

Towards the IGC: Enter the Reflection Group

Research Paper 95/76

20 June 1995



The Reflection Group which it was agreed in 1993 to create to examine submissions from the EU institutions and member states in preparation for the 1996 Inter-governmental Conference held its inaugural meeting on 3 June 1995. While it is not yet clear which of the recent proposals from the member states will be formally submitted for consideration, the Group will tackle many of the issues raised by them. The following paper contains extracts and summaries of contributions to the 1996 debate from the EU institutions and the member states. It supplements Library Research Papers 95/27, *Towards the IGC: The Emerging Agenda*, 28 February 1995 and 95/45, *Towards the IGC: Developing a Common Defence Policy*, 6 April 1995.

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Contents

	Page
I Reflection Group's Agenda and Timetable	1
1. The Composition of the Reflection Group	1
2. Agenda	2
3. Timetable	2
II Reports of the Institutions on the Functioning of the Treaty on European Union	4
1. European Parliament	4
2. Commission	6
3. Council of Ministers report on the functioning of the Treaty on European Union	11
4. European Court of Justice	11
III Views from the Members States	12
1. United Kingdom: Debate on the European Union, 1 March 1995, cc1052-1154	12
2. Douglas Hurd: speech to Deutsche Gesellschaft Fur Aussenpolitik, 28 February 1995	17
3. <i>A Europe of Nations</i> , February 1995, conclusions of the European Research Group	17
4. Germany	19
5. France	20
6. Spain	22
IV Foreign Policy Statements on European External Policy	23
Introduction	23
1. United Kingdom	24
2. Netherlands	26
3. The Lisbon WEU Council	27
4. Germany	28
5. Spain	31
Selected Bibliography and References	32

I Reflection Group's Agenda and Timetable

1. The Composition of the Reflection Group

The Reflection (or Reflections) Group held its inaugural session in Taormina on 3 June. The composition of the Group is as follows:

Spain	Carlos Westendorp (Chairman)	Secretary of State for European Affairs
France	Michel Barnier	Minister for European Affairs
Germany	Werner Hoyer	Secretary of State for European Affairs
UK	David Davis	Foreign Office Minister
Denmark	Niels Ersbøll	Former Sec.-General of Council
Netherlands	Michiel Patijn	Secretary of State for Foreign Affairs
Luxembourg	Joseph Weyland	Ambassador to London
Ireland	Gay Mitchell	Foreign Affairs Minister
Italy	Silvio Fagiolo	Former Deputy Ambassador, Washington
Greece	Stephanos Stathatos	Former Greek Ambassador
Portugal	Andre Pereira	Professor of international law
Austria	Manfred Scheich	Permanent representative to EU
Finland	Ingvar Melin	Former Defence minister
Sweden	Gunnar Lund	Under-Sec. for Trade in Foreign Ministry
Belgium	Erik Derycke	Out-going Foreign Minister
EP	Elmar Brok Elisabeth Guigou	German CDU French PS

2. Agenda¹

Mr Westendorp issued a questionnaire to members of the Group concerning five major themes to be considered before the December European Council meeting. These were as follows:

- a. **Principles and objectives:** views on the reports of the three institutions; should reform of the Treaties "reinforce peace, freedom, internal and external security and solidarity between Europeans"; agreement with three criteria: "greater democracy, greater efficiency and greater transparency"; involvement of the public in the development of the Union; the success of CFSP; flexibility and coherence in an enlarged Union; the future of the single institutional framework; is ratification by all member states necessary for reform to be implemented? should there be a European referendum? Should the end result be a Constitution, a Charter or a simplified Treaty? Should the pillared structure be maintained?
- b. **The institutional system:** institutional balance; the context for enlargement; reinforcement of democracy, efficiency and transparency and institutional modifications necessary for this.
- c. **The citizen and the Union:** the concept and development of European citizenship; fundamental rights; scope of action in third pillar.
- d. **External and security policy:** external action and challenge of enlargement; legal personality and EU's external representation; ways to strengthen CFSP in decision-making and implementation; examination of defence concepts of the Treaty on European Union (TEU) in light of new security situation in Europe; links between EU, WEU and NATO.
- e. **Instruments:** laws, hierarchy of acts and subsidiarity; own resources, budgetary powers, multi-annual programming, solidarity and adequacy of resources, common policies and new areas of action, impact of enlargement.

3. Timetable

The Group will meet twice a month until the Madrid European Council summit on 15/16 December, when it will present a report. All the subjects on the agenda are to be examined once, with all members giving their views. In August, the Italian presidency will draft an

¹ Letter from Carlos Westendorp to members of Reflection Group concerning suggested topics for discussion; see also *Agence Europe*, 6494, 3 June 1995.

initial document and the themes will then be examined again by the end of November. The final document will set out options and proposed solutions by representatives of the member states.

1st phase

13/14 June, Luxembourg	institutional system.
10/11 July, Strasbourg	CFSP
24/25 July, Brussels	instruments and principles

2nd phase

4/5 September, Brussels	institutional system
11/12 September, Brussels	citizen and the Union
3/4 October, Luxembourg	instruments and principles
16/17 October, Brussels	institutional system
23/24 October, Brussels	citizen and the Union
6/7 November, Brussels	CFSP
13/14 November, Brussels	instruments and principles

3rd phase (preparing report to European Council)

21/22 November, Brussels

5/6 December, Brussels

II Reports of the Institutions on the Functioning of the Treaty on European Union

1. European Parliament

European Parliament debate and vote on Bourlanges/Martin Report "on the functioning of the Treaty on European Union with a view to the 1996 Intergovernmental Conference - implementation and development of the Union", A4-0102/95/PARTS I, II and III, 4 and 12 May 1995.

The report by rapporteurs Jean-Louis Bourlanges (EPP) and David Martin (PSE) of the Committee on Institutional Affairs was adopted in plenary on 17 May after debate on some 130 amendments and with modifications in some significant areas. After a vote lasting more than three hours, a lengthy resolution was approved by 289 votes to 103 with 74 abstentions.

In the resolution the EP upheld the Committee's call for the abolition of the three-pillared structure of the Union in favour of a "merger of the three pillars and within a single institutional framework" and a paragraph referring to the 1996 negotiating procedure under which, if it proved impossible to reach a positive conclusion by unanimity, then "consideration will need to be given to proceeding without the minority and, possibly, providing for instruments to enable a member state to leave the EU, subject to meeting certain criteria" (Resolution, para. 17).

The EP adopted two Socialist Group amendments, one on the extension of qualified majority voting (335 to 26, 17 abstentions) and another to retain unanimity "for certain areas of particular sensitivity ... i.e. Treaty amendment, 'constitutional decisions' (enlargement, own resources, uniform electoral system) and Article 235" (para. 22(iii)). The EP also voted for the QMV threshold to "be lowered from the very high level of 71% that it is at present" (para.22(iii)).²

An amendment was adopted on the abolition of Article 223 which prevents EC control of sales of arms to third countries (para. 1.3.iv) and for the creation of a "European Civil Peace Corps (including conscientious objectors) with training of monitors, mediators and specialists in conflict resolution" (para.3.v). Amendments were also adopted on the prohibition of capital punishment (para. D.7) and the progressive integration of the Schengen Agreement into EU policy (para. B.4).

