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Jean Monnet Chair Papers

Power and Plenty?

From the Internal Market to Political and Security Cooperation in Europe

Christoph Bertram
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The European Policy Unit at the
European University Institute

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Bertram et al., *Power and Plenty?*

The Jean Monnet Chair

The Jean Monnet Chair was created in 1988 by decision of the Academic Council of the European University Institute, with the financial support of the European Community. The aim of this initiative was to promote studies and discussion on the problems, internal and external, of European Union following the Single European Act, by associating renowned academics and personalities from the political and economic world to the teaching and research activities of the Institute in Florence.

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LORD COCKFIELD

A Turning Point in History

There are turning points in history; frequently only dimly perceived at the time but later clearly identified. The renaissance of the Community which was launched by the Internal Market Programme and in its wake the Single European Act is likely to prove such a turning point.

The roots of change often go back a very long way. Nevertheless, a point is reached when the process of change suddenly seems to take off. Thus, when the British Prime Minister quotes *Magna Carta* as having preceded the Declaration of the Rights of Man by several centuries she is entirely right: but this does not alter the fact that the French Revolution changed the world in a way Runnymede never did.

The Birth of the Concept of European Union

Over the centuries, repeated attempts were made to unify Europe by force — the Romans, Charlemagne, Napoleon and in our own day Hitler. They all ultimately failed. What distinguishes the present move to European Union is that it is based on free and voluntary agreement not undertaken in war or under the duress of war. In that it is not unique — the federations in both Canada and Australia were also the product of voluntary agreement although in those cases the circumstances were much easier as there was not, except to a limited extent, the same history of conflict between the participants.

The concept of European Union was firmly embedded in the founding treaties, the Treaty of Paris and the Treaty of Rome. But after a vigorous and successful start the Community ran into serious difficulties. First with de Gaulle, reflecting his intensely nationalistic approach, and then more insidiously but possibly more damagingly by the onset of the recession

and the enlargement of the Community to include new Member States who — events were to show — did not all entirely share the visions of the founders of the Community.

The Internal Market Programme and the Single European Act

But as Europe gradually recovered from the recession, the original vision of a united Europe began to emerge once again. In 1983 the solemn declaration on European Union was subscribed to at Stuttgart by the Heads of Government and the Foreign Ministers of all the Member States. At this stage sceptics could still claim, in the way that some countries still try to dismiss what they do not like, that this was mere rhetoric. But in June 1985 we produced the White Paper on the completion of the Internal Market. This was endorsed by the Heads of Government when they met at Milan the same month. And within a matter of months this in turn was followed by the negotiation of the Single European Act at Luxembourg in December 1985.

The Single Act both gave legislative backing to the Internal Market Programme in the clearest and most specific terms and it enacted substantial improvements in procedures to ensure that the goal was achieved. But the Single Act did more than this. It provided also for the implementation of many of the policies set out in the solemn declaration. From time to time we need to remind ourselves of just what a tremendous canvas was painted by the Single Act:

The Internal Market
Social policy
Economic and monetary union
Economic and social cohesion
Science and technology
The environment: and
Political co-operation in the sphere of foreign policy.

So suddenly we had passed from rhetoric to action. The vision was no longer just a vision: it was a vision in action. This is why these events of 1985 were, and will prove to be, a turning point in history. Interestingly, the date likely to be associated with these dramatic events is likely not to be 1985 but 1992, the date set for the completion of the Internal Market Programme and which is now part not only of the history of the Community but also of popular parlance.

From the Internal Market Programme to European Union

The seminal importance of the Internal Market Programme is that it initiated a process of change. It has demonstrated that the will is master of events and that if the will is there the events can be moulded in the form we want. It started a whole process of change; and when the Heads of Government at Hanover in June of last year declared that the process was "irreversible" they were setting their seal of approval on far more than the Internal Market Programme. And so events are unfolding themselves. Monetary union we will have in matter of a few years; and economic union will follow. We need have no doubt now that we will see European Union in both the economic and political sense. And it will be achieved within the lifetime of many alive today. The time when one could stop it has passed. The turning point was marked perhaps by the British Prime Minister's Bruges speech: a speech which was designed to attack the whole concept of European Union ended up by calling forth the forces supporting European Union, uniting them and giving them fresh determination. If you toll the bell, beware, it may toll for thee.

The Issues we now Face

So the questions we now have to ask ourselves are these:

What will be the shape of this economic and political union?

Who will participate in it?

What will be its implications for the world outside the Community both in political and economic terms?

The great merit of the establishment of the Jean Monnet Chair in the European University Institute is that it provides a forum at which these issues can be debated: in which ideas can be tossed into the arena and progress made in the cut and thrust of debate. On the present occasion I can do no more than suggest the lines our future consideration should take and leave it to subsequent discussion and study to flesh out the ideas, to develop them, to endorse or even to reject then.

But the bed-rock on which we stand is this. In the 1992 programme, and in the Single Act, we have started a process that will not, and cannot, be stopped. Our task is to mould that process to the greater benefit of the people of Europe: not of the Community alone but of Europe as a whole.

The Future Structure of Europe

In a number of speeches I have delivered in the last year or so, particularly in the address I gave at the Swiss Institute of International Affairs in Zurich in October of last year and in the "Mobil" lecture I delivered at the London School of Economics in June of this year, I set out the way that I thought the Community would develop in the years ahead. I do not propose repeating the arguments I then deployed: but the broad conclusions I then came to, I adhere to. Indeed, subsequent events have moved in a direction consistent with, not opposed to, the analysis I had set out.

No longer can we simply look at the Community in isolation. Not only are other countries applying, or contemplating applying for membership, but the relationship with the EFTA countries is developing more vigorously than at any time since the Luxembourg declaration of 1984 set out the concept of the "European economic space". Of critical importance also is that we are now seeing the gradual demise of the Russian empire. Nothing like that has occurred since the decline and fall of the Roman Empire a thousand years or more ago. This is leaving a vacuum in Europe which must be filled, and it must be filled, I suggest, by Europe. It has another important consequence, namely that the prospect of military conflict which dominated the policies of the super powers for so many years is fading. As it fades the economic dimension becomes more and more important. It is therefore the European Community with its roots firmly bedded in economic union which needs to play the lead role in these future developments. I return to these matters later in this address.

So it is the future structure of Europe as a whole we are now compelled to look at: the way the Community strictly defined will develop; and what will be the relationships between that Community and the structure which will emerge in the greater Europe. The position is greatly complicated by the fact that the Community itself is in a process of rapid development. There is no doubt that that development will go ahead and succeed: but there is serious doubt whether all the members of the Community will go along with those developments.

In the previous lectures to which I have referred, I identified four potential groupings. First, what one might describe as an inner circle of those members of the Community who would progress to full economic and political union. Second, a group of countries — some present members of the Community but possibly some others as well — who would accept economic but not political union. Third, a group — again possibly including some present members of the Community but mainly countries at present outside the Community — who would accept something like the 1992 programme but no more. And finally an outer circle comprising a free trade area but no more.

At first sight such a pattern would appear to be excessively complex. But in fact it is no more complex than the situation which exists at present, with the EFTA countries forming a free trade area with the Com-

munity; with many countries with varying association agreements with the Community; and the Community itself divided by special arrangements and derogations to meet the difficulties or prejudices of particular Member States. Indeed, it could well be regarded as a rationalisation of a situation which in fact already exists.

Nevertheless, my own view is that countries would tend to gravitate towards one end of the spectrum or the other. There are strong practical — let alone political — reasons making this likely to happen. The institutional problems of getting a four tier structure to operate, and even more so to develop, are likely to push strongly in this direction. We can already see these forces at work in the Community/EFTA relationship where — even with what still remains essentially a free trade relationship — there is acute dissatisfaction on the part of the EFTA countries at their exclusion from the decision-making process and a determination on the part of the Community that its autonomy in decision-making should not be put at risk by the Community/EFTA relationship. The fact that final agreement on the convention on non life insurance between the Community and Switzerland was held up for so long reflected fears on both sides that their future independence in decision-making was put at risk.

The issues involved are interrelated and interdependent. The number of groups, or tiers, will depend on how flexible the countries comprising them are: and this in turn depends on who those countries are. Some countries regard the common good of the Community as the overriding objective. Others are determined to defend their undiluted national sovereignty to the last gasp. Countries with a tradition of neutrality may not find this easily reconciled with the growing competence of the Community. And the more we extend our ambitions to cover the wider Europe, the greater the problem of finding an acceptable accord between different political philosophies.

One cannot carry this sort of discussion very far before it becomes necessary to talk in terms of the likely outlook and political stance of individual countries. Here one is beginning to tread on delicate ground. It is all too easy to upset the political sensitivities of particular countries. Nor is the position made any easier by the fact that statements or declarations by the governments of individual countries often need to be taken with a pinch of salt. A declaration of intent to die in the last ditch may be no more than a cover for retreat: and a rigid and intransigent stance may be essentially a bargaining ploy. Nor must we entirely discount the fact that governments, like individuals, do sometimes learn from experience: and they may at the last moment come to the conclusion that it is better not to jump into the abyss after all. So far as we are concerned, therefore, we have to divine what is likely to happen under the pressure of events; not even what we ourselves would want to happen or others would express a determination to ensure should not happen: but what we believe at the end of the day *will* happen.

Political Union

I believe — and certainly in Europe this view is widespread — that political union will come. I believe equally that it is a mistake to talk in terms of a "United States of Europe" as this suggests that we should — or would — follow the American pattern. Not only do I believe this unlikely — essentially on the ground that the United States gives far more power to the federal authority than is likely to be necessary or acceptable in Europe — but because the comparison is likely to arouse unnecessary and ill informed oppositions. I will return to the question of the powers and institutions of a political union in a moment but at this stage I would emphasise that both the extent of the powers and the nature of the institutions are as of now completely open questions. With these reservations clearly in mind I would suggest that the kernel of political union lies in the close and growing co-operation between France and Germany — the Franco-German axis as it is sometimes called. This is not new. In the past it has waxed and waned but in recent years, particularly under the leadership of President Mitterrand and Chancellor Kohl, it has become the dominant force in the Community — strengthened I regret to say by the withdrawal of my own country to the sidelines of European development. Once France and Germany moved decisively towards political union they would be likely — not least for economic and strategic reasons — to carry the Benelux countries — Belgium, Holland and Luxembourg — with them. Nor would Italy with its firm commitment to the European ideal be left behind. So we would see at long last emerging the objective the Treaty of Rome originally looked ahead to; and embracing, understandably, the original, founder members of the Community. Once this development was underway, one would expect both Ireland and Spain, who have both shown a strong European commitment, to join in. And possibly Portugal too. Of the present Community this would leave out only the United Kingdom, Denmark and Greece. However much I regret having to say so, I see no reasonable prospect of the first two being prepared to take such a historic step forward: and on Greece I can express no opinion.

The European Union

Interestingly, what has emerged from this brief survey corresponds very closely to the pattern which emerged when the decision was taken in 1985 to set up the inter governmental conference at Luxembourg. The real significance is that what happened then and what has happened since — and is likely to be repeated when the time comes to decide on the inter governmental conference on economic and monetary union — establishes very clearly the position that when the chips are down the great majority of Member States will go along with the ultimate development of the Community to full economic and political union. I suggest that we call

this full political and economic union quite simply "the European Union" thus reflecting the terminology of the solemn declaration; and that we eschew descriptions such as "the United States of Europe".

Those who choose not to go along will simply be left behind. President Mitterrand in a recent speech made precisely this point. There is now no question of a minority preventing the majority going forward. Something else follows from this analysis. The "minority" is likely to be too small and too lacking in cohesion to form a viable group. Consequently, a "two-speed Europe" in the sense hitherto understood is neither a serious threat nor a serious possibility. This I regard as a point of major importance.

The Greater Europe

Given therefore that we have in "the European Union" a tightly knit and cohesive Community, even if somewhat smaller than at present, what we now have to consider is what will be the structure of the greater Europe — East and West — as we move towards and into the 21st century: and what will be the relationship between the European Union and the other elements in the structure which will be necessary to embrace the greater Europe.

At this point we need to go to the other end of the spectrum. The position of East Germany raises particular problems and I would only stress that this is a matter best dealt with under the umbrella of the European Community. But leaving this on one side, there is no reasonable prospect that in the foreseeable future the countries of Eastern Europe will join or be able to join an economic and political union with the countries of Western Europe. Indeed, the most that can be contemplated at least as a first step — the significance of this qualification I shall explain later — would be the creation of a free trade area, such as exists at present between the EFTA countries and the Community. A free trade area involves no derogation from sovereignty and is compatible with complete and continuing independence in the political field. Free trade areas exist outside Europe — recent examples are the U.S./Canada free trade agreements and a similar accord between Australia and New Zealand. In principle such a development gives rise to no insuperable problem although the detail can be fraught with difficulty. But a "free trade area" does not in any sense constitute a form of Community membership. This — and its implications — need to be clearly understood.

The European Community itself is not, and never has been, simply a free trade area. There is much misunderstanding on this point, particularly in my own country: and the position therefore needs to be made crystal clear.

The Community started as a customs union — but in case this gives too narrow a view perhaps it would be better to say that the customs union was the foundation stone of the Community. A customs union requires a

common external tariff and a common external trade policy. The powers for this purpose must be vested in a supra-national body. Consequently, the Community started life with the Member States transferring their sovereignty to the Community in one of the most sensitive of all fields, namely fiscal policy; a matter which seems to be overlooked by latter-day defenders of national sovereignty. It is of the essence of a customs union that once goods have lawfully entered the territory of the customs union they are entitled to freedom of circulation throughout the whole territory of the customs union, thus avoiding many of the troubles and complications of a free trade area. It also follows from this that the freedom of movement of goods is an essential corollary of the freedom of circulation that the customs union is designed to achieve.

