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European union and WEU

REPORT

submitted on behalf of the General Affairs Committee
by Mr. de Bruyne, Rapporteur

ASSEMBLY OF WESTERN EUROPEAN UNION

43, avenue du Président Wilson, 75775 Paris Cedex 16 - Tel. 723.54.32

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1. Adopted unanimously by the Committee.

2. *Members of the Committee*: Mr. *Sieglerschmidt* (Chairman); Sir John Rodgers (Vice-Chairman); MM. *Abens*, *Amrehn*, *Sir Frederic Bennett*, Mrs. von Bothmer (Substitute: *Schwencke*), MM. *Brugnon*, *Cermolacce*, *Fioret*, Mrs. *Godinache-Lambert* (Substitute: *de Bruyne*), MM.

Grangier (Substitute: *Burckel*), *Leynen*, *Mende*, *Mendelson*, *Minnocci*, *Nessler*, *de Niet*, *Peijnenburg*, *Péridier*, *Portheine*, *Preti*, *Quilleri* (Substitute: *Treu*), *Schmidt*, *Steel*, *Urwin*, *Van Hoeylandt*.

N. B. *The names of Representatives who took part in the vote are printed in italics.*

Parliament in 1974 which appears to have provided the basis for intergovernmental discussions on this matter.

10. Very serious obstacles stood in the way of this decision since the number of seats and their attribution between the various member countries had to be recalculated. Secondly, it meant deciding whether the members of the European Parliament would necessarily continue to be national parliamentarians or whether a specifically European parliamentary system should be set up alongside the national parliamentary system. It is easy to imagine the difficulties raised by such a question in view of the risk of increasing the number of clashes between national and European parliaments. Finally, the elections themselves raised problems because of wide differences between legislation and electoral tradition in the various member countries.

11. The European Council took a bold step in deciding that elections by universal suffrage would be held as from 1978 without having reached agreement on the method of election. It was in fact left to the European Parliament which will be elected in 1978 to determine procedure governing its renewal.

12. It should be noted, however, that ratification of the agreement reached by the nine governments might encounter difficulties and opposition in some of the national parliaments. It is not so much the actual principle of electing the parliament of the European Communities by universal suffrage which raises problems, since this was written into the Rome Treaty ratified long ago by the parliaments of the signatory countries, as the fact that an elected parliament is intrinsically destined to have all-round responsibilities. Indeed, in several countries, fears have been expressed that the European Parliament may seriously impinge upon and acquire a legislative rôle in fields not covered by the Rome Treaty or the ECSC and Euratom Treaties, at the expense of the authority of the national parliaments or governments. These countries must therefore be expected to surround themselves with every precaution to ward off what they consider to be possible encroachment on their national prerogatives.

13. If we now turn to the consequences which these elections may have for the WEU Assembly, two aspects may be discerned.

14. First, the composition of the WEU Assembly will be very different from the European Par-

liament. It will continue to represent the national parliaments whereas the European Parliament will represent the electorate of the various countries. It will be possible for members of the European Parliament to be concurrently members of a national parliament but not necessarily.

15. Compared with the new European Parliament, the WEU Assembly will probably have less authority but it will have the advantage of continuing to ensure a close link between national and European parliamentary functions, which, in fields where member States retain full sovereignty, should provide a better outlet for its work on the foreign and defence policies of WEU member countries. Its rôle will obviously depend on the extent of the rights attributed to the European Parliament in terms of nine-power political co-operation. But in any event the Assembly will still retain its essential rôle of ensuring the application of the modified Brussels Treaty.

16. Your Rapporteur believes that this consideration largely meets the note in Mr. Tindemans' report where he mentioned the possible disappearance of the Assembly. At the present juncture, there is in fact no indication that another European assembly could take its place in the near future.

17. However, insofar as there are grounds for anticipating that Europe will in the future shoulder a larger share of the problems of its own defence in the framework of the Atlantic Alliance, the way should now be paved for co-operation between the member countries of WEU and any members of the EEC in the Atlantic Alliance but not WEU who wish to take part in preparing this policy. Enquiries by the General Affairs Committee in Norway and Denmark in 1975 showed that neither seemed prepared to be permanently associated with the work of the Assembly. Enquiries in Greece and Turkey in 1976 were more rewarding since authorities in both countries stated their interest in European co-operation in the fields of foreign policy, defence and armaments production and announced their intention of examining the possibilities offered by WEU in these fields and playing a greater rôle than heretofore in the work of the Assembly.

