



Written by [William P. Hoar](#) on July 9, 2018

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Correction Please

Populist Rise Fueled by Resentment Over EU Policies



Item: *The Associated Press reported on June 1 about Italy's new coalition government — led by the hard-right League (formerly Northern League) and the anti-establishment Five Star Movement. The wire service noted that this is both Italy's and Western Europe's first populist government. Said the AP: "Public resentment [among Italians] over what was perceived as fellow EU nations' failure to help ease the financial and logistical burden on Italy in caring for the flood of migrants helped boost the League's popularity."*

Item: *"Europe Day" in early May is "an occasion known only to employees of the European Union, who get the day off," according to the London-based Economist. This year, it launched with an online questionnaire about the European experience. The publication's tilt is exemplified by its subhead: "We have built Europe. Now we must build Europeans."*

The questionnaire "will form a basis for Europe-wide 'citizens' consultations' designed in turn to inform meetings of EU leaders later this year and next. Meanwhile, each government will hold its own form of consultation on European matters."

The Economist acknowledged that "contemporary attempts to foster a common European spirit" quite "often seem to flounder." It also admitted, "Participation in European elections has steadily fallen since their introduction in 1979, even as the parliament has accumulated powers."

Item: *The liberal New York Times for June 3 carried a worried piece entitled "Slovenia Elections Tilt Another European Country to the Right." The Times was concerned that voters in Slovenia "gave victory to a populist party led by a firebrand former prime minister [Janez Jansa]." The paper noted that Slovenia, "a European Union member since 2004 and a user of the euro since 2007, could line up politically with Hungary, which re-elected the right-wing populist Victor Orbán as prime minister in April, and Austria, where a far-right party has emerged as a strong political force. Mr. Jansa has closely allied himself with Mr. Orbán."*

Item: *The left-wing Washington Post commented on May 31 that "European leaders thought they had broken free from doubts about the future of the European Union that plagued them after Britain voted to leave two years ago. Instead, a fast-moving political crisis in Italy this week has come as a gut punch, reviving fears of a fresh assault on unity."*

Correction: The globalist establishment is all for the "will of the people" and "democracy" as long as



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the electorate does what it is supposed to do. When that doesn't happen, the elitists get exceedingly anxious.

Italian voters are among those who have gotten fed up with the disdain of their alleged betters — especially those sitting in the backrooms of Brussels. Significant numbers of “populist” Slovenes, Austrians, and Hungarians are also getting out of line — obviously for varied reasons, but including anti-establishment viewpoints, nationalistic preferences, and opposition to being forced to welcome hordes of illegal migrants.

The *New York Times* coverage of Italy's new government has continued to fret. In its June 1 issue, that paper reported: “After a long electoral campaign in which Five Star and their governing partners, the anti-immigrant League, riled up anger and electoral support with vitriolic attacks on the European Union, illegal migrants and their rivals in the Democratic Party, the question turned to how they would actually govern.”

The establishment paper went on to say, “The leaders of the [Italian] alliance seemed intent on renegotiating Italy's relationship with Brussels and cracking down on migration. Their early statements in power do not indicate a sudden change of heart.”

Similar were the prominent comments by Sebastian Mallaby in the *Washington Post* for May 23, wherein he said: “Europe has weathered so many shocks — the near-breakup of the euro zone, the chaotic influx of 2.5 million refugees, the Brexit referendum — that it is tempting to dismiss the latest existential crisis unfolding in Rome. But Italy's emerging radical-populist government could be the force that finally breaks the continent's cohesion.” Mallaby is an author, a contributing columnist for the *Post*, and the Paul A. Volcker senior fellow for international economics at the influential Council on Foreign Relations. He is echoing the establishment's party line.

And Bloomberg for June 6 also parroted the international elitists' qualms in a piece that described how German Chancellor Angela Merkel was urging Europe to unite in what was called, not surprisingly, a “New World Order.” She told German lawmakers that U.S. President Donald “Trump's ‘America First’ doctrine shows that ‘we have a serious problem with multilateral agreements.’”

