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LUIGI EINAUDI AND THE IDEA OF EUROPEAN FEDERATION

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ABSTRACT

Luigi Einaudi's thought on European federation developed over the course of his life, influenced by the major crises of the twentieth century. He identified the myth of absolute state sovereignty as the main obstacle to peace and prosperity in Europe. After World War I, Einaudi recognized the failure of the League of Nations to ensure lasting peace, arguing that only a true federation – where European states would transfer part of their sovereignty to common institutions – could prevent future conflicts. His federalist vision was pragmatic and gradual, inspired by the British Commonwealth and Swiss models and attentive to both economic and political integration. Einaudi believed that economic cooperation alone was insufficient without a corresponding political union, and he advocated for supranational institutions with real powers over currency, taxation, and defense. He also stressed the importance of respecting national identities within a shared European framework. Although Einaudi's influence was significant in the early stages of European integration, he remained critical of purely functionalist approaches, insisting that only genuine political federation could overcome nationalism and secure Europe's future.

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On July 29, 1947, Luigi Einaudi addressed the Constituent Assembly to announce his vote in favour of the ratification of the Paris Peace Treaty.¹ In doing so, he specified that he wanted to speak as a senator and not as a member of the government (at that time he was vice-president of the

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¹ FAUCCI 1986: 366-367.

Council and Minister of the Budget in the 4th De Gasperi government, as well as Governor of the Bank of Italy), prompted by the speech given the day before in the same hall by Benedetto Croce. Although with opposite aims, his considerations, like those of the Neapolitan philosopher, are in fact more historical than immediately political. Although he too deplored the terms of that peace – ‘imposed’ to Italy as a defeated country – and some of its painful consequences, including the revision of the eastern and western borders – Einaudi invited Parliament to ratify it so that the country could, immediately and on equal terms with the others, participate in that radical re-founding of international relations at a European level, which in his opinion was necessary to avoid repeating the tragic errors of the past.

In a brief historical excursus, Einaudi recalls how the First World War had been caused by what he defines as ‘Europe’s instinctive aspiration towards unification’ and which he mainly attributes to the strengthening of a mutual economic interdependence between its various components. The failure of the plan for continental domination of Wilhelmine Germany then left the field open to the possibility that the European question would be resolved not with the ‘sword of Satan’, the ‘idea of domination by brute force’, but with the ‘sword of God’, the ‘eternal idea of voluntary cooperation for the common good’.² In the period immediately after the First World War, that possibility tentatively took shape in the League of Nations: the limitations of the organisation and its failure to effectively promote peace among Europeans paved the way for a further German hegemonic attempt, the National Socialist one, which was much more dangerously barbaric than the previous one. Now, for Einaudi, the end of the Second World War once again presents an opportunity to resolve the European question and thus avoid a third and even more disastrous world conflict. It is a question of recognising that “the public enemy number one of civilisation, of prosperity – and today, we must add, of the very life of all peoples – is the myth of the absolute sovereignty of states”, a dangerous dogma that for Einaudi could only be overcome by creating a European federation in which

the parliaments of these diminutive states that make up our fragmented Europe to give up at last a part of their sovereignty in favour of a parliament where the united body of European peoples can be represented in an elective chamber, without distinction between state and state and in proportion to the number of inhabitants, and where the individual states can be represented in the chamber of states, maintaining the original number of states. This is the only idea worth supporting, the only idea that can safeguard the true independence of peoples.

² EINAUDI 2014: 97.

[...] Is it utopian to conceive for the bird of a Europe open to all peoples who resolutely desire to shape their own behaviour around the ideal of freedom? Perhaps it is utopian. But at this point the only choice is between Utopia and death, between Utopia and the law of the jungle.³

Also, because of the place where it was delivered, and the religious images it evoked, that speech is perhaps the clearest testimony, almost a profession of faith, of Einaudi's adherence to the ideal of European federalism. It is well known that this adherence had long roots in his thinking. Unlike others, younger advocates and theorists of the European federation at the time who were very close to him – think of Altiero Spinelli and Ernesto Rossi – it cannot be said that federalism ever became the central element of Einaudi's political reflection.⁴ If anything, it was a key idea that Einaudi returned to, especially during critical moments in European history, when political events and wars, with their burden of suffering and destruction, seemed to represent an opportunity for a new beginning in which to rethink the dogma of the absolute sovereignty of states. In its cyclical re-emergence, this idea naturally takes on different connotations from time to time, due to both changes in Einaudi's intellectual personality and in the international political context.

