

EU in economic stagnation, but Starmer imagines it is the UK's salvation

By Conrad Black

Part of the astonishingly clumsy launch of the Starmer government in the UK is the inexplicable faith, frozen in aspic, of the new prime minister and his senior colleagues, that being "in lockstep" with the European Union is the key to the revival from its current state of stagnation, compounded by a decade of incompetent and ineffective government by the Conservative Party.



Starmer thinks the UK will be saved by being in lockstep with the shrinking, in debt, deindustrialising EU. (Photo by Thierry Monasse/Getty Images)

In this quaint nostrum, Starmer reveals that mentally he is in another century if not another country. In 2000, the gross

economic product of the European Union and of the United States of America were very close to equal. Since then, real disposable income in the EU has grown at only half the rate of the United States. In that time, American economic output has risen to almost 175 per cent of the corresponding figure in the European Union. French President Emmanuel Macron, an enthusiastic Euro-federalist, warned a couple of weeks ago that the EU faces a "mortal" threat of economic decline. Germany and Poland, both of whose governments are enthusiastic members of the EU, are ignoring Brussels' edicted policies on migration and asylum and the EU settlement on migration as on Net Zero, and on economic regulation in general is very close to reaching unsustainable dissent from the member states.

The former head of the European Central Bank and former prime minister of Italy, Mario Draghi, accepted the request of the European Commission to produce a plan for the revival of European economic competitiveness. He has compiled a 400-page report and has acknowledged that the EU's economic prospects have caused him "nightmares." His report confirms that the EU has been flailing and floundering for many years. Only four of the world's top 50 high-tech companies are European; the EU lost almost a million manufacturing jobs in the last four years. The economies of Italy and Spain, the third and fourth in the EU, as well as the Greek economy, are smaller today than they were 15 years ago. Germany, traditionally Europe's economic powerhouse and the world's fourth national economy after the United States, China, and Japan, is almost stagnant and is deindustrializing. Volkswagen, the dean of the German car industry, has threatened substantial job cuts and production-line closures for the first time since it was founded under the Third Reich in 1937. Other great German corporations such as all BASF and Siemens are cutting jobs and moving production offshore.

France, the EU's second largest economy, is now in the throes of a debt crisis and its new coalition prime minister, Michel

Barnier, has instituted a bone-cracking regime of austerity. Draghi is calling for a profound re-imagination, (to use the current jargon of the American Left), of trade, investment, and regulation. He is proposing an EU-funded investment plan of €800 billion, a self-generated Marshall Plan but of twice the size and with a more challenging task than rebuilding the continent from the devastation of war. In the last five years, the European Union has adopted and implemented 13,000 new regulations, four times the corresponding number of the United States.

Despite his somewhat radical proposals, his Euro-Marshall plan has already been rejected by Germany, which would be expected to pay for most of it, and Brussels is already digging in its heels against any regulatory rollback. And Draghi has not even mentioned the EU drive to Net Zero, which is insane, unachievable, undesirable, and is steadily raising energy prices and driving factories abroad.

It is clear to all those who are not emotionally invested in policies that are failing, whether in the EU or the new British government, that the principal European countries will have to follow the example of Italy, and elect sensible governments that accurately represent the majority of their citizens, and dismantle the overweening bureaucracy of Brussels and wrench the EU away from self-destructively immiserating policies such as Net Zero. France and Germany appear likely to elect such governments at the next opportunity, but Britain is doubly out of step, because the Conservative governments that it already had were so horrifyingly incompetent that that party had to be rejected and replaced by the Labour Party, which shows every likelihood of using the next four years to follow Europe blindly into the valley of economic stagnation. Prime Minister Starmer believes that he can make a deal with Europe to take back migrants who cross the English Channel to Britain illegally. This is not a sane concept. Hungary and the Netherlands are already peeling

away from the EU-wide migration pact which is supposed to come into effect in June 2026. The Polish prime minister, Donald Tusk, who once headed the European Council, has suspended the right to claim asylum in Poland. Germany's soft Left government, clearly on its way out of office, has introduced border controls on all of the country's borders, effectively scrapping the Schengen Agreement, which guaranteed passport-less travel between EU members.

The European Union remains a magnificent monument of international understanding and conciliation replacing many centuries of endless conflict, but it is not democracy because it is ruled by people who, once installed as commissioners, are not answerable to anyone and remain inflexibly wedded to their right and duty to regulate everyone in their jurisdiction, without taking the trouble to ascertain their needs and wishes. Europe will follow the lead of the United States in throwing out the Left and uprooting authoritarian bureaucratic government. Only this will revive European growth and morale. But by the time of the next British election in four years, the way forward will be clear and the Labour Party will return to its only once-broken tradition (under Tony Blair), of being dispensed with by the British voters after one full term.

A European league of cooperating sovereign states will work, but not under an unaccountable bureaucracy swaddling itself in the fantasy of a non-existent mandate to impose a monochromatic hyper-regulated continent of socialistic robots on all Europe. It is a well-established custom that America will lead the West, even if Donald J. Trump is to Europeans a surprising if not an improbable political Messiah. American presidents are not selected by type-casting studios, but the office seeks the man.

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