The EFTA countries are no longer satisfied with the conventional type of free trade agreement. Quite apart from the difficulties — not just administrative but economic as well — that rules of origin give rise to, there is the feeling that the "weaker" partner, in this case the EFTA countries, are having rules imposed on them that they have no say to in the formulation. There is the feeling too that the benefits of free trade should not be confined to goods but should extend also to services: that market opening measures taken by the Community should be extended to the EFTA countries, and so on. The close physical proximity of the EFTA countries to the Community countries and the close trading relationships give added force to these feelings. As I mentioned earlier, in 1984 a declaration was signed by the Community and the EFTA countries at Luxembourg which provided for the creation of a "European economic space". Since then much effort has been deployed to making this a reality, although to be frank there has been more effort than result. Currently there is much discussion among the EFTA countries themselves about their future relationship with the Community: one country — Austria — has already applied for membership: others may follow. There is talk also of a customs union to replace the present free trade agreement.

All this has to be judged against a background in which the Community itself is developing rapidly. If the Community — or the greater part of it — develops into a full blown economic and political union this may mean that membership is no longer a feasible option for countries that might otherwise have wished to join.

We have, therefore, a situation where at one extreme there would be a full political and economic union embracing probably fewer than the present twelve Member States: and at the other extreme a simple, traditional free trade area. What can we put in between to accommodate those European states which want more than a simple free trade relationship but are not prepared or able to accept full political and economic union?

Precisely what form the new structure would take in the case of these countries will I believe largely be dictated by negotiation between the EFTA countries and the Community influenced in greater or lesser degree by the handful of Community countries unable to go along with full

political and economic union. It is relevant that the two most important countries which might fall into this last group were themselves originally members of EFTA.

The most promising form this new relationship would take would be an extended customs union embracing services as well as goods. Services, of course, are not normally subject to customs duties but the cardinal feature of a customs union, namely the freedom of circulation within the territory of the customs union, is critically important in the case of services.

In short, the structures which emerged on the basis of this approach would be very close to the core of the "1992" programme shorn of some of its more contentious aspects. Such an extended customs union would need in one way or another to accommodate agricultural products as well. There are various ways this could be done, the simplest from the technical point of view being that the members of the union would follow the prices set by the CAP but the costs would fall directly on the countries concerned.

The Pattern of the Greater Europe

A European structure of this sort — namely "the European Union" embracing most but not all of the present members of the Community, an extended customs union embracing a further group of countries closely associated with the European Union — mainly the EFTA countries plus those of the present Community membership not joining the European Union — and a free trade area bringing in the rest — or virtually the rest — of Europe — is a logical development of the trends which are already apparent. It has the added virtues of being stable, coherent and flexible. It offers too the prospect of further development. Countries could if they so wished, and agreement was forthcoming, progress from the free trade area to the customs union or from the customs union to membership of the full European Union.

The Institutional Aspects

I have not touched upon the institutional aspects of such a Europe-wide structure. To do so would entail an impossibly long extension of this lecture. And it is also likely to prove the most difficult and the most contentious part of the whole exercise. It is not just the question of the transfer or merger of sovereignty. The most sensitive point is "to whom?". Interestingly, this proved one of the most difficult points in the negotiation of the American constitution. In our own case, the European Parliament has already staked out its claim. It will be strongly resisted by some Member States particularly where, as in the United Kingdom, the European Parliament has been kept very much at arm's length. In many of the

continental countries where there is "freedom of movement" between national parliaments and the European Parliament, the transfer would not be regarded as so outrageous. I suspect in the end some compromise formula will be found — as indeed it was in the U.S. — with the adoption of a bicameral system, the Upper House effectively representing the Member States as Mr. Michael Heseltine has suggested. But this in turn raises the further problem whether that Upper House should be elected, or non-elected as the present Council of Ministers is — and indeed the House of Lords in my own country; and critically also the powers of this "Upper House" in relation to the "Lower House".

Although it may sound surprising to say so, to some degree I regard this discussion at this stage as academic. "Political union" will be achieved by means of a number of steps in separate areas — many of these areas constitute parts of economic and monetary union but to these will be added foreign policy, which to some extent is already covered by political co-operation, defence, internal security and ultimately I suspect basic social security provisions. The institutions needed for these developments will evolve, to a large degree *ad hoc*, but they and the experience they generate will contribute to, and indeed will point to the way forward. I think this kind of evolutionary development is much more likely — and much more likely to succeed — than any attempt at this stage to produce a "grand design".

What I have said reflects my own somewhat cautious approach to these fundamental issues. But there is always the possibility that we may see a re-run of what happened with the Messina Conference and the Treaty of Rome, namely a sudden emergence of a determination to have done with the talking and get on with the action. The Treaty of Rome set out the principles and provided a "transitional period" of twelve years for the detail to be thrashed out. In other words, the "step by step" approach took place *after* the treaty was signed, not before. Perhaps in the end that is how you do make progress.

Political and Economic Implications

The political strength of the European Union embracing 250 million people or more would be absolutely immense. Moreover, it would be backed by an economic area, joined to it by a customs union or free trade area making it by far and away the biggest and most powerful economic entity in the world. The European Union would thus take its place as one of the three or four super powers of the world.

This of course is "potential". The part actually played by the European Union would depend on the cohesiveness of its constituent parts, on the extent to which it was able to mobilise the strength of the whole economic area of which it formed the most influential part and on the policies it developed towards the outside world. Neither China nor India are the politi-

cal or economic forces that either their population or potential would justify, whether this is by choice or by an inability to develop that potential. Nor does Japan play the role its economic strength would justify although it is now somewhat hesitatingly beginning to emerge from the wings of the stage.

The European Union, because of its long democratic traditions, its culture and its approach to human problems, would be a great liberalising influence in the world.

The economic consequences are much more obvious and much more urgent. Whatever happens we must try and avoid the absurdities of the "fortress Europe" campaign waged by elements in America and Japan. Based as it was on confusion, misunderstanding and to some degree misrepresentation, it achieved nothing other than create suspicion and make co-operation in solving the inevitable problems of change more difficult. The European Community has always been a powerful force for liberalism in world trade. I would expect its greater and more powerful successor to be the same. Certainly it would be very much in its own interest to be so.

Conclusion

It is I think important to ask ourselves what is the motivation behind the development of the European Union and the restructuring of relationships in Europe as a whole.

Politics is the pursuit of power. One can see this in its most naked form in the case of the two super powers, the United States and Russia. Each in their own way was seeking world domination, although both would probably each in their own way express it somewhat differently. But since Vietnam, the political ambitions of the United States have lost momentum: and economic problems have given impetus to this change in emphasis. Russia too has been faced with a situation which would have been inconceivable even a few years ago, with massive internal dissent, the growth of nationalism and the clear determination of most of the conquered territories in Europe to regain their independence. We already see both the United States and Russia turning in upon themselves. The vacuum thus left — and it is essentially a European vaacum — must be filled, and I hope and believe it will be filled, by Europe itself and in a new and restructured form. Russia in particular is an Asiatic power, not a European one: and she has no real place in Europe. This is not to deny the importance of Russia, but she is neither entitled to a dominant voice in Europe nor is it in her own interests to seek to exercise such a domination. The motivation of such a new Europe will not be essentially a global political motive. Europe will take its place as a super power but it will not do so with global politics either as its driving force or as its outcome.

We are, I hope and trust, eternally grateful to the American people for the massive contribution they made to the restructuring of Europe after the war: and for the defence they provided against the Russians in their days of aggression. But times have changed and we must change with them. It is a different world and it demands different policies.

The objective of the original treaties was the preservation of peace: and because economic rivalry was so often the root cause of war, the treaties set out to achieve the objective through economic union. That, in my view, remains the correct objective and the correct path to its achievement. If we look forward not just to the European Union, but in time to a greater European Union embracing all the countries of Europe, both the objective and the path must be primarily an economic one. If peace can best be secured by prosperity, then it is prosperity we must create.

Very rarely has mankind been offered such an opportunity. There are many people who would regard this pursuit of peace based on prosperity as "idealistic", the term having a pejorative connotation. But that is a superficial view. What has happened in the world is that warfare between the great powers is no longer a feasible option. There will be wars between lesser powers as we have seen in recent years and from time to time the great powers will get involved directly or indirectly. But so far as the great powers themselves are concerned the struggle for influence and power will be an economic one and a philosophical one. This is the scenario to which we must now turn our minds and this is the basis on which we must draw up our plans for Europe's development. In short, it is the European Community which now moves to centre stage. The responsibility falls on us: and we must shoulder our responsibilities.

I have in this lecture set out the basis on which that development should take place to achieve the objectives we want to attain. It is a perfectly feasible scenario based on both history and the needs of our times. As I have said, it is stable but flexible: it provides room for development. It is evolutionary: not revolutionary. Above all, it reflects the aspirations of the European people. We have reached the stage where visions need to be translated into reality. What we now need are the statesmen to seize the opportunities, guide the development and turn the vision into reality.

The 1992 Challenge: The External Discussion

SIR DAVID HANNAY

I thought that it might be useful to discuss this evening a subject which has received less attention in the recent consideration of 1992 and the Single Market than the internal development of the market, that is, the external implications of a Europe which has established a Single Market. I think this is a subject which has been less often addressed and less fully considered than has the internal development of the Community, and that it is therefore perhaps useful to spend a little time on it, because as somebody observed, "no man is an island" (always a helpful reminder to the British who spend a lot of time thinking about islands). It is also important for the Community to remember that. There are moments in Brussels when it is quite difficult to remember that there are a lot of other people around who are rather interested in what we are doing. There is a tendency when the internal development of the Community becomes very intense to forget about this. So I thought I would look at the external implications of the 1992 challenge as the title of this talk has called it.

1992, the Single Market and all its manifestations, has aroused extraordinary interest around the world. Rather unexpectedly, I think, for its protagonists in Brussels had been hard at work without initially thinking that this was a major world event as well as a major European event. If anybody did think it was only a European event and not a world event, they certainly do not think so now, because the reactions to what is being done in Brussels are extremely marked: in the United States; in Japan; among the African, Caribbean and Pacific countries in the Lomé Convention; among the EFTA neighbours of the Community who are of course deeply concerned; and among the Eastern Europeans (who in recent years have changed their attitude very sharply, not only towards the Community, but also towards what they think the Community is going to become). In a sense the Single Market project has put the Community on the map in world terms in a way that nothing it has ever done before has succeeded in doing. I think that in itself is a cause for some satisfaction, but it is certainly not a cause for any complacency because quite a lot of the reactions have not in fact been particularly positive. There have been reac-

tions of alarm, concern, and worry as to whether this Single Market will somehow turn in on itself or be fundamentally protectionist in its development. Of course, one does not need to accept the most alarmist expressions of concern and worry particularly from the United States, but it is important to recognise that in this venture there are downside risks as well as upside opportunities. We have to realise that we need to pursue and develop an external policy for this Single Market if it is not to turn into something which we do not particularly want it to be. The Community has not always in its history been particularly good at pursuing and furthering its external interests. It has tended to put the internal first. It has tended to find it rather difficult to get into focus, and into agreed focus, its external development. So this will, I think, require more effort in the next few years and therefore needs to be thought about carefully.

To some extent any attempt to look at the future external policy of the Community, of a Single Market, which I am assuming will in fact exist in 1992, is an exercise in futurology. Diplomats like myself, being people who think that Lord Wilson exaggerated greatly when he said, "a week is a long time in politics", find themselves at some disadvantage when trying to address a period as far as three years or four years ahead. So I will ask more questions than I will provide answers. In this case you also have to make certain assumptions about the Single Market. What I would assume is that there will be a substantial success in achieving a Single Market by the end of 1992, but it will not be a Single Market without imperfections any more than the United States is a single market without imperfections or any other you like to think of in the world. It will then be a recognisably different economic unit than the one which we have known so far, operating rather differently. It will not be a federal state. It will still be a hybrid somewhere between a loose collection of states operating purely inter-governmentally and a superstate. Furthermore, in this talk I am keeping away from the traditional foreign policy field which I think will probably move more slowly in the direction of greater unity than will the external economic policy which I plan to concentrate on.

Anyone addressing the Community's external relations, whether foreign policy or external economic policy, has to remember that it is even less under our control than are internal developments in the Community. Fundamental changes take place around the Community, either in an unpredictable way or in an unpredicted way. Upheavals occur and the Community has no real alternative but to adjust, to react to them, to adapt. It is quite wrong to think that you can devise an external policy which can be carried through without any adaptation or reaction to other people. This is not an area in which drawing up blueprints is particularly helpful. Even the United States has had to recognise over the past thirty years that superpowers cannot, as it were, carry the whole world on their shoulders. They cannot be the sole economic unit that counts. The Community has to face this too.

I have divided the talk into four areas to try to avoid the trap that speakers on foreign policy often fall into, that is the dreaded tour d'horizon, which starts moving eastwards or westwards — depending on which it is — and gradually takes you all the way round the world and back again. With reference to this external economic policy field, I will address the following: multilateral policy; Europe's relations with the developing countries; Europe's relations with Eastern Europe; and the question of future enlargement and the relationship with the EFTA countries.

Multilateral Economic Relations

The Community has of course been one of the main multilateral economic players since it was established in 1958. You only have to look at the history of the Kennedy round, the Tokyo round and other major multilateral negotiations, the Community's participation in the seven- nation economic summits and so on, to see that. But the Single Market will make it a more important player in all these areas than it has ever been before; and if the sort of predictions made by people like Paolo Cecchini as to the economic effects of the Single Market are borne out, the importance of its role will become even greater. Because if the Community is in fact able to achieve a rate of sustainable non-inflationary growth above that which it would have achieved without the creation of the Single Market, this will probably be one of the most important contributions to world economic development in the years ahead.

From its beginning the Community has been formally committed to a liberal external economic policy. I beg slightly the question as to how well it has achieved that, but it has been committed to it. That is what the Treaty of Rome and its preamble states, and that is why there was never really any question as to whether or not a Single Market would be a "Fortress Europe" because the commitment is perfectly clear that it cannot be so. Even if that commitment was not there in the Treaty, it would certainly be against the economic interests of the Community to develop in a protectionist way, given that a much higher percentage of its economic activity is in fact contained in external trade than most of the other major players around the world like the United States and the Soviet Union, though not of course Japan.