This evolution is anything but linear, due to a constellation of external factors (the emergence of a debate around the nature – confederal or federal? – of the desired united Europe) and internal (the accentuation, in Einaudi, a liberal economist but also, and profoundly, a man of institutions, of the need to critically review the areas of statehood).

Furthermore, precisely because it lacks a clear theoretical framework – belonging not to the economist, but to Junius, the political Einaudi – Einaudi's pro-European federalism has a karstic and oscillatory trend. It is karstic because it is inevitably conditioned by the political situation that, from time to time, directs or distracts Einaudi's attention from the European question; it is oscillatory because it moves between the two opposites of the primacy of the economy and that of politics, two poles in tension that Einaudi, with his usual sensitivity for history, tries to hold together. Only by keeping this in mind is it possible to understand both his early intuition of the functionalist method that would concretely inspire the process of European integration, and his criticism of it in the name of a more directly federalist project.

Moreover, when it appears in Einaudi's thinking, a good fifty years before his famous speech to the Constituent Assembly, that idea is far from

³ *Ibid.*: 101.

⁴ FORTE 1982; SILVESTRI 2008; GIORDANO 2006.

federalist in tone. In an article entitled *Di una biografia avanti lettera degli Stati Uniti europei* (About a biography received as a letter from the United States of Europe) published in the August 20, 1897 edition of the newspaper *La Stampa*, a 23-year-old Einaudi takes up the arguments put forward by the English journalist W.T. Stead, editor of the 'Review of Reviews', who in each issue focused on the person who during the last month had more than any other attracted the attention of public opinion: in July that column had not been dedicated to an individual, but to the United States of Europe. For Stead, the joint intervention of the six great European powers (Great Britain, France, Russia, Austria-Hungary, Germany, Italy) to put an end to the Greco-Turkish war, which broke out that year due to the anti-Ottoman revolt in Crete, represented the first step towards a future federal organisation of the continent. Their rulers, according to Einaudi, are "the first-degree lords, whose right to wage war is practically absolute. After them come the second-degree lords, who are granted a certain faculty to declare war, as long as they can ensure the neutrality of one or more first-degree war gods". With the right to wage war, which Greece had deluded itself into thinking it really had and not just nominally, so restricted an informal European cabinet had been consolidated in that affair, regulated by the right of veto *de facto* recognised to each member, with the passing of time, it is liable, according to Einaudi, to become institutionalised in a real organism, capable of eroding the pretended absolute sovereignty of the states that compose it.

Already the six Foreign Ministers of the great powers are becoming increasingly accustomed, every day, to acting together, almost as if they were composing a European Cabinet, driven by the pressure of events. Until now, the deliberations of the cabinet were regulated by the norm of the *liberum veto* prevailing in the ancient Polish state. From this imperfect stage, in which only one of the six powers, with its opposition, can thwart the plans accepted by all the others, we will gradually reach a point where the majority can impose itself on the minority, and the minority will accept the majority's decisions without resorting to the *last resort* of war.

This, according to the young Einaudi – and it is a significant observation of the preference given to facts over theories according to the inductive method to which he would always remain faithful – would demonstrate how "great and lasting historical transformations [occur], not according to the plans established by thinkers, but due to the fruitful friction of opposing forces".⁵

⁵ EINAUDI 1954: 601-602.

It has been observed that even then Einaudi showed a surprising foresight in understanding that the problem was not the political regime of individual states, but the recognition of absolute sovereignty, which is expressed above all in the right to wage war.⁶ However, this was still an immature reflection, at a stage in which Einaudi showed that he was still unclear about the concept of federalism, not distinguishing it from a confederal perspective that insisted rather on international law as a solution to the problem of war and peace.

