

THE UNITED STATES AND UNITED EUROPE

What Are the Implications of the Common Market?

Edwin H. Fedder

The current debate concerning the role to be played by the United States with respect to the expanding Common Market is in many ways as unreal as the proverbial angels and pinheads. The unreality stems from the fact that the United States has no choice—we are irrevocably committed to our identification with Western Europe.

Despite the level of integration already achieved by the Western European nations, it can still be fashionable in informed circles to minimize the developments which have been leading toward the creation of a United Europe, to say that current plans for unification will come to naught. While it is true that earlier plans failed, there are sound reasons to say that those on the boards now will not. Earlier plans failed because there was no real need for unification. Today, this is no longer true for Western Europe nor for the United States. With United Europe coming, America dares not be far behind.

There are three major pressures for the uniting of Europe and for American participation. The first of these is the recognition of the fact that Europe will prosper more rapidly and more efficiently with a rationalized economy than it will through the operation of the several national economies. The second is the role that Europeans know they can play in international politics after unification, for they know they could become a primary first-rate power rather than weakly second-rate as each is separately today. Third is the sense of identification which the nations of Western Europe feel with respect to each other as opposed to the principal members of the Sino-Soviet bloc.

Europeans realize today that if they are to be effective in international politics, they must develop a much larger, much more viable, much more modern power base. In order to do this, they must develop a corresponding economic base. It is this, coupled with the immediate fear of Soviet power, that has given the impetus to the movement for federation.

As things stand now, the primary players in world politics are the three giants: the United States, the Soviet Union and Communist China. No others are able to rival them in terms of the fundamental

Mr. Fedder is assistant professor of Politics at Hollins College, Virginia.

factors of power: population, geography, industrial development, gross national productivity, etc. Certainly, the several states of Western Europe could not approach the United States in economic, political and military power. In the Space Age, neither Britain, France nor Germany could hope to match the United States or the Soviet Union or the Communist China one can foresee.

If these countries combine, however, and join other countries of Western Europe, the possibilities for development will be remarkable. Considered geographically, Western Europe is capable of producing the most dynamic industrial society the world has known. She has an abundance of those resources most needed for industrial expansion; she is not self-sufficient but then no one is or need be.

•

From the standpoint of population, let us make some comparisons. In 1957, the population of Western Europe was estimated at 344 millions; U. S., Soviet and Chinese populations figures for the same year are 171, 204, and 630 respectively. United Nations demographers have estimated that by 1970, the populations will be as follows: Western Europe, 382.8; U. S., 204; U.S.S.R., 254; China, 799. More important than the raw figures is the fact that the population of each of these regions is relatively well-trained and well-located for massive industrial development. (Of course, China is far behind the others in this area at the present time; however, she is far ahead of most of the remaining nations if not all others save Japan.)

From the standpoint of gross national product (GNP), the principal measure of industrial activity, Western Europe's position is even stronger. In 1957, GNP figures were as follows: Western Europe, \$397 billion; U. S., \$440 billion; U.S.S.R., \$175 billion; China, \$40 billion. By 1970, the State Department estimates that growth will reach: Western Europe, \$796 billion; U. S., \$733 billion; U.S.S.R., \$397 billion; China, \$75 billion. These figures do not, of course, reflect consumption and investment patterns; in totalitarian economies, of course, these are subject to much greater manipulation than in the economies of the democratic countries.

None of the above projections is based on a United Europe, all are based on European economic systems continuing as they were in 1957. None of the

significant changes that have occurred since that year was incorporated in making the predictions of economic development. The European Economic Community or Common Market (the main institution of United Europe) was born in 1958 and began operating in 1959. At the outset (and to the present time), the Common Market included only the nations of the Coal and Steel Community, France, Germany, Italy, Belgium, the Netherlands and Luxembourg. In response to the exclusiveness of the new arrangement, the British led in the creation of the rival European Free Trade Area, the so-called "Outer Seven" of Britain, Norway, Sweden, Denmark, Finland, Austria and Switzerland.

From 1959 to 1961, the achievements of the Common Market exceeded the most optimistic anticipations of the framers. Indeed, the Common Market has proved so successful that the Outer Seven have ceased to consider themselves rivals as they seek to associate with the Common Market. By applying for admission, the British have dropped their traditional policy of non-identification with the Continent. They have said, in effect, that if they are to survive, it may only be achieved by economic unification with the Continental powers. The British had never previously admitted that they were part of Europe. Today, they are not only compelled to recognize this identification but to recognize that their future depends upon integration into Europe proper.

The rest of non-Communist Europe has followed the British lead in seeking either full or associate membership in the Common Market. The decision in each instance was based on the recognition by each country that the Common Market is working, that the practical approach to the creation of an affluent society is through integration and unification. The fact that the European Economic Community could prove such a strong market when only two-and-a-half years old is remarkable indeed.

If Europe succeeds in the present move for unification, the prospects for much greater growth than that predicted by the State Department a few years ago are immediate. Europeans know this and it is this prospect of greatness which has provided the impetus for the expansion of the Common Market. The United States knows this also, and it is in large part behind the current campaign by Undersecretary Ball and others for increased American participation in the new system.

