

He
422.32

CDU/CSU-Fraktion

des

Deutschen Bundestages

Bonn, 1. Sept. 1994

Reflections on European Policy

Embargo: Thursday, 01.09.1994, 11⁰⁰-h

I. The situation

The process of European unification has reached a critical juncture in its development. If, in the next two to four years, no solution to the causes of this critical development is found, the Union, contrary to the goal of ever closer union invoked in the Maastricht Treaty, will in essence become a loosely knit grouping of states restricted to certain economic aspects and composed of various sub-groupings. It would then be no more than a "sophisticated" free-trade area incapable of overcoming either the existential internal problems of the European societies, or the external challenges they face.

The main causes are:

- Overextension of the EU's institutions which, originally set up for six member countries, must now cater for a membership of 12 - soon (it is to be expected) to rise to 16.
- A growing differentiation of interests, fuelled by differences in the level of socioeconomic development, which threatens to obscure the basic commonality of interests.

to the East and in strengthening it through further deepening. Indeed, deepening is a precondition for widening. Without such further internal strengthening, the Union would be unable to meet the enormous challenge of eastward expansion. It might fall apart and once again become no more than a loose grouping of states unable to guarantee stability. Only if the new system set up after 1945 to regulate conflicts, to effect a balancing of interests, to promote mutual development and to ensure Europe's self-assertion in its external relations can be further developed and expanded to take in Germany's neighbours in Central and Eastern Europe, will Germany have a chance of becoming a centre of stability in the heart of Europe. This German interest in stability is essentially identical with that of Europe.

Owing to its position, its size and its close relations with France, Germany bears a special responsibility and has a major opportunity to play a leading part in promoting a course of development which will benefit both it and Europe.

Following its assumption of the Presidency of the European Union on 1 July 1994, for Germany the tremendous long-term efforts needed to achieve this goal have begun.

III. What must be done? - Proposals

The above goal can only be achieved through a combination of measures in the institutional sphere and in a number of policy fields. The following five proposals are mutually dependent and reinforcing, and form an integrated whole:

- further develop the EU's institutions and put subsidiarity into effect, including the retransfer of powers;
- further strengthen the EU's hard core;
- raise the quality of Franco-German relations to a new level;
- improve the Union's capacity for effective action in the field of foreign and security policy;
- expand the Union towards the East.

It goes without saying that, especially with a view to enhancing public acceptance of European integration, these measures must be accompanied by efforts to combat organized crime, establish a common policy on migration, fight unemployment, establish a common social policy, ensure Europe's continued competitiveness and protect the environment.

1. Further developing the EU's institutions

The further development of the EU's institutions, which is on the agenda of the intergovernmental conference in 1996, should be based on the following principles:

- The goal must be to strengthen the EU's capacity to act and to make its structures and procedures more democratic and federal.
- To this end, the question of who does what must be answered. This should be done in a quasi-constitutional document which, in a clear language, describes the division of powers between the EU, the nation-states and the regions, and defines the fundamental values on which the Union is based.
- This document must be oriented to the model of a "federal state" and to the principle of subsidiarity. This applies not only to the division of powers but also to the question of whether public authorities, including those of the Union, should perform certain functions or should leave them to groups in society. Germany, at whose request the principle of subsidiarity was incorporated in the Maastricht Treaty, and which has experience in applying it, is called upon to put forward recommendations not only on how the principle of subsidiarity can be applied to future measures of the EU but also on how existing regulations can be adapted to it.
- All existing institutions - the Council, the Commission, the Presidency and the European Parliament - must be reformed. Numerous reform proposals have been put forward, among others by the CDU/CSU parliamentary group. The reforms must be geared to concepts for a new institutional balance, according to which the European Parliament will increasingly become a genuine law-making body with the same rights as the Council; the Council, in addition to performing tasks in the intergovernmental field in particular, will assume the functions of a second chamber, i.e. a chamber of the member states; and the Commission will take on features of a European government.

In addition to greater efficiency, democratization must be acknowledged as the guiding principle of all reforms. Naturally, this applies first and foremost to the European Parliament which is to be closely involved from the outset in the preparations for the intergovernmental conference in 1996. This should be accompanied - not preceded - by efforts to enhance participation by national parliaments in the decision-making process within the EU. With regard to the Council, democratization means striking a better balance between the basic equality of all member states, on the one hand, and the ratio of population size to number of votes in the Council, on the other.

The further development of the EU's institutions must combine coherence and consistency with elasticity and flexibility. On the one hand, they must be flexible enough to absorb and compensate for the tensions inherent in a Community stretching from the North Cape to Gibraltar and differentiated enough to cope with differences in member countries' ability (and willingness) to pursue further integration. On the other, they must be strong enough to ensure that, even in the face of tremendous challenges, the Union retains its ability to act.