At the same time, national politicians in other parts of Europe see which way the wind is blowing — with parties being successful when they demonstrate that they stand up for, *inter alia*, Hungary First, Italy First, Austria First, and Slovenia First. Though the EU internationalists still try futilely to change the hearts and minds of the plebs in the other direction (as noted above), there is no “common European spirit.”

And money matters certainly appear to show cracks in the EU infrastructure. That is especially true in Berlin. Germans in particular, as the *Wall Street Journal* recently reminded readers, are “deeply uncomfortable” about the new Italian coalition's “plans for a huge budget deficit,” ignoring EU rules. This is not without meaning: EU members have had to give up considerable sovereignty to the supranation. Indeed, the European Commission can fine members if their spending levels don't meet the supranation's approval. And it is the European Central Bank that determines how much “stimulus” might be allowed for EU countries.

It has been membership of the eurozone that has made it easy for some of the worst-managed economies in Europe to expand their debt, massively, over a long period. Moreover, notes economist Peter Morici, the single currency, the vaunted euro, at first helped governments, businesses, and



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individuals to borrow more easily and create the “illusion of a sustainable prosperity.” Ultimately, however, says the business professor from the University of Maryland,

government finances and banks collapsed in Greece, Italy, Spain, Portugal, Iceland, Ireland and Cyprus. Then EU financial rescues imposed Germany [sic] imperial prescriptions — perpetual trade and budget surpluses for Germany and burdensome taxes, crushing debt service and economic servitude for Mediterranean and other peripheral states.

If Italy insists on yet more-reckless spending, it may undermine the entire system.

And how about the wondrous single currency employed in most of the managed market, which acts as a protectionist bloc versus those who are not part of the EU? Well, consider the findings of “50 leading economists,” meeting not long ago under the auspices of the London-based (and pro-EU) think tank Centre for European Reform. They determined that “there was a broad consensus that the euro had been a disappointment: the currency union’s economic performance was very poor, and rather than bringing EU member-states together and fostering a closer sense of unity and common identity, the euro had divided countries and eroded confidence in the EU.”

While Italy has the third-largest economy in the eurozone, in recent years its performance has been dismal. Rome’s spending has produced a huge public debt — about 132 percent of GDP. The Italian economy is about five percent smaller, per capita, than it was in 2001. It has been the only nation in the EU (with the exception of Greece) to shrink during that period, according to think tank Promotor.

Yet the EU elitists thought they could control Italian balloting, as was demonstrated before the recent government in Rome was formed. European Budget Commissioner Günther Oettinger told German media company Deutsche Welle that the reaction of financial markets would give Italian voters a signal not to vote for populists (of the Left or Right). After the backlash in Italy — with locals being offended that an EU bureaucrat would deign to instruct Italians how to vote — he was forced to apologize. This was not his first such “gaffe” (which generally means an official has said publicly what he really thinks); Oettinger opined in 2013 that Italy is “essentially barely governable.”

Meanwhile, though it is true that the populist parties in Italy that have formed a coalition government are both leery of the EU and (at the very least) skeptical of the euro, they have vast differences, too. The rightist League, for instance, backs a pro-growth flat tax, while the leftist Five Star seems to imagine that prosperity is created through massive government spending.

Josef Joffe — a visiting fellow at the Hoover Institution in California and publisher/editor of the German weekly *Die Zeit* — has compared the coalition partners to an American counterpart that would pair followers of socialist Bernie Sanders and the Tea Party. Or as he put it: “We can eat our pizza and have it too. While 5 Star seeks a guaranteed income of €780 (around \$900) a month, the League will pursue its suggested flat tax of 15%.”

