

The return of Solomon Binding

None of the E.U.'s smaller states can meet the latest debt limit target; it is unlikely that even many can reach it.

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23/12/11

"Solomon Binding," some readers may recall, was the mythical figure conjured up by the witty English columnist Bernard Levin as he ridiculed the many contracts, agreements and "solemn and binding" pledges negotiated between the Harold Wilson government and the British unions during the troubled 1970s.

Levin's point was that the union leadership was completely unable to keep its agreements, that the agreed "targets" on wage restrictions and no-strike pledges were repeatedly broken, and thus the whole thing was a farce, a piece of political theater. Its chief consequence was to drive millions of middle-of-the-way Britons to vote for Margaret Thatcher in the 1979 general election.

I was reminded of Levin's skepticism when reading the fine print of the economic treaty agreement reached by all of the European Union's governments — with the exception of Britain — on Dec. 8. After another day of attempts at reconciliation, a frustrated British prime minister flew home.

French ministers unwisely suggested that Britain should leave the union, British liberal and labor newspapers attacked the prime minister for his stiff-necked attitude, and the dreadfully chauvinistic London tabloids bayed their approval, tossing in references to Trafalgar and Dunkirk and D-Day. The whole episode was an embarrassing commentary upon the low levels to which political and journalistic intelligence has sunk across most of Europe.

Once the initial smoke and firing ceased, three main conclusions emerged. The first is that the text of the present treaty is unrealistic and thus unworkable. The "target" percentage of national debt to gross domestic

product is politically unacceptable to most domestic opinion — it would involve huge slashes in public spending, even more than is happening now. None of the smaller peripheral states whose fiscal weaknesses caused the present crisis could meet that target; it is unlikely that even Angela Merkel's Germany can reach it. That the French president, Nicolas Sarkozy, strongly defends the deal is a sort of modern-day "comédie-française."

In addition, the enforcement mechanism as spelled out in the treaty language is weird and unclear: Are spendthrift governments really going to be taken to a body like the European Court and punished? Do Merkel and Sarkozy want an ultra-nationalist backlash everywhere from Denmark to Hungary, because they certainly are provoking one? Little wonder that international ratings agencies like Standard & Poor's and Moody's are downgrading their credit scores on so many European governments.

The second conclusion is even more interesting. It is that there are really only three countries in Europe which count — Britain, France and Germany. By "count," I don't mean to imply any cultural, social or ideological superiority on the part of the Big Three. I mean that only London, Paris and Berlin have enough weight and confidence to execute a Gaullist-like policy of going it alone if they seriously disapprove of what the larger European body seems intent upon.

This in turn leads to an interesting three-way political minuet. Thus, if Britain and Germany agree on a particular course of action and have not consulted France sufficiently, Paris will stop this from going ahead. Similarly, if the press is filled with photographs of Merkel and Sarkozy virtually embracing each other as they cut a special deal which they expect the rest of Europe to swallow, then it is predictable that Cameron will seek

to stop things, and veto. No one else will.

This sort of Bismarckian balance-of-power arrangement then gives the smaller states some freedom of maneuver. Alone, they could not stop the Franco-German juggernaut — which is why all of them solemnly signed the Dec. 8-9 treaty. But those compliant governments have now returned from Brussels to encounter their less-than-happy electorate, who seem to share many of the reservations of Mr. Cameron.

The Merkel-Sarkozy medicine appears too harsh, too impossible, to many of the smaller European nations,

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regardless of whether or not they are members of the euro zone itself. The Czech prime minister, Petr Necas, has now admitted that it would be "short-sighted" to sign strong statements that lack proper details. Irish opposition leaders have called for a referendum first, but such a vote would most likely fail, and thus Ireland could not ratify the E.U. agreement.

The treaty also presents political problems in The Netherlands, Sweden, Denmark and Hungary. Italy is unusually silent at present, but its parties have always been suspicious of any Franco-German axis regarding Europe's future.

A logical observer of this mess would probably suggest that Cameron, Merkel and Sarkozy need to meet, stop posturing and reach a compromise. But that is easier said than done. Too much national and personal pride is involved here. Cameron needs to acknowledge that the German electorate will not bankroll weaker governments, and the European Central Bank, forever, and therefore wants greater fiscal discipline. Sarkozy needs to recognize that

proposals for an additional tax upon financial transactions can only be seen as a deliberate, envious blow against the city of London. And Merkel needs to better understand how sensitive the return of superior German economic and political power in Europe is to virtually all of its neighbors.

Will such a reconciliation happen? Right now, the odds are not favorable.

The real loser here is not "isolated" Britain or "super-arrogant" Germany, but Europe itself, and its chance of influencing our very delicate international scene, in particular a global economy poised on the verge of serious, long-term stagnation. Europe has not advanced by this treaty; it is stumbling, badly. Now, even its economic size is shrinking, along with the exchange value of the euro vis-à-vis the dollar the pound, and other currencies.

There are many troubling aspects to the anti-Europe sentiments of Britain's Conservatives right now, but in regard to the E.U. treaty agreement, Cameron may have been right to fire a shot across the bow of the Merkel-Sarkozy behemoth. International treaties like, say, the Kyoto protocols on climate change, can't work very well if governments cynically sign them without any chance of carrying out their pledged obligations. And the E.U. agreement of Dec. 8 will be an embarrassment if various member-nations cannot reach those near-impossible targets.

It is over three decades since Bernard Levin invented "Solomon Binding." It is now appropriate to exhume that figure, and to remember the lesson that his wayward actions offer to us.

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