly going to be determined by the outcome of the ongoing struggle between the ‘supranationalists’ or European federalists on the one hand, versus the ‘nationalists’ on the other hand. The federalists, represented in recent times by Delors, Kohl and Mitterand, have fought for a stronger union; while the nationalists, represented by de Gaulle and Thatcher, have fought against it.

The disagreement between the two camps is probably due largely to their different visions of the end-point of the federation process. Margaret Thatcher, for instance, has referred to the threat of a future “European super-state”. She envisages a United States of Europe in which Great Britain has been reduced to the status of a mere province, like Massachusetts or Rhode Island in the USA, with her armed forces and her independent voice in world affairs gone, and her glorious history running from Drake through Marlborough, Trafalgar and Waterloo all forgotten. She would probably imagine England being run by squads of jack-booted inspectors from Brussels, and instinctively rejects any such frightful prospect.

The federalists, on the other hand, see a great vision of the nations of Europe living and working in harmony, with their citizens able to travel and do business in complete freedom anywhere in the union, bringing guaranteed peace and increased prosperity for all. If in the early days some of them may have envisaged the nation-states reduced to mere provinces, that has now changed. The events of the last fifty years have made it abundantly clear that the ancient nations of Europe will insist on keeping much more of their distinctive cultures and national identity than that. They may decide to contribute to a ‘European pillar’ of NATO, for instance, or to an independent joint security force, but they will also insist on preserving independent armed forces of their own, far into the foreseeable future. The Ministry of Defence and the Ministry of Foreign Affairs will remain in Whitehall, and may even have to be expanded to cope with the demands of European co-operation. Any European federation is going to be a much looser association than in the American model, and it is perhaps a mistake to keep on referring to the ‘United States of Europe’. All the recent emphasis on the principle of subsidiarity is designed to reassure the member states that their national identities and cultures will indeed be preserved in the new Europe.

This raises the question: what actually defines a federation in the first place? Some useful

comments have been made in a recent discussion paper prepared for the Fabian Society by Stephen Tindale and David Miliband.³⁰ They define the key features of a federation as:

- ?? the existence of two or more tiers of government, with the powers and existence of lower tiers guaranteed and immune from arbitrary interference from the higher tier;
- ?? an agreed division of competencies between tiers with, again, defences against arbitrary changes in the division;
- ?? a written constitution enshrining the above, and a Constitutional Court to adjudicate between tiers.³¹

On this sort of definition, one could almost argue that the EU is a federation already. It has two tiers of government in the EU and the member states, both with legislative authority, and with an agreed division (temporarily, at least) of competencies between them; but the Maastricht Treaty does not really qualify as a formal written constitution guaranteeing the division of powers. That will have to await a more final determination of responsibilities between the two levels.

Tindale and Miliband discuss the concept of 'layered identity'. People may identify themselves simultaneously with a city, a county, a country, or a continent, and feel loyalty towards all of them. A man might be a Liverpoolian while watching his local football team on the television, but an Englishman while watching the national cricket team play the Pakistanis (he will probably not feel much loyalty towards the entity called 'Merseyside'). The federalists do not propose that he should lose or abate any of these feelings, but only that he should also consider himself a 'European' when watching the Ryder Cup team play the Americans at golf.

The European Union, like Merseyside, has not generated much loyalty amongst its citizens up till now. It has a flag, blue with gold stars on it, and it has an excellent anthem in Beethoven's 'Ode to Joy'. But it is hard to feel any loyalty towards a bunch of faceless bureaucrats in Brussels. That is one of the reasons why the EU needs to be made more democratic, in order to present a more human face to its citizens. It could probably also do more in the way of promoting sports festivals, sporting teams, and the like.

Theoretical Discussions

Many books have been written which have analyzed the process of European integration, and have attempted to produce a general theory of regional integration based upon the European example. I have neither the space nor the competence to do proper justice to these discussions here, but we may get some idea of the arguments from surveys by other authors.

The state of integration theory circa 1974 was surveyed by R.J. Harrison in *Europe in Question*. He classified the various approaches into three categories, namely 'functional', 'federal' and 'neo-functional'. Let us say a few words on each in turn.

