If the latter view is true, then British Prime Minister John Major has scored a wrecking hat-trick in a little over a year. In October 1990 he was one of the key movers in bousing Mrs Thatcher into entering the European Monetary System (EMS) at the wrong time and at an unsustainable target exchange rate. In the summer of 1991 Mr Major was chair of the G7 summit that sent Mr Gorbachev packing without real economic aid. Had Gorbachev returned with a major package he would have had something to bargain with the republics; they would have been unwilling to leave the union if it meant losing large-scale aid. For the same reason, the coup plotters would have feared toppling him. Finally, obsessed with containing the rifts in his party, Mr Major approached the meeting that might decide the political future of a continent with the general election prospects for the Tories paramount in his own calculations. Affairs that called for a leader of world stature were addressed by a political midget.

It is perfectly possible that the British have wrecked European union. Prior to Maastricht, German Chancellor Kohl and French president Mitterrand were keen to cement the strongest possible deal in the form of a binding treaty. This was because both men fear that if Europe is not quickly given a strong political centre, the space will be created in the later 1990s for the emergence of far more nationalistic politicians. The rise of the new European radical Right—a Right not merely anti-immigrant but more generally chauvinist, like the National Front in France and the Republicans in Germany—bodes ill for the future co-operation of European states.

Europe has just lost its greatest unifier: 20,000 Soviet tanks waiting to cross the German border. It may be about to lose its other great unifier and pacifier: economic growth and prosperity. The continental EC has not suffered a serious and prolonged depression since the Treaty of Rome was signed. The entire advanced industrial world is hovering on the edge of an economic crisis to rival the 1930s. Were that to occur it would obviously do little to reduce national differences in Europe.

The EC is now at the stage of unification Germany was at in the 1850s, when it was linked politically in the German Confederation and tied together economically by a customs union, the Zollverein. As every history student knows, unification was finally achieved only by Bismarck’s policy of “blood and iron”. Europe now lacks a Bismarck. Germany is economically dominant, but the Germans cannot force the pace of union since it depends on the peaceful processes of negotiation. Yet the EC is now too unified economically to be left ungoverned by some sort of centre with common policies. It can only go forward or back. At the beginning of 1993 there is supposed to be a single European market for goods and services, capital and labour. The EMS already limits national monetary policies and ties all states to the conservative decisions of the Bundesbank. At the turn of the century there is supposed to be a single currency and a common central bank for 11 of the 12 member states.

How can one have a single market unless there are also common and effective mechanisms to regulate its workings? Mrs Thatcher wanted a Europe in which unregulated markets crossed borders but states remained free to distribute the costs those markets inflicted how they pleased at home. In her case that was no problem; she wanted to intervene only to pamper the rich further and hammer the poor. Anyone who wants to even things up a bit, to provide the vital services that ensure a healthy and well-trained labour force, and who recognises that uncontrolled markets are by no means the most efficient allocative mechanism, has a problem with a Community where the states have veto powers over regulatory and social policy. National policies are less

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**LETTER FROM LONDON**

**Major Blunder**

Maastricht was a highly symbolic venue for the European Community summit on economic and political union held there late last year. A town at the tip of a tongue of Dutch territory separating Belgium and Germany, it has been much fought over and was a prime target of the German invasion in 1940. But which does Maastricht symbolise today: European unity or disunity?

The consequences of the treaty on European union signed there late in 1991 are profoundly ambiguous. One alternative view is that the best possible compromise was struck. The British were prevented from vetoing the treaty and were allowed ultimately meaningless concessions to their own peculiar obsessions. They will be forced into European monetary union anyway. If they want to behave like nineteenth century mill-owners and avoid the modest provisions of the EC’s Social Chapter on hours and conditions of work, so be it. They have let the Community get on with things and allowed some progress on political union. The other view is that the British have stalled European union when it was at a delicate point of balance, when it either had to progress more rapidly and radically than the treaty allows or begin to go backwards.
A strong European Parliament elected on a common franchise, with powers to initiate legislation, to approve decisions of the Council of Ministers and to oversee the Commission, is a precondition for the effective scrutiny of European government and for the legitimacy of European institutions. The Parliament was strengthened at Maastricht, but not nearly enough.

European institutions must be under effective political control and there is a great danger in the new central bank envisaged in the monetary union proposals that that will not be so. A Community central bank which pursued the Bundesbank's obsession with anti-inflationary policy could do great damage to the European economy. Germany has only survived the reign of the Bundesbank since 1972 because its manufacturing sector was strongly competitive and its unions have tended to exercise wage restraint. Neither of these things is true of Europe as a whole, and the continent cannot afford to be nailed to the cross of Euro-monetarism.

The moderate democratic left needs European integration. Only on a European scale can major new initiatives in economic and social policy be both affordable and workable. Only if the Community is a politically unified democracy can it hope to contain the forces of ultranationalism and racism in the member states. The European Left needs to come up with new policies that take account of the fact that the continental scale of the Community makes possible economic options that are not available to the member states. What is required is a Community version of post-World War Two Marshall Aid promoting full employment at home while providing both goods and effective demand for the populace of the old Soviet empire. If the east could be started on the path to economic recovery, its markets would offer the states of the west the best prospect of recreating the economic boom of the postwar years.

Europe will only progress if it thinks big and does so quickly. Only the centre-Left can accomplish this task. The European Right is either mindless or drifting toward a form of mild fascism in competition with the likes of Le Pen. Perhaps there is some chance that the Left will dictate policy: Labour may just conceivably come to power in the UK in the first half of this year, and the SPD in Germany not too long after, and this would compensate for a likely Socialist defeat in France. However, the European Left lacks leaders of the stature needed to force the pace of rapid union.

The likely European prospect for the early 21st century is a dismal one: a divided and weakened EC, with its economic affairs beyond the control of either the member states or Brussels, faced with the eastern half of the continent plunged in poverty and strife, and confronted with a tide of refugees that provokes ever more repressive policies in western states. Something like this could have happened to post-Nazi Europe had not the US taken political and economic leadership out of fear at the possibility of a Soviet take-over. There is no such single compelling threat today.

After 1945 the British could have had the leading role in shaping a new European union. But since they had primacy in Europe for the asking, they have done nothing but squander that political capital to the point where they are regarded with open contempt by most committed Community politicians. Today the political vulgarity of the British Conservatives who, a few Ultras apart, hailed Maastricht as a "triumph" is matched only by their self-delusion. Tories opposed to European federation still believe that Britain is strong enough to choose to remain semi-detached from Europe. Pro-Community Conservatives believe that Major's actions at Maastricht were a necessary ruse and that, after an election victory, he will show his true colours as a European. Some hope. John Major thinks small, and there will always be some short-term expedient he finds more compelling.

The Tories are, however, right in believing that European union is far from being a popular cause in Britain. The British continue to believe in staggering numbers that the UK is a powerful state, that Britons can choose their destiny, and that Brussels bureaucrats are incompetent centralising bullies. The British do have a unique experience of incompetent centralising bullies—but they are Tory cabinet ministers, not Commission officials.

If the Conservatives are defeated in 1991 it will be good news for the cause of European integration: but they will be beaten, despite the fact that they are bad Europeans, on narrow national economic issues. Major may lose the next British election because of his commitment to neo-monetarism; as one of the advocates of EMS entry he tied his government to an over-valued currency and high interest rates. Britain's move into the EMS had nothing to do with any broader political vision of Europe on Major's part. We in Britain can but hope that the fruits of this desire to be in Europe but not of it will make an end of him.

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