To achieve this, the "variable geometry" or "multi-speed" approach should as far as possible be sanctioned and institutionalized in the Union Treaty or the new quasi-constitutional document, despite the considerable legal and practical difficulties involved. Otherwise, this approach will continue to be limited to intergovernmental cooperation, which might well encourage a trend towards a "Europe à la carte". It must therefore be decided whether, in the case of amendments to the Maastricht Treaty, the principle of unanimity laid down in Article N should be replaced by a quorum yet to be more clearly specified. It is essential that no country should be allowed to use its right of veto to block the efforts of other countries more able and willing to intensify their cooperation and deepen integration.

Developing flexible approaches to integration, as envisaged for monetary union in the Maastricht Treaty and as already practised outside the Treaty within the framework of the Schengen Agreement, appears all the more imperative in view of the immense difficulties the above institutional changes will cause even with membership at its present level. As the negotiations on the accession of the EFTA countries showed, these difficulties are unlikely to diminish in the future. Just preventing a standstill in the process of integration, which would in fact constitute a step backwards, would be a major achievement.

2. Further strengthening the EU's hard core

In addition to ensuring that the decision-making process within the European Union becomes more efficient and democratic, the existing hard core of countries oriented to greater integration and closer cooperation must be further strengthened. At present, the core comprises five or six countries. This core must not be closed to other member states; rather, it must be open to every member state willing and able to meet its requirements.

The task of the hard core is, by giving the Union a strong centre, to counteract the centrifugal forces generated by constant enlargement and, thereby, to prevent a South-West grouping, more inclined to protectionism and headed in a certain sense by France, drifting apart from a North-East grouping, more in favour of free world trade and headed in a certain sense by Germany.

To this end, the countries of the hard core must not only participate as a matter of course in all policy fields, but should also be recognizably more Community-spirited in their joint action than others, and launch common initiatives aimed at promoting the development of the Union. Belgium, Luxemburg and the Netherlands must therefore be more closely involved in Franco-German cooperation - especially since the Netherlands, too, has revised its earlier sceptical attitude towards the essential function of these two countries as the driving force behind European integration. Cooperation among the core countries must focus in particular on the new policy fields added to the Treaty of Rome by the Maastricht Treaty.

In the monetary field, too, there are strong signs that a hard core of five countries is emerging. They (together with Denmark and Ireland) are the ones which come closest to meeting the convergence criteria stipulated in the Maastricht Treaty. This is especially important since monetary union is the cornerstone of political union (and not, as is often believed in Germany, an additional element of integration alongside political union).

If monetary union is to be completed within the set timetable, it will encompass probably no more than a small number of countries - in line with the procedure outlined in the Maastricht

Treaty. Even so, it will be completed only if the hard core of five work towards this objective systematically and with great determination. To this end, in the fields of:

- monetary policy
- fiscal and budgetary policy
- economic and social policy

they should strive for ever closer coordination and aim to establish common policies, thereby - irrespective of the formal decisions taken in 1997 or 1999 - laying the foundations for monetary union among themselves by that time.

The core countries must convince all the other members of the EU - in particular founder-member Italy, but also Spain and, of course, Great Britain - of their unreserved willingness to involve them more closely as soon as they have overcome their current problems and in so far as they themselves are willing to work towards the common objectives. The formation of a core group of countries is not an end in itself but a means of reconciling the two ostensibly conflicting goals of widening and deepening the European Union.

3. Raising the quality of Franco-German relations to a new level

The quality of Franco-German relations must be raised to a new level if the historic process of European unification is not to peter out before it reaches its political goal. Therefore, no significant action in the foreign or EU policy fields should be taken without prior consultation between France and Germany. Following the end of the East-West conflict, the importance of Franco-German cooperation has not diminished; on the contrary, it has increased yet further.

Germany and France form the core of the hard core. From the outset, they were the driving force behind European unification. Their special relationship faces a stiff test because it too is beginning to show signs of the abovementioned differentiation of interests and perceptions, which might cause them to drift apart as well. In France there are fears that the process of enlargement, taking in first the Scandinavian countries (as well as, in particular, Austria) and later the countries of Central and Eastern Europe, could transform the Union into a loose grouping of states in which Germany might acquire far greater power and thus assume a

dominant position. For France, therefore, the issue of deepening the Union prior to enlargement is of vital importance. Now that Germany is reunited and - more importantly in this context - now that it can once again pursue an active foreign policy in the East and enjoys the same freedom of action as its partners in the West, the old question of how to integrate a powerful Germany into European structures, which arose when the process of European unification - limited initially to western Europe - began, assumes a new, if not in fact its real, meaning.