III. *European union*

18. Information obtained about the informal meeting of the nine Ministers for Foreign Affairs

Draft Recommendation
on European union and WEU

The Assembly,

Welcoming the decision taken by the European Council to elect the European Parliament by direct universal suffrage as from 1978 ;

Regretting the European Council's slowness in considering and implementing the Tindemans report ;

Recalling its Resolution 59 ;

Considering that the decision taken by the WEU Council on 31st May 1976 can help to develop the activities of the future European union in the field of armaments industries ;

Noting that this undertaking requires close co-operation between WEU and the European programme group ;

Considering that the co-ordination of European armaments industries can produce satisfactory results for the European economy and for the common defence in the framework of the Atlantic Alliance only if started without delay,

RECOMMENDS THAT THE COUNCIL

1. Study at an early date the outline programme which is to be submitted to it by the Standing Armaments Committee in order to be able to determine that body's new tasks as soon as possible and at the latest at its ministerial meeting in 1977 ;
2. Pay close attention to co-ordinating this undertaking with the work of the European programme group and have the latter's decisions communicated to it or be kept informed, through the international secretariat of the SAC, of the activities of that body in matters affecting the mandate of the SAC ;
3. Report to the Assembly in the appropriate manner on the results of the studies conducted by the Standing Armaments Committee and the decisions it takes in pursuit thereof ;
4. Invite the signatory countries of the North Atlantic Treaty who are members of the EEC or associated with it under Article 238 of the Rome Treaty to take part in the study to be undertaken by the Standing Armaments Committee.

Explanatory Memorandum

(submitted by Mr. de Bruyne, Rapporteur)

I. Introduction

1. Following the publication of the Tindemans report, your Rapporteur was instructed to submit a report on the future European union at the June 1976 session. In view of the fact that the Tindemans report seemed to call in question the very existence of the WEU Assembly the Presidential Committee had already adopted on 1st March a resolution addressed to the European Council recalling the need "to maintain at all events a parliamentary assembly with statutory competence for all aspects of the application of the modified Brussels Treaty". This resolution was adopted by the Assembly last June.

2. The Assembly obviously decided to include a report on European union and WEU in its agenda for the December session because it expected the nine governments to continue their study of the Tindemans report during the year and because it must voice its opinions on any decisions the Ministers may have reached already. There is every indication however that the report has not yet been studied in much detail and so far few decisions have been taken. The Tindemans report is admittedly still on the agenda of the forthcoming meetings of the European Council, but the governments' slowness in tackling the joint study and their discretion about their work give the impression that they are in no hurry to reach conclusions, nor perhaps do they even wish to.

3. Only one real decision has been taken by the nine Ministers, and that was on 20th September 1976. It was the decision to elect the members of the European Parliament by universal suffrage at one and the same time during the period May-June 1978. This decision was accompanied by a bill which it recommends the parliaments of the member States to adopt.

4. Conversely, the Tindemans report was only given a first reading by the Ministers for Foreign Affairs of the Nine at an informal meeting in Beetsterwaag, Netherlands, on 11th and 12th September. Obviously such a meeting only served to prepare the next official meeting of the Ministers on 29th and 30th November 1976.

5. Finally, on the WEU side the Council acted on 31st May 1976: it entrusted the Standing Armaments Committee with the task of working out an outline programme for a study on Euro-

pean armaments industries. This is a very modest step, but an assessment must be made of its political repercussions and the possible implications for the future European union.

6. The fact that progress towards greater cohesion in the political and defence fields in Western Europe has been very limited is not surprising in view of the difficulties encountered by the European Community in the economic field. The acute recession throughout the West in 1974 and 1975 slowed down the Community's progress and in many respects even reversed the process. The prospects of economic and monetary union which seemed to be taking shape before the crisis are now becoming blurred. The decision to link the currencies of the various Community countries has been respected by only half of them and in view of the magnitude of the problem now facing both strong and weak currencies alike, the outlook is not very promising for the immediate future.

7. Monetary tension has been largely responsible for making the settlement of economic problems even more difficult. At present, the Nine are having a hard task reaching agreement on fishing zones and the agricultural common market is being constantly disturbed by variations in currency rates. Some of the association agreements signed by the European Communities are not working properly, particularly the one with Turkey, because of the employment crisis and the difficulty experienced by the Western European countries in finding the investment funds necessary for the Turkish economy.

8. In short, your Rapporteur feels that the difficulties encountered by governments in the political and defence fields in their efforts to establish real European co-operation cannot be attributed solely to ill will. Today, therefore, attention must be paid to what might be done to maintain and develop such co-operation, albeit at a modest level at the present juncture.