In recent months it has become rather fashionable to look at the evolving Single Market, at the developments taking place in the Pacific with Japan and the nations of the Pacific rim and at the U.S.-Canadian Free Trade Area, and to say that here you will have three large units operating as something like single markets; and to go on from this to draw the conclusion that this means you will not need these multilateral disciplines and negotiations any more. They will become otiose or unsustainable. In particular, it has been suggested that the GATT will no longer be able to function properly. I profoundly disagree with that analysis, which I do

not think really stands up to careful scrutiny. I accept it is the case that these three centres of economic integration are indeed developing. But I would argue that that makes multilateral disciplines and negotiations more necessary, even if more difficult to achieve and to sustain rather than less so. Because otherwise there will be no machinery for resolving the inevitable frictions — and you only have to look at the development of U.S. trade and economic relations with the Community to see that these frictions occur all the time. Without a multilateral framework, they will tend to get out of control if you just leave them to be resolved in a bilateral or trilateral process between these three large units. The results will be damaging for the three large units themselves and they will be disastrous for those who are not in the three large units, for when the elephants trample the jungle the smaller animals tend to get rather badly treated.

So I think there is a major challenge for the Community of 1992 to reinforce the GATT process and to work for its strengthening. Currently, the Uruguay Round is the principle focus of that. It will not be easy to bring it to a successful conclusion. The GATT negotiations only just escaped deadlock in April, and must complete an extremely ambitious programme by December 1990. The Community's role in it will be important.

Obviously this is so in agriculture where reform of the Common Agricultural Policy has made some progress. There have been considerable achievements and, heaven knows, they have been difficult to attain, but they are not enough. The momentum to make the CAP more market-oriented will need to be sustained. There is a real risk that the Agricultural Council — which is not at the best of times particularly reform-minded — will suffer from reform fatigue, a feeling which is well known to seize agricultural ministers quite easily. That would be pretty disastrous as to the possibilities of getting any agreement in the GATT. We are at the moment living in a bit of a fool's paradise because the effects of the drought in the United States last year have been so beneficial to the financing of the agricultural policy that we have the impression we are doing extremely well. The cost of the Agricultural Policy in 1990 is likely to be 4.5 billion ecu under predicted budget. That is quite a lot. But that is not, alas, mainly due to our efforts of reform, although it is partly due to them; it is mainly due to the level of world prices which has moved up after the American drought and, more recently, with the strengthening of the dollar. That movement will of course bring a counter-reaction as surely as day follows night. There will be a production response to higher prices, and scientists continue to provide ever more ways of growing more on less land in a more productive way. Then we will be back again in a situation where the Community has got to find ways of reducing the amount of support that it gives and of making its farmers more market oriented. That is not to say that the prospect of removing all agricultural support is a realistic one. It was wise of the Americans to drop that proposal because it is not attainable. It is so easy to resist unattainable objec-

tives, and it is important in this case that what the Community tries to do is attainable. So that is the first major part of the Uruguay Round which will have to be got right if we are to avoid a reversion to a kind of bidding-up of subsidies with the United States which the Community will not win. We will waste huge quantities of tax payers' money, we will damage the third world, whose agricultural policies cannot hold up in a situation like that, and we will end up with a ceaseless trade war.

But there is more to the Uruguay Round than that. There are the negotiations on services, the first time that anyone has ever tried to bring the service industries into a multilateral discipline. This, in my view, is crucial to the European Community's future prosperity because if the developing countries are to be given the place in world trade that they must have if they are to earn their living, we cannot go on hoping to earn all our living out of manufacturing, and we will need to earn more and more of our living through the service industries. It must therefore be of fundamental interest and benefit to the European Community that the service industries, whether you are talking about banking or insurance or industrial property or telecommunications, be liberalised and the Community must take the lead in this respect if we are to earn our bread and butter in the future as successfully as we have done in the past.

Finally, in that old classical area of trade policy quantitative restrictions, we still have some rather difficult external problems to solve before we get to a Single Market in 1992. The case which one reads most about in the papers is the question of car imports and how to produce a single policy out of something very disparate, with the almost complete openness of the German, Benelux and Danish markets, the middle position of the British market, and the very closed positions of the French, Spanish and above all, of the Italian markets. That will not be very easy, but the Commission is beginning to point ahead to the only realistic policy, which is to phase out these restrictions pretty quickly to avoid at all costs replacing them by an overall Community restrictive policy. A restrictive policy like that would, as the American studies which were carried out on American restraints placed on Japanese car exports demonstrate, simply end up making every single car in Europe cost the comsumer a lot more than it need do.

The Japanese care less than you might think. They are paid more for their cars than they would otherwise have got even if they sell less of them. But the European consumer and its economy in the long run bear the burden. So I think the unwisdom of a policy like that is now well recognised in Brussels. But there are great sensitivities, particularly in the Member States which have operated restrictions so far, and it will not be simple to attain the right outcome.

Relations with the Developing Countries

Turning now away from the multilateral field to relations with the developing countries, I think that in the Europe of 1992 a certain tension — which has been there in the Community's external economic policy from the very beginning — will remain, between the area which you might call can the area of concentration: the Lomé Convention; the African-Caribbean-Pacific countries, 66 of them, with whom we have a very privileged relationship — a complex one with instruments of aid policy, trade policy, stabilisation of their export receipts and so on — and our relationship with those other developing countries in Latin America and Asia with whom we have a somewhat less structured and elaborate policy. I think that tension will remain because I do not think the Community will possibly, even in 1992, be able to bear the burden of extending the Lomé arrangements to all the developing countries. It is possible that some aspects of it may develop on a world wide basis, but I think the Community will continue to give a preference to some extent to those African, Caribbean and Pacific countries and to the countries of the Mediterranean who are geographically closest to it. That will create a certain tension particularly with Spain and Portugal now in the Community and with the Spaniards feeling very strongly that similar arrangements should be made for Latin America. I do not see a fundamental shift there and I do not think that the Community can really take that on. It would be wise to recognise that even a Community in a Single Market will need to have some pluralism in its approach to the external world. In aid policy there will tend to be some heritage of a historical kind. That is to say, that in the terms of the U.K. there will be something of a concentration on the countries of the Indian sub-continent; Italy and Spain have tended to be much more interested in Latin America. I think that this is something which in a world of rather limited resources it is not wise to be too categorically opposed to, because if you are, you may end up trying to do too much and that leads only to endless beauty contests in the Community as to whether we like this or that or the other part of the world more.

In the Community's relations with the developing countries environmental considerations will play a much bigger role in the Europe of 1992 than they have in the past. It is something that we have all woken up to: the problems of the ozone layer, of the rain forests, and so on. The environmental dimension of development policy is going to be greatly expanded and the Community will have to find a way of playing its role too. Many of the problems are global problems which it makes no sense at all for the Community to try to solve on its own. They will have to be solved through a global approach and if the current United Nations environmental programme is not up to the job then it will need to strengthen it. It is no good trying to produce partial solutions; the global institutions needed to deal with this will need to be reinforced, not new ones invented.

The Community will also have an important role to play in bringing a number of the new industrialised countries into bearing a greater share of responsibility for the multilateral trading system as well as looking to get benefits from it. That will be a delicate operation. Countries like Korea and Singapore and others, and hopefully some of the countries of Latin America like Brasil, will have to be brought into the full multilateral disciplines.

But probably the biggest single contribution that the Community of 1992 can make in its relation with the developing countries will be to remain an open market and to transfer, by that openness, some of the benefits from some of the greater sustainable growth that we hope to achieve within the Community to countries outside the Community, above all the developing countries, and that brings one back again to the theme of avoiding a protectionist 1992 Single Market.

Relations with Eastern Europe

Eastern Europe is a subject of a completely different nature and one to which a lot of people are now beginning to turn their minds. There have been some important changes in Eastern Europe and the Soviet Union and the European Community has got to try and find an appropriate response to them. In doing so, however, I think we need to remember one or two basic truths. One is that in terms of economic magnitude the relationship with these countries is only a small part of the Community's overall external relationships. It is bigger in the case of some, like the Federal Republic of Germany, and less for others. But overall it is not a large part of the Community's economic external relationship. The second thing that must be remembered is that most of the changes that have taken place so far in the economic field in these countries have been more declaratory than real. It is not the case that there are already new economic systems operating in any of these Eastern European countries, with the possible exception of Hungary. There are a lot of good intentions that have been proclaimed but they have not yet become reality. In the political sphere there have been very important changes, in the economic sphere they have not yet really taken place. A third point worth remembering is that the crucial developments in all these countries will be internal. It is an illusion to suppose that we in the Community will have a very big impact on them. They will work themselves out on the basis of what is going on in these countries and the political developments within them. We will influence them to some extent, but only to a modest extent. Finally, in developing our economic relations with Eastern Europe we will need to seek a mutual advantage and reciprocity just as we do elsewhere in the world. There is no point in propounding the view that we must have a balance of mutual advantage in the development of our relations with the United States, with Japan, and with a whole range of other countries, and then

just simply forgetting about that when it comes to Eastern Europe. That is not to be unduly hard-nosed, it is just that that is the only basis on which we will develop a long-term fruitful relationship. And if those countries are to move towards market economies and away from a centrally controlled one, they need to open themselves up to us every bit as much as we do to them.

Over the last fifteen years the Community has in fact had quite a successful policy towards Eastern Europe. The Community has always said that the East European countries must deal with the Community as such. Now they are all doing exactly that, after many years of refusing to do so. We now have a Soviet Ambassador in Brussels whose only job is to deal with the European Community. The Community has always said that the primary objective was to foster relations between the Community and the individual Eastern European countries, and not just with Comecon. That has also now been brought to a successful conclusion. The Community does have a very modest joint declaration with Comecon. But the main thrust of developments is with the individual countries. The Community has always said that we should differentiate in our relationship with these countries depending on their economic and political development. That too is beginning to take shape in the different kinds of agreements the Community is working out. With Hungary, on the one hand, there is a rather advanced type of agreement with provision for extensive economic cooperation. The same is true with Poland. With Czechoslovakia, which has not conducted any very substantial reforms of any sort, either political or economic, there is a very modest classical trade agreement. Perhaps most strikingly of all, with regard to Romania, whose human rights record is very poor, the Community has decided recently not to allow any further development of the economic and trade relationship until that record is improved. That in a way is an example of the differentiation which will, I believe, more and more characterise the Community of 1992's external relationship with Eastern Europe. The political strand and the economic strand of the relationship will be brought together. We will now need to, in as imaginative a way as we can, try to give some modest help to these countries to achieve what they are trying to achieve themselves: to open up their economies; to develop them as something closer to a market economy. There are ways in which we can help with training, with providing some kind of instruction on management and so on. But the solutions tried in the 1970s with massive injections of credit are not, I think, a sensible basis for policy in this present period.

The political element will remain very important. If the Soviet Union and its allies, above all the Soviet Union, do reduce their disproportionate armaments, particularly in the conventional but also in the nuclear field, and if the Soviet Union does follow up its withdrawal from Afghanistan by forswearing other overseas third world adventures, then I would think the prospects for a considerable development of relations between the

Community and Eastern Europe and the Soviet Union are pretty good. If they do not, if for some reason or other — and I am not speculating about Mr. Gorbachev's likely tenure of power because it seems to be a pretty unfruitful subject, although that does not stop everyone from speculating about it — but if for some reason or another they do not definitively turn back on the policies of earlier years, then the prospects will of course be much less positive. I rather prefer President Delors' image of our living in a European village rather than Mr. Gorbachev's view that we are living in a common European house. Lots of people live together in villages and there are people in various parts of the village who get on with their lives. We are living in the Community House and I do not myself think that it is realistic to suppose that any of the countries of Eastern Europe will in the foreseeable future be living in it with us. But we are all living in the same village and that involves certain care and consideration for other people who are living in the village, even if they continue to live in different houses.

Finally, to turn to what is probably the most difficult aspect of the Community's external economic relationship, enlargement, most difficult because it might cease to be an external one at all. There is the question of whether or not the Community will again enlarge — get new members — and if so in what way and time frame that will be. There is no doubt that the Community's success in recent years has led to a strong interest in membership amongst a considerable range of countries. We are beginning to see the fruit of that. First of all there has been a Turkish application. That is the only one actually on the table. There is likely to be an Austrian application very soon, perhaps within two or three months. There is a lot of talk in Cyprus and in Malta about applications. There is a pretty lively debate in Norway and in Sweden. Of the EFTA countries, only Switzerland and Finland have said quite firmly that they are not at the moment interested in membership.

That is a pretty formidable list both in its length and in its disparity. I think the first thing that has to be said about it is that in contemplating even the possibility of enlargement to such a wide list and range of countries one is looking much more at the sort of debate that had to take place in the Community in the 1960s when Britain, Denmark, Norway and Ireland first applied, than the sort of very limited debate that took place when first Greece and then Spain and Portugal joined. In the latter case the actual content of the negotiations was largely technical, even if the choices for those three countries were very fundamental and important and political. I think one is now going to have to look again at a range of questions of the type, "What sort of Community are we thinking of?", and "What should it be doing in the future?", and these questions will not be easy to answer.

It is also important to remember that there are some very complex connections between the applications of different aspirant countries. If, for example, the Austrians pose an absolute condition of their neutrality and

that were accepted by the Community, then that will have clear implications for Sweden who has always said that its own neutrality was an obstacle to joining the Community. Sweden could hardly go on saying that (although it could of course decide that it did not want to join the Community) if Austria had joined having posed and had accepted the condition of its neutrality. Attitudes to applications by neutrals would also have implications for any decision by the Community on the Turkish application. Turkey is, after all, a long-standing NATO member.