It is important for Franco-German relations in particular that this question be addressed frankly in order to avoid misunderstandings and mistrust.

An initial answer can be given by pointing to the fact - important for Germany too - that a desire not to become too dependent on Germany is, to a not inconsiderable degree, the reason why its eastern neighbours (like the EFTA countries before them) are keen to join the EU. However, this can only be achieved in a community which is more than just a free-trade area.

It is vital, of course, that precisely at this point in time Germany should, through its policies, demonstrate its unwavering commitment to the goal of a strong and integrated Europe capable of effective action. (Germany believes it has long since provided proof of its commitment but, as the criticism of the way it proceeded with regard to the accession of the Scandinavian countries and Austria shows, this view is not shared everywhere.) Germany must furnish the required proof in proposals on ways to deepen the Union in institutional and political terms before further enlargement. These proposals must nevertheless also be made with a view to the future enlargement of the Union.

If Germany puts forward clear and unequivocal proposals, then France must make equally clear and unequivocal decisions. It must rectify the impression that, although it allows no doubt as to its basic will to pursue European integration, it often hesitates in taking concrete steps towards this objective - the notion of the unsunderable sovereignty of the "Etat nation" still carries weight, although this sovereignty has long since become an empty shell.

In view of the importance of monetary union for Franco-German relations in particular, attempts must be made - in addition to preparations within the hard core of countries - to overcome differences of opinion between France and Germany on fundamental issues of economic policy. These include the substance of "industrial policy" and competition law. In this connection, it would be a positive step if agreement could be reached on a European cartel

office. There must also be a debate on the long-term objectives of the common agricultural policy and on the basic features of the Union's future financial system.

The same goes for the frequent divergence of views in France and Germany on the central issue of a common European defence and its relationship to NATO (as evident, for instance, in the current discussions on ways to implement the decision on the so-called combined joint task forces (CJTF) taken at the NATO summit in January 1994).

On both issues, the corresponding Franco-German councils (economic and social council, defence council) should be used as a forum for a thorough, unbiased and undoctinaire debate.

More than ever before, Germany's relations with France are the yardstick by which to measure its sense of belonging to the West's community of shared political and cultural values, as opposed to the tendency, gaining ground once again especially among intellectuals, to seek a "German special path". This is especially important since, now that the East-West conflict has come to an end, the USA can no longer play its traditional role in the same way. Conducting a serious and open dialogue on the attitudes which underpin such tendencies, and on the mutual sentiments and resentments in the Franco-German relationship, is just as important as enhancing the quality of political cooperation between the two countries.

4. Improving the Union's capacity for effective action in the field of foreign and security policy

Giving the Union the capacity to take even more effective action in the field of foreign and security policy is of vital importance for the future.

The nation-states of Europe are no longer capable of guaranteeing their external security individually, especially in view of the fact that other security problems to have been overcome in Europe have reemerged and that, following the end of the East-West confrontation, the USA's assistance in resolving every kind of conflict is no longer certain.

A state's ability to guarantee its external security - its ability to defend itself - is, however, the precondition for, and the quintessence of, sovereignty. This applies in turn to the EU as a

community of states inasmuch as only within the community can nation-states preserve their sovereignty. Moreover, because a nation's awareness of its sovereignty determines not only its self-perception but also its relations with other nations, the common defence capability of this European community of states constitutes an indispensable factor in endowing the EU with an identity of its own, an identity which, however, at the same time leaves room for the sense of identity of each individual state.

In the few years since the end of the East-West conflict, a common foreign and security policy has become more important and more urgent than envisaged in the Maastricht Treaty. Not even the larger member states are capable of addressing the new external challenges alone. All opinion polls show that a large majority of citizens would like to see a common foreign and security policy. The inadequacy of the Union's response to the dramatic developments in the eastern part of Europe has led to clear drop in public support for the process of European unification. The question of the security status of future members is of decisive importance for the political make-up of Europe, and for its entire political order.

Action by the European Union in the field of foreign and security policy must be based on a strategic concept which clearly defines common interests and objectives and stipulates the conditions and procedures as well as the political, economic and financial means. The common foreign and security policy must give priority to the following fields:

- a common policy geared to stabilizing Central and Eastern Europe;
- development of relations with Russia with the aim of establishing a wide-ranging partnership;
- a common policy in the Mediterranean, where stability is of fundamental concern not only to the littoral states but to Germany as well;
- development of a strategic partnership with Turkey;
- reorientation of transatlantic relations: transatlantic relations are especially important because they encompass all the issues arising in the context of the common foreign and security policy. For this reason, the European Union and the USA must formulate a joint policy in these fields. They must also coordinate their efforts to address the global challenges.