Moreover, in 1897 Einaudi did not realise that that crisis had reintroduced the revival of the traditional 'European concert', in which agreement was guaranteed at that moment by the transitory common interest in not dramatically reopening the age-old 'Eastern question'. However, it would be anachronistic to criticise him for not realising how worn out that diplomatic practice had become. After all, just two years later, at the first Hague Conference, his cautious optimism about the 'spontaneous' evolution of the international political system towards some form of superior regulation capable of realising the Kantian *perpetual peace*, would meet with an initial disappointment, as his article, *I risultati della Conferenza dell'Aja. Una delusione parziale*, published in *La Stampa* on July 29, 1899.

In the years immediately following, actually, the theme of a United States of Europe and the question of peace through some form of union or collaboration between the states of the continent, disappeared from Einaudi's reflections. Having become an important opinion-maker for the *Corriere della Sera* newspaper, Einaudi restricted his field of interest to economic affairs as well as Italian politics. But it was precisely in this first area that a decisive change occurred in the general approach he gave to the European problem. However, it was only the First World War that caused him to return to an interest in these issues. The scale of the conflict and the destruction it caused, and the intervention of an external power, the United States of America, which was to resolve the conflict, clearly showed the failure of the European system of states to ensure lasting peace. What initially prompted Einaudi to take up the 'European question' again was his reflection on the nature and scope of that war, that is, his concern to show that it was not attributable to the capitalist market economy.⁷ A war to which he, despite his opposition to narrow nationalism, did not fail to adhere spiritually, collaborating with his articles in the *Corriere della Sera* to the propaganda aimed at the 'internal front'.

⁶ MORELLI 1990: 18-19.

⁷ L. EINAUDI, *Di alcuni aspetti economici della guerra europea*, in EINAUDI 2022: 119-147.

Already in 1916, discussing a possible Franco-Italian customs union, in *Unioni politiche e doganali*, which appeared in “La Minerva”, Einaudi, inviting us to look “beyond the present war and the immediate future” wonders what future the European nation states, now too small, will have “on the day, perhaps not too far away, when there will be three or four world-class political organisations on earth”.⁸ History, argues Einaudi, who has long been convinced of this by Seeley’s *The Expansion of England* (1883), is in fact moving in the direction of strengthening the continental states, due to the logic intrinsic to the ongoing interaction between technological innovation and economic changes. It should be noted that for these reasons, Einaudi already insisted on the need for a devolution of sovereignty by nation states: if France and Italy want to create a living organism, they must not only immediately realise their customs union, but they must also set up a ‘federal finance’.

More generally, the First World War had reinforced the transnational dimension of the economy and of social life, a phenomenon that had already made various international conventions necessary in previous decades. In the *Corriere della Sera* of December 28, 1918, in *Il dogma della sovranità e l’idea della società delle nazioni*, he wrote:

In peacetime, all the states had already acknowledged the need to recognise numerous limits and constraints on absolute sovereignty: what, in fact, are postal, health, or railway covenants and accords regarding industrial ownership and intellectual property, or factory brands, if not a relinquishing of the full and absolute sovereignty of individual states, if not substantial abdications, albeit veiled, by parliaments of the right to pass laws as they please within the limits of their state territory?⁹

The war effort had therefore done nothing more than intensify the reciprocal constraints already existing between the states that made up the two opposing alliance blocs, fully bringing out a historical logic, implicit in the economic and technological transformations of the previous decades, that configures the exhaustion of the centuries-old cycle of the nation state. The governments of the central empires themselves would have been perfectly aware of this when they concluded an agreement for closer collaboration in May 1918. As he wrote in *La dea potenza e la dea giustizia. A proposito della prammatica sanzione medio-europea*, in the *Corriere della Sera* of July 10, 1918, for Einaudi it was an attempt to solve

⁸ EINAUDI 1916: 97.