These connections are very complicated and they will not be easy to handle. The first thing that has to be said about the Community of today is that it is not yet ready to handle them. When people say, "Let's look at that in about 1992", they are not saying it will be a straightforward business to enlarge the Community then; they are rather deciding that it will perhaps be a little bit easier to answer some of these fundamental questions then.

So I think enlargement is going to become a very difficult thing for the Community of 1992 to handle. It is one that in a strange sense is being precipitated by the very success of 1992, but that success does not itself provide us with the right answers to the question of enlargement. Meanwhile, there is a very interesting development between the Community and the EFTA countries involving a much strengthened relationship between them and the Community in ways which would probably have been considered quite unthinkable when the original free trade agreements between the EFTA countries and the Community were negotiated. This has, of course, itself got some connection with the enlargement issue, because to some extent people are hoping that if that relationship can prosper then that will in itself perhaps provide an answer short of enlargement, short of accession, for quite a number of the countries which are currently showing an interest in much closer relations with the Community. Whether it will do so or not is, I think, difficult to be clear about at this stage. But the development of the Community's relationship with EFTA does look as if it is so much in the interests of both sides without that consideration that I think it will make considerable progress.

Thus, it may be seen that the external agenda of this Community of 1992, of this Single Market, imperfect though it may be, is a formidable one. This agenda will certainly not all be accomplished smoothly. Since the Community will still be the hybrid — neither a simple international organisation nor a superstate — it will continue to find it extremely difficult to handle these external issues, but it will not be able to escape from the need to find solutions for them. And I think it will increasingly do so on a joint and common basis. It will be hard work. Probably quite a few mistakes will be made along the way. The accusation will frequently be heard, and sometimes justified, as in the past, that the Community is better at dealing with its internal problems than its external ones. So I think that an effort to look into these external issues, in places like this institute as elsewhere, will not be time wasted in the years ahead because

it needs to balance all the work going on in the internal development of the Community.

European Political Cooperation 1970-1990: A Tale of Two Decades

SIR JULIAN BULLARD

I. Origins and Early Years

It would be hard to fix an exact time and place for the birth of European Political Cooperation (EPC). After the failure of the Fouchet negotiations in 1962, it was another 7 years before the Member States, still only six in number, took the first practical steps towards adding a political wing to the economic structure of the Community — animated, no doubt, by the argument that, with domestic and foreign trade policies increasingly co-ordinated and unified, the continued existence of six entirely separate foreign policies was illogical, and potentially damaging. It was in December 1969 that the six European Heads of Government, meeting in The Hague, instructed their Foreign Ministers "to study the best way of achieving progress in the matter of political unification, within the context of enlargement".

The Report produced by Foreign Ministers in response to this instruction was the work of a Committee chaired by the then Political Director of the Belgian Foreign Ministry, Etienne Davignon. Adopted by Foreign Ministers in Luxembourg in October 1970, the Report would have been enough to secure Davignon's place in the history of the Community, even without his later services in other more important capacities. For the central features of EPC, as they exist today, were already contained in the Luxembourg Report.

What the Davignon Committee recommended was that no new organization should be created, but that EPC should be developed as a new pattern of activity using existing organizations. The proposal was that Foreign Ministers of the Member States should meet twice a year; Political Directors at least four times a year, under the name "Political Committee"; and experts (i.e. less senior officials) as necessary, on the instructions of the Political Committee. The purpose of such meetings was defined in the Report as being to ensure, through regular exchanges of in-

formation and consultation, a better mutual understanding of the major international problems, to strengthen solidarity among Member States, to help the harmonization of their views and, where possible and desirable, to act jointly.

We see here, laid down in 1970, the main characteristics which EPC retains 20 years later. It is not an organization, but an activity. It has no headquaters, no staff, no budget, still less a transport pool, salary structure or pension scheme (It is therefore very cheap). It comprises meetings at fixed intervals and at three levels, the middle level (Political Directors) being the most important. And it rests on the obligation to try to adopt a common view, not on the obligation actually to do so. The distinction is significant, as we shall see later.

The importance of the Political Committee, it should be explained, does not lie solely in the fact that this is the level at which work generated from below by experts comes together with work handed down from above by Ministers. The Political Committee is also unique in that it consists of officials who for the most part write their own instructions. This gives its proceedings a different quality from those of, for example, the North Atlantic Council, or even the Committee of the Permanent Representatives (COREPER). The Political Director, being the Chief Policy adviser to his Foreign Minister and in constant touch with him, will not only know what that Minister decided when the point at issue last came up, but will usually also be in a position to judge with some accuracy what would be his decision on a new point if it were to be submitted to him. All this gives the Political Committee a degree of autonomy and a capacity for rapid decision-making that are not found in other groupings.

It was not long before the Luxembourg arrangements were found to be inadequate. In July 1973, in Copenhagen, the six Foreign Ministers of the original Member States, joined now by those of Britain, Denmark and Ireland, decided on certain improvements. It was agreed that henceforth Foreign Ministers should meet four times a year, instead of twice, and Political Directors as often as necessary. Secondly, two new features were introduced: a liaison group of "Correspondants", one in each Foreign Ministry, as a point of administrative and procedural contact; and a secure communications network called COREU, used only for EPC traffic between Foreign Ministries and with the Commission. As to the basic obligation of Member States, it was agreed that the "purpose of consultations was to seek, where necessary or desirable, common policies on practical problems of concern to Europe". The restrictive language speaks for itself. At that stage (1973) the Member States were far from ready to accept that all international problems were of concern to Europe, or that a common policy would always be necessary or desirable.

The 1970s saw one further innovation, which affected EPC as well as the work of Community. This occurred in 1974, when the Foreign Ministers (still nine in number) decided, in addition to their meetings, to meet informally twice a year, once in each Presidency, to discuss either Com-

munity or EPC questions, or both. These became known as "Gymnich weekends", after the Schloss near Bonn where the first such meeting was held. Their operational value was not the same as that of regular EPC meetings, where such bureaucratic features as the Agenda and Summary of Conclusions had long since been introduced,[1] but it was clear that Ministers found them useful — perhaps not least because they were not inhibited by officials at their elbows with notebooks and pencils.

The next advance occurred in October 1981, when Foreign Ministers adopted in London a further Report worked out at a series of meeting of officials. Once again the improvements covered both substances and procedure. The obligation of mutual consultations was somewhat strengthened. The word "security" was introduced for the first time into the EPC's area of responsibility, though only with the prefix "political aspects." And on procedure, the Commission was admitted to all EPC meetings as of right;[2] the Presidency was strengthened by the secondment to it of officials from the preceding and subsequent Presidencies, to form the so-called "Troika"; under the influence of the Afghanistan crisis of 1979-80, a procedure for calling emergency meetings at short notice was introduced; and a new emphasis was placed on the political "Dialogues" which the Member States had by this time begun to develop with important third countries, and also with groupings such as ASEAN.

II. EPC in the Early 1980s

At this stage it may be useful to give some brief case studies from the early 1980s to illustrate how EPC worked in that period, and how its strong and weak points progressively emerged to form the background to the proposals for reform which later took shape in the Single European Act.

a) Afghanistan 1979-80

Soviet troops invaded Afghanistan on 27 December 1979, and it soon became clear that the West, including Europe, was faced with a crisis of major dimensions. It cannot be said that EPC responded well to the chal-

[1] Since there was no Secretariat (until 1987), both Agenda and Summary of Conclusions were the responsibility of the Presidency. The practice was for the *Relevé des Conclusions*, always in French, to be circulated by the Presidency as soon as possible after each meeting, and finalised at a meeting of Correspondants. This is one place in the EPC system where the French language was accorded superior status to English. The rule during meetings was for all participants to speak one and understand both.

[2] Hitherto the Commission's representative had been invited to the Political Directors' working lunch on Day 2 of their meetings, but not to their working dinner on Day 1.

lenge. The Irish Presidency was in its last days, the Italian Presidency was still waiting in the wings, emergency procedures did not yet exist. The result was a certain degree of Western coordination, but led by the United States, not from Europe. It was at American suggestion that Britain called an ad hoc meeting of selected Allies in London; and it was the President of the United States who made the first practical response, in the shape of a package of economic measures including a partial embargo on the sale of American grain to the USSR.

When consultations in the Nine did begin a few days later, differences at once emerged, both in the assessment of the situation (was the crisis to be seen mainly as regional in nature, or more in the East-West context?) and also on the question of response (withdrawal of Ambassadors? economic sanctions? etc.). The list of European counter-measures finally adopted, including those elements lying within Community competence, comprised the following:

— a statement of condemnation, conveyed through diplomatic channels to the Soviet Union and its allies and to a number of Middle Eastern, South Asian and Islamic capitals;
— cancellation of the EC's food aid to Afghanistan;
— emergency EC aid for Afghan refugees;
— an EC undertaking not to replace cereals embargoed by the United States;
— reduction in the level and scale of contacts with the USSR.

In addition, some Member States were among those whose national teams, or parts of them, followed the American example and cancelled their participation in the 1980 Olympic Games in Moscow — a gesture which probably caught the public attention more than all other measures combined.

One other idea emerged from EPC during those weeks. This was a suggestion by the British Foreign Secretary for a Treaty of Afghan neutrality. Lord Carrington argued that such a proposal would be in line with Afghan history; would be difficult for Moscow to reject; would command wide support in the Non-Aligned Movement and the Third World; and could eventually serve as a basis for a political settlement.

The British idea attracted much support among the Nine, but not enough to constitute a consensus or supply a basis for action. Not until a year later (July 1981), when Britain had the Presidency, was Lord Carrington able to fly to Moscow and present a revised proposal, this time for a Conference on Afghan Neutrality out of which it was hoped that a Treaty might grow. As a member of Lord Carrington's delegation, the author had the satisfaction of witnessing at first hand this landmark in the development of EPC. The proposed conference did not take place, nor was a Treaty of Afghan Neutrality signed, but there was no mistaking the discomfiture of Mr. Gromyko, then in his 25th year as Foreign Minister,

as he listened to this well-prepared and strongly supported diplomatic initiative by an organization which hitherto he had clearly despised.

The lessons to be drawn from the Afghan episode are simple. An emergency procedure for calling EPC meetings at short notice was necessary, and one was instituted in 1981. Continuity between one Presidency and another must be improved. A response in words was relatively easy to formulate, a response in actions much more difficult, even when the case was as clear as the Soviet attack on a non-aligned neighbour. And there was room for the Nine to take a diplomatic initiative, though it was slow to do so.

b) The Middle East 1979-80

The Six, and later the Nine, had always given the Middle East a high priority in EPC, in keeping with their material interests and with their historical connexions in the area. This sense of involvement deepened at the turn of the year 1979-80 as a result of certain special factors. The Egyptian Israeli talks on "full autonomy" for the West Bank and Gaza were seen to be failing; the attention of the U.S. was beginning to switch to the Presidential election campaign; the crisis over Afghanistan had diverted attention away from the Middle East; and the EPC Presidency has passed to Italy, with her strong traditional links with the Near and Middle East. Out of these factors grew the belief that there was a serious risk of a vacuum developing in the Middle East peace process — a vacuum which the Nine were well fitted to fill.

To put together a common position on so complex a problem was an enterprise as difficult as any yet tackled by EPC. Once again there were questions of both substance and procedure. Was the word "self-determination" appropriate? In what terms, if at all, should the PLO be mentioned? And Camp David? Should the United States be consulted, or informed, or left to make such enquiries as it chose? Would the end product take the form of a draft Resolution for the UN, or some other?

All these questions, and many more, had to be resolved before the so-called "Venice Declaration" was presented to the world by the Heads of Government on 13 June 1980. It was not cast in the form of a Resolution, but it provided a platform for a European "contact mission", led by M. Thorn of Luxembourg, which toured the region during the next months. The position of the Nine (later ten, now twelve) on the central Arab-Israel problem has rested ever since on what the Venice Declaration called "the two principles universally accepted by the international community; the right to existence and to security of all the states in the region, including Israel; and justice for all peoples, which implies the recognition of the legitimate rights of the Palestinian people" — followed by the word "self-determination" and the statement that the "the PLO will have to be associated with negotiations".

So much has happened in the Middle East in the intervening decade that it is hard to judge what lasting effect, if any, the Venice Declaration may have had. It has not brought about a Middle East settlement, nor even serious talks between the parties. It did not prevent the Israeli invasion of Lebanon in June 1982, nor the partial occupation which followed. The "contact missions" of successive Presidencies may have done little except expose the impotence of the Nine.

On the other hand, it can be said, the Venice Declaration did achieve its objective of filling the diplomatic vacuum at the time. It encouraged moderate Arabs not to lose hope of the peace process. It made it clear to Israel that support for her in Europe was not unconditional. It stated certain basic principles which have stood the test of the time and gained very wide support. And it provided, and still provides, a point of reference for the Member States, including the three who have joined the Community since 1980, in formulating their policies on the Middle East.

c) Poland 1980-82

The Polish events of the early 1980s were a severe challenge to EPC. The Nine were agreed on the course of events to be encouraged (genuine dialogue with Solidarity, political reform, economic recovery) and on that to be prevented (repression, intervention by the Soviet Union). But it was by no means clear what combination of diplomatic or other activity would be likely to succeed in achieving the first and deterring the second. As the internal crisis in Poland built up during the summer of 1980, the Nine were torn between a feeling that "We cannot remain silent", and a natural caution in the face of a situation so fraught with dangers. But a consensus was found for action of two kinds: sales of cheap food to Poland from the Community's intervention stocks, and carefully drafted warnings that "others" should let Poland solve her own problems.

General Jaruzelski's declaration of martial law on 13 December 1981 lifted some of the doubt. Repression had occurred, and the Nine condemned it. But the search for effective "measures" ran into the familiar difficulty of identifying actions which would 1) reach the right target, 2) be effective and 3) not damage our own interests. Uncertainty about the precise role of the Soviet Union was one additional complicating factor; another was the attitude of Greece, which had joined the Community on 1 January 1981 but modified its policy on East-West questions following the success of Mr Papandreou in the elections of October that year. Thus the Ten found it difficult to go beyond such elementary steps as discontinuing the special sales of food; mounting a programme of humanitarian aid through Church channels; and restricting certain Soviet exports (vodka was one) to the Community. These measures were progressively rescinded when, from November 1982 onwards, repression and martial law were relaxed.

