

Europe 1992 at a crossroads

by Muriel Mirak

Although the year 1992 is the date officially set for the completion of the European internal market, the past year has seen a flurry of activity focused on making ready the so-called "Europe 1992." At the same time, in response to the energetic efforts of the "Europe 1992" lobby, the first significant opposition has raised its head, announcing that it will put up one hell of a fight to block the designs of the Brussels Eurocrats.

The impetus for shifting into high gear on "Europe 1992" came as 1987 was drawing to a close. After the Oct. 19 stock market collapse had sent tremors throughout the world financial markets, European Commission president Jacques Delors received the order to implement the Single European Act *toute suite*. This document, a reworking of the original Rome Treaty of the European Community, laid out the guidelines for creating a single market of the member states of the EC, removing cumbersome borders and abrogating national laws regulating flows of capital, merchandise, and persons. It had been passed and ratified by the national parliaments of member states over a two-year period ending in summer 1987, but lay, like so much EC legislation, collecting dust on the bookshelf of some bureaucrat until the October crash occurred.

At that point, the Europeanists launched a political drive, accompanied by a well-orchestrated press campaign, to translate the guidelines into binding law. As Jacques Delors put it, the process would become "irreversible." So it appeared, in fact, when the European heads of state gathered together in Hanover, Germany for a summit at the end of June 1988; all of them assented to integration, some of them, like French President François Mitterrand and Italian Prime Minister Ciriaco De Mita, having just emerged victorious from electoral contests in which they had carried the 1992 banner.

At the level of private industry and finance, things were proceeding at a brisk clip. In March, Italian financier Carlo De Benedetti grabbed headlines for his ambitious (though ultimately unsuccessful) bid at taking over Belgium's Société Générale de Belgique. To underline the point, that this Boesky-style raid conformed to the dictates of the Single European Act, De Benedetti code-named his takeover syndicate "Europe-1992." Using holding companies in France and Geneva,

he took full advantage of the new climate of financial libertarianism to move over a billion dollars to seize the Belgian giant. One month later, the chairman of Deutsche Bank, Alfred Heerhausen, made clear that such transnational raiding would not be confined to industrial groups, but that the banking world would participate fully. "Until now," he told a group of bankers in Frankfurt, "Deutsche Bank has been a German bank which has had subsidiaries in other countries. I intend to make Deutsche Bank a truly global, multinational bank, which happens to have its headquarters in Germany."

Although De Benedetti and Heerhausen were speaking for themselves, would-be magnates of industry and finance in literally every European nation were drooling at similar prospects. The socialist Nerio Nesi, of the Italian Banca Nazionale del Lavoro, stated unequivocally that only 30 banks would still be alive by the year 2000; Nesi intends his to be one of them. Raul Gardini, head of the giant food cartel Ferruzzi, engineered the takeover of Italy's chemical giant, Montedison, thus becoming the second largest industrial-financial group in the country, after FIAT. In Germany, Edzard Reuter, chairman of Daimler-Benz, oversaw the buy-up of MBB, in the biggest takeover in the country.

In the media world, the same ethic of grab-as-grab-can prevailed. Robert Maxwell, owner of the Mirror newspaper chain in Britain, said: "There are going to be about 10 global media empires in the world. I want to be one of them." Translating his promise into deeds, Maxwell bought heavily into Dupuis, a publishing house owned by Banques Bruxelles Lambert, and increased his holdings in British and French television companies. In November he finally succeeded in taking over the American publisher Macmillan, to the tune of \$2.6 billion. Yet, Rupert Murdoch, Maxwell's "rival," was keeping in step, as were the Italian Berlusconi group and the German Bertelsmann group, all engaged in the Darwinian struggle to come out on top.

Thus, the past year has witnessed a frightening pace of cartelization in all areas of economic and financial activity, which has placed Europe very close to the position envisioned by the Single European Act. According to the EC plan, 5 to 10 industrial groups will control all industry, as many banking groups will hold the reins of finance, and the already

well-established cartels will further rule over food production and distribution.