II. Election of the European Parliament by universal suffrage

9. The decision taken by the Nine to elect the European Parliament by universal suffrage as from 1978 meets a wish constantly expressed by the European assemblies and particularly in a report by Mr. Patijn adopted by the European

in Brussels on 20th September 1976 showed that no decisive progress was made in considering the Tindemans report on that occasion. The most detailed discussions appear to have been on the chapter of the report dealing with foreign policy and the conclusion appears to have been reached that the work of the European Council should be extended further in this field. But the governments were not at all inclined to give the Commission any right of initiative in this connection. Moreover, the idea of foreign policy decisions being taken by majority vote seems to be excluded, at least in the near future. The Council will therefore continue to seek a consensus and it is quite evident that it will be far easier to reach agreement on specific issues than on more general definitions of European policy.

19. The Nine are reported to have agreed at that meeting to support the German proposal in the United Nations concerning international measures to combat the taking of hostages, providing *inter alia* for the extradition of guilty parties and the creation of an international human rights tribunal. But this is a very limited step and there is no hope of much progress being made with political union in the immediate future.

20. A second informal meeting was to be held to study the Tindemans report on 30th October. It is understood that most of the Ministers' time was taken up with other matters but although they were prepared to stop differentiating between meetings on the application of the treaties and meetings on political subjects not now covered by the treaties, they nevertheless have not changed the procedure for taking decisions by consensus on political questions. Moreover, they are believed to have discussed the European Parliament's "right of initiative", but no agreement was reached.

21. The indications are therefore that the Nine are still a long way from political union and that their progress may be very slow in the coming years in view of the rate at which they appear to be advancing with their study of the Tindemans report and with structural decisions. This means that although several governments agree with Mr. Tindemans that it is Europe's duty to organise its defence, it will be a long time before anything definite is done since they all appear to agree with Mr. Destremau and Mr. van der Stoel, who both told the Assembly last June that there could be no European defence policy without a common foreign policy.

22. Realism compels the Assembly to be very modest in its requests to the governments and WEU in defence matters. Measures which can be envisaged now are mainly concerned with conserving and applying what exists, i.e. the modified Brussels Treaty, without trying to establish a true European defence system which no one now seems to want. It may at least be wondered to what extent WEU is adapting itself to this situation.

IV. The activities of WEU

23. Only at its meeting on 20th October did the WEU Council consent to communicate to the Assembly the terms of the mandate given to the Standing Armaments Committee on 31st May 1976.

24. A perusal of the text leaves one perplexed that anything so innocuous, whose tenor was well known, could not have been published earlier. The delay obviously makes one wonder about the validity of the Council's oft-repeated affirmation of its eagerness to maintain good relations with the Assembly. So far, the indications already available to the parliamentarians had been gleaned mainly from speeches to the Assembly at its session in June 1976 by Ministers from three member countries and in particular by the French Secretary of State for Foreign Affairs, Mr. Destremau, who presented the twenty-first annual report of the Council to the Assembly, and from replies to Recommendation 281 and Written Question 167.

25. Mr. Destremau spoke as follows :

"... bearing in mind the need to avoid any danger of duplication of effort or any interference with the work now being done in other organisations, the Council instructed the Standing Armaments Committee, as an immediate task, to submit a detailed plan for a study which, in the form of a descriptive analysis of the situation of the armaments industries in the member countries, would contribute to a better knowledge of the industrial and economic implications of the standardisation of armaments.

The Council will monitor the progress of work and instruct the Standing Armaments Committee, as may be appropriate."

26. Speaking subsequently on behalf of the French Government and not the Council, Mr.

Destremau explained his country's view of this mandate :

"Although, in sound logic, there cannot be a unified European operational defence without there being a unified European political power, there is no reason why, to save time, we should not conceptualise here and now the conditions for establishing such a defence. In this area and until such time as the strategic concept takes shape, the setting up of a programme group for the standardisation of armaments designed and manufactured by Europeans might prove the desired trigger for developing a European armaments industry. In the same prospect may be viewed the Council of Ministers' remit to the Standing Armaments Committee of WEU to conduct an in-depth survey of our countries' armaments industries. This is being done at Belgium's instigation, firmly backed by ourselves. Moreover it was your Assembly which, on a report I had the honour to submit to it on 8th November 1972, advocated reactivating the Standing Armaments Committee."

27. Similarly, Mr. van der Stoel, Netherlands Minister for Foreign Affairs, gave his country's views :

"I can very well imagine that at a certain point in time the whole complex of existing relations between the member countries of the Community will be translated into what will then be called a union, but that then at a later stage this union will be given powers that it did not possess at the time it came into being.