What was the effect of this attempt to bring the instruments of EPC to bear upon a European crisis of major proportions? One can perhaps make three assertions for the Ten: that we helped (with others) to hold out material incentives to the régime in Warsaw to lift martial law sooner rather than later; that we may have helped (again with others) to deter the Soviet military intervention for which we now know that plans existed; and that we gave some encouragement to the Opposition, and to the population generally, at a very difficult time in Polish History.

d) The Falkland Islands 1982

This crisis differs in kind from the others discussed in this section. On the one hand, the Argentine invasion affected only one Member State directly; on the other, it raised very fundamental questions concerning the use of force in international relations, the peaceful settlement of disputes, self-determination and (some said) colonialism.

The Islands were invaded on 2 April. By the 14th the Ten had issued strong statements of condemnation and adopted a package of economic measures including a total ban on imports from Argentina (for one month, in the first instance)and an embargo on the supply of arms and military equipment — this last a decision of no small importance, given the use made by Argentina of the French "Exocet" missiles already in her possession.

The author has two personal recollections of the Political Committee during those April days: first, the heart-warming solidarity expressed by all his colleagues without exception, including the representatives of Italy and Ireland with their substantial ethnic connexions with Argentina; and second, the very clear statements by several of these same colleagues that their solidarity did not imply endorsement of the British position on the question of sovereignty over the Islands.

This mood lasted for the first month of the crisis, while the British task force ploughed its way across the Atlantic, and while efforts continued to solve the crisis by diplomatic means. Attitudes changed, especially in Dublin and Rome, after the Argentine cruiser General Belgrano was sunk on 2 May with loss of life. But while withdrawing from the earlier consensus, Ireland and Italy undertook to ensure that trade with Argentine was not diverted to their advantages, and the embargoes were still in force when the Argentina forces on the islands surrendered on 14 June. (Britain would have liked them to continue until Argentina formally ceased hostilities, but this was not agreed.)

In this crisis, exceptional in so many ways, certain points are notable. Solidarity with the injured partner prevailed over all other considerations among the Ten. Their stance contributed greatly to the diplomatic isolation of Argentina at the U.N. and internationally. Fighting ended before the trade embargo could have much effect; but the arms ban was important, even if not decisive, for the eventual outcome.

III. Achievements and failures

This may be a suitable moment at which to draw up a balance-sheet of the achievements and failures of EPC in the first dozen years of its existence. But before doing so we should remind ourselves that there is more to EPC than the high-profile responses generated by situations of crisis. Throughout this period, week in and week out, the hard labour of EPC continued, though little of it came to the public eye. Foreign Ministers met more and more frequently, and with an increasing readiness to combine EPC with EC business if this happened to be convenient. Political Directors too saw each other more often than at the stated monthly intervals. Correspondents were in daily liaison by telephone or COREU. Working Groups, nearly 20 in number, covered every geographical region and many important functional fields also. The web of political Dialogues with third countries spread steadily wider. At the United Nations, in other organisations and at international conferences, close coordination among the delegations of the Twelve became the rule. Collaboration between diplomatic missions of the Member States developed in parallel.

By the mid-1980s, therefore, the positive achievements of EPC could be listed as follows:

1) EPC had to a substantial extent "Europeanised" the foreign policies of the Member States. The smaller members had come to see their external relations very largely through the prism of EPC, while the Falkland episode had shown the European dimension could be valuable even to a nuclear power in a localised but important bilateral dispute.

2) The "consultation reflex" had developed to the point where ad hoc consultations were becoming less necessary, simply because partners' views were so well known already.

3) The level of knowledge and quality of understanding of world events in Foreign Ministries of the Member States had risen generally, the smaller members naturally benefitting more than the larger.

4) Special knowledge derived from the involvement of one or more Member States in a particular region (e.g. Britain and France in parts of Africa, Portugal in Angola and Mozambique, Spain in Central America) could be shared with partners through EPC and thus placed at the disposal of the Twelve as a whole.

5) At the UN and elsewhere on the international diplomatic stage, the Twelve were the equal of any other regional group in professionalism and effectiveness.

6) Solidarity among the Twelve had more than once enabled Member States to defend their interests better collectively than they could have done individually — for example, in Iran at certain periods of the Khomeini regime.

7) EPC articulated the "voice of Europe" in the form of common positions on almost all international issues of importance.

8) In certain specific situations, e.g. the Polish crisis of 1980-82, the joint views of the Member States, synthesised and expressed through EPC, had almost certainly helped to influence the course of events.

Against this catalogue of achievements could be set the following list of weaknesses:

1) EPC was mainly reactive, triggered into life by any event which affected the interests or caught the attention of the Twelve, but dormant otherwise. Statements by the Twelve on international questions, even when issued by Heads of State and Government from the ceremonial platform of the European Council, often attracted little interest, the Twelve being seen more as commentators on the game than as significant players in it.

2) EPC depended on the rule of consensus. This could be a multiple obstacle. Before the Twelve could act, there had to be consensus on the facts, on their interpretation, on the appropriate response and also on procedures, including such details as timing phraseology. EPC might fall at any one of these fences, leaving the Twelve with no choice but to admit failure. A single instance of disagreement naturally caught the public eye more than a dozen cases where consensus was achieved.

3) EPC was dependent also on the Presidency. Whichever Member held this office was expected over six months to maintain not just administrative competence — no small demand on a country with limited resources — but also diplomatic skills of a high order. Even more necessary, and perhaps easier for smaller than for larger states, was a punctilious separation between the Presidency and the national role and interests of its current holder. After the incident of September 1983, when a Korean airliner was shot down by a Soviet fighter with the loss of 269 lives, it was widely felt that a more conscientious Presidency could have achieved a quicker and more substantial consensus.

4) EPC was selective. The first Working Groups had been created to deal with those areas where the Member States felt their interests to be most closely involved. The coverage had been steadily extended, but it was still far from complete. Nor was EPC always quick to recognize the need for

new Working Groups on functional areas of policy such as Terrorism and Human Rights. The handling of a case by the Twelve could thus vary from comprehensive to perfunctory. More seriously, EPC was debarred from discussing "security" except in its political and economic aspects. This meant that Disarmament, Arms Control and Confidence Building Measures could appear on an EPC agenda, but not (for instance) the threat to Western Europe constituted by the SS.20 missile and how to counter it.

5) EPC was largely declaratory and lacked "teeth". In one crisis after another, the Twelve found it easier to decide what to say about the situation than what to do about it. When a list of "measure" was announced, it often proved to be somewhat hollow. Ambassadors were jointly withdrawn, only to straggle untidily back to their posts after a short interval. In the economic field it was always hard to identify measures which would hit the target without collateral damage (or with only slight damage, and that equally shared) to the interests of the Twelve. To some extent these are criticisms of the nature of foreign policy itself: if it had "teeth", Clausevitz would not have needed to describe war as its continuation by other means. But even some of EPC's best friends did ask themselves whether the European Community could not more often find some way to bring to bear, at least in well-defined cases, its undoubted commercial, economic and financial muscle. This leads on to the last criticism.

6) EPC was not sufficiently coordinated with the activity of the EC itself. By comparison with the Community, EPC lacked structure. It had no Commission charged with the duty to make proposals, no system of majority voting to stimulate decisions, no executive machinery to carry them out, no levers or inducements of its own to back them up. In addition, it must be admitted, a certain professional rivalry was allowed to grow up between the economic and the political bureaucracies, reinforced by their different routines and working styles.

IV. The Single European Act

The deficiencies of EPC, recognized as they were by practitioners and observers alike, were among the factors which prompted the organizational reforms of the mid-1980's. But the shortcomings of the EC itself attracted more attention: for example, the paralysis resulting from abuse of the rule of unanimity and the "Luxembourg compromise" of 1966; the persistent failure to bring agricultural spending under control, or to solve the problem of the British contribution to the Budget; the exhaustion of the EC's own resources; and the stagnation of negotiations for the entry of Spain and Portugal. In the path of reform, the causal line runs clearly from the Genscher-Coloumbo proposals of 1981 through the Solemn

Declaration at Stuttgart in June 1983, the Draft Treaty of European Union inspired by Altiero Spinelli and adopted by the European Parliament in 1984, the work of the Dooge Committee in 1984 and the Delors proposals of January 1985 to the Intergovernmental Conference of September 1985 and the Single European Act itself, adopted in February 1986 and entering into force a year later. Throughout all these documents, the emphasis was perhaps 10% on improvements in EPC and 90% on the reform of the EC itself, a proportion roughly reflected in the text of the Single Act.

The SEA nevertheless marked a landmark in the history of EPC. Under the heading "Title III — Treaty Provisions on European Cooperation in the sphere of Foreign Policy" it contained an Article 30 comprising 12 paragraphs, supplemented by decisions taken by Foreign Ministers extending over 6 more pages and filling in the details.

The effect of the SEA upon EPC was as follows:

1) For the first time, it placed EPC on a Treaty base. Title III of the SEA has the same status as the rest of the document, and is equally subject to the Preamble and to the provisions of Title IV on Ratification and Entry into Forces. The legal base of the EPC is equal, though not identical, to that of the EC itself.

2) The SEA consolidated the obligations to consult, to try to reach common positions and to conduct dialogues as necessary with third countries and regional groupings.

3) It confirmed the pattern of consultative meetings at various levels.

4) It reiterated the role of the European Parliament in terms which in practice have enabled it to increase its influence.

5) It specified that the aim of EPC is "to formulate and implement a European foreign policy".

6) It confirmed that EPC can deal with security in its political and economic aspects, and added some lines which make clear the resolve of the majority of Member States to coordinate their policies on the military aspects in other groupings.

7) It established a Secretariat in Brussels to assist the Presidency.

Can it be said that the weaknesses of EPC, noted above, were corrected by the SEA? The following brief case histories from 1989 will shed light on this question.

Early in 1989 Ayatollah Khomeini issued a "death sentence" against Salman Rushdie, author of "The Satanic Verses". On 20 February the Foreign Ministers of the Twelve issued a strong statement of criticism, and the Ambassadors of all Member States in Teheran were withdrawn for consultations. A month later all except 3 had returned to their posts.

In may 1989 the Chinese authorities suppressed by force the reform movement centred on Tainanmen. Strong statements of condemnation were issued, first by the Foreign Ministers of the Twelve and then by their Heads of Government, accompanied by joint measures including the suspension of military cooperation, high level visits and possible credits to China from the World Bank.

After the arrival of US troops in Panama in December 1989 an attempt was made to agree a joint statement of the Twelve by COREU, but without success, owing to wide differences of view among the Twelve as to how the enterprise should be regarded. The statement eventually issued, after a discussion between Foreign Ministers, was brief and general in nature.

From these and other cases of the period 1987-89 it would be fair to conclude that, since the entry into force of the SEA, EPC has continued to register roughly the same proportion of successes and failures as before; that the successes have not owed much, if anything, to the changes made by the SEA; and that the failures are explained by long-standing weaknesses in EPC which the SEA did not and could not cure.

V. The Future

With the EC meanwhile advancing rapidly towards completion of the Single Internal Market, and also moving into the new areas of policy indicated by the SEA, it is perhaps not surprising that Mr. Delors has complained, in his speeches in the European Parliament in January 1989 and again in January 1990, that EPC is "lagging behind".

If this is true, what measures might be considered which could help to correct the situation?

Before answering this question, it should be recalled that the Member States appeared to recognize, at the moment they put their signatures to it, the fact that Title III of the SEA might well prove inadequate. For paragraph 12 of Article 30 specifies that "five years after the entry into force of this Act the high Contracting parties shall examine whether any revision of Title III is required". This review clause, applying only to that part of the SEA which deals with EPC, is an invitation to which the remaining pages of this essay are an attempt to respond. The suggestions are listed roughly, in ascending order of significance.

1) It would be relatively easy, first, to stimulate a quantitative expansion of EPC. This has in any case been characteristic of its development for the entire 20 years of its existence. But to increase the frequency of meetings or the number of Working Groups, or the length of communiques, or the range of political Dialogues with third countries, would not necessarily be to improve the effectiveness of EPC in the kind of difficult cases which attract the most attention.

2) Secondly, the role of the Secretariat could be enlarged, as some Member States would have favoured when it was setup. Its Head need not be put on a level with the President of the Commission, but could be given a larger staff and authorised (for example) to make proposals on his own initiative, to represent the Twelve between meetings, and/or at meetings to a certain level.

3) The role of the Parliament, similarly, could be extended and developed — all the more easily because the wording of the SEA on the association of Parliament with EPC is very general and could be re-interpreted simply through a decision by the Foreign Ministers.

4) Another possible approach would be to increase the pressure for consensus, e.g. by adopting the rule that dissenters must circulate their reasons in writing within say 48 hours; or that Member States finding themselves in a minority of three or fewer will not (or not normally, or not without important reasons of principle or national interest) press their views to the point where consensus is pretended.

A combination of such procedural measure as these, together with a more determined effort by both Presidency and Commission to fuse EPC and EC in spirit even if not in letter, and with a more generous definition of the "political and economic aspects of security" which EPC is already empowered to handle, would go some way towards closing the gap, noted by Mr. Delors, between the relatively sluggish progress of EPC and the much more rapid march of the EC towards the goals of 1992.

Conversely, if EPC does not fill the blank spaces in its coverage, tighten its decision-taking procedures and integrate itself more closely into the work of the EC, then it is hard to imagine the Community being able to play the part in the world at large and especially in Europe, which events seem likely to demand of it.