⁹ EINAUDI 2014: 90.

the great problem posed by the present war: replacing the imprecision and lack of structure in international relations, and the anarchy of many independent states, which led to frequent wars and restricted and miserable living conditions, with greater coordination and a firmer political maturity [...]. Today's war is an effort towards world unity, towards the creation of a society of nations. [...] The problem is gigantic; but if we let them do it, if we don't know how to oppose idea to idea, if we don't know how to start the implementation of more solid and perfect political organisations, our enemies, pushed by the misfortune of one of them, will increasingly try to succeed in the gigantic but not insoluble enterprise. To defeat the new super-state, the force of arms is not enough; it also requires the force of a higher idea, more perfect than that of our adversaries.¹⁰

"Condemnation of European unity imposed by the force of an ambitious empire" therefore "but [also] an effort to elaborate a political form of a higher order",¹¹ for Einaudi, in his letter to the "Corriere della Sera" signed Junius on January 5, 1918 (*La società delle nazioni è un ideale possibile?*), war is also the clash between two concepts of society and the State, the Anglo-Saxon liberal concept and the authoritarian, centralist and bureaucratic concept typical of the Prussian tradition. In that immense tragedy, above and beyond reciprocal territorial claims, it would in fact be decided which of the two models would guide the more general reconfiguration of European spaces that the war itself was bringing to maturity.

Following the entry of the United States into the war and the irruption on the ideological scene of the conflict of the figure of President Wilson, the anglophile Einaudi clearly began to identify that "political form of a higher order" in the federalist principle, understood as the natural extension, in the field of international relations, of liberal theory. "Only free nations will be able to enter into binding mutual agreement in order to guarantee for themselves, as parts of a higher state organ, real security against the attempts at hegemony which, in the present international anarchy, are an irresistible attraction for the most powerful state, inspired by the deadly dogma of absolute sovereignty".¹² Theoretically, there is no doubt that from that moment on his point of reference was the *Hamiltonian tradition*: the claim to absolute sovereignty by the individual nation states into which Europe was divided had been the root cause of the ongoing war.

The crux of the matter is [...], the issue of overwhelming importance now is the need to destroy the very ideas from which that war originated. Among

¹⁰ EINAUDI 2022: 286.

¹¹ *Ibid.*: 284.

¹² EINAUDI 2014: 92.

these, there are conceptions that are bearers of evil if taken to their extreme consequences: one such is the dogma of absolute sovereignty, sovereignty perfect in its own right: this dogma is evil to the utmost degree.¹³

However, it is on this basis that we can understand Einaudi's criticisms of the Wilsonian project of the League of Nations, to which Einaudi dedicated some of his Junius letters to the *Corriere della Sera* (*Il dogma della sovranità e l'idea della Società delle nazioni, La Società delle nazioni è un ideale possibile?*). Already in January 1918, Einaudi believed that the League of Nations project was built on sand, since without truly limiting national sovereignty, the introduction of an arbitration centre and the strengthening of international law would not be enough to restore a peaceful equilibrium between European states. As history teaches us, perpetual peace could not be guaranteed by a league or association of sovereign states, moreover without its own financial means, but, as stated in *La società delle nazioni è un ideale possibile?* only "a true super-state with direct sovereignty over the citizens of various states, with the right to establish its own taxes, maintain a super-national army distinct from national armies, and control an administration distinct from national administrations".¹⁴

Due to the gap that exists between what is excellent in theory and what is realistically achievable in politics, the Einaudi of the first post-war period was not yet the advocate of a European federation that would supersede the nation states. Discussing the planned European federation proposed by Agnelli and Cabiati in *Federazione europea o Lega delle nazioni?*, Einaudi observed that the plan was completely anachronistic, as intra-European cultural differences and feelings of national belonging (which he also considers to be positive) were still too strong, particularly in Eastern Europe where the war had ended with the birth or rebirth of nation states.

In his opinion, it is more likely that Europe will not follow the American example, but will take a different path. In *Le cause dello scisma e le tendenze verso un'intesa dei popoli di lingua inglese*, he suggests that the British Commonwealth, which evolved into "a community of independent nations, the greatest political creation of the 19th century",¹⁵ did so gradually and without any pre-established plan. For Einaudi, this partial reorganisation of the British colonial empire could be used as a model for the reorganisation of continental Europe after the end of the First World War, into larger blocks that would no longer be 'unicellular' states, but states in which

¹³ *Ibid.*: 87.

¹⁴ EINAUDI 2022: 280-281.