The functionalist approach

The principal originator of this approach was David Mitrany in *A Working Peace System*. The idea is that a working international community will be built up piecemeal out of a network of functional agencies like the Postal Union, each one more or less autonomous and performing a specific technical or economic function, and each one involving the transfer of a small piece of national sovereignty to the international system. Eventually this functional network will become so extensive, and people will identify themselves so strongly as members of the international community, that no nation will be able to break the peace. Mitrany sees this as happening almost automatically, and sees no need for the construction of rigid constitutional structures: "No fixed rule is needed, and no rigid pattern is desirable

for the organization of these working functional strata .. the function determines its appropriate organs. It also reveals through practice the nature of the action required under the given conditions, and in that way the powers needed by the respective authority .. Not only is there in all this no need for any fixed constitutional division of authority and power, prescribed in advance, but anything beyond the original formal definition of scope and purpose might embarrass the working of the practical arrangements ..”³²

The functionalists are generally not in favour of regional integration, particularly European integration, seeing it as a positive obstacle to world integration. Johan Galtung, for instance, wrote in *The European Community* a warning that Europe might become just another superpower, the greatest of them all, and thus produce new divisions between the peoples of the world. Europe might become involved in wars against the other superpowers, or engage in capitalist exploitation of the Third World. These fears would appear to be rather exaggerated at the moment, however. Europe currently possesses no forces of her own, and is no threat to anybody. She is also the single largest source of foreign aid to Third World countries.

Functionalists are generally distrustful of ‘big government’ in any form. They tend to ignore or discount political processes, and belong perhaps to the more left-wing or anarchist tradition of political theory. Harrison concludes as follows: “Functionalism, in other words, is virtually a mono-causal explanation of social activity, summed up in the dictum that a community may be regarded as the sum of the functions performed by its members. Like all mono-causal explanations of societal phenomena, it is inadequate.”³³

The federalist approach

The federalist viewpoint is of course the one taken in this book. It postulates that peace and order among men can only be secured by good government (recall William Penn’s statement: “Peace is maintained by Justice, which is a Fruit of Government”), and that the natural form of government for a union of sovereign states is a federal one. One federal theorist of European integration was R.W.G. Mackay, a leader of the Federal Union group, who wrote: “We can hope for real economic and social progress in Europe only if there is a political authority with power to bring it about.”³⁴ He envisages a federal authority, where federalism is defined as “a method of dividing powers of government so that the central and regional governments are within a limited sphere co-ordinate but independent. The test of the principle is: does it embody the division of powers between central and regional authorities, each being independent of the other?”³⁵ A similar definition was quoted in the preceding section. Other prominent federal theorists were Guy Héraud of France, and Professor Brugmans of the Netherlands, a leader of the European Union of Federalists.

Harrison draws a distinction between the ‘moderate’ federalists, who accept a gradual and incremental approach to federation like that adopted by Jean Monnet and Paul-Henri Spaak, as opposed to the ‘radical’ federalists, who demand that federation must be achieved in one revolutionary leap. An example of the latter was Alexandre Marc, who claimed that incrementalists had done more harm to integration in Europe than its declared opponents. They have been satisfied with “little nothings”, he said in 1968.³⁶ But it is clearly only the moderates who have had any effect in practice. We have already recounted how the federalist movement has provided the driving force, step by step, towards European unification.

The neofunctionalist approach

The originator of this approach was Ernst Haas, who made a detailed study of European integration in *The Uniting of Europe* in 1958. Other prominent authors in this category

include Leon Lindberg and Amitai Etzioni. Their position is somewhere between the functionalist and federalist positions, and David Mitrany has labelled it 'federalist-functionalism'.

Studying the extension of the Coal and Steel Community into the Common Market, Haas attempted to extract a general proposition: that integration in a particular sector can lead to broader integration by a "spillover" effect, provided certain conditions are met. The original integrative step must be inherently expansive, or advantageous, but not so far-reaching that it affects the vital interests of the state and threatens the power of ruling élites. The first step will then get organized groups and political parties involved in the integration process, and lead them to perceive a similar need for integration in other sectors. The demands and the loyalties of the interest groups will then shift gradually towards the central decision-making bodies.