² Qualified majority voting, the threshold and blocking minority are discussed in Library Research Paper 94/51, *Qualified Majority Voting: the Argument and the Agreement*, 31 March 1994.

In a section entitled "A more balanced EMU", the resolution states that for those member states which have not fulfilled the convergence criteria for stage three of EMU but whose economic policies have been in line with the criteria and which have shown "genuine willingness" to move towards the third stage, "the Union shall give its political backing to their efforts and provide all the necessary aid to enable them to achieve those objectives" (para.5).

The EP upheld the Commission's "right of initiative" (para. A.1) and the provision of one Commissioner per member state but called for the Commission's structure and composition to be adapted to the need for efficiency in an enlarged Community (para. A.2). On its own membership, the resolution states that it cannot "be indefinitely increased and should not exceed 700".

The plenary rejected an amendment by the Europe of Nations Group that national parliaments and governments should take over the Commission's right of initiative and also a proposal for a "double majority" in Council voting on the grounds that the population of the EU is represented in the Parliament: "Council represents states. A weighted vote reflecting the general size of the states should not be strictly proportioned to population" (para. B.22.iii).

Also in its section on the Council, the EP called for all meetings on proposed legal acts to be held in public "unless a specific and duly justified exception is decided by two-thirds majority", and exceptions and reasons made known to the EP (B.22.i). Also on the subject of openness, the resolution calls for the 1996 IGC to "involve more open debate than at previous IGCs" and for the role of the EP and of national parliaments to be reinforced in the negotiating phase (V.42), with an assises at the beginning and end of the revision conference (42.i) and a Union-wide referendum on new Treaty provisions (V.44).

The resolution calls for three decision-making procedures: co-decision, assent and consultation, and the abolition of the existing co-operation procedure (E.29.i). It specifies how it envisages the co-decision procedure might be simplified.

In budgetary matters the EP called for the procedural distinction between compulsory and non-compulsory expenditure (which dictates whether there is any EP involvement) to be abolished: "the European Parliament should be able to act as an equal partner for all expenditure" (E.34.vii).

On the matter of its own powers, the EP called for equal status with the Council "in all fields of EU legislative and budgetary competence" (C.23.iii) and for the EP, like other EC institutions, to "have the right to request the opinion of the Court on the compatibility with

the Treaty of international agreements, the right to bring cases [to the ECJ] ... and the right to be informed of requests for preliminary rulings ... and to submit observations on them" (C.23.v)

2. Commission

A. Commission report on the functioning of the Maastricht Treaty, 10 May 1995

The Commission's report on the functioning of the Treaty on European Union was in response to a request made by the European Council summit in Corfu in June 1994 to the EC Institutions to evaluate the way the Treaty has operated. The document welcomes the fact that the institutions are each reviewing their *modus operandi* in the run-up to the 1996 IGC and states that practical proposals on Treaty amendments "will follow in due course".

The document's Preamble entitled "Preparing Europe for the Twenty-first Century" identifies two major challenges for Europe that will be encountered at the IGC. One is the changed internal context of the Union demonstrated in the scepticism revealed during the TEU ratification debate [eg the French and Danish referenda and the problems in the UK and to a certain extent in Spain]. The Commission acknowledges the problem of distance between the citizen and the Union decision-making bodies that has resulted in a lack of understanding at the level of the citizen of the operation of the Union and of European integration. In this context the Commission recalls the Treaty's aim of making the Union "closer to the citizen" and emphasises the need for greater openness and transparency in Europe "to make Europe the business of every citizen".

The Commission is convinced that the solutions to problems such as unemployment, pollution and organised crime are best tackled by joint action at Community level, but claims to be against centralisation. Referring to the principle of subsidiarity, it states that this means "working out the right level" for effective action, whether local, regional, national, European or world-wide.

The Commission then turns to the changed situation in Europe generally as a result of the fall of the Berlin Wall and the end of the Cold War. The second challenge faced by the Union is how to integrate the new democracies in eastern and central Europe. How can the Union be enlarged to ensure effective decision-making and without multiplying the weaknesses? It concludes that "enlargement and deepening are perfectly compatible".

The Commission then proceeds to analyse the achievements of four decades of European integration in which member states have pooled their sovereignty to create a unique legal

order among a culturally diverse group of countries. Subsidiarity, the report states "strikes the proper balance between the Union, the member states and the regions, it adds a new source of legitimacy common to the peoples of Europe; and lastly it guarantees the effective application of Community law under the review of the Court of Justice". The Commission defends its own position as the sole initiator of legislation and guardian of the Treaty, a right which it maintains must be "preserved intact". It praises the Community for safeguarding peace in Europe after two world wars.

Thus, two main objectives emerge for the 1996 agenda: democracy and effectiveness, particularly in view of a possible expansion of the Union to include 20 members. The report turns to European citizenship as one of the Treaty's basic democratic innovations, an evolving concept which the Commission wants to develop to the full. This might involve a guarantee of the rights and duties of citizens in a fundamental text.

The Commission regrets the complexity of the legislative procedures and recommends reducing them to three: assent, a simplified co-decision and consultation. It also recommends the direct involvement of national parliaments in Union decision-making and an enhancement of transparency that could involve "drafting the whole text anew". The full political significance of Subsidiarity should also be emphasised, the EP should be entitled to give its assent to any Treaty amendment and the institutional mechanisms should be made more effective particularly in second and third pillar areas. Community decision-making, in the Commission's opinion, has been on occasions "a source of incoherence" and the experience of the CFSP has been disappointing, partly because of Treaty restrictions in this area.

The Commission also calls for "greater consistency between political and economic objectives of the Union", hence a CFSP "commensurate with its economic influence and equipped with effective decision-making machinery". In this respect it disapproves of the recourse to unanimity and suggests that the WEU should be developed and linked to existing common institutions. Similarly the IGC should overhaul the operation of Co-operation in Justice and Home Affairs which has also suffered from complex decision-making procedures and a lack of openness.

The Commission states that the main focus of the IGC will be on improving the decision-making mechanisms. With a view to enlargement, it proposes the practical measure of "wider use of majority rule", but adds that "it is absolutely vital that we preserve the nature of the Union as a true community of states and peoples where there is no inbuilt majority or minority". Enlargement would also necessitate different speeds of integration but the Commission is "utterly opposed" to a Europe *à la carte*, with countries opting out of some policies (eg the UK's opt-out from social policy in the TEU). The Commission envisages solidarity, cohesion and co-operation at all levels and a Europe that is "much more than the sum of its parts".