¹⁵ *Ibid.*: 424.

several and competing subjections can [...] coexist. The ideal of the nation state is still vigorous, but the British Commonwealth of Nations concretely demonstrates that a higher type of political association can exist in which law and justice form a conglomeration scattered with peoples, each of whom is assured the free and complete development of their own ideals.¹⁶

Einaudi was thus the first to introduce, at least in Italy,¹⁷ into that debate, the distinction between inter-state collaboration without transfer of sovereignty – the error of the League of Nations that would also be the line of those who, after the Second World War, would support confederal solutions to the European question – and unification with transfer of sovereignty. Ideal on an abstract level, because it means finally realising that the nation state has reached its limits, the federal solution is however, in Einaudi's own thinking, contradicted by his profound sense of history. This, and the recognition of the vitality of the feeling of national belonging, led him to imagine a devolution of sovereignty, initially limited, as a means to the creation of a federal state that would initially be – just as he thought the British Commonwealth would be – the result of a spontaneous historical evolution, and therefore respectful of the differences between European nations. Continuing along the path already taken with the war, for Einaudi it is for example more realistic to trust in the reciprocal bonds that the conflict had created between the Entente powers. It is therefore conceivable that a Latin bloc would be formed in Western Europe, which could be extended to the countries of Latin America, and a Germanic bloc in Central Europe, which would join the Anglo-Saxon bloc. Herein lies the truly vital element of Wilson's plan, as he states in *Federazione europea e società delle nazioni*, commenting on the proposals of Agnelli and Cabiati: "Meanwhile, if the truly substantial part of Wilson's idea of the League of Nations is gradually activated: specific international customs, colonial, railway, river, strait, monetary unions, etc., etc., similar to those already existing for post, telegraphs, and the protection of literary and industrial property, the sentiments that drive war will gradually diminish".¹⁸

Einaudi's strategy relies on the valorisation of 'constraints', and suggests starting from the 'government of things' rather than the 'government of men', as he states in *La società delle nazioni e il governo delle cose*:

[...] with the multiplication of these interstate administrations of "things", the sovereignty of individual states would undoubtedly be diminished. From certain

¹⁶ *Ibid.*: 425.

¹⁷ PISTONE 1975: 27-28.

¹⁸ EINAUDI 2022: 438-439.

points of view legislators and governors would end up realising that there exists above them a superior entity, living a life of its own, against whose commands they would not have the strength to rebel. They would feel bound by a thousand invisible threads, from which it would be impossible to disentangle themselves.¹⁹

In an attempt to avoid areas that could have a strong symbolic impact, implicitly implying a process of redefining identity, Einaudi here anticipates the future functionalist positions to which, as will be said, he would also direct more than one criticism in the period after the Second World War. For Einaudi, this was the path that the League of Nations would have done well to take. Only by starting from the 'things', with the passage of time, could it have imprisoned the sovereignty of the states, determining a substantial, albeit unnoticed, transfer of sovereignty from the national to the supranational sphere.

I don't know how long it will take for these prophecies to come true [...]. Success may smile if for the time being the League of Nations is content to govern rivers, lakes, seas, straits, canals, to repress the spread of virulent diseases, to forward letters, etc. If, in the course of time, the League of Nations, by creating bonds between men and nations, by diminishing the power of individual sovereign states, by attracting to itself the best men from all parts of the world, has acquired the capacity to govern men, there will be a superstate, alive, strong, capable of repressing wars between states that are apparently sovereign and in reality its dependents.²⁰

It is difficult to say how these Einaudian interventions were received by the Italian ruling class to whom they were addressed, especially in connection with the request that the protectionist policies of the war economy be shelved. Not very much, judging for example from the negative opinion given by Piero Gobetti, who was also a pupil of Einaudi.²¹

In the years that followed, as has been noted,²² Einaudi would revise his judgement on the League of Nations, showing himself to be at least partially more optimistic about the role it could play in safeguarding peace in Europe. The course of events, however, would take the focus away from the 'European question', forcing Einaudi to dedicate his attention to the evolution of the Italian situation, rather than the international one. The advent of fascism and above all its transformation into a dictatorship,

¹⁹ *Ibid.*: 450-451.

²⁰ *Ibid.*: 453.

²¹ GOBETTI 1969: 36-42.

²² MORELLI 1990: 85-92.

which began with the fascistisation of the press and the interruption of Einaudi's collaboration with the *Corriere della Sera* following the expulsion of Albertini, would have forced him to deal with current political issues.