•

The Russians are equally aware of these changes. Nothing is more inimical to Soviet interests than a United Europe. There is probably little that the Russians fear more than the development of a single non-Communist European community in competition with the Soviet bloc. The Russians know that if Europe unites, it will have the most dynamic, most viable, most powerful economy in the history of the

world. They know that divisive, nationalist movements which were so strong through the period of World War II will have sounded their death knells. They also know that if they are to achieve their goals in the East-West struggle, they must achieve them by peaceful means. Thermonuclear war—can any other be envisaged between the great powers?—will destroy all of the belligerents; victory in war is but a memory of the past.

Soviet policy in Europe for the past few years has been aimed in two complementary directions. The first was to stabilize her position in East-Central Europe. The second has been to attempt to frustrate Western attempts at unification. Khrushchev's rather systematic recounting to the ambassadors of the Western European states of the dangers which their countries face in nuclear war was but one phase of this program. Soviet threats to Denmark concerning her increased contacts with West Germany are illustrative of another side of the same coin. The U.S.S.R. has been attempting to capitalize on what it judges to be the nationalist, separatist forces in each of the Western countries.

In many respects, Russian saber-rattling is designed to scare the allies out of making the most efficient use of its devices to counter the Soviet threat. But the saber-rattling has so far failed to paralyze the West's search for devices to rationalize Western military and economic developments. In rather rapid succession, the West came up with NATO (expanding it to include Greece, Turkey and West Germany), the European Coal and Steel Community, the European Atomic Energy Agency, the Common Market, and others. The crudeness of Soviet devices actually hastened the movement for integration and unification, rather than impeded it. The recent attempts to frighten the West, including the detonation of the hideous fifty-megaton bomb, will probably receive a similar fate—the West has shown a remarkable ability to perform in the face of threats.

The intensity with which the Soviet Union has responded bears witness to the profundity of the change inherent in the new system coming in Europe. The new Europe will exert an influence on the affairs of men and nations possibly second to none; certainly, it will act as a greater magnet than the Soviet system has yet done. This is true not only with respect to the underdeveloped nations who must turn to the industrial nations for the assistance needed for their own expansion. The new Europe will act as a powerful magnet for the states of Eastern Europe now resting fairly securely in the Communist bloc. With Western Europe growing at an average annual rate of 7% over the next decade (this is quite possibly a very conservative estimate for growth following integration), it would be rather difficult for the Eastern European satellites to remain content with their present rate of change. The pressures on the Soviet bloc would be enormous. Where such pres-

tures might lead is at this point unpredictable. But the fact that such changes that would occur would have far-reaching ramifications in the Soviet bloc is obvious.

The Russians are fearful of a coming United Europe because it represents recognition by the West of the real arena of world conflict, political and economic. For too long, the West responded to Soviet challenges in the very fashion that the Soviets wanted. United Europe constitutes a warning to the Russians that the West is no longer going to respond with such bankrupt attempts at policy making and implementation. It now recognizes that the principal Communist threat is non-military and must be met with non-military devices. If non-military devices are to be developed, it will require the resources of most of the West; the United States alone could not do the job.

Containment, military alliances with corrupt, backward petty tyrants in many areas were adequate, if uninspired, policies for the forties and fifties; but they will not suffice today. They will not because they were designed to cope with the military threats and military threats are not of major significance today—despite the fact that the Russians would like us to think they are. The social revolutions that have taken place with fantastic rapidity in Asia, Africa and Latin America have changed more than the names appearing on the globe—they have fundamentally changed international political relationships and it makes not one whit of difference if we approve of those changes or not.

We are entering an epoch of revolutionary change in Western Europe which will permit it and the United States to adapt to the changes in the rest of the world. The time has come—and the West now recognizes this—when we can no longer bury our heads in the sand and ignore the implications of political and social change that have been going on everywhere.

To meet the non-military threat posed by the Communists, we must gear ourselves to wage aggressive competition. We must do something, as the impatient keep insisting, but it must be positive action, not simply muscle-flexing bravado like knocking down the Berlin Wall. The type of challenge which will have real meaning to the Soviets is the economic and political challenge that can come from a revitalized Western Europe and United States acting in close concert and assuming the initiative.

Considering the achievements of the present and the promise of the immediate future, there is no sound basis for dragging our feet with respect to the quest for accommodation with the Russians in Central Europe. They want a guarantee for their security from a strongly armed Germany. We can give them this guarantee, but only when we can demonstrate

that the new West Germany will be so inextricably tied to Western Europe that adventurous, nationalist nihilists cannot come to power in Germany again.

This has been the goal of Chancellor Adenauer for the past twelve years. It is a goal which has the support of each of the major powers in Europe on both sides of the Iron Curtain. It is a goal which will be eminently attainable with the integration of Europe because when Germany is but one part of a complex whole, she will no longer be permitted to undergo another insane phase as she did under Hitler. For any part of a United Europe to “go crazy,” the rest of Europe would have to go crazy at the same time. As Lippmann has said, the whole world could go crazy, but the chances for it are remote.

