The Dream Of A United States Of Europe

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After a series of victories by Nazi Germany in 1940, Wilhelm II—the grandson of Britain's Queen Victoria and the last emperor of Germany—stated that "the hand of God is creating a new world and working miracles. . . . We are becoming the United States of Europe under German leadership, a united European Continent." Though Nazi Germany was defeated after years of devastating war, the dream of a United States of Europe lived on. In a speech at the University of Zürich on September 9, 1946, Winston Churchill reiterated this vision—though without Germany at the head: "We must build a kind of United States of Europe. In this way only will hundreds of millions of toilers be able to regain the simple joys and hopes which make life worth living."

The concept of a unified Europe has been around in various forms since at least the fifteenth century. It contains not only the dream of prosperity, but also the hope of ending intra-European wars by creating economic incentives to keep all the nations working together. The idea has been that closer integration of the nations will generate more peace and prosperity, based on the belief that nationalism is the greatest threat to European life and wealth.

The 1993 Maastricht Treaty created the present-day European Union (EU), suggesting that a United States of Europe was just around the corner—a superstate that could counterbalance America. For the last two decades, the idea of a unified Europe has been a motivating force in the global economy. However, the present financial crisis has rocked the nations and institutions of the EU to their core, and the fallout has yet to be fully realized.

In his article, "Europe's 'Proud Empire' Is Entering a *Cul-de-Sac* of History" (*The Financial Times,* February 17, 2012), British historian Andrew Roberts suggests that the EU is well into the process of stagnation:

> The whole of human history is testament to the fact that vast sections of mankind can seem to be progressing towards what looks like an established goal, only to get sidetracked into cul-de-sacs, sometimes for decades, occasionally for centuries. So why do we still assume that an eventual return to any significant economic growth in the European Union is inevitable? . . . Isn't it more likely that we have simply entered one of history's classic cul-de-sacs, like the Ottoman Empire . . . or the Holy Roman Empire . . . or the Spanish empire . . . or the Austro-Hungarian Empire . . . ? They all had anaemic growth rates, often lasting decades, as did that other failed empire, the USSR, for much of its existence. Even the mighty Roman Empire—and no one equates today's confederation based in Brussels with *that*—had a period of nearly 250 years in which it stopped growing both territorially and economically, but merely trod water. As the hymnal reminds us: "Earth's proud empires pass away," but if there is no obvious external threat, the gap between rising and falling can be a long one.

Roberts concludes,

> . . . the EU is giving off the strong historical whiff of an empire plateauing out into long years of relative stagnation. . . . Birth rates, defence expenditures, bond prices, welfare

> spending versus wealth creation; everything that historians look to in order to gauge the health of empires suggests that Europe's fire has gone out.

Stratfor's CEO George Friedman, in "Europe, the International System, and a Generational Shift" (November 8, 2011), explains the implications of the EU's condition from another angle:

> In the context of the ongoing European financial crisis, the issue is not simply whether the euro survives or whether Brussels regulators oversee aspects of the Italian economy. The fundamental issue is whether the core concepts of the European Union remain intact. It is obvious that the European Union that existed in 2007 is not the one that exists today. Its formal structure appears the same, but it does not function the same. The issues confronting it are radically different. Moreover, relations among the EU nations have a completely different dynamic. The question of what the European Union might become has been replaced by the question of whether it can survive. Some think of this as a temporary aberration. We see it as a permanent change in Europe, one with global consequences.

The theory of harmonious European integration has collided with reality. A significant part of the problem is that the various regions of Europe require different economic and political environments in which to thrive. However, policies of the European Central Bank and the bureaucrats in Brussels that help one nation or region inevitably hurt another. Interest rates and subsidies that ease the cost of operation for some nations penalize others. Thus, the nascent central authority intended to move Europe away from nationalism in fact continues to reinforce it.

A driving force in the creation of the EU was to keep Germany so tied down that it would not be inclined or able to become aggressive again. But Germany has turned this on its head through high productivity and fiscal discipline, and is by far the largest and healthiest economy in Europe. Berlin has essentially accomplished through economic and political means what it failed to do through war. It may not be led by a dictator, but its position allows it to influence the shape of the EU and get its own way more often than not.

During 17 years of prosperity (1991-2008), imbalances and inequities were hidden by cheap credit and the assurance of a bright future. But the financial crisis has stripped away the veneer, and underneath is the stubborn reality that the various sovereign nations have fundamentally different interests. In short, nationalism has roared back in, the grand dream of European unity has been put on indefinite hold, and the question now is just how divided Europe will become.