In his memoirs, Altiero Spinelli recalls how Einaudi 'had set aside his federalism after the First World War, not feeling the need to explore it further'.²³ Spinelli's statement is confirmed in a letter written by Einaudi to Ernesto Rossi in 1936. Einaudi replied to Rossi, who had written to him from prison asking for reading suggestions on European federalism: "I know nothing serious. I know that a certain Count Kudenhove-Kalergi [sic], an Austrian, organises congresses etc. But I have never read anything about it".²⁴ Here Einaudi shows that he is unaware of the very lively debate on Europeanist themes taking place in the mid-thirties within Italian and non-Italian anti-fascism.²⁵ It is likely that this was not just prudence. Of course, at the end of the 1930s, Einaudi was familiar with the work that the British Federal Union was doing on the subject of European federation, and in particular Lionel Robbins, whose theses largely converged with his. However, it was only the Second World War and the requests he received from his younger collaborators that pushed him to take up the subject again, resuming – as soon as he was finally able to write freely – the reasoning interrupted by the advent of fascism. In July 1940, in an American magazine, *The Annals of the American Academy of Political and Social Science*, Einaudi summarised what he had stated at the end of the First World War (*The Nature of a World Peace*, which appeared in the July issue of that year). However, it was only after 8 September 1943 that Einaudi reworked his plan for a European federation in greater detail. The now probable German defeat offered a new opportunity to rethink the system of international relations; the extent of the destruction and suffering caused by the ongoing conflict made this even more urgent. He had experienced it first-hand, forced to take refuge in Switzerland with makeshift means. And it was precisely the Swiss Confederation that would become a point of reference for Einaudi's federalist reflection, by virtue of its ability to combine the need for unity with respect for differences, in much more effective and balanced ways than what had happened in the USA or in the British Commonwealth. To this reflection would be added the stimuli coming from the circles that Einaudi had the opportunity to frequent during his brief exile in Switzerland, in particular from his friendship with Wilhelm Röpke, who at that time held pro-European positions that partly overlapped with his

²³ SPINELLI 1984: 307.

²⁴ EINAUDI and ROSSI 1988: 27.

²⁵ MALANDRINO 1990.

own.²⁶ However, the decisive impulse to further clarify his positions on the matter was undoubtedly represented by his direct involvement in the activities of the European Federalist Movement, founded in Milan between August 27 and 28, 1943, whose institutional programme he adopted, even though he did not agree with the methods of political action initially indicated by Rossi and Spinelli in *Per un'Europa libera e unita* (better known as *Manifesto di Ventotene*). In *Per una federazione economica europea* written for the Italian Liberal Movement, Einaudi strongly emphasises, in vivid terms, the relationship between the ongoing war and the exhaustion of the historical function performed by nation states.

In 1914 and in 1939, William II and Hitler were instruments of a historical necessity. The economic world is moving towards unification; and if the artificial and retarding constraints imposed by the governments of small modern states [...] are not voluntarily removed, they will be abolished by rivers of blood for the benefit of the people who will invent and know how to use the means to subjugate others. The wars of 1914-1918 and 1939-194(?) were the tragic manifestation of the historical necessity of the economic unification of the world. The attempt, which failed in 1914, does not seem likely to succeed this time. [...] Nor should we delude ourselves that the attempt will not be renewed. Until the dispute is settled, it will loom terribly over the world and render vain the aspiration of men to a higher spiritual and material life. Wilhelm II and Hitler have posed a problem that will have to be resolved.²⁷

Once again, for Einaudi, the alternative is between union through force – at the cost of even greater destruction and perhaps the survival of European civilisation itself – or through cooperation. However, urged on by his participation in the MFE, Einaudi now tries to detail his federation project, which is based primarily on economic grounds, in line with his analysis of the reasons for war. Thus, in a dense essay, *I problemi economici della federazione europea*, taking up his traditional liberal positions, Einaudi expounds the advantages of the birth of a single European market that includes – unlike the ‘blocks’ imagined at the end of the First World War – the entire continent. This should be matched by federal institutions, to which the member states would have to transfer some economic functions, but also in the field of foreign policy and defence. Among these, first and foremost, the exclusive right to mint currency: the adoption of a single currency, in fact, as well as allowing the functioning of the single market, would have deprived individual states of an instrument for regulating

²⁶ QUIRICO 2022.

