Why Cameron shouldn't gamble with Germany: Helmut Schmidt's story

In his early years, Helmut Schmidt, German Chancellor during Britain's 1974-5 renegotiation under Harold Wilson, was an unabashed admirer of Britain. In his portrait of the recently deceased German statesman, Mathias Häussler argues that Schmidt's later disillusionment with Britain may hold some lessons for Cameron's renegotiation strategy today. He writes that Schmidt was embittered as a result of the British leadership's attempt to 'hijack' the European Community by fighting domestic political battles on the backs of other member states, and suggests Cameron should avoid making this mistake.



Born in the North German port city of Hamburg in 1918, Helmut Schmidt was an enthusiastic Anglophile in his early life, to the point that he abstained from voting on the Treaties of Rome in the German Bundestag in 1957. Much as he was convinced about the necessity of European integration, he simply did not believe that the proposed European Community (EC) would succeed without Britain.

In the early 1970s, he even tried to convince a highly sceptical Labour Party conference of the virtues of EC membership, comparing himself to "a man who, in front of ladies and gentlemen belonging to the Salvation Army, tries to convince them of the advantages of drinking". During his eight years as German chancellor from 1974 to 1982, however, his views would change profoundly, largely as a result of British European policy.

Harold Wilson's renegotiation of EC membership in 1974-5 and Margaret Thatcher's crusade over Britain's budget contributions left Schmidt bitter about British attitudes towards Europe. In his eyes, Wilson and Thatcher had deliberately tried to hijack the European Community, fighting domestic political battles on the backs of other member states. In 2012, Schmidt even claimed that de Gaulle had been right to veto British membership during the 1960s.

Almost nobody in Britain, he would muse frequently in his later years, seemed to think "that the Atlantic Ocean between England and America is broader than the channel between England and continental Europe". While such judgements of Britain's post-war European role are somewhat harsh, they nonetheless reveal a lot about why Britain and Germany continue to be at loggerheads over the basic principle of European integration to this day.

Schmidt, though scornful of the Brussels bureaucracy and many of its policies, regarded the EC as the natural framework for Germany's post-war international rehabilitation and power. In light of the country's unique historical burden and its central geostrategic position, so he believed, Germany always had to embed its foreign policy firmly in a European framework in order to mitigate fears of a potential revival of German power.

It was because of this overarching strategic principle that he acted immediately and decisively whenever he sensed a threat to the EC's stability. As he put it in a remarkable speech at the SPD's annual party conference in 2011, if Germans were tempted by their economic strength "into claiming a leading political role in Europe ... an increasing majority of our neighbours would mount effective resistance". The consequences, he predicted, 'would cripple the EU and Germany would lapse into isolation'.

Britain, by contrast, never developed a similarly powerful political imperative for EC/EU membership. In the 1950s, the very different wartime experience as well as the still global scope of its power did little to endear policy-makers towards an ever closer union with the Continentals.

When the country then reluctantly applied for membership in the 1960s, it did so mainly to preserve its political and economic influence in light of the EC's unexpected successes. But Britain never quite warmed to the political goals

behind the integration process; to this day, its European policy remains essentially a reactive one. It is partly for this reason that the membership question continues to be such a toxic issue in domestic politics.

Forty years after Wilson's renegotiation, the dynamics tearing Britain and Germany apart over Europe remain basically the same. In the 1974-5 renegotiations, Schmidt immediately ruled out any far-reaching reforms or treaty change because he feared that it might split the EC at a time of global crisis.

Much as he was hoping for Britain to stay in, any significant change to the EC's basic shape and political character simply seemed too high a price to pay. Such German considerations were a key factor behind the meagre outcomes of the shambolic 1974-5 renegotiations.

Today, it is similarly unlikely that Germany will risk any larger intra-EU fallout over British demands. As Merkel's recent crisis management reveals, the basic instinct of German foreign policy remains to always look for European, rather than national, solutions. Anything that is seen as having the potential to further destabilize the already deeply crisis-ridden EU is will therefore meet with strong suspicion among German policy-makers.

In 1974-5, Schmidt eventually called Wilson's bluff, realizing that the British PM could be appeased with some cosmetic changes only. Whatever Merkel's alleged sympathies towards Cameron's cause, it should be expected that she will now try to pull off a similar feat.

Indeed, though promising a constructive response to the demands the British PM outlined on Monday, she has already hinted that Germany could offer help only insofar 'as European rules permit'. The EU's continuing centrality to German foreign policy means that Merkel simply cannot and will not risk any bigger shakeup for the sake of the British.

If Britain really wants to achieve anything meaningful with its European reform agenda, it therefore needs to pursue it independently of the membership question. Blackmailing other member-states by tying reform to referendum is not going to result in any substantial change.

This may be an uncomfortable thought for some, but, as Schmidt's journey suggests, it is certainly a lesson from history which the 'silent majority' of Euro-pragmatists may want to bear in mind today.

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