Neofunctionalists do not ignore or write off the formal structure of government, but rather they recognize that central institutions with policy making powers have a critical role to play. Like the functionalists, however, they tend to argue that integration becomes an automatic process, driven by the self-interest of national interest groups who perceive advantages to themselves in further union. "Perhaps the most salient conclusion we can draw from the community building experience is the fact that major interest groups as well as politicians determine their support of or opposition to new central institutions and policies on the basis of a calculation of advantage. The "good Europeans" are not the main creators of the regional community that is growing up; the process of community formation is dominated by nationally constituted groups with specific interests and aims, willing and able to adjust their aspirations by turning to supra-national means when this course appears profitable."³⁷

This thesis tends to ignore the human element in political affairs, and to predict that, once started, the integration process will roll on inevitably until complete integration is achieved. It denies the crucial role played by people like Monnet, Spaak and Spinelli in the integration process. As Harrison remarks: "The weak link then, in the chain of action and interaction of variables, as it is visualized in the neo-functionalist thesis, is that it is governments, and generally speaking the leaders of governments, who must, at least while unanimity procedures for community decision making obtain, make the next moves along the path to unity."³⁸ The check to further progress produced by General de Gaulle in the 1960s forced some degree of reappraisal of the thesis, and led Haas himself to admit: "Most neo-functionalists have not explicitly recognized .. the crucial question of whether .. this incremental style is not "foreseen" and manipulated by certain heroic actors (Jean Monnet, Sicco Mansholt, Walter Hallstein, Raoul Prebisch) - and eventually checked by certain equally prescient national actors (Charles de Gaulle)."³⁹

The neofunctionalists were certainly correct, however, in identifying economic utility as a vital, if not essential, factor in generating community support for further integration. Business groups have recognized almost from the beginning the huge advantages offered by more open markets within Europe, and have been strong supporters of integration. An illustration was provided recently by one of Norway's largest engineering firms, which moved its headquarters from Oslo to London after the Norwegians rejected membership of the EU: the firm decided it could not afford to miss the advantages of the single market. Whether these groups will continue to support further moves towards political and defence co-operation remains to be seen. One prominent financier, Sir James Goldsmith, surfaced not long ago as a leader of the opposition to the EU in Britain.

Amitai Etzioni in his book *Political Unification* made a comparative study of four different regional associations. Two of them, the United Arab Republic and the Federation of the West Indies, were classed as unions that failed; one, the Nordic Association, was classified as stable; and the last one, the EEC, was classed as a successful, growing union. On this basis, he formed a ranking of different functional sectors as regards their potential for

inducing further integration. Bottom of the list he puts service functions such as postal co-operation, radio frequency allocation, police co-operation, and so on. Next come organizations dealing with labour, health and cultural affairs; third are those dealing with tariff agreements and military organizations; and top of the heap come economic unions and common markets.

Neofunctionalism has remained the dominant academic theory of regional integration in subsequent years, in that it seems to offer a systematic explanation of the integration process.⁴⁰ One recent study by Milward et al.⁴¹ has criticized the theory on the grounds that it has virtually ignored the nation-state as the central unit of political organization. In reality, they argue, virtually all power has remained with the nation-state in Europe, with only limited surrender of national sovereignty being made to central institutions for narrowly defined purposes. The authors contend that this limited integration has been driven mainly by the perceived self-interest of the nation-states themselves. They do not venture much in the way of future predictions, but the implication certainly is that national sovereignty is here to stay, and integration in Europe will not proceed much further.

Summary and Conclusions

Whereas the movement for world federation was defeated and stifled by the onset of the Cold War, the movement for European federation has flourished. Guided by men of extraordinary vision and enterprise, such as Monnet, Spaak, Adenauer and Spinelli, the Europeans have proceeded step by step to build the European Union. The process of integration has taken much longer than the founding fathers would have hoped, some fifty years already, and there is a long way still to go. It might easily be another fifty years or even more before the integration process is complete, and no-one can predict exactly what the end-point will be. But already it is possible to declare that some sort of European federation will be established. By some definitions, it is already here.