²⁷ EINAUDI 1986: 77-78.

their economy, which they have often abused, systematically resorting to competitive devaluations harmful, above all, to the poorest classes. However, for the Federation to be effective, it must have autonomous taxation powers and not depend on financial contributions from individual states, as it is unlikely that customs duties and excise duties will be sufficient for it to function. At the same time, it must be granted full power over the free movement of goods, people and capital within its borders.

This 'economic federation' was to be matched by a political organisation which Einaudi, however, imagines to be predominantly technical in nature, with tasks initially limited to the regulation of the single market. At that moment Einaudi still seemed to be following a strategy that was implicitly functionalist in relation to the problem of European federation, inspired more by the Swiss example than by the American one, almost as if fearing, if this were not the case, a crisis of rejection by public opinion. "For now it is enough to have affirmed the essential idea: that for common things, for the matters delegated to the federation and for this reason only, there must be a government. Prudence dictates that it be simply called a 'council', almost as if it were a board of directors of a company [...]"²⁸ It seems less convincing to depict Einaudi as an unwitting advocate of a technocratic government, due to an alleged apolitical nature of economic science,²⁹ which he always understood as inseparable from the discussion about the ends, above all moral, of economic action. This is demonstrated by his insistence on the need to flank the so-called 'council' with representative institutions, a bicameral Parliament, with one Chamber directly elected by European citizens on the basis of their numerical proportion and a Senate composed of two representatives for each state.

Unlike what happened at the end of the First World War, this renewed profession of federalist faith also finds strength on the Italian political scene. The Second World War, the Italian military defeat and the War of Liberation that followed the German occupation, shook the very foundations of Italian civil life to a degree unknown in the First World War. This was an opportunity to come to terms with the very form of the state, as it had been configured since the Risorgimento, and to question, from within, the dogma of sovereignty that Einaudi now defined as an "unholy idol". Federalism, understood as the devolution of sovereignty to regional and municipal level, thus becomes in Einaudi's view a valid principle also on the internal level, inspiring the reconstruction of the Italian state in the aftermath of the Liberation. In the famous article *Via il prefetto!* in which

²⁸ EINAUDI 1944.

²⁹ MORELLI 1990: 106-107.

Einaudi lashes out against the most evident and anti-democratic legacy of the Napoleonic state, he states:

Discussion may focus on the tasks to be attributed to this or that sovereignty lobby; and I deliberately use the word sovereignty and not autonomy, in order to underline that it is imperative to destroy the execrable idea of the absolute sovereignty of the state, not only in the international field, through the creation of federal boards – but also in the national field, through the creation of local bodies with a life of their own, originating from themselves and not from high. Let there be no fear that national unity may in any way be impaired by such a destruction.³⁰

In making his contribution to the Europeanist cause, it is likely that even at the end of the Second World War Einaudi did not have excessive expectations about the possibility of seeing his plan for a European federation realised in a reasonably short time. The MFE's presumption of a favourable situation to orient public opinion in war-torn countries against the 'absolute dogma' of the sovereign state would in fact soon prove fallacious. Paradoxically, it was not the lessons learnt from the war, but the new international tensions generated by the 'cold war' and, in that context, the structuring of a 'western camp' opposed to the Soviet one, that would however allow a revival of the pro-European perspective. And Einaudi, at least until his election as President of the Republic, gave his support, as happened at the conference organised in October 1947 at the Teatro Eliseo in Rome, where Spinelli relaunched the initiatives of the Federalist Movement.

However, once elected to the Quirinale, Einaudi had to abstain from participating in public events that could be considered partisan, as well as from intervening on current political issues. Therefore he couldn't play a direct role when, with the Schuman Declaration of May 9, 1950, the process of integration of Western Europe began in earnest, along a path not very different from the one he had imagined a few years earlier, insofar as the creator of the project, Monnet, identified the principle of solidarity as the method to achieve a federal structure for the continent.

Einaudi, naturally, understood the importance of what was happening. In a note, later published in the *Scrittoio del Presidente* (The President's Writing Desk) he stated "The Schuman Plan is an event of such great historical importance that it has given rise to the hope in many that it can be rapidly implemented. The solution to the age-old dispute between France and Germany depends on its implementation".³¹

³⁰ EINAUDI 2014: 161.