Since Italy has had at least 64 governments since World War II, it would not be astonishing to see the latest one fail as well. But the partners have found themselves allied in particular over what the EU has done (and not done) concerning the migration crisis that has brought about 750,000 people to Italy since 2011. Even the pro-European Union *Economist* admits that the “EU promised to help Italy cope with the refugees that arrive on its coast, but broke its word.”

Matteo Salvini, the leader of the League and now the new interior ministry in Italy, has found many



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nodding in agreement with his message that “unchecked immigration brings chaos, anger, theft, rape and violence.” Polls indicate that he is now the most popular politician in the country.

In the case of Hungary, its populist leader has also become stronger because of his opposition to the migrant inundation (though the Hungarian economy is doing better than Italy’s). Left-wingers may have many beefs with Hungarian Prime Minister Viktor Orbán, comments the Heritage Foundation’s Mike Gonzalez, but their disputes should be addressed to “the Hungarian electorate, which keeps re-electing him democratically by ever-increasing numbers.”

Orbán has delivered to Hungarians, as Gonzalez wrote in April,

growth the likes of which have not been seen in Western Europe in generations (4 percent growth last year and 3 percent in 2016). He’s also stood up to the unelected and distant European Union bureaucrats in Brussels, rejecting their demands that Hungary take in more immigrants.

And notably, Orban has led a campaign against the Hungarian-born American billionaire George Soros, who funds far-left causes around the world.

Meanwhile, the European Union may be its own worst enemy. Though it is not the EU’s intention, its ham-handedness has been behind the rise of several populist parties that oppose Brussels. As well they might, because Brussels has plans for the hoi polloi.

The EU is playing a long game. What follows is the description (made in 2013) by Jean-Claude Juncker, a Luxembourgish politician and the current president of the European Commission, about how Brussels makes decisions. “We decide on something, leave it lying around and wait and see what happens. If no one kicks up a fuss, because most people don’t understand what has been decided, we continue step by step until there is no turning back.”

How quaint. That sounds suspiciously like the boiling frog metaphor: Plunk him in a pot of cold water and turn up the heat slowly. He is cooked to death before recognizing the danger.

Marian Tupy, a senior policy analyst at the Cato Institute in Washington, D.C., has offered an example about how the EU ducks the electorate in practice: “When the French and the Dutch rebelled and voted against the EU Constitution in their 2005 referenda, they were ignored — and the EU Constitution, relabeled as the Lisbon Treaty, was adopted nevertheless.”

The European Union, as it happens, pays less attention to “law” and more to centralizing power. That Lisbon Treaty supposedly banned national bailouts. Never mind. Five sovereign bailouts have been aimed at the euro: three of Greece, as well as the rescues of Spanish and Cypriot banks. In 2010, then-French Economy Minister Christine Lagarde admitted that the European Union simply “violated all the rules because we wanted to close ranks and really rescue the eurozone.”

Now we are being told, by no less than the CFR’s Sebastian Mallaby, that when the next debt crisis comes, the EU may be faced with a “basket case” that is much larger than in Greece. Italy, he warns, “will be too big to fail, and perhaps too big to save.”

— William P. Hoar

Photo: AP Images



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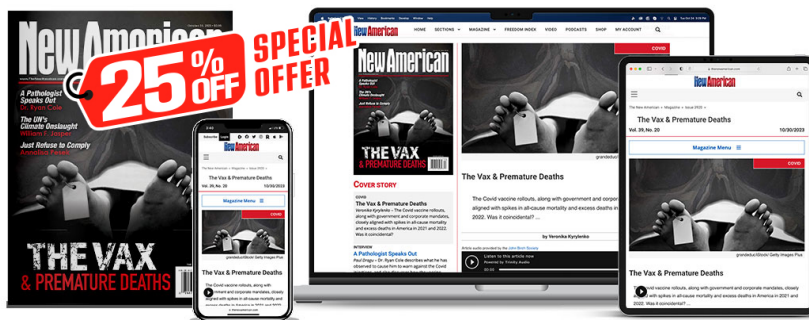
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