On the political level, one crucial, though little publicized development came as a harbinger of things to come. Belgium, which houses many of the think tanks engaged in schemes for a federalist Europe, ceased to exist as a nation. In July, the country's constitution was altered, to allow the emergence of three semi-autonomous regions: Wallonia, Flanders, and the Federal City of Brussels. For years, Belgium's population has been involved in a frenzy of pseudo-ethnic rivalry, centered around the question of language (French vs. Flemish), which has been artificially fueled in order to establish the kind of autonomy now legally established. This Belgian example is to serve as a model for the whole of Europe, as regional entities, like the islands of Sardinia and Sicily, move towards autonomous status, administered locally, without any allegiance to the nation to which they belong.

Such newly created regional entities are slated to be associated in a federation, along the lines of projects mapped out over the decades for a "Europe of the Regions" or a "United States of Europe." Here, too, as in the case of industry, finance, and the media, the question arises: Who will end up running the federation? Will Brussels, the Federated City, thus qualify to become the capital of the new Europe, or will Strasbourg, seat of the European Parliament, or Luxembourg, which hosts the European Court of Justice? Will it be a gaggle of Eurocrats to run the show, or will, as many have mooted over the past months, a new leader emerge to claim the throne for the new empire? One such prospective imperial candidate is Otto Hapsburg, head of the Pan-European Union, the leading proponent of a "Europe of the Regions." During a festival in August, organized in commemoration of the Austro-Hungarian empire and the emperor Franz Josef, delegations of Hungarians, Czechs, Austrians, Germans, and Italians joined to call for the restoration of the empire as the only institution capable of reconciling ethnic rivalries. Speakers at the event explicitly identified the "Europe 1992" plan as the vehicle for bringing the empire back.

These developments tending towards disintegrating nations and recomposing their separate parts as regions united by some federating apparatus, have dove-tailed with Soviet advances toward the EC. The issue of the combined processes is to be the construction of the "common house of Europe," which has become the catchword for politicians, East and West, over the past year.

The Soviet Union had officially snubbed the EC for 12 years, calling it a nasty expression of nasty capitalism. Then in May, the Comecon signed an agreement of mutual recognition with the European Community. *Literaturnaya Gazeta* gave an indication of the reason for the abrupt shift in line, by writing in August: "Western Europe, with 320 million inhabitants, has a huge economic potential, greater than the United States, bigger than the Soviet Union or Japan. We

have not always correctly evaluated the perspective of its development and possibilities of economic integration." Days later, five Comecon nations established diplomatic ties to the EC, and moves were under way for the Soviet External Economic Bank to facilitate matters by pricing its imports and credits in the ECU, the European currency unit of account slated to become the monetary vehicle of "Europe 1992," controlled by a European Central Bank.

Thus the Soviets' true ambitions in Europe have come to light over the last months, even prior to Mikhail Gorbachov's United Nations speech in December, in which he openly called for a one-worldist government. The satrapy within Europe goes by the name of the "common house," whose impoverished inhabitants are to be the 780 million persons on the continent, East and West, governed by twin landlords—the Soviets and their factional allies in the West.

It is in large part this factor of Soviet encroachment which has sparked the opposition to "Europe 1992." General de Gaulle, who fought successfully against European integration ("this Frankenstein monster"), pointed out that such a federation would require a federator, like "Otto, Charles V, Napoleon, Hitler and Stalin" who had all tried to unite Europe. Furthermore, he stated that in the absence of such a federator, a technocratic elite would rule, above and against national sovereignty. De Gaulle's prescient evaluation has begun to dawn on many politicians in Europe, particularly, in a twist of irony, in Great Britain. In July, Britain's Prime Minister Margaret Thatcher took to the airwaves to denounce Jacques Delors's plans for an integrated, supranational Europe. "I think Delors was wrong," she said. "I think he went over the top. I don't think he should have said [these] . . . airy-fairy ideas." She expressed her hope that such ideas would "never come in my life time, and I hope never at all." Giving an inauguration address at the opening of the academic year of the College of Europe in Bruges, in September, Mrs. Thatcher developed her opposition more concretely, in tones reminiscent of de Gaulle.