VI. Conclusions

If the kind of evolutionary approach suggested here does not entirely dispose of the charge that EPC is "lagging behind", it is perhaps because some of those who make this accusation have in mind a gap of a much more fundamental kind, between a Community operating increasingly as a

supranational unit and EPC in which national mechanisms are still dominant. This gap is symbolised by the difference in numbers between roughly 17,000 staff at the Community's Headquarters and the 17 officials who make up the EPC Secretariat.

There is a clear difference between a common foreign policy combining the 12 national foreign policies and a single European foreign policy replacing them. The first is what Member States have worked for steadily during the last 20 years, and with some success: the second is perhaps what critics hanker after when they call for a stronger European voice in the world. A European foreign policy in this latter sense would require either one or more new Directorates-General to be added to the Commission, or a separate European Foreign Ministry to be set up, handling the collective foreign policy of the EC as the Commission already handles its collective external trade relations. National Foreign Ministries would not cease to exist, but their work would be related — and when necessary subordinated — to that of the central organ in Brussels, as happens already in the field of external trade. But to paint a picture of this kind is to describe the possible landscape on the far bank of a Rubicon which Member States so far have not shown a readiness to cross.

Looking to the future, it seems certain that international relations will increasingly come to consist of matters not at present covered by EPC: for example, climate and the environment; the management of natural resources; hunger and over-population; and trade, aid and debt. There will always need to be a "political" input into the meetings where such things are discussed, and if this reaches national Ministers and Heads of Government through other channels than EPC, the resulting policies need not be any the less "European" for that. At the same time, the situation in Central and Eastern Europe appears likely to call for difficult and far-reaching decisions by the West over the next year or two, especially in the field of "security" in its widest sense. If the military dimension cannot be brought into the EPC agenda, any collective discussions among West European Governments will have to be organized in other groupings (NATO, WEU) or else ad hoc. There is thus a risk that EPC may find itself handling, no doubt with ever greater technical perfection, an ever smaller proportion of the external relations of the Member States in the areas that matter most.

An East-West Institutional Framework

MICHAEL PALMER

CSCE has come, and nearly gone. But not entirely gone, since follow-up conferences have been held and continue to be envisaged. A process exists and continues.

Apart from the CSCE process there have been a number of notable steps forward in the betterment of East-West relations in Europe. This is evident in at least three fields.

In the economic domain Comecon has negotiated a preliminary framework agreement with the EEC from which an increase in East-West trade can be expected, following detailed individual sets of negotiations. In security matters agreement between NATO and Warsaw Pact member states on Confidence and Security Building Measures (CSBMs) has helped, even if only marginally, to improve the climate of East-West relations. Action taken by the Soviet Union in the field of human rights gives rise to some hope — as do the texts adopted by the CSCE participating states in Vienna in January 1989 — that a more positive climate might also be achieved, in the coming years, in human rights.

But will the growth of East-West contacts and the improvement of East-West relations move fast and positively if they are left to uncoordinated, separate currents of negotiations or meetings? If this were to be so we might look for improvements in climate and atmosphere but not necessarily achieve substantive progress and results — certainly not on a wide multilateral basis.

At present what are the main forms of East-West contact? Without tracing a comprehensive picture of the situation or going into great detail, the main contacts, over and above numerous bilateral political contacts, take two forms: negotiations on trade or security; institutional contacts. In the first category we find the EEC/Comecon relationship, based on the framework agreement which remains to be filled out by substantive negotiations between individual Comecon countries and the EEC. In this category we also find talks on CSBMs in the CSCE follow-up process (here we have an overlap between negotiations and institutionalised contacts); the CFE talks between NATO and Warsaw Pact states in Vienna, and the talks on chemical warfare in Geneva.

In the second category we find institutionalised contacts between 35 states — East and West — in the CSCE follow-up process. We also find institutionalised contacts in the Economic Commission for Europe (ECE), a UN regional body, and, also, in bodies like the UN and its specialised agencies, UNESCO and UNIDO for instance, which operate at the global level and include, within a wider framework, both Eastern and Western European states. GATT is another instance, though Eastern European membership is very limited. At the parliamentary level Eastern and Western parliamentarians can meet to exchange views — or polemics — within the UN General Assembly or within the Inter-parliamentary Union (IPU).

In the Autumn of 1988 a direct East-West contact was established when Mr Malinowski, the Marshall of the Sejm, organised a meeting of Presidents of the national parliaments of the CSCE participating countries. Consideration is being given to a possible follow-up meeting. In the Spring of 1989 the Secretary General of the Hungarian Communist Party launched the idea of a meeting between NATO and Warsaw Pact parliamentarians to be held in Budapest. A similar Hungarian proposal is to hold a meeting of Eastern and Western politicians in Budapest to discuss the philosophy of the "Common European Home". It seems as if the authorities of the GDR are considering the idea of trying to create some kind of Comecon parliamentary body modeled in part on the European Parliament. If this were to come into being, it would seem likely that it would try to establish links with the European Parliament, which already, in effect, has established *three* parliamentary delegations charged with contacting parliamentarians from: the USSR, the Northern and the Southern Comecon countries.

If we were to consider it useful to explore ways of moving beyond the first, existing approach towards a more schematic and more consciously organised system of East-West relations what could be the main options?

One approach — the second suggested in this lecture — could be to rely basically on existing machinery, such as the UN's Economic Commission for Europe, the Council of Europe, the EEC, Comecon *et al*, deciding in the ministerial governing bodies of the organisations to mandate such organisations to give increased prominence to the intensification of East-West links. Indeed, the Council of Europe, in its Committee of Ministers, has recently decided to do this.

An approach of this kind has certain advantages: by relying on existing organisations it saves the considerable expense of creating a new international organisation. It also provides flexibility, since it allows Western and Eastern governments to move ahead to agreements and cooperative projects at an unforced pace in the framework of their choice, without their feeling obliged to go further or faster than they wish across the board.

But this approach has a number of drawbacks. First, most of the organisations suitable to be used as frameworks for intensified East-West con-

tacts are *Western* organisations, based on *Western* political, social and economic ideas. Thus, although it might be tempting to see the Council of Europe providing part of a "Common European Home", and although Hungary, for instance, might possibly find that it could accept some kind of membership of the Council of Europe, it is not very easy to see Romania or Czechoslovakia as *any* kind of member of the Council of Europe at present. Further, it is hardly likely that, even to advance the cause of better East-West relations, any Western European country would seek membership of the Warsaw Pact or Comecon!

In the important defence area, although direct negotiations between NATO and the Warsaw Pact could be envisaged, and although the CFE talks already engage their member governments in negotiations, it is difficult to imagine East-West security talks taking place *inside* NATO or the Warsaw Pact.

In his book *Perestroïka*, Mikhaïl Gorbachev has stressed that to him, at any rate, a "Common European Home" can only be built if neither East nor West tries to impose its own philosophy on the other. Of course, Western attempts to intensify and improve East-West relations do not have to conform to Mr Gorbachev's vision. But Mr Gorbachev is the main person with whom we have to do business in the East, and it would seem foolish to ignore his views or to try to circumvent them without good reason.

Another major drawback to the use-of-existing-institutions-approach is the difficulty, both for Western and for Eastern governments, of coordinating their policies and negotiations in the different frameworks that might be involved, and these could be numerous if agreements and joint action were to be sought in a wide number of technical domains, such as air traffic control, transport, postage, telecommunications, scientific research, etc. Could, for instance, the Twelve use the EEC or, more particularly, EPC, to concert its aims and tactics covering a wide range of subjects? In any event, countries like Norway, Sweden, Switzerland and Austria would be left out of concertation by the Twelve.

An alternative system of coordination might be sought on the basis of a small, skeleton secretariat, made up of officials from the main protagonists in the East-West process (notably the 35 CSCE participant states), which could coordinate and monitor the progress of individual sets of East-West negotiations, initiatives taken and agreements reached in the framework of the Council of Europe, ECE or whatever body concerned. The aim here would be to achieve a more ambitious type of coordination which would itself be on an East-West basis. Such a process would not exclude separate preparatory coordinating work by the West or East.

Finally, this approach would seem to suffer from a lack of centrality, impetus and drive. For those who consider it enough to leave the improvement of East-West relations to a process of natural drift, or who are content to pay lip-service to it, this could well be an advantage. But for those wishing to achieve agreements and cooperative action across the

board, whether in Mr Gorbachev's still barely defined "Common European Home" or in a different framework, such an approach is inadequate.

At this point it might be useful to comment briefly on Mikhaïl Gorbachev's "Common European Home". Mr Gorbachev devotes an important section of his book *Perestroïka* to this idea. But study of the book reveals little in the way of specific proposals as to the form Mr Gorbachev might wish the "Common European Home" to take. It is, as yet, more a declaration of intent, a phrase, rather than a defined idea. Further, interesting and exciting as this declaration of intent may be, it is accompanied by certain comments that will not be *universally* welcomed in the West. For instance, we are told that the division of Germany into two parts is definitive and permanent. We are also told that tactical nuclear weapons must be eliminated in Europe. But most of the remarks in this key part of Mr Gorbachev's book are constructive and uncontroversial. He stresses the need to find a mutually advantageous form of cooperation. He speaks of the need for the *whole* of Europe to make a contribution to the North-South dialogue. As far as pan-European cooperation is concerned, Mr Gorbachev proposes the creation of joint business projects, the establishment of joint East-West development projects in third world countries, technological cooperation, cooperation in the use of thermonuclear energy, joint space research and joint research in biotechnology. Above all, great stress is laid on cooperation in the field of human rights.

Very little is said as to the structure of a "Common European Home", but it is emphasised that although the Home is "common", "each family has its own apartment" in the Home, which, also, has different entrances!

This vagueness concerning structure is perhaps an advantage, since it offers others, notably the Twelve and other governments, the opportunity of putting forward precise proposals for an institutional framework which they themselves would like to see constructed — the Gorbachev proposal is an open-ended one, holding out a wide range of possibilities without being exclusive. It is, in effect, an offer that can be examined by political leaders in Eastern and Western Europe and argued and negotiated into a mutually acceptable shape. Mikhaïl Gorbachev's "Common European Home" might thus lead us on to a third approach.

This third approach would be to move beyond the present "non-system" of separate, uncoordinated sets of contacts and negotiations, or a more schematic and consciously organised version of such contacts, to a more ambitious and formal attempt to institutionalise East-West relations in Europe through the creation of a standing East-West body.

As early as June 1970 at its Budapest meeting, the Warsaw Pact proposed the establishment of a "permanent organ" as one of three agenda items for an eventual CSCE. On its side, the North Atlantic Council tentatively suggested at its Rome meeting of May 1970 that "the establishment of a permanent body could be envisaged as one means, among others, of embarking upon multilateral negotiations". At that early stage in the preparation of CSCE, it seemed as if NATO might favour the

creation of an institution to prepare a CSCE, possibly to act as a setting for it, and possibly to follow up decisions taken at such a conference.

In the event, NATO cooled toward the idea of a "permanent organ" and the emphasis placed by NATO member states on human rights during CSCE, when it was held at Helsinki, led the Warsaw Pact members, in their turn, to shy away from the proposal, without formally dropping it.

Following the Helsinki conference, and for a period of some years, the rather chilly nature of the East-West relationship, although slightly improved by a number of individual agreements, such as those concerning CSBMs, did not provide a fruitful setting for the creation of a "permanent organ".

However, since the advent to power of Mr Gorbachev in the USSR, the policy of the Soviet Union towards the West has moved far and fast as far as arms control negotiations and contacts with the EEC are concerned. This major shift in Soviet policy has led to a degree of movement in some policies of some of the Warsaw Pact or Comecon allies.

The next part of this lecture examines how, in this climate, and responding to the challenge of Mr Gorbachev's "Common European Home", the establishment of some form of East-West standing institution might help to build a permanent East-West dialogue, providing continuity and leading, it is to be hoped, to active cooperation over projects of mutual interest in a number of fields. It will also explore the possible membership, mandate, structure and working of a standing East-West body. It will suggest that such an institution might provide the infrastructure for continuing East-West dialogue on a range of issues with a bearing on security in Europe. It is recognised that the establishment of such a body and its procedures would not in itself provide the answers to the outstanding problems of East-West relations, but it is to be hoped that it would stimulate mutual understanding, reduce tensions, and provide a lead in the search for an improved European security system.

It is held that the Western interest is to try to replace confrontation by a network of cooperative contacts aimed at increasing mutual confidence and, where possible, creating joint interests. With this aim in view, it would seem to be in the interest of EEC and other Western states to develop and intensify economic, commercial and other contacts with the Warsaw Pact/Comecon countries as far as possible, whilst ensuring that this process does not endanger, put in question or inhibit the democratic character and practices of Western European states, the rule of law and the guarantees of human rights in these states, and the military security of Western Europe.

The pursuit of these aims in no way contradicts the need to maintain the defence of Western Europe, though it is to be hoped that levels of military manpower and all types of weapons in Eastern and Western Europe can be negotiated downwards resulting in a balanced East-West situation.

It is suggested that new approaches to European security might be explored. This exploration could involve not only disarmament measures,

but the possible re-examination by both NATO and the Warsaw Pact of strategic and tactical doctrine. For instance, might not NATO reconsider, before it is completely put into place, the doctrine of Follow On Forces Attack (FOFA) which seems at best workable only with great difficulty and expense, and also to be potentially destabilising and provocative? In exchange the West might persuade the Warsaw Pact that *some* tactical nuclear weapons (even modernised ones) enhance all-European security by providing a deterrent and escalatory step between conventional and all-out strategic nuclear war.

Other security matters that could be explored include: the acceptance by both pacts of purely defensive strategic doctrines; a nuclear-free corridor dividing Eastern from Western Europe; etc.

It is held that the creation of an East-West institution might provide a suitable framework within which aims of this kind could be developed and realised.

It is suggested that the most useful form of standing institution would be, basically, some kind of permanent secretariat that would provide continuity in preparing and servicing regular meetings of members of the NATO, Warsaw Pact, and "European" neutral and non-aligned countries, as detailed later.