The European Union possesses an executive, a democratically elected parliament to represent the people, and a council to represent the member states. It has the power to make binding legislation in certain areas, and possesses a court with the power to make binding legal judgements. It has completed the formation of a single European market, and is moving towards complete economic and monetary union. It disposes of a substantial budget, in the neighbourhood of \$100 billion.

Deficiencies which have been identified in the EU include its 'democratic deficit', or lack of democratic accountability, plus the perennial problem of the veto in the Council, and the lack of any substantial joint security forces. A major issue on the agenda at present is the question of how to achieve some sort of common foreign and security policy for the community.

A certain amount of disenchantment with Europe, or 'Euro-scepticism', is becoming evident, as the preparations for monetary union have been blamed for causing economic hardship and unemployment. But many proposals for reform and further integration have been raised, and remain on the public agenda. There is still a need for common foreign policies and common security mechanisms, as agreed under the Maastricht Treaty. This fact alone ensures that, after all the debates are over and some reasonable compromises are arrived at, Europe will continue to move towards a closer union - there can hardly be any going back now. The end-point is still unclear, but it will probably consist of a loosely-knit structure in which the member nations will retain most of their present autonomy.

English-speaking people, by the way, tend to get a slightly distorted view of public opinion in Europe, because their information usually comes by way of the British press. Support for European union has always been strongest and most consistent in the original Six, and that remains the case to this day. Public opinion has been more doubtful and less

positive in the latecomers to the community, and most particularly in the UK and Denmark. The hot debates over Europe which go on in Britain are not a true reflection of the state of opinion across the Channel.

What are the lessons to be drawn from the European experience, which might help us in moving towards a world federation? There are a number of matters of principle, which will be taken up in the next chapter. But there are also some useful tactics which can be learnt from Jean Monnet and his friends, as follows.

- ?? A federation between sovereign nation-states cannot be arrived at in a single revolutionary leap. The prospective member states will not accept any sudden and dramatic transfer of sovereignty. Instead, it is better to approach the federation in an incremental and evolutionary fashion, with a stage-by-stage transfer of functional authority. Judging by the European example, the process is likely to take many decades.
- ?? It is not necessary to make the association universal from the outset, even if that is the ultimate aim. One can begin with a nucleus of the more progressive states, such as the Six in Europe. If the association is a success, other states will join in afterwards.
- ?? The prototype association should be set up with all the necessary organs at the beginning, so that it forms a small but healthy embryo of the eventual federation. It will then be able to evolve and grow easily and naturally, even though it may look 'top-heavy' to begin with. It is important to get the structure right at the start, if possible, because political organizations show remarkable persistence once they are established. The idea of the league of great powers has persisted with little basic change from the Concert of Europe right through the League of Nations to the United Nations; and the structures adopted by Jean Monnet for the ECSC have persisted largely unchanged through to the European Union.
- ?? The prototype association, according to neofunctionalist theory, should involve integration in an 'expansive' sector, which means an economic sector if possible, so that there are incentives for the organization to grow. A purely military organization, such as a military alliance for example, will simply remain static in most cases.

The European Union thus stands as a great beacon of hope and progress for the rest of the world. Whatever the outcome of the present arguments over further integration, it has already achieved the major aims of its founders. It has brought peace to Western Europe, and made war between the European powers virtually inconceivable (despite our wargaming exercise), although this does need to be cemented in place by a common security policy. One can confidently predict that there will never again be a major war between France and Germany. This is an astonishing achievement, when one recalls that only fifty years ago the nations of Western Europe were locked together in mortal combat. A huge transformation has occurred, by almost imperceptible degrees.

The single market has also brought unprecedented prosperity to the people of Europe, and allowed European firms to compete on equal terms with American and Japanese enterprises. Finally, Europe is making great efforts to lift living standards in its more deprived areas in the mountain uplands, the industrial rustbelts and the outlying regions. In all these ways Europe is providing an enormously hopeful and instructive example for the wider world to follow.