Research Paper 95/76

The report concludes by finding both strengths and weaknesses in the TEU. Among the benefits it identifies the entry on schedule to the second stage of EMU and the enhanced role of the EP with the introduction of the co-decision procedure. Its shortcomings include poor implementation of the concept of European citizenship, the limitations and failings of the CFSP, failure to apply the Treaty itself ("the possibility which exists of taking decisions by qualified majority in areas covered by intergovernmental cooperation"). It also identifies "real structural weaknesses" which have made the TEU complex and unclear, including the agreement on social policy between 14 member states, (ie all except the UK, "a dangerous precedent") and the "serious inadequacies" of home affairs and justice provisions.

The Commission is concerned on a number of counts: because the experience of intergovernmentalism under the second and third pillars would preclude further enlargement under this arrangement, the TEU has not brought the citizen closer to the Union and Subsidiarity has not been used for its "intended purpose".

B. Jacques Santer, Commission President, speech to the CBI, 16 May 1995

Mr Santer referred to the principle of subsidiarity in emphasising that he would strive "for a concept of Europe that means we only take decisions at the level of the Union that are best taken at that level", and reminded his audience of his motto: "Less action, but better action". On the matter of institutional changes to be raised at the IGC, Mr Santer projected that with 24 or more member states, "Without change, the European Union will become diluted, policy-making inefficient, and Eurosclerosis the outcome". He cited the CFSP as an example of this. He described the Treaty, with its 20 different decision-making processes, as being of a "truly byzantine complexity that even Kafka would have found difficulty describing". He was opposed to a "pick and choose" approach to European integration, maintaining that "that formula will inevitably lead to the fragmentation of Europe and eventually, bitter recriminations of free-riding".

Mr Santer said of Britain's position in the EU that "Very often it is British initiatives that end up being mainstream Community policy", that "On balance the United Kingdom and UK business is having a very major impact on the development of the EU..." but warned that other countries also had their priorities and that "the European Union is not a one-way street where only one member state gets what it wants".

C. Commission Green Paper "On the practical arrangements for the introduction of the single currency", 31 May 1995³

The Green Paper was the Commission's first attempt to set out how the transition to a single currency might be achieved. It is to be presented to Finance Ministers at ECOFIN on 19 June and to the Cannes European Council on 26/27 June. According to the Commission press release,⁴ the Green Paper has three aims:

To reduce uncertainties surrounding the changeover to the single currency by presenting a reference scenario;

To identify a comprehensive list of the problems, indicating an approach to tackling them;

To define a communication strategy to ensure public support for the single currency and explain how it will be introduced.

Part 1, entitled "The transition scenario", sets out the criteria which are intended to shape the scenario in terms of feasibility, compliance with Treaty requirements, simplicity, flexibility and low cost.

In its "reference scenario", the Paper describes three phases:

In phase A, the decision would be taken to launch the single currency and to decide which countries would participate in it under Article 109j and 109l of the Treaty. In phase B, not more than twelve months after this decision, there would be an "irrevocable fixing of parities". "During this phase, there would be a 'critical mass' of financial activities in the single currency built around a single monetary policy and the emission of new public debt". In phase C, within three years of B, the transition would be completed with the introduction of new notes and coins and the final changeover of means of payment to the single currency. The sequence of events is illustrated in the table below ⁵and supported by an analysis of the advantages of this three-phase approach.

³ EC/MISC/1995/8.

⁴ IP/95/541, 31 May 1995.

⁵ Green Paper, p.18.

INTRODUCTION OF A SINGLE CURRENCY 1 SEQUENCE OF EVENTS

PHASE A	PHASE B	PHASE C
Launch of EMU	Start of EMU	Single currency fully introduced
<i>Start of the phase</i>	<i>Start of the phase</i>	<i>Start of the phase</i>
List of participating Member States	Fixing of conversion rates	ECU notes and coins introduced
Date of start of EMU announced (or confirmed)	ECU becomes a currency in its own right	Banks have completed the changeover (retail business payment systems)
Deadline for the final changeover to the single currency	Monetary and exchange-rate policy in ECU	Notes and coins denominated in national currency are withdrawn
Setting up of the ESCB and the ECB	Inter bank, monetary, capital, and exchange markets in ECU	Public and private operators complete the changeover
Start of production of notes and coins	New government debt issued in ECU	Only the ECU is used
	Corresponding wholesale payment systems in ECU	

Further on the Commission sets out to explain why other scenarios (a "delayed big bang", for example) would not offer the same advantages as the one presented in the Paper. Its advantages, according to the Commission, are the time it allows to convince the public of the benefits of a single currency, its practicality and low costs to economic operators, its economic strength and credibility as regards the application of the convergence criteria, its response to the needs of the banking community (in that it would not require the parallel circulation of two sets of notes and coins), and the fact that it respects the Treaty requirement of a "rapid introduction" of the single currency after the start of stage three.⁶

In Part 2, the Green Paper considers the implications for banks, financial markets, companies, public administrations and consumers and in Part 3 it looks at the legal and technical issues raised by the single currency. In Part 4 entitled "Communications", the Paper discusses the challenge of a communications strategy to persuade public opinion of the merits of the single currency, to explain and to "allay anxieties". In this, the Commission foresees an approach

⁶ Article 109 1.4 of TEU.

in line with the principle of subsidiarity, i.e. with public authorities and the private sector in the member states taking responsibility for promoting information on the single currency.

3. Council of Ministers report on the functioning of the Treaty on European Union⁷

The Council's draft report ⁸was adopted at the Foreign Affairs Council of 10 April, having been examined by Coreper in March.

The Council report looks at the Treaty structure, EU citizenship, the institutions, the Community's internal powers (eg. EMU, cohesion, social policy and the environment) and its external relations (including common foreign and security policy or CFSP), and co-operation in third pillar matters (justice and home affairs). The body of the report describes the progress to date in the implementation of the new areas of EC activity introduced by the TEU and matters raised during the debate on the Treaty such as transparency and openness. With the exception perhaps of the "Initial assessments" on the CFSP and third pillar matters, the report offers little by way of analysis or comment. The brief and rather bland accounts prepared by the Secretary-General are supported and in many cases elucidated in the Annexes to the report. These, like those in the Commission report, contain *inter alia* statistical information on the origins of EC legislative proposals, opinions of the Committee of the Regions, the frequency of use of the various voting procedures in the Council, the number of Council meetings open to the public and action taken under the second and third pillars.

4. European Court of Justice⁹

Both the ECJ and the Court of First Instance have submitted proposals to the Reflection Group. In order to improve its effectiveness, the ECJ proposed a simplification of procedures for minor cases and suggested that it be authorised to adopt its Rules of Procedure without Council approval or according to a procedure whereby Council approval would be considered granted after a period of time. On the question of extending the EP's rights to apply for annulment without having to justify a particular interest and the right to request an opinion on an international agreement, the ECJ saw no technical barriers. However, it questioned "the advisability of moving to the judicial sphere disputes which could be solved just as satisfactorily at a political level". Although the prospect of enlargement would mean changes to the EU's legal architecture, the ECJ was opposed to its modification at present.

⁷ Cm 2866, May 1995.

⁸ EC Draft 5082, 5 April 1995.