³¹ EINAUDI 1956: 47.

In the same *Scrittoio del Presidente*, however, numerous critical references to the functionalist theories, or rather to their political translation, appear, although Einaudi positively considers the role that the new organisations thus created can play in the economic field. In his opinion, the European Coal and Steel Community, if it does not transform itself into a new 'super-cartel', as many hope and as Einaudi seems to fear, will be able to effectively guarantee, within a unified European market, respect for the free circulation of production factors and the principle of competition. However, these economic benefits would not have been enough on their own to lead the member countries down the road to an effective federation. First of all, because the new Authority, by responding to governments and not to parliaments and proceeding on the basis of the criterion of unanimity, would not have really eroded the dogma of the absolute sovereignty of nation states. Furthermore, for Einaudi, the theory of 'functional federations' – that is, the multiplication of international agencies presumed to be 'sovereign' in a very specific area – as a future premise to a gradual unification of the Continent, actually seems to open the way to new conflicts which, in the absence of their political coordination, would be resolved by reducing them – as had already happened to the League of Nations and was happening to the International Monetary Fund and the United Nations – to the status of impotent confederations.

[...] I find gradualism reasonable in the implementation of a possible European federation. Even if the European federation will be something less logical than the federations of the United States and Switzerland; even if the British will enter the federation in an unpredictable and completely illogical way [...]. However, it is difficult to imagine how any kind of federation could be achieved, if it is not really based on some well-defined kind of federation, even if it has a different name. For example, the idea that we can first proceed with *economic unification* in the areas of customs or issuing banks and then move on to a political federation is an inconsistent idea. First of all, a customs union without a monetary union makes no sense; and how can a monetary union be achieved without giving up a significant portion of political sovereignty? The individual countries in a customs union must give up the right to print their own banknotes, just as the municipalities or provinces in a unitary state gave up that right, and the right to print money passes to someone else.³²

Thus, during the debate on the European Defence Community project, Einaudi invited people to *start from politics and not from economics*, seeing in that project, rather than in that of the single market, the main road, also

³² *Ibid.*: 87-88.

for the other state competences (starting with foreign policy) that it would necessarily have taken over, to reach the desired European federation.³³ In fact, the CED, due to the very fact that it involves an essential aspect of sovereignty, could – under penalty of the very impossibility of operating – evolve into an effectively federal organisation, which should correspond to an assembly of representatives elected by the citizens, flanked by a chamber of states, and its own autonomous taxing power. In reformulating the ‘Swiss’ model with a few variations, Einaudi once again departed from the approach that was basically the opposite of the functionalist one, believing that it was physically impossible to immediately arrive at a European political federation. Reiterating that the constituent process could only be gradual, or risk rejection, he focused on the symbolic force attributable to the establishment of a European army. Much more than the simple economic dimension, the CED can in fact evoke among Europeans that *ideal of common life* that alone will make the federation viable, allowing it to gradually consolidate over time.

This concern about the need for a civil religion common to the peoples of the federation, capable of forging a shared political identity based on the liberal ideal that would enhance rather than repress cultural and linguistic differences, is certainly another characteristic element of Einaudi’s reflections on Europe. Two polarities that constitute Einaudi’s intellectual personality are balanced against each other: on the one hand, the cosmopolitan openness that sustains his anglophilia, and on the other, his attachment to his ‘little homeland’ of Piedmont, to the habits and customs of his land, which inspires in him an almost religious respect for his own traditions and those of others. It is this trait – the care for the preservation of difference in unity – that makes Einaudi’s contribution to the debate on the process of European integration even more relevant today. It is therefore to be hoped that this contribution, although discontinuous over time and entrusted to texts intended for immediate political use and not for an organic theoretical structuring, will become better known, given the influence that Einaudi had on other, certainly more celebrated fathers of Europe today and the ability to foresee future developments in the European situation demonstrated by them. In consideration of this, the attention that scholars of the idea of Europe and European integration have dedicated to it, especially at an international level, with some exceptions,³⁴ still seems too little.

³³ *Ibid.*: 62-84.

³⁴ BRUNETEAU 2006: 35-37; 222-223.

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