It could be argued that an East-West body might be set up under the auspices of the UN. This has, indeed, been suggested by Mr Ceausescu, in the past. But there is at least one reason why a UN link could be a drawback. A regional organ of the UN dealing with security issues could fall foul of vetoes expressed in the Security Council. Still in the UN context, it has been suggested that an East-West body might include among its organs a regional juridicial mechanism for the peaceful settlement of disputes under Articles 52-54 of the UN Charter.

In view of the self-confidence and self-awareness as "Europeans" of many European countries, notably members of the European Community, there are likely to be pressures for an autonomous body independent of UN control.

Participation. Which countries might take part in an East-West Commission? Before the holding of CSCE there was, until the Budapest meeting of the Warsaw Pact in June 1970, some ambiguity about participation in CSCE itself, let alone in an eventual standing body. In particular, a question mark was placed by the Eastern European countries against the presence of the US and Canada. The US and Canada have taken part in the whole of the CSCE process, and it now seems clear that no objection would be raised to their participation in a CSCE-related East-West body by the East. The West argued that US and Canadian presence in CSCE was necessary to balance that of the Soviet Union. Following CSCE — even bearing in mind that the CFE (Conventional Forces in Europe) negotiations exclude the non-NATO and non-Warsaw Pact countries — it would seem logical that membership of a standing commission should correspond with that in CSCE, and thus 35 countries

might be members, including the US and Canada, though Mr Gorbachev is rather ambiguous about American and Canadian participation in the "Common European Home" in his book.

What Form or Forms Might an East-West Commission Take?

The reply to this question could be a sliding scale, and would depend on the will of the participating states. At the low end of the scale — the minimalist one, and reverting to the second proposal — we could envisage a ministerial body, meeting for a few days once or twice a year, with a skeleton staff, trying to coordinate and give a harmonious sense of direction to ongoing sets of East-West contacts, processes or negotiations — such as EEC/Comecon negotiations, East-West arms control negotiations, the CSCE follow-up process, etc.

At the upper end of the scale we could imagine a body, representing the wish of participating governments, to set in motion a motor to make serious and continuing attempts to improve relations between European states. This body might be distinct, formally, from the CSCE process. Alternatively, it could, quite simply, institutionalise the CSCE process, transforming it from a process into an institution. It is held, in effect, that the experience of the CSCE process has been sufficiently positive to justify such transformation. It is also held that such a transformation should be achieved as soon as possible so as to provide an appropriate institutional framework for the rapidly developing East-West scene. To act in this way would both provide a consummation of the present CSCE process, and the birth of a new form of CSCE. The institutionalisation of the CSCE process would provide an opportunity for broadening out the traditional subject areas of CSCE to cover a wider range of matters. The institutionalisation of CSCE would also provide, in itself, the solution of the problem of participation in an East-West body. In view of such an institutional framework, a strong central secretariat would be required. Would the staff be made up of national civil servants on detachment or other nominees of participating countries, or would it be an independently recruited international secretariat such as that of the Community or Western intergovernmental institutions?

A Ministerial Council, meeting perhaps twice a year and chaired by participating countries in rotation, would seem to be an appropriate governing body of an East-West Commission. In view of the sensitivity of many of the issues to be dealt with, the decisions and procedures of such a Commission would seem likely to be governed by the unanimity rule or arrived at by consensus — if, indeed, a commission were empowered to take substantive decisions and was not merely restricted to the transmission of recommendations to member governments.

A system of permanent representatives, or ambassadors, backed up by national diplomatic delegations, representing member governments be-

tween ministerial sessions of the governing body, would seem to be a useful feature of such a body in the light of the experience of such organisations as NATO, OECD and the Council of Europe in the West.

In view of the importance of educating public opinion about and involving it in the betterment of East-West relations in Europe, the direct participation of parliamentarians in the work of a commission might be useful. In this case, one of the institutions of a commission could be a parliamentary assembly. Amongst its functions, such an assembly could debate annual reports from the ministerial council or other governing body and could take initiatives in the form of recommendations or resolutions addressed to this body, to which it might also table questions for oral or written reply.

The main substantive work of an East-West commission could be delegated to a number of committees of governmental experts which would meet regularly and report back to the commission itself. One could imagine a series of committees on the subject areas which most obviously come to mind, including: (a) Committee on European security; (b) Committee on trade, and economic and monetary problems; (c) Committee on human rights; (d) Committee on European environmental problems; (e) Committee on scientific and technological cooperation; (f) Transport Committee; (g) Committee on cultural contacts; (h) Legal Committee. As already noted, this group of subjects is wider than those dealt with up to now in CSCE.

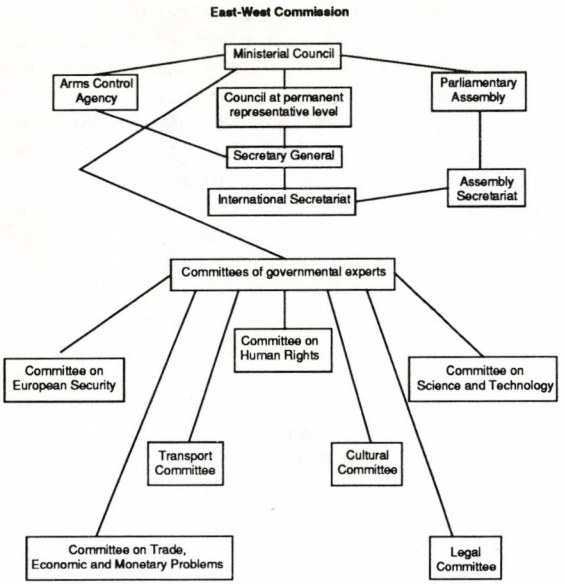
Further committees could be created as appropriate, covering, for instance, energy or agriculture or development aid, as subject areas took on greater importance in the developing East-West relationship.

As far as arms control inspection is concerned, an East-West agency for the control of armaments might be set up as one of the commission's organs. In this respect it could be useful to draw, in one way or another, on the experience of the WEU Agency for the Control of Armaments in Paris. The related but distinct problem of trying to control arms exports could be referred to the Committee on European Security.

It is interesting to note that before the holding of the first Helsinki CSCE, Professor Alting von Geusau saw the necessity for a "standing regional conference with a permanent secretariat" as being greater than that for a single conference or even a series of conferences.

If an East-West commission were to be set up, where should it be located? Helsinki and Vienna immediately come to mind as prospective seats for a "permanent organ" as being capitals of neutral countries that lie geographically between the blocs. Geneva would also be in a good position to host an East-West commission, as the major UN centre in Europe. Stockholm, another neutral capital, might also be a possibility. If the commission did not necessarily have to be located in a neutral state, Berlin — East *and* West — might divide up the institutions and organs of the body between its two parts.

The structure of an East-West commission could look like this:



So much for structure, subject-matter and location. But what as to the substantive work that might be done in a standing commission? Would such a commission have real possibilities of achieving worthwhile results in one or other of the subject-areas indicated, especially in view of actual or probable East-West bilateral negotiations and contacts? The CFE negotiations, the Geneva negotiations on chemical weapons, the EEC/Comecon framework agreement all provide important instances of ongoing processes. Might not an East-West commission merely complicate, in an expensive way, what is better done elsewhere? Might not the freedom of policy-making and of negotiations of the European Community and its Commission, or that of the NATO allies, be restricted or infringed by the operation of a new East-West body? Might not the integrity and character of the Community and the Alliance be adversely affected?

To start with subject-areas. In an improving East-West climate there is no shortage of topics on which East-West negotiations could result in mutually profitable results; the improvement of East-West air, road, rail and water transport connections; the conclusion of agreements on environmental protection; the development of cooperation on agricultural production and sales; the use of energy are just some instances of the more practical day-to-day issues that could be subject to multilateral discussion, negotiation and, hopefully, agreement in an East-West commission.

s tangible, but perhaps even more important matters could include an rights, the freer movement of people and the reunification of milies across national and East-West borders, and, above all, the consideration of the central problems of "European security" which, for the West, must necessarily include the problems of a divided Berlin and a divided Germany.

On this point, Mikhaïl Gorbachev's "Perestroïka" does not hold out great hopes; "Peu importe ce que Ronald Reagan et d'autres dirigeants occidentaux peuvent dire en l'occurrence, ils sont incapables d'offrir la moindre proposition réaliste à la RFA pour résoudre le prétendu problème allemand. Ce qui s'est formé historiquement, mieux vaut le laisser à l'histoire. C'est également vrai du destin de la nation allemande et des formes de l'Etat allemand".

Continuing on this warning note, Mikhaïl Gorbachev comments: "Il y a deux Etats allemands dotés de systèmes politiques et sociaux différents. Chacun d'eux a ses valeurs propres. L'un et l'autre ont tiré des leçons de l'histoire, et chacun peut contribuer aux affaires de l'Europe et du monde. Et quant à ce qu'il adviendra dans cent ans d'ici, laissons l'histoire en décider. Pour l'heure, il convient de se fonder sur les réalités existantes et ne pas se lancer dans des spéculations effrénées". Mr Gorbachev's words are at least refreshingly free of hypocrisy, and are, perhaps, realistic, as far as international opinion is concerned. But is there, perhaps, a lack of consistency or even a degree of contradiction between this comment — stressing as it does the difficulty of bridging different political and social systems — and the underlying idea of the Common European Home, which is surely the development of mutual interests across ideological and social differences?

This thought leads to some further reflections on Mikhaïl Gorbachev's "Common European Home" — these perhaps a little more critical. In his book and public statements, Mr Gorbachev has, very cleverly, made the most of the things that link, or might link, the potential inhabitants of the different apartments in his "Home". He has also gone to some lengths to emphasise cultural differences between North America and Europe, pointing the finger at the USA as being a purveyor of violence and pornography.

Both the "commonalty" of interest between Eastern and Western Europe *and* the differences between Europe and North America are exaggerated by Mr Gorbachev. He minimises, in general terms, those ideological, political, social and economic differences that have divided the two halves of Europe since the second world war. He seems to forget, also, or to minimise, the role played by Canada and the USA in helping to defect fascism and bringing peace to Europe in 1945.

Whilst admiring the boldness and enthusiasm with which Mr Gorbachev uses primary colours in making his proposals look attractive, I wish to point to the need for Western opinion to realise that the American commitment to Western European security *is*, and *has been*

since the creation of NATO 40 years ago, much more significant than any degree of film or video violence and pornography originating in the USA which, by the way, has no monopoly in peddling brutality and vice. Likewise, Western opinion should be encouraged to realise that, as yet, and this goes even for the more liberal Eastern European régimes, life lived in what would be the Eastern "apartments" in the "Common European Home" is very different from life as lived by those who would live in the Western "apartment". Mikhaïl Gorbachev's own arguments, expressed in his book, point to the impossibility, in the immediate future, of uniting the West German and East German "apartments". Perhaps there is a warning in this for any who wish to follow Mikhaïl Gorbachev's ideas as he has presented them, without question.

Indeed, in reacting to the idea of separate apartments in the European Home we might do well to stress the need for the Twelve to occupy a distinct and separate group of apartments in the Home that they would own as a collectivity, like a condominium in a housing estate, rather than living in isolated separate apartments. In effect, does not Mikhaïl Gorbachev's phrase, a "Common European Home" — reassuringly close as it is to the phrase "Common Market" — beg a number of questions?

One of the questions is the Atlantic dimension. The Western European states which are members of the Atlantic Alliance already belong to an "Atlantic Home". How, in Mr Gorbachev's vision, would the European and Atlantic Home be fitted together? Or would the Atlantic Home have to be pulled down to make way for the Common European Home? If Mr Gorbachev were to insist on this second eventuality, many in the West would certainly prefer to maintain the present system of East-West relations, imperfect as it is, and with all its divisions, rather than dismantle the Atlantic Alliance as a pre-condition for the establishment of a new and untried East-West organisation.

Even more pertinent than the Atlantic Home, as far as the Twelve are concerned, is that they already live in their own European Home, which they have built up and enlarged with great effort over the years. The twelve members of the European Community will certainly insist on continuing to live in this house and on being able to improve it or make it larger, as they choose, even if they agree to live in close proximity with others.

Another question, referring to Mr Gorbachev's meaning of the word "European", and reverting to membership of an East-West body, is how far will the nationalist aspirations of some comparatively recently annexed parts of the Soviet Union be compatible with their representation in a "Common European Home" by the Soviet Government? Will the three former Baltic states, Latvia, Lithuania and Estonia, be allowed to have their own separate apartments in the Home?

However, hesitations, questions and criticisms of this kind should not lead us to reject Mr Gorbachev's idea of a "Common European Home" out of hand. As I have already indicated, it is a declaration of intent, a

phrase, rather than a polished idea. It is susceptible to development, negotiation and adaptation. The Western powers did not, initially, welcome the original proposals made by the Warsaw Pact, concerning the holding of a CSCE. But they took those proposals, thrashed them out with the Warsaw Pact and from this confrontation of ideas the Helsinki Conference and the CSCE process were born.

In like manner, the Twelve and other Western governments could take the "Common European Home" as a starting point and come forward with their own proposals, and then negotiate them with the East into a mutually acceptable alternative, possibly along the lines already indicated in this lecture. In the end we might emerge with something that is not necessarily "common", not necessarily "European" and not necessarily a "house containing apartments", but which is mutually acceptable and useful to East and West.

Whilst neither East nor West are probably *collectively* ready, as yet, to think in terms of dismantling their military Alliances, which have provided Europe with security stability for 40 years, they could perhaps start to think how the two Alliances might increasingly explore new types of inter-Alliance relationships of a cooperative rather than confrontational nature.

It is held that negotiations on the subject-areas suggested above in a permanent multilateral framework, would not duplicate or complicate but add to the type of progress that might be made in the separate sets of ongoing negotiations.

It is also held that talks and negotiations within a common framework would be given encouragement and support by the very mutuality of this framework itself, with a concomitant reduction of emphasis on the traditionally confrontational East-West bargaining postures.