There are two directions in which a United Europe could move. It could continue the close identification with the United States which has been maintained since the war; or it could establish itself as the third primary player in international politics. In either event, the adjustment will not be painless for America. If the latter were to develop, we would be faced with the immediate prospect of losing much of what has become a traditional market. We would find it increasingly difficult to meet the competition to be posed by the new Greater Europe. That American business interests recognize this danger is evident in the fact that many American enterprises have gone to Europe since the announcement of the Common Market in 1958.

Establishing subsidiaries in Western Europe will not meet the needs of a rising population with its ever-increasing labor force in the United States. Demand for American steel, automobiles, appliances, etc., would decline at a precipitous rate. We can meet much of the competition on economic grounds—we would “simply” have to modernize our plants and engage in a real sales campaign. However, if Western Europe decided to establish itself as a rival to the United States and to the Soviet Union, if it determined upon a course that would make it a third principal power, then it would have to assert itself economically. Western Europe would have to engage in a campaign to *exclude the United States in large measure from the Common Market*. This would be disastrous to the American economy.

It will take carefully planned action on the part of the Administration if the United States is to keep Western Europe from going it alone. The force of inertia, if it may be so called, will work for that choice rather than against it. Once Europeans fully realize that they will be able to challenge both the United States and Russia, this role will have great appeal. During recent wanderings through Britain, France, Holland, Belgium, Germany, Denmark, Spain and Portugal, I was repeatedly struck with what must be called the “new isolationism” of Western Europeans. This was expressed in the newspapers and by significant segments of the articulate intelligentsia. The

sentiment most often expressed was "a plague on both your houses." This may be a natural development. But if separatism and isolation were to become the public policy of a United Europe, we would find that the national frustrations of the past seventeen years would have been but a blissful interlude before the storm.

With intelligent leadership on the part of the Administration and enlightened action by Congress, there is no need for our being faced with this bleak prospect. There are many reasons why Europeans should react favorably to the establishment of closer ties with the United States and vice versa. America is in fact a non-contiguous part of Europe. We share a common heritage with Western Europe. Our political, social and economic institutions have their roots in Western Europe. The principal values of Western civilization, the belief in the inherent dignity of man, the supremacy of man over the state, the predilection to democratic forms of government—these are all shared on both sides of the Atlantic. These are the principal goals that are being defended in the struggle with the Soviet Union; and these are the reasons why Western Europe and the United States should continue and strengthen their close association.

There are other reasons for the United States to associate more closely with the Common Market.

The enlargement of the market for American enterprises will have a rapid and salutary effect on the entire American economy. True, there will be areas of hardship as some industries will find it impossible to compete. These can be provided for by public action to reduce the hardships of the entrepreneur and employee during their transition to other means of endeavor. However, in the total picture, the number of enterprises which will be placed in this position will be by and large insignificant. When compared to the gains to be achieved through the expansion of the market, they will pale into oblivion.

If the United States and the Common Market joined together, the principal institution of Western civilization would have by 1970 a total population of 587 millions, a labor force numbering some 255.5 millions, and a gross national product approaching \$1,540 billion. And this last figure was projected by the Corporation for Economic and Industrial Research on the basis of data before the Common Market proved itself or expanded. With the enormous wealth and the immense reserve of trained manpower available to the West following *rapprochement*, it would not require great imagination to picture what such a force could mean for the promotion of what the Preamble of the Charter of the United Nations calls, "social progress and better standards of life in larger freedom."

In the magazines

In "Nuclear War and Christian Responsibility" (*The Commonweal*, February 9), Thomas Merton writes:

"The most urgent necessity of our time is . . . not merely to prevent the destruction of the human race by nuclear war. Even if it should happen to be no longer possible to prevent the disaster (which God forbid), there is still a greater evil that can and must be prevented. It must be possible for every free man to refuse his consent and deny his cooperation to this greatest of crimes.

"It is vitally necessary that we form our own conscience in regard to our own participating in the effort that threatens to lead us to universal destruction. We have to be convinced that there are certain things already clearly forbidden to all men, such as the use of torture, the killing of hostages, genocide. . . . The destruction of civilian centers by nuclear annihilation bombing is genocide. We have to become aware of the poisonous effect of the mass media that keep violence, cruelty and sadism constantly present in the minds of uninformed and irresponsible people. We have to recognize the danger to the whole world in the fact that today the economic life of the

more highly developed nations is centered largely on the production of weapons, missiles and other engines of destruction. We have to consider that hate propaganda, and the consistent nagging and baiting of one government by another, has always inevitably led to violent conflict. We have to recognize the implications of voting for politicians who promote policies of hate.

"These are activities which, in view of their possible consequences, are so dangerous and absurd as to be morally intolerable. If we cooperate in these activities we share in the guilt they incur before God. It is no longer reasonable or right to leave all decisions to a largely anonymous power elite that is driving us all, in our passivity, toward ruin. We have to make ourselves heard. Christians have a grave responsibility to protest clearly and forcibly against trends that lead inevitably to crimes which the Church deplures and condemns. Ambiguity, hesitation and compromise are no longer permissible. War must be abolished. A world government must be established. We have still time to do something about it, but the time is rapidly running out."