It does, indeed, seem to me to be a logical sequel to a constantly advancing process of European integration that ultimately defence, too, should be a matter for the union. I have come across a number of comments on this in the report by the Belgian Prime Minister, Mr. Tindemans. In answering Mr. Leynen my view was, indeed, that I could not imagine how the European Communities could succeed, inside the union, in reaching a common defence policy so long as there was no common foreign policy. The common defence policy must, in the end, be based on a common foreign policy.

.....

I think it would be interesting if we could, at the end of the year, and in the light

of the progress made in the European programme group, show it to have given particularly valuable services, while the Standing Armaments Committee in the WEU sphere made an inventory of industries dealing with armaments. I believe that these analyses and studies might contribute usefully to the continuing discussion on the building of European union."

28. Finally, Mr. Schmidt, Parliamentary Secretary of State for Defence of the Federal Republic of Germany, said in reply to a question by Mr. Rivière on his government's attitude towards the mandate :

"I did not mention (the Standing Armaments Committee) since in my address I was dealing primarily with the political matters that affect us in the Federal Republic in relation to the Alliance as a whole."

29. The difference between these four replies, one given on behalf of the Council by Mr. Destremau and the others by three Ministers on behalf of their countries, call for some comment.

30. First, the decision to give a mandate to the Standing Armaments Committee is not based on the same concepts in the various countries.

31. Only Mr. Destremau, speaking of French policy, placed the Council's move in the context of a European defence policy, which implies that he considered its effect would be quite considerable, whereas the German Secretary of State clearly asserted that the reactivation of the Standing Armaments Committee was not among "the political matters that affect us in the Federal Republic in relation to the Alliance as a whole".

32. Mr. van der Stoel's position does not link European union, which he admits will one day have responsibilities in the foreign policy and defence fields, with reactivation of the WEU Standing Armaments Committee. The Seven have therefore agreed on technical measures without, apparently, being clear about their scope.

33. The nature of the mandate in the light of statements made by the Council or by its members should therefore be examined. First of all, it was a Council decision taken in the framework of its organic decision of 7th May 1955 in application of Article VIII of the Brussels Treaty and setting out the rôle of the Standing Armaments Committee. This rôle would thus not be in any way changed or curtailed by the Coun-

cil's new decision which is merely to be seen as a measure in implementation of the 1955 decision.

34. Second, at the moment it only seems to be of limited scope. The Standing Armaments Committee has merely been asked to prepare an outline programme for a study and the Council has yet to decide whether it should lead to the study itself.

35. Third, it would appear that the governments intend to avoid overlapping between the Standing Armaments Committee and the European programme group, but at the same time they allowed for no organic link between the two bodies. Consequently, it is for the governments to ensure co-ordination between the two bodies, one of which is permanent whereas the second is only an *ad hoc* group with no legal status. It might however seem reasonable for the European programme group, to which all the WEU members belong, to be asked to report in one form or another to the WEU Council in order to ensure co-ordination or for a system of reciprocal information to be established, in particular through the international secretariat of the SAC. This would be nothing new since NATO communicates to the Agency for the Control of Armaments the information it needs to fulfil its rôle, sends observers to meetings of the SAC and receives observers from the SAC at the conference of national armaments directors.

36. Finally, it should be pointed out that although the Standing Armaments Committee is to submit its outline programme for a study to the Council before the end of 1976, no time limit is given in the Council's decision for the possible implementation of the outline programme, which considerably restricts the scope of the Council's initiative.

37. Regarding the political aspect of the Council's decision, at least two courses emerge.

38. Mr. Van Elslande's speeches to the Assembly in December 1974 and May 1975, the press conference given by Mr. Van Elslande at the close of the meeting of the Council of Ministers on 31st May 1975, Mr. Destremau's speech to the Assembly in June 1976 and the Council's reply to Recommendation 281 seem to indicate that at least two member governments were concerned about organising European defence and that they intended to leave open the possibility of the organs of WEU playing a rôle in this

field sooner or later. Their view seems to be that WEU might provide the defence element of a future European union.

39. This view does not emerge from the statements by Mr. van der Stoep and Mr. Schmidt in June 1976.

40. The nine Ministers will inevitably have to discuss this matter during their study of the Van Elslande plan. While at the present juncture defence questions are to be excluded from the European union, the study undertaken by the Standing Armaments Committee consists of "a descriptive analysis of the situation of the armaments industry in member countries" to "gain a clear insight into the industrial and economic implications of the standardisation of armaments", i.e. it comes under the heading of economic activities of member countries and consequently concerns the European Economic Community.