The creation of a common European defence is a matter of much greater urgency than envisaged in the Maastricht Treaty. It should be done now, rather than "in time" as stated in the Treaty. The urgency of this demand has been underlined by the European countries'

difficulties among themselves and with the USA over the war in the former Yugoslavia. The efforts to establish a common defence must therefore be intensified. The Europeans must assume a far greater share of the responsibility for their own security. This goes, on the one hand, for measures to preserve and to enforce peace. On the other, it applies even more to the question of the security status of future members of the Union. In a community of states which sees itself as a genuine union, all members must enjoy the same status with regard to their security. That is a precondition of membership. But if the USA is to be expected to show a willingness not only to maintain its commitment in the present territory of the Alliance but to extend it (at least) to those countries which become members of the Union, then in the non-nuclear field Europe must itself make the main contribution to its own defence.

Looking ahead, this means transforming NATO into an alliance within which Europe and the USA and Canada carry equal weight and form a unit capable of effective action. In this sense, the intergovernmental conference in 1996 must reorganize the relations between the EU and the WEU in accordance with Article J.4, paragraph 6.

With regard to the current issue of restructuring the relations between the WEU and NATO as regards tasks not covered by Article 5 of the North Atlantic Treaty (CJTF), a solution must be found which, on the basis of a decision by the NATO Council in each individual case (and thus, of course, with the involvement of the USA), allows the Europeans to take independent action using NATO resources and parts of the NATO staffs. As President Clinton's most recent speech in Paris again made clear, the USA not only welcomes but indeed calls for the creation of a European defence identity.

An active and effective common foreign and security policy requires a more flexible and efficient system of management and coordination. To this end, a high-level planning cell with access to national policy-makers, and concerned exclusively with forward-looking planning work, must be set up.

Excursus

To propose the formation of a hard core in Europe and the further intensification of Franco-German cooperation does not, however, imply the abandoning of hopes that Great Britain will assume its role "in the heart of Europe" and thus in its core. Rather, these proposals are born of the conviction that determined efforts to spur on the further development of Europe are the

best means of exerting a positive influence on the clarification of Great Britain's relationship to Europe and on its willingness to participate in further steps towards integration.

5. Enlarging the EU towards the East

Poland, the Czech and Slovak Republics, Hungary (and Slovenia) should become Members of the European Union around the year 2000. Their accession should depend on the implementation of the measures outlined above and also be their objective.

The certain prospect of EU membership, and membership itself even more so, is more likely to promote the political and economic development of these countries than any form of external assistance. Apart from the clear political and psychological advantages, accession at that time would, however, impose such a serious economic strain on members old and new that it will only be possible through a combination of measures. They include not only the approximation of laws in the acceding countries, already provided for in the Europe agreements, but also changes in various fields of EU policy, above all with regard to agriculture. In addition, to allow for economic adjustment there must be very long transitional periods (probably varying in length from country to country), which will be a case for the applications of the concept of "variable geometry". The result must be that the costs for both sides are no higher than would be the case if accession were to take place at a later date. It must be borne in mind that the later accession takes place, the higher the costs are likely to be.

The accession of these countries must take place in stages and be accompanied by a further deepening of cooperation. Hence the following proposals:

- implement fully the opening of markets envisaged in the Europe agreements;
- coordinate trade policy;
- promote free trade and cooperation among the reforming countries;
- extend the participation of Central and Eastern European countries as regards certain areas of the EU's common foreign and security policy, i.e. multilateralize cooperation;
- implement cooperation in the security field in line with the Kirchberg Declaration on "associate partnership" with the WEU;
- with regard to justice and home affairs, involve these countries in cooperation in the fields of aliens, migration, asylum and visa policy as well as with EUROPOL.

10

10

10

10

10

10

The integration of the Central and Eastern European countries into the European Union must be accompanied by the establishment of a wide-ranging partnership between the EU and Russia. As far as it is possible from outside, this policy must give Russia the certainty that, alongside the EU, it is acknowledged as the other centre of the political order in Europe. The agreement on partnership and cooperation with Russia is a first major step in this direction. It must be followed by security agreements in connection with the accession of the Central and Eastern European countries to the EU/WEU and NATO.

Implementation of the programme proposed above offers the best chance of overcoming the current uncertainties among our citizens with regard to the process of European unification. Unlike some intellectuals - and occasionally politicians too - who express views and opinions which are not only ill-considered and ill-informed but also far removed from reality, purely theoretical and legalistic, and politically dangerous, the large majority of citizens clearly recognize the need for European unity. However, they quite rightly expect more democracy, openness and transparency, and, above all, successful policies by the EU in the above fields. Basically, our citizens know full well that Germany's interests can only be realized in, with and through Europe, and that, far from posing a threat to the nation, this in fact safeguards its essence because it safeguards its future.

Bonn, August 30, 1994