⁹ Report of Court of Auditors and report of Court of Justice to Reflection Group, House of Lords Library, HINF 95/1349; *Agence Europe*, No 6486, 22/23 May 1995.

III Views from the Member States

1. United Kingdom : Debate on the European Union, 1 March 1995, cc1052-1154

A. Tony Blair

In an opposition day debate on the European Union on 1 March 1995, the Leader of the Opposition Tony Blair moved a motion of no-confidence in the Government's policy towards the European Union and set out his party's policies in a number of areas.

Drawing attention to EU activity in the areas of health and safety, equality for women and fair treatment for part-time workers, Mr Blair added:

In our view at least they would gain more were we to join other governments, Labour and Conservative, in the European social chapter.¹⁰

Mr Blair was in favour of deciding on the issue of a single currency by "popular consent", "whether that consent is established by a referendum or by other means".¹¹

He identified three sets of issues in the single currency debate: economic, political and constitutional. It was the Labour Party's position that "If there were real convergence ... a single currency could have benefits". The political issue concerned the question of popular consent and the constitutional one the implications for national sovereignty. "Is a single currency, as a matter of principle, inconsistent with our identity as a nation state?".¹² Mr Blair's answer to the questions was as follows:

If the economic conditions are satisfied, the economic conditions that we have set out for real economic convergence; and if people can be persuaded on the necessary political consent then I say yes. I also say that there is no constitutional barrier to joining.¹³

Mr Blair was of the opinion that the issue of constitutional principle "can and should be decided now":

¹⁰ c.1052.

¹¹ c.1055.

¹² c. 1055.

¹³ c.1057.

It would be appalling to drift into a decision that there was, in fact, an insuperable constitutional barrier, without thinking through the consequences of that.¹⁴

On the CFSP and defence, Mr Blair said:

The IGC needs to make progress on closer co-operation on foreign policy and defence. We have long urged that the role of the WEU should be reinforced as the defence component of the European Union and as the European pillar of NATO. The WEU Heads of State and Government might meet at a WEU summit in parallel with the European Council. Those bodies could be strengthened. We do not favour a European army, but we can see a case for greater use of co-operation between European forces. That would be a modest but worthwhile step.¹⁵

While rejecting the idea that the Commission should run defence policy or that Britain should give up the national veto, Mr Blair suggested that there would be a need for change in the decision-making process "primarily because of enlargement".¹⁶

B. John Major

Below are extracts from the Prime Minister's reply to the Leader of the Opposition:

i. The IGC

I do not believe that it will make huge changes in Europe ... I doubt whether any serious significant changes will be proposed.

... the conference can and should usefully improve the way in which Europe operates ... We shall suggest ways of developing the common foreign and security policy, and ways of stepping up the fight against organised crime and terrorism. We shall set out ways of achieving a stronger role for national parliaments, and more subsidiarity. We shall build on the steps agreed at the Essen summit to crack down on fraud.

¹⁴ c.1058.

¹⁵ cc1058-59.

¹⁶ c.1059.

ii. Voting in the Council

Under qualified majority voting, a larger say should be given to the larger states, and we shall set out our plans for that. ... we shall also seek to reinforce the democratic authority of the Council of Ministers. ... we shall not accept the end of the national veto, or significant constitutional change that would impact adversely on the House.

We shall argue that foreign, security and home affairs must continue to be agreed between sovereign Governments, and must not be collapsed into Community competence.

iii. Defence

The approach that we propose is both practical and intergovernmental. ... NATO has been the most successful defensive alliance in history, it must remain the bedrock of Europe's security and its capabilities should not be duplicated. However, we also need a stronger Western European Union so that European countries can take on their proper share of the burden and act effectively in situations in which the United States may not wish to be involved.

Our proposals fall into three parts. First, we must define the tasks that European countries could realistically take on themselves. The defence of member states and major combat operations will of course remain the task of NATO, but the WEU should be able to deal with lesser crises. It should be able to engage in support operations and handle embargo or sanctions enforcement, and it should be equipped for humanitarian operations of the kind seen in Rwanda, and for rescue missions such as the evacuations that we have twice undertaken in Yemen. ...

Secondly, new arrangements are needed to mobilise European collective capabilities. A separate European force would be wasteful, and might diminish NATO. NATO has proposed that we draw on, rather than duplicate, its own capabilities. We agree that that should be achieved through the concept of combined joint task forces, which NATO developed last year. NATO's resources would then be available on a separable - not separate - basis whenever that was necessary.

Thirdly, we need to take high-level decisions of policy and military action involving western European countries at summit level. That would keep co-operation on an intergovernmental basis, and not on the basis of Community competence.

iv. Single Currency

... I still believe that Europe would have been wiser in its own interests to proceed first with a parallel currency - a common currency - which could have circulated alongside national currencies.

Britain will not join a single currency in 1996 or 1997 and, frankly, I increasingly doubt whether anybody will be ready to do so. Europe is not ready for it, and the sooner that is universally recognised, the better. I see no chance whatsoever that the economic conditions set at Maastricht, or the other economic conditions which are also necessary, will be met, and I see no-one suggesting that they should be weakened at present.

I believe that it is possible to move forward to monetary union without necessarily moving forward to political union, but the qualification depends on the nature and style of monetary union ...

No one at the moment can be entirely certain what the implications of staying out might be. We cannot know what the impact of a single currency might be on the pound sterling if the pound were outside it. We cannot know what the impact would be on the reputation and work of the City of London as the pre-eminent European centre if we were outside a single currency. We do not know what the impact would be on domestic or international investment in this country if we were outside a single currency, and we cannot know what the impact would be on employment.

Crucially, no one can possibly know at this stage the way in which market forces would react to the decision either to go in or to stay out of a single currency.

If a future government decide to go ahead, they will need the consent both of Cabinet and the House. They may also need the consent of the country in a referendum because ... we shall need to carry the opinion of the country with us, whichever way we proceed, but most definitely if we decided that we were to go into a single currency.

If a decision of great constitutional significance were to arise over a single currency or ... from the intergovernmental conference, a referendum could be necessary; it could be desirable, and I am prepared to keep that option open.

v. European super-state

... the fear that many people in Britain have - whether there will ever be what some refer to as a European super-state. In the sense of a European government, I believe not, and personally I would prefer to leave the European Union before I accepted a European Government

c. Paddy Ashdown

Mr Ashdown reminded the House of that the EU had served the purpose of binding together the nations of Europe "to ensure peace, prosperity and new opportunities for Europe's peoples".¹⁷ He spoke about the need for institutional reform:

We want to see a democratic Europe in which the bureaucracy in Brussels is held to account by the European Parliament, and in which national parliaments have greater control over the Council of Ministers. But that cannot be done without strengthening the powers of the European Parliament and without strengthening the powers of scrutiny of the House of Commons.