Whilst it would seem inappropriate for the European Community to replace its individual member states and to negotiate and act for them in an East-West Commission, as it does in GATT, there is a clear interest on the part of the Twelve that the European Community should be able to play a major part, as such, in the work of an East-West commission.

In a *cooperative* East-West framework there should also be an interest of Eastern participants that the Community should be represented, since they are turning increasingly towards the Community as their main Western interlocutor. The commission might most appropriately represent the Community as an observer, as it does in OECD. Its most vital task would be to coordinate the attitudes of its national governments so that the Twelve would act together in taking or reacting to initiatives. It is hoped that it would be able to play a full and useful role in most of the organs and activities of an East-West body, though the part it could play in the security activities of such a body might be difficult to define.

While the European Community continues to be the main forum in which Western Europe expresses its "unity", and while it continues to act as a pole of attraction for the Eastern European states, there seems little

reason to fear that its integrity would be adversely effected as such by participation in an East-West body. However, participation by a Western state or by the Community in an East-West body implies *some* degree of willingness to be attentive and, indeed, responsive to the views and needs of the Eastern participants, otherwise there would be little or no point in becoming involved in an East-West comparative venture at all.

As for complicating or duplicating negotiations or contacts in other fora, the main reason for creating an East-West commission at all would be for it to stimulate and provide the basis for a continuing political process, embracing all the main areas of East-West relations. Specific sets of negotiations, such as CFE or EEC/Comecon talks, could be seen as fitting into the broader framework of the East-West commission without the direct intervention of the commission or its organs. An East-West commission should be able to complement and enrich the spasmodic and isolated steps achieved in separate ongoing or future negotiations. In effect the creation of an East-West commission would be a commitment by the governments concerned to work continuously, in an organised way, to achieve a less confrontational and more cooperative East-West relationship across the board.

The member governments of the European Community are magnetised by "1992". The single market should make the Community yet wealthier and more competitive, and it should result in the reduction of unemployment and the creation of new jobs. Greater prosperity is an aim that, accompanied by suitable social and environmental trimmings, is evidently attractive to all the major political and social forces within the Community. Indeed it is the economic strength of the Community, together with its political stability, that makes it such a compelling force of attraction to other European, both Western and Eastern, non-member countries. But there is a danger that healthy prosperity could become soured into selfishness and greed, turning the admiration of the outside world for the Community into jealousy or even hatred.

Two ways — certainly not the only ones — of avoiding the greed trap are, first, for the Community to make a more determined effort than in the past to aid the ACP and other developing countries. But that is not my subject. The second way is for the Community and its member states to seek to convert the better "atmospherics" of East-West relations into a continuing and organised process of change centred on an East-West institution as outlined in this lecture, and which might, in part, or might not, correspond to Mr Gorbachev's "Common European Home" — depending on how this vision is defined in more precise detail by Mr Gorbachev and others in the future. It is in ways of this kind that modern Brussels might avoid the fate of ancient Rome.

The Past as Future: Towards a European Defense Community

CHRISTOPH BERTRAM

In his memoirs Jean Monnet writes: "La Communauté elle-même n'est qu'une étape vers les formes d'organisation du monde de demain". Is security and defence, in and for Western Europe, the substance that requires new forms of organization? I think the answer is yes. Will it be a European Defence Community? I hope so. But will the military aspects of security be automatically the next step to European integration? I think not; instead, West European governments will have to make a conscious, deliberate move in that direction.

Of course there are many who hope otherwise. There is a widespread belief among those who want the Community to succeed as a nucleus of a European Union, that somehow we might be moving towards a degree of political integration which in the end would not just be a big market but also would allow us to find new forms of European cooperation in defence and security. But this hope — that somehow because we are forming a market we will do other things as well — is a profound and traditional illusion of Europeanists. The big market will, more probably, generate the reaction of the nation-states; it will not necessarily work as a catalyst for union. It may, unless firmly put in a political context, even act as a catalyst for disunion: either because we will start to find out that when we have the big market there is nothing else to do — why do anything more when the market functions? — or because the need for protection against the pressures of competition and change will once again bring the nation-state, national governments, national parliaments, national lobbies to the fore.

And yet there are profound reasons for Western Europe to think about the future organization of its security. There is, for one, the passage of time: the North Atlantic Treaty and its organization NATO have provided security for forty years, but forty years is a very long time in history. Clearly, strains are becoming visible in the Western Alliance. The idea that it can simply continue as it has done in the past is rather naïve. Secondly, we have a changed world situation. The old threat is receding; new, less obvious, less concrete threats are emerging. Europe will, of

course, continue to have to live with a Soviet superpower. There will not just be sweet harmony and light in East-West relations or in the relations between Western Europe and that Soviet superpower. But there has been profound change in Soviet thinking. The Soviet Union is no longer a power which defines its security at the expense of others. Thirdly the Community has acquired weight and with it, responsibility, whether it likes it or not. Indeed, in the new environment, where military aspects of security recede and the general danger of instability around Western Europe becomes the more obvious security problem, the Community also is holding the instruments to cope with some of these instabilities, by the very attraction of its market, by the impact of its policies on those around it. In short, the European Community today is in the unique position both of needing international stability because it is an actor depending on international peace, and of having instruments available to contribute to stability beyond its own borders. That may be, today, its most serious security task, to which I will return later.

What about the other, more traditional arm of defence cooperation proper? The theme is not new. It has been with us for over thirty years. And yet the productivity rate for European defence cooperation has been dismal. There is not much to show for except a few abbreviations the meaning of which is generally obscure to the larger public: the Independent European Programme Group, the West European Union, the Euro Group, EPC (European Political Cooperation in foreign affairs) and last, by no means least, the Franco-German Brigade. Functional cooperation among West European countries in defence simply has not happened. There must be a reason for it and I suggest that there are probably two.

The first is that functional reasons are rarely sufficient for functional cooperation. It is of course the old belief of European integrationists that somehow European reason will triumph if functional reason demands it. But that is an error which gains no new conviction by having been repeated so often. The modern state simply disposes of too many escape routes from the European logic. The consequences of not moving further down the road to defence cooperation among West European states have never been disastrous, only unpleasant and costly. The functional argument assumes a higher logic which it does not provide itself. This logic, therefore, has to be provided for by a conscious political act. That will not emerge from the functionalist approach. To quote Jean Monnet again, in this rather sad ending of his book, "Ai-je assez fait comprendre que la Communauté que nous avons créée n'a pas son but en elle-même?" The Coal and Steel Community would not have come about for the sake of coal and steel; there is a nice aside in Monnet's Memoirs where he says, "We didn't need to consult specialists on coal and steel to bring that about, we did not need them. That was not the purpose." And so European defence cooperation will not come about for the sake of defence cooperation. There needs to be an ulterior, political motive. This has so far been absent.

The second reason for failure, and for not formulating this political objective, has been the very structure of Western defence and security over the past decades. It has been — by definition and by necessity — an Atlantic structure. But that is inevitably a hierarchical structure. Not, as some revisionists want us to believe, because the United States is by nature an imperial power and the only way to have an alliance with America is to accept American dominance, but because nuclear deterrence is by definition hierarchical. There can be no credibility to nuclear deterrence unless there is one man, the most powerful man in this alliance, who reserves the decision for releasing these fearful forces. Hence, for the motive of West European defence cooperation to become serious, it would be necessary to accept less alliance and less security in the traditional sense, i.e. less dependence on nuclear deterrence. Of course, there are pressures in all West European countries theoretically demanding more defence integration. But in the absence of a clear European political objective, the solutions that the states will seek will not be West European solutions. What is necessary to change this is a political *prise de conscience* in Western Europe that the security dividends of political unity are higher than those of maintaining intact the existing NATO framework. In other words, it would require a new look at the total situation.

What I mean is something similar to what Jean Monnet wrote in the summer of 1950 — a few months after the Schuman Plan initiative and weeks after the invasion of South Korea by North Korea, and the early conception of what then became the European Defence Community project: "A aucun moment aucune décision d'ensemble n'aura été prise depuis qu'on ait arrêté, voici trois ans, les notions de guerre froide et de containment, sur lesquelles nous vivons. Lorsque ces notions ont été arrêtées, elles avaient en vue le maintien de la paix, mais leur application a entraîné une série de décisions imposées par le déroulement des faits: chacune prise pour elle-même, chacune s'ajoutant aux décisions antérieures sans que jamais une vue nouvelle d'ensemble ne soit prise."

I

Is such a *vue nouvelle d'ensemble* possible today? I believe so. We in the West agonize again and again over how to help Gorbachev and that is only right and proper. As a result of the changes in the Soviet Union, for the first time in forty years we can consider risking a bit of Atlantic security for the sake of gaining closer European political union, relying less on nuclear deterrence for the sake of gaining what will inevitably be an imperfect, embryonic cooperation in security and defence. The strictures of the Cold War and of containment, which have bred, logically and inevitably, a host of decisions "imposées par le déroulement des faits", no longer fully determine our security situation. The question is: will West European governments and their publics make use of the opportunities that are offered to them?

Although a common foreign and security policy is on the agenda of the government conference on Political Union currently taking place, it is unlikely that the members States will move beyond very general agreements. Past mind-sets are too powerful and the ability of Western Europe to look after its own military security is, after all, not the most pressing issue today. States group together either because they have no other choice in the face of a major threat or because they can undertake new and exciting things together. Military defence for most West Europeans today is neither one nor the other.

The military situation in Europe has changed profoundly over the past two years. Then, Soviet forces were still massively deployed in Hungary, Czechoslovakia, Poland and East Germany; now they are withdrawing behind Soviet borders. Then East Germany was the linch-pin of the Soviet-controlled Warsaw Pact; now that Pact's military organization has been dissolved and East Germany is not only a part of a united Germany but part of the Western Alliance. Then it seemed naive to expect that the Soviet undertaking to cut all military asymmetries in Europe to a common level would be honoured; now the Soviet Union has signed, if not ratified, the comprehensive Treaty establishing common ceilings on major conventional weaponry in Europe from the Atlantic to the Urals.

The big question, of course, is whether that fundamental change could be reserved. Has the point of no return been reached?

In politics, there probably never is a defined point of no return, as events in China two years ago have painfully and bloodily demonstrated. Is Soviet policy reversible? In theory yes, in practice, I think not. One can imagine a rapid failure of the present line of policy, the re-emergence of a hard-line leadership with hard-line representatives from the military, the KGB or the party trying to smother again the new sense of debate and freedom, pushing the country on a rough road of economic restructuring with the old method of repression rather than the new method of incentive. But there are now an increasing number of vested interests against turning back. There is the vested interest of the intelligentsia which in the Soviet Union has a greater authority than it would have in many Western countries. There is the vested interest now also of the Republics of not going back under the old centralized yoke. There is the vested interest of the new managerial classes: the Soviet Union has a highly educated élite, well-trained people who want to show what they can do. And the armed forces, too, have a vested interest not to go back. The Red Army has become a huge machinery that can no longer really function. It is unprepared to cope flexibly with situations of internal conflict. It has an undertrained corps of non-commissioned officers and junior officers. It is incapable of incorporating modern techniques of warfare which the West has been developing rapidly; and because it is so big, it is also hugely costly and incapable of finding the money to introduce modern techniques into those armed forces.

What Mr. Gorbachev has done, is to appeal to the military to trim the armed forces down to a size which makes better military sense. They were prepared for such suggestions. After all, the debate in the Soviet Union on a more defensive structure is older than Mr. Gorbachev; the concern of what happens in the non-nuclear field of military activity also preceded him. So far, the military support Gorbachev because they see in reforms of the economy the only chance for not falling behind technologically.

So there are a host of vested interests which all suggest that a fundamental reversal of Soviet policy is highly unlikely. There will be a trimming of the sails. Some of the more ambitious projects will be cut back. We are going to see stretching, we are going to see delays and even backsliding. But I do not think we're going to see a U-turn.

For these very reasons, the Soviet old military threat, the assumed ability of the Soviet Union to neutralize NATO's nuclear weapons and to rapidly occupy large parts of NATO territory, is a matter of the past. The relevance of the military instrument for security is on the decline. Of course it will retain some relevance. It will remain necessary to maintain an element of nuclear deterrence, even as conventional forces are being cut, since nuclear weapons have on the whole had a beneficial, sobering impact on the East-West relationship.

But the fact that our military security is less threatened today, does not mean that our security problem as such is solved. We will have to think about security increasingly in terms of international order, threatened less by the deliberate action of a major state to plan military victory over its neighbours than by that older cause for conflict: things getting out of hand, countries drifting into conflict because the chance for an early avoidance of conflict has been missed – a feature the Gulf conflict has once again underlined. We are fortunate that major military conflict is highly unlikely today and getting less so, but we remain challenged by the inequalities, the impatience, and the instabilities in the international arena. We have learned rather well to cope with the old threat; we are still groping on how to cope with the new ones.

One can think of two or three such instabilities which must concern Western European in the future. The first is the situation in Eastern Europe. Of course we do see political reforms there, and that is both exciting and welcome. But they are occurring against a background of economic difficulties and the revival of nationalism and ethnic tensions. The prospect for these countries to emerge once again as societies which can offer a perspective to their people is very limited. That, of course, is a potentially explosive situation. It is no coincidence that military action in Europe in the past forty years has not occurred between East and West but within Eastern Europe. It's a part of the world in which things tend to get out of hand when there is no hope that the systems themselves can meet the expectations and aspirations of their publics. In the past,the Soviet Union has been successful in containing unrest in Eastern Europe

with the help of regimes which had at their disposal repressive forces and a tradition of fear. Now the Soviet Union is saying to the East European countries, "You're on your own. We have enough problems on our hands. You have to deal with these issues yourselves". But without help from the rest of Europe they will scarcely be able to cope. That promises a messy and potentially dangerous situation for the whole continent. It will remain the most serious security problem for Western Europe. For one thing, a failure of political reform would deprive all of Europe of its best hope for long-term stability. For another, unrest can still lead to conflict, and conflict to war