41. The study which the Standing Armaments Committee is to prepare does not in fact appear to concern the equipment of armed forces but the armaments industry rather. It is thus far more economic than military and is a matter of drawing up an inventory of such industries and considering their structure and links, which probably implies that it will not be able to overlook commercial matters. It therefore differs fundamentally from the work of the European programme group which deals with the requirements of the armed forces and is, so to speak, the second part of a task which is quite obviously aimed at preparing a European armaments policy based on the now very widely shared view that standardisation is necessary and rationalisation of European production essential if Europe wishes to maintain an industry in this sector capable of holding its own in the world market.

42. Considering the size of the armaments industry in several member countries, its share in exports and the jobs it provides, its survival seems essential in a period of economic recession with employment in jeopardy everywhere and the trade balances of many European countries seriously in deficit. There must be lower cost prices for military equipment if Europe is to maintain and improve its defence capability without too heavy a burden being imposed upon the countries' finances.

43. There is therefore every justification for making an analysis of the particular position

of each country's industry since, in this field, legal status, economic capability, the proportion of State orders, the rôle of international co-operation and technical capabilities vary considerably. This study will probably bring out the weak points of the various industries and show in which fields real European co-operation, or even European organisation of industries and markets, is necessary, desirable or possible. But first and foremost a diagnosis of the European armaments industry must be expected.

44. The fact that the Council made the Standing Armaments Committee responsible for a study of industries shows that it realised that defence matters alone were not the only basis for a European armaments policy and that account had to be taken of economic, legal and industrial aspects. Thus, if it so wishes it can pursue the movement it has started by instructing the Standing Armaments Committee to effect the study for which it is preparing the outline programme with an eye to co-ordination, co-operation and distribution of production, failing which the limited outlets offered by Western Europe's national armed forces would quickly result in the European firms no longer being capable of competing on the world market and in the long run they would be swallowed up.

45. Evidently there was no need for the Seven to agree on the prospects of a European defence policy before contemplating this study in the industrial field. Nor is such agreement necessary for starting it, nor is there any need for supra-national terms of reference before conducting it. The Standing Armaments Committee, composed of government representatives assisted by an international secretariat, will be able to carry out its task on the basis of information provided by governments.

46. Thus, the undertaking is a modest one invoking none of the principles which might arouse differences between member countries. It sets up no new institutions but has the merit of using an existing body whose *raison d'être* was being called in question by the formation of the European programme group. Nevertheless, it must be carried through to a conclusion and this depends essentially on the Council: in view of Europe's present economic difficulties and what is to be expected of the European programme group in the standardisation of armaments, WEU must act without delay, i.e. the outline programme which the Standing Armaments Committee is soon to submit must be studied immediately and the decision to carry out the study

proper must be taken forthwith since, as the Council said in its reply to Written Question 167, "this study could also be useful for the work to be done by the European programme group". Whether this is a serious move or merely a limited step to allay the Assembly's concern about the Council's inaction will be demonstrated by the Council's willingness to act without delay. The time-limit for the Council's decision should normally be its next ministerial meeting at the beginning of summer 1977.

47. Finally, it is to be hoped that the Council will be more diligent in informing the Assembly of its decisions than it was in informing it of the May 1976 mandate.

V. Conclusions

48. To be realistic, it must be admitted that the economic recession in the West since 1973 raises new and serious obstacles to the establishment of the European union sought by the Nine and has made governments cling more firmly to their sovereignty than heretofore. Similarly, no spectacular progress can be expected in the near future. It is some consolation to note that the governments have agreed on a not too remote date for electing the European Parliament by universal suffrage, but the full consequences of this decision must not be drawn until it is seen what reservations the parliaments of certain countries may make in adopting legislation to implement this decision. Likewise, further progress must be made in the European Council's study of the Tindemans report before assessing its impact.

49. The fact that during this period of waiting the WEU Council has taken a step which might lead to an undertaking of concern to the European armaments industry and, perhaps, a future European defence policy seems to indicate that the governments, like the Assembly, believe that WEU should pursue its activities until such time as it can be included in a European union with responsibilities in defence matters. This is a welcome step, but attention should be paid to ensure that the Council does not just stop there. The first indication of the meaningfulness of the decision taken in May 1976 will be given when it is time to pass from the first stage — the outline programme for a study being prepared by the SAC — to the study proper. The scope of the study will then have to be assessed and consideration given to the decisions it leads up to.