We want reform of Europe's institutions, starting with the programme of the common agricultural policy and the common fisheries policy. But that cannot be done without an extension of qualified majority voting in the Council.¹⁸

Alluding to the principle of subsidiarity, Mr Ashdown said:

We Liberal Democrats want a decentralised Europe, in which power resides as close to the people as possible, but that cannot be achieved without a clear constitutional settlement of powers between the institutions of the Union and those of the nations, regions and local communities that make it up.¹⁹

On the matter of a single currency, the Liberal Democrat Leader said:

I do not underestimate - and nor does my party - the pain that monetary union might entail for Britain. It would be folly to underestimate that, not least because monetary union will force us to accept disciplines that we have ducked for half a century. I am

¹⁷ c. 1075.

¹⁸ c.1076.

¹⁹ c.1076.

certain, however, that whatever the difficulties of being part of monetary union when it comes, the cost of being outside it would be immeasurably greater.²⁰

He went on to set out the advantages of a single currency for investment, interest rates and inflation.

2. Douglas Hurd: speech to Deutsche Gesellschaft für Aussenpolitik, 28 February 1995

The WEU must be able to make effective use of military assets at its disposal [and] must not become a club of armchair generals, pretending to do things which it cannot". This will require "political guidance at the highest level ... practical structures, better planning and organisational capabilities". "We need to be better equipped and better organised" to prevent situations like those in Croatia or Rwanda, and Europeans cannot "expect direct American involvement in every crisis or operation in Europe or on the periphery". "This will not mean a European army" because decisions about military engagement can only be taken by "sovereign governments". The 1996 IGC "will not be the defining event of the 1990s.

3. *A Europe of Nations*, February 1995, conclusions of the UK-based European Research Group

Conclusions of Part One: An Agenda for 1996

1. Eastward enlargement must be a priority for the EU, with the Visegrad states joining by 1 January 2000 and firm calendars drawn up for other democratic countries wishing to join. This will necessitate profound structural changes to existing EU institutions.
2. Consent and flexibility must underpin European integration, with different groups of states able to co-operate in different areas of policy within the nexus of a free market.
3. All powers should be assumed to rest with national governments unless explicitly stated otherwise in the Treaties. The ambiguous principle of subsidiarity must be replaced by a new formula which explicitly reserves for

²⁰ c.1077.

Research Paper 95/76

national governments all areas of policy which cannot be shown directly to affect the internal affairs of other Member States.

4. This principle should be further incorporated, as applicable, in the constitutions of the Member States. Lists should be drawn up to clarify the areas of policy covered, including law, taxation, local government, industrial policy and foreign affairs.
5. The European Commission should be reduced to the role of a civil service carrying out the will of elected ministers. It must lose the right to initiate legislation.
6. The European Parliament must be prevented from competing for power with national parliaments. It should focus simply on scrutinising the work of the Commission.
7. The European Court of Justice must be strictly confined to a specific judicial role interpreting the plain text of the Treaties.
8. The doctrine of the "occupied field" must be abandoned and the *acquis communautaire* made subject to continuous revision.
9. The articles which provide for monetary union should be removed from the Treaties. A single currency would come about only through natural evolution and with the full consent of all participating nations.
10. Measures must be taken to reduce the EU budget and by stages to return responsibility for agricultural policy to the Member States.
11. The WEU should be decoupled from the institutions of the European Union and remain purely under the control of its member governments.

4. Germany

Summary of CDU/CSU discussion document for the 1996 IGC on the third pillar of the TEU concerning Justice and Home Affairs, 13 June 1995²¹

The document has three main proposals:

(i) The development of a European state based on the rule of law

The institutional basis of the rule of law must be strengthened at the level of community law and national policies pertaining to home affairs and justice must be brought closer into line. There should be a progressive extension of EU competence in certain aspects of home affairs and justice policy. In areas where this is not yet possible or only partially possible, there should be closer institutional co-operation which forms the principle of reciprocal co-operation between national authorities and help in law enforcement. The European Commission should be given a right of initiative in the areas covered by Article K of the Maastricht Treaty (which cover 'matters of common interest'). Other measures include the application of majority voting to asylum policy, the granting of a right of hearing to the European Parliament and the development of Europol as a real European criminal police force capable of tackling international crime.

(ii) The development of a common border, asylum, visa, refugee and immigration law

Past experience has shown that national measures alone cannot cope with uncontrolled immigration and since the Schengen agreement is not capable of meeting the growing challenges, measures must be taken to harmonise procedures and steps must be taken to extend EU competences in these areas.

(iii) The development of integration in 'constitutional' matters

Over the next ten years the European Union must gradually progress towards being a 'constitutional' community. As well as strengthening the European Parliament, each EU citizen must have equal voting opportunities for EP elections. The European Union is based on the principle of subsidiarity and the

²¹ *Mehr europäische Rechtsstaatlichkeit*, CDU/CSU Bundestag caucus, 13 June 1995; see also *Agence Europe*, No.6501, 15 June 1995.

process of European integration will fail if the principle of subsidiarity is not strictly implemented.

5. France

Jacques Chirac's European Policy

Jacques Chirac won presidential elections on 7 May 1995 and took office as President on 17 May. The subject of Europe was not much in evidence in the early campaigning for the first round of the presidential elections, which was surprising considering that some 49 per cent of those who voted against the Maastricht Treaty. However, Mr Chirac capitalised on a growing anti-European sentiment towards the end of 1994 by making a referendum on the 1996 Intergovernmental Conference, along with the reduction of long-term unemployment, his main platform. He also wanted a "rapid European intervention force", a "new mode of relations between France and NATO" and a "transatlantic charter to renew our solidarity with the US". He welcomed the opening of borders introduced by the Schengen agreement but also expected "tighter control of migratory flows" through strengthened inter-governmental co-operation.²² The *Financial Times* concluded:

Formerly seen as a rightwing nationalist, Mr Chirac now casts himself as a good European with a social conscience. He would like to be all things to all men.

M. Chirac, who was once opposed to a single currency, now claims to be a "sincere convert to the cause of European economic and monetary union".²³ He has wavered on a date, however, saying on the one hand that it should be in place by 1999 and on the other that it is not clear when it will happen; nor has he clarified his position on the need for a referendum. The *Financial Times*²⁴ summed up Mr Chirac's European career as follows:

Before the 1981 election he was anti-European; in 1986-88 he ratified the Single European Act - which provided for the free movement of goods, services, people and capital by January 1 1993 - and in 1991-92 he supported the Maastricht Treaty; today he hints at a new flirtation with Euroscepticism.

The *Sunday Times*²⁵ was sceptical about an alliance with Britain over Europe: "Though Chirac speaks warmly of Britain and is regarded as a potential ally against German-dominated

²² *Financial Times*, 24 March 1995.

²³ *European*, 21 April 1995.

²⁴ 26 April 1995.

²⁵ 23 April 1995.

federalism, he envisages no fundamental change to the bedrock Franco-German alliance". Boris Johnson, writing in the *Daily Telegraph* ²⁶about Chirac's Gaullist view that all parts of society should be united (the true meaning of *rassemblement*) noted: "I defy anyone in London to think that Chirac shares a British Conservative analysis of Europe or of politics in general". Later he considers the growing French post-Maastricht disillusionment with Europe, adding that "These days federalism is as treacherous a word here as it is in Britain".

The problem is separating campaign rhetoric from real policy in any analysis of Chirac's longer term policies. In the early days of the election campaign there did not appear to be much difference between the European policy of Chirac and his first round rivals, Edouard Balladur and Lionel Jospin. There was no commitment to a move towards federalism, all three believed in the Franco-German relationship as the motor of European integration, and Chirac at least seemed to support the view that there could be further expansion of the Union to the East without reforming the Common Agricultural policy.

Among Chirac supporters, there are both strong anti-Maastrichters like Philippe Séguin and others who support trade barriers, a single currency, a single European defence and foreign policy. The *Daily Telegraph* reported: ²⁷

Chirac himself says he wants to give power back to the European council of ministers. But he also wants to create a "European President", elected once every three years. He wants a strong foreign policy, with majority voting. Like Tony Blair, Chirac would like to see concerted and expensive European industrial policy. It is fatuous to hope Jacques Chirac will help to reform the Common Agricultural Policy against the interests of French farmers.

...

With friends like Chirac, British Euro-sceptics will not lack adversaries in the councils of Europe. As long as the Gaullists have an idea of France that involves a different approach to trade, markets, money, and social policy, they will have an idea of Europe that is at variance with most British Conservatives.

Chirac appears to favour the British Government's idea of a flexible, multi-speed Europe of sovereign states and inter-governmental co-operation, but also supports the Franco-German core at the centre of the Union. He has expressed support for the trans-Atlantic link although his support for a common European foreign and defence policy has not been reconciled with the sovereignty issue or how France would deal with its own independent nuclear deterrent if a common defence system were established. Chirac has not made clear how France's public

²⁶ 10 April 1995.

²⁷ *ibid.*

deficit would be reduced in order to satisfy the requirements for EMU. Nor has he explained how the Union could be enlarged without reforming the CAP, from which the French benefit greatly. In other words, it is difficult at the moment to gauge how Chirac's European policy will take shape.

Shortly after taking office President Chirac met Chancellor Kohl, indicating his enthusiasm for a continued Franco-German alliance, although press reports speculated that the German Chancellor would find in Chirac a different kind of partner to his predecessors. After a meeting between John Major and Mr Chirac on 10 June, the new French President emphasised the importance of the Franco-German relationship, but added that this was not enough: "We shall not build Europe without England. It is therefore essential to understand England's specific problems and France may play a role in finding the synergy indispensable for European construction between countries of Europe, and notably between Germany, England and France".²⁸ He noted the common approach of London and Paris to the issue of reforming the EC institutions, strengthening the Council of Ministers and national parliaments in particular.

6. Spain's three possible IGC models

The Spanish Foreign Minister Javier Solana presented the Joint Congress of Deputies with a document on *The 1996 Conference - Bases for Reflection*, which set out three models for the IGC: a model limited to questions for which the Treaty provides for revision; an open model whereby each delegation would present proposals ranging from minor amendments to "vast reform"; and two-stage negotiations, the second stage coinciding with enlargement negotiations in the next wave of enlargement.²⁹

The document emphasises the need for transparency, participation by the Spanish parliament, social forces and public opinion. The agenda would include both those issues not settled at Maastricht and questions arising from the next enlargement. The problem of voting in the Council of Ministers would also be high on the agenda, and the document notes that voting should "gain in effectiveness while respecting democratic legitimacy" and taking account of the population.

The document also looks at the speed of integration, including concepts such as the "hard core", "variable geometry", "multi-speed" and "a la carte". It notes that the second and third pillars need to be strengthened but also acknowledges the differences between those member

²⁸ *Agence Europe*, No 6499, 12/13 June 1995.

²⁹ *Agence Europe*, No 6433, 4 March 1995.

states opting for a more integrationist approach and those preferring a more intergovernmental approach.

In the section on enlargement, it sets out the political, institutional, economic, social and financial consequences and asks whether the budgetary issues should be tackled at the IGC, "which would complicate it enormously", or at a later date.

IV Foreign Policy Statements on European External Policy

Introduction

In the run-up to the next Intergovernmental Conference, the Member States have continued to produce policy statements on and documents setting out problems and options concerning the Common Foreign and Security Policy (CFSP) and the Common Defence Policy (CDP). In the approach to the Intergovernmental Conference of 1991, EU Members were broadly divided into two groups on the future of European defence: the 'Atlanticists', led by Britain and the Netherlands, which favoured the predominance of NATO in European security and intergovernmentalism in external decision making; and the 'Europeans', led by France and Germany, who favoured the enhancement of purely European defence capabilities and foreign policy instruments on a communautaire level. Under the influence of a US military and political withdrawal from Europe and more importantly, the continuing conflict in Bosnia, national positions have now shifted.

In brief, since Maastricht, the British government has become more enthusiastic about European defence co-operation but continues to favour an intergovernmental and consensual approach to EU foreign and defence policy. In March 1995, it presented a document on European defence, *Memorandum on the United Kingdom Government's Approach to the Treatment of European Defence Issues at the 1996 Inter-governmental Conference*, to other EU Members.³⁰ Although no formal paper has been presented on the CFSP, some idea of British thinking on this subject has been provided in speeches and articles produced by ministers and officials.³¹ France which previously favoured a communautaire policy towards European defence, backing in particular the eventual integration of the WEU into the EU, now appears to have moved away from this position and closer to Britain in this respect. Paris has also adopted a more positive, although still ambivalent, attitude towards NATO and Washington. In contrast, Germany now appears more keen to increase the role of Community

³⁰ see Research Paper 95/45 *Towards the IGC: Developing a Common Defence Policy*, April 1995, pp.22-24 for further details on the *Memorandum* and wider developments in European defence co-operation between 1991 and 1994.

³¹ see Research Paper 94/131, *Developing the Common Foreign and Security Policy*, December 1994, p.19.

institutions in the CFSP and CDP, to extend the role of QMV and the EP and to eventually integrate the WEU into the EU. These and other proposals were discussed in the German *CDU/CSU Discussion Document: making the EU more capable of acting in common foreign and security matters*, 13 June 1995 (see below). The Netherlands, previously a close ally of Britain in European defence policy, now seems to have moved closer to the German position in its discussion document, *The European Union's Common Foreign and Security Policy: Towards More Energetic External Action* (see below). Separately, the Commission and the Council have both reported on the Common Foreign and Security Policy in their *Report on the Operation of the Treaty on European Union*, May 1995, p.5 and pp.56-64, and *Report of the Council of Ministers on the Functioning of the Treaty on European Union*, April 1995, Cm 2866, pp.11-15, respectively. Spain is to submit a document on relations between the WEU and EU to the Reflection Group.