Thatcher's main points were that Britain, like other European nations, is and has been a part of Europe historically, but that its identity lies in its specific culture: "Europe will be stronger precisely because it has France as France, Spain as Spain, Britain as Britain, each with its own customs, traditions and identity. It would be folly to try to fit them into some sort of identical European personality." She commended working together, but specified that this "does not require power to be centralized in Brussels or decisions to be taken by an appointed bureaucracy." She thus rejected the "European super-state" in its pretensions to sovereignty over nations. Significantly, the Iron Lady also pointed to the Christian tradition of Europe as the root of its tradition of political liberties, and reminded her audience that "East of the Iron Curtain peoples who once enjoyed a full share of European culture, freedom and identity have been cut off from their roots."

Thatcher's outspoken opposition has given rise to headaches among the Brussels Eurocrats and speculation among policy-makers and the press. What remains unclear for many among those who support her anti-Brussels stance, is the economic policy content of the alternative Europe of the nations which she favors. For, if the "Europe 1992" plan is to be defeated, it can only be done by overthrowing the financial, monetary and economic policies which Delors, the mega-bankers, and mega-industrialists intend to promote.

"Europe 1992" means a top-down reorganization of finances, through a Central Bank, which would implement global deindustrialization and further gutting of agriculture. The liberalization laws being voted up as part of the Single European Act provide for facilitating capital flows, as a precondition for allowing giant firms to buy up small and medium sized ones. Unfortunately for Mrs. Thatcher, such liberalized banking and corporate legislation was pioneered in England, where her government has become synonymous with deregulation. In fact, the October 1986 "Big Bang" deregulation has qualified London as a candidate for the future financial center of "Europe 1992." Thus, although Thatcher speaks out against supranationalism, she clings to precisely the liberal monetarist policies which have allowed the monstrous creation to be born.

When *EIR* issued its Special Report entitled "Europe 1992: Blueprint for Dictatorship," the opposition existing in Britain and simmering throughout the continent sat up and took notice. The report, which identifies the policies of the plan, its history, and its *dramatis personae*, was presented at press conferences in Brussels and London during late November and early December. Whereas Brussels was abuzz, as EC personnel anxiously circulated the report, in London the response was electric. Not only press representatives, but politicians and representatives of constituency groups gathered to hear the facts behind Delors's airy-fairy ideas. As it turns out, Britain hosts a plethora of associations and organizations whose sole *raison d'être* is to fight against European integration. Some, like the Anti-Common Market League, propose that Britain leave the community, to avoid being destroyed economically and politically. Others—and Mrs. Thatcher reflects this view—stop short of bolting from the EC, but reject the threat to the nation's sovereignty which "Europe 1992" involves. Each group has its position, its organizational apparatus, and its separate identity, which it tends to guard. Were this "jungle" of overlapping and interlocking anti-EC groups to unite around a common platform informed by a clearer understanding of the crucial financial and economic policy implications, they would doubtless be capable of rallying their constituencies—representing implicitly the vast majority of the population—around a sensible counteroffensive.

On the continent, the anti-1992 ferment is immense, and has been growing exponentially since the issuance of the *EIR* report. A public opinion poll published in mid-December in

Germany revealed that a majority of the population had shifted from a pro-1992 stance to the opposition over the course of the year. More Germans are reported to face "Europe 1992" with "fear" than with "hope." Furthermore, even within the integrationist elite, doubts are emerging about the feasibility of the plan. The Delors committee of European central bankers, formed in June to push through the ECU-based European Central Bank, expressed great hesitation in its confidential report, leaked in December. The committee stated in its report that "forcing the pace on monetary union could cause de-industrialization and forced emigration in less advantaged areas of the EC," according to the *Financial Times* Dec. 10. Significantly, this is one of the major points of emphasis in the *EIR* study.

The test case for "Europe 1992" will come next spring, when elections are held for the European Parliament. Although most political parties represented in governments differ in their approach only as to details, there is one force which is planning to run candidates on an explicitly anti-"Europe 1992" campaign. In Germany and Italy, candidates in the Patriots party will run campaigns parallel to their co-thinkers in the French Parti Ouvrier Européen. In addition, it is expected that candidates in other, traditional political groups in other nations will adopt the Patriots' platform, which opposes to the supranationalist scheme, a program for regenerating the great traditions of the nation-states of Europe. Through the election process, millions of citizens will engage in a policy debate whose outcome will determine whether Europe is wrapped up into a "community" package, the better to be handed over to Moscow like so much "surplus" EC butter, or whether it will revive its productive potential, and get down to the urgent task of industrializing the developing sector.

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