1. United Kingdom

Memorandum on the United Kingdom Government's Approach to the Treatment of European Defence Issues at the 1996 Inter-governmental Conference

In practical terms, although the *Memorandum* refers to HMG's continued confidence in a US commitment to European security, it may reflect the realization that the USA is no longer prepared to or in fact even capable of undertaking every form of military operation in Europe. As a consequence, "European nations should develop arrangements for the future that will ensure that, consistent with our NATO obligations, Europe collectively is able to shoulder more effectively its share of the burden in promoting security and stability on the European continent, on its periphery and beyond".³² In a further section, the *Memorandum* comments that there could be circumstances in which European countries might "need to be ready and able to take the lead, or to act on their own".³³ The *Memorandum* continues that, as agreed at Maastricht, the WEU will form the basis for European military actions. Although it does not lay down strict criteria for which operations should be undertaken by the WEU and which by NATO, the *Memorandum* states that NATO should remain responsible for the defence of NATO territory under Article 5 of the Treaty of Washington. The WEU should concentrate on so-called Petersberg Missions in the fields of crisis management, peacekeeping, including the monitoring of embargoes and sanctions, and humanitarian and rescue operations. The *Memorandum* places emphasis on the need for the WEU to have the necessary capacity to organize, mount and control such operations. To this end, the *Memorandum* refers to the need for better politico-military advice to be given to the Council in a crisis, better handling of intelligence and the creation of a situation centre. British military personnel may be loaned to the WEU to assist with the development of the latter two. Despite the initiatives to strengthen the WEU, the Government stresses that the organization should not duplicate

³² *Memorandum*, Para 4

³³ *Memorandum*, Para 12

existing NATO structures. Instead, WEU-led operations would be backed by existing NATO structures and resources under the CJTF concept.

Institutionally, the *Memorandum* reinforces HMG's stance that defence is an overwhelmingly national responsibility and that, although closer European defence co-operation should be encouraged, it should only proceed on an intergovernmental basis. The Government rejects any suggestion of merging the WEU into the European Union as a fourth pillar, both on the grounds of the need to safeguard national sovereignty and because the existing variegated defence commitments of the Fifteen make integration problematic. The *Memorandum* speaks of governments' need to preserve their freedom to act in defence of their own national interests. In particular, it points out that Britain and France retain overseas defence commitments beyond the EU. The *Memorandum* also refers to differing relationships of the Fifteen to NATO and WEU. Eleven are members of NATO (Britain, Belgium, Denmark, France, Germany, Greece, Italy, Luxembourg, the Netherlands, Portugal and Spain) while ten (excluding Denmark) are WEU members. Austria, Denmark, Finland, Ireland and Sweden are WEU observers. Although Austria, Finland and Sweden have all developed links with NATO and joined Partnership for Peace, it is unlikely that they will join NATO. Practical defence arrangements should, the Government maintains, take note of this "variable geometry" and states should only join military operations on a case-by-case basis.

The key political element in HMG's proposals is the creation of an 18-nation WEU Summit of Heads of State and Government which would meet "back-on-back" with European Council meetings. This would include full WEU members, WEU observers and WEU associates (Iceland, Norway and Turkey). The creation of such a body would have practical and political consequences. On the one hand, by involving the WEU observers at the highest level of European defence decision-making without requiring them to alter their neutral statuses, it could be seen as an integrationist measure. On the other hand, by including the WEU Associates, which are unlikely to become EU members until after the year 2000, the establishment of such a body might prevent the WEU being absorbed by the EU. As one French academic commented, an 18-nation WEU summit would ensure an "absolutely watertight and permanent division between the EU and all things military".³⁴ Perhaps supporting this position, the *Memorandum* also stressed that the European Commission and European Parliament would not be involved in these new defence arrangements which would leave the roles of the existing WEU Secretariat and Parliamentary Assembly unaffected. However, the European Council might make proposals to the WEU Summit and WEU/EU links could be improved by inviting the WEU Secretary General to attend European Council meetings when CFSP matters were being discussed.

³⁴ *The Financial Times*, 16 March 1995

2. Netherlands

Dutch Proposals for the Common Foreign and Security Policy and the Common Defence Policy

In March 1995, the Dutch government submitted a Paper to the Second Chamber of the Dutch Parliament entitled *The European Union's Common Foreign and Security Policy: Towards More Energetic External Action*.³⁵ The Paper set out a number of options and suggestions and was particularly concerned with strengthening the effectiveness of the CFSP and the Common Defence Policy, particularly in the light of the impact on decision making of potential EU enlargement of up to 28 Member States.

A. Common Foreign and Security Policy

With regard to the CFSP, the paper speaks of either strengthening the role and mandate of the existing CFSP Secretariat or creating a new body responsible for external policy. The latter, possibly headed by a Secretary General, would include representatives of both the Member States and the Commission. The Dutch government maintains that this would be in accordance with Article J 9 of the Maastricht Treaty which calls for the Commission to be associated with the CFSP.

The Paper puts forward proposals to help make CFSP decision-making more effective. These would involve the extension of Qualified Majority Voting. In the adoption of joint actions, 'consensus minus one' decision making would be allowed i.e. a single national veto on a joint action could be overturned by a consensus among the remaining Member States except in cases of vital national interest. This procedure might also apply to Common Positions. The Paper also suggested making the use of QMV in the implementation of joint actions mandatory. Currently, under Article J 3.2 on selecting an area for joint action, the Council decides whether particular decisions on implementation will be agreed by QMV.

On financing the CFSP the Dutch government stated that it preferred bringing the costs of joint actions within the EC Budget (whereupon they could be scrutinized by the European Parliament). However, if the Council continued to decide to fund joint actions from national contributions, then the determinate of national GNP as a proportion of overall EU GNP should apply. (Currently, the CFSP is funded from a combination of both these two systems). In perhaps a veiled attack on Britain and France, the Paper also called for the prevention of

³⁵ *Atlantic News*, 14 April 1995

areas of external policy determined in the EEC pillar, involving the Commission, drifting into the intergovernmental CFSP pillar where the Commission and QMV are largely excluded.

B. Common Defence Policy

The Dutch government favours integrating the WEU into the European Union, although it acknowledges that this may prove impossible in the short-term. However, it appears to support the inclusion of an explicit commitment to integration in any Treaty which emerges from the Intergovernmental Conference. The Dutch proposals also called for the inclusion of a mutual security guarantee within the EU Treaties, comparable to the collective security Article 5 of the Treaty of Brussels which founded the WEU. The Dutch Paper stressed the preeminence of NATO in European defence and called for a new Atlantic Compact to strengthen relations between the EU and the Canada and the USA. Although the Paper conceded that the current separation between the EU and the WEU might continue and could be enhanced through closer harmonization, it concluded that this might only increase the "current political and organizational haze".³⁶

On the question of democratic control the Paper stated that parliamentary oversight of the CFSP was currently conducted in principle by national parliaments. If consensus were to be abandoned in the Council, then the loss of this national parliamentary control might need to be replaced by the allocation of this role to the European Parliament. However, the government believed that it was unlikely that the IGC would consent to such a move and considered whether the benefits of widening QMV in the CFSP would outweigh the penalty of potential loss of national parliamentary oversight.

3. The Lisbon WEU Council

In May 1995, the ten full Members of the WEU held their six-monthly Ministerial Council at Lisbon. Also present were the five EU observers (Austria, Denmark, Finland, Ireland and Sweden), the three associate members from NATO (Iceland, Norway and Turkey), and the new associate partners which have all now concluded Europe Agreements (Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania and Slovakia).

The Lisbon Declaration endorsed many of the proposals made in the previous *Noordwijk Declaration* of November 1994 and the document produced by the Permanent Council, *Preliminary Conclusions on the Formulation of a Common European Defence Policy*.³⁷ A

³⁶ (*Atlantic News* 14 April 1994)

³⁷ see Research Paper 95/45, pp.20-22

politico-military group has now been established to support the Council and the WEU Secretariat has been strengthened with the addition of Situation and Intelligence Centres. The Council agreed to establish the WEU Satellite Centre at Torrejon in Spain on a formal basis. Forces Available to the WEU (FAWEU) have been strengthened with the addition of new multinational forces in the shape of the European Force (EUROFOR), comprising army units from France, Italy and Spain, and European Maritime Force (EUROMARFOR), comprising naval units from the latter countries and also from Portugal.³⁸ The British Government expressed reservations at the allocation of EUROFOR and EUROMARFOR to the WEU, "as a priority" stating that they should be made equally available to NATO. The Council adopted a document, proposed by Britain and Italy, on the role of a WEU intervention force in humanitarian crises but failed to reach agreement on the procedure for financing WEU operations. The wider WEU membership of 27 adopted the first part of a White Paper on European Security which set out their common interests and the threats to their security. The second half, dealing with protection against these threats, will be presented to the next WEU Council in Madrid in November 1995. The Permanent Council will consider the forthcoming Spanish paper on relations between the WEU and EU in the preparation of a paper on the same subject to be presented to the Madrid Council.³⁹

4. Germany

Summary of CDU/CSU Discussion Paper: Making the European Union more capable of acting in common foreign and security matters, 13 June 1995⁴⁰

The aim of making the EU's Common Foreign and Security Policy (CFSP) more capable of acting must be a central theme of the 1996 Intergovernmental Conference. An integral part of CFSP must be a common defence policy and common defence.

The priority tasks facing CFSP arise from the new challenges facing Europe, particularly instability on the eastern and southern peripheries of the Union. The most urgent challenges for the CFSP include: creating a European peace order and a Euro-Mediterranean partnership, as well as developing a more comprehensive transatlantic partnership. NATO remains the essential basis of European security, but in order to ensure the interest of the United States and Canada in the durability of transatlantic defence, Europe must assume more responsibility within the Alliance, and in order to guarantee the same security status for every EU member state, it would be desirable for all EU members to become members of NATO.

³⁸ EUROFOR is to contain 10,000 to 15,000 men and will have permanent headquarters located at Florence. The command of EUROMARFOR will be organized on an *ad hoc* basis (*The Times* 16 May 1995).

³⁹ Lisbon Declaration and *Atlantic News*, 17 May 1995

⁴⁰ Die Europäische Union außen- und sicherheitspolitisch handlungsfähiger machen, CDU/CSU Bundestag caucus, 13 June 1995.

Key areas for CFSP action

The CDU/CSU suggest admitting the first central and eastern European countries to fulfil the economic and political conditions for membership immediately after the treaty revisions have entered into force around the year 2000. Membership of the EU can be dovetailed with membership of NATO (which can come first).

The European Union needs to establish a comprehensive and balanced partnership with Russia. Going beyond the co-operation agreement, the EU needs to increase economic co-operation, deepen political dialogue and put the relationship on an institutional footing. There should also be close co-operation between Russia and NATO and constant consultation on questions of European security.

The political, economic and social stability of the Mediterranean basin is of great security interest to the EU and requires the development of good neighbourly relations and political dialogue.

The United States must maintain its stabilising role in Europe. This should be achieved by strengthening the European pillar of the NATO alliance and by working together to combat global challenges, such as strengthening democracy and the market economies in central and eastern European states, combatting international criminality and weapons proliferation.

IGC Objectives

The IGC must address the following four issues:

(i) Improving the decision-making process

The current decision-making process is the main reason for the CFSP's weaknesses. The CDU/CSU therefore suggest that CFSP questions which have no military impact should be decided on the basis of qualified majority voting, possibly with the introduction of double majority. As far as CFSP questions which do have a military impact are concerned, no states should be able to block the majority from joint action, although no state should be forced to participate against its will.

(ii) Institutional measures

CFSP should have its own administrative body to concentrate on analysis and planning and to monitor the implementation of Council decisions. This body should not compromise the EU's institutional balance. Expertise within the Commission, the Council and the WEU should be pooled in order to present proposals on the implementation of a common foreign, security and defence policy.

(iii) Financing

The EU budget will have to provide adequate funding for CFSP.

(iv) Common defence policy

The European Union must include defence. Through a common defence policy, the EU should be capable of making its own independent contribution to the maintenance of peace and security in Europe and to protecting its members from outside pressures. In the medium-term the WEU should be integrated into the EU. Since the current diversity of EU and WEU membership is an obstacle to accomplishing this, the IGC should agree a firm timetable for the integration of the WEU into the EU.

There are several principles which are important for the creation of a common defence policy: the EU's basic security decisions must take account of transatlantic interests; NATO is responsible for collective defence as well as the central instrument of crisis management; the EU/WEU should make its own contribution militarily in accordance with the St. Petersburg Declaration in the areas where NATO does not want to act and European forces deployed for CFSP action will come under European command.

The IGC should also make progress on creating a clear European decision-making structure for crisis management and ensuring the interoperability of forces, including a harmonisation of the arms export policies of member states. If the WEU is to become fully operational, a decision has to be made on the command structures of the Combined Joint Task Forces enabling WEU or EU members to conduct peace or humanitarian missions, making use of NATO common structures and facilities.

Strengthening the EU's ability to act in common foreign and security matters and especially the introduction of qualified majority voting means that there must be increased parliamentary control. A decision will have to be made to go beyond the controls set out in Article J7 of

the Maastricht Treaty to ensure that the European Parliament is consulted before the European Council decides general guidelines for foreign and security policy and that the EP is informed when a decision concerning CFSP is taken in the Council by qualified majority.

5. Spain

Proposals on Relations Between the EU and WEU

The Spanish government, which from 1 July will preside over both the Presidencies of the EU and WEU, is drawing up a policy document on relations between the WEU and EU after consultation with Member States. Three central options for the future are being considered: a retention of the status quo with operational improvements; a legal link between the two bodies which falls short of formal merger; and the full integration of the WEU into the EU, possibly from 1998. Madrid is in favour of the third option. Integration might take three separate forms; firstly the implementation of a Common Defence Policy within the existing CFSP pillar of the Union; secondly the creation of a new fourth defence pillar; finally the creation of a defence pillar as an additional protocol to the revised Treaty. This would allow for the participation of only those Member States which wished to be involved in a formal Common European Defence Policy but would also provide for non-participating states to opt in at a future stage.⁴¹

VM/TD/FMW/JML

⁴¹ *Atlantic News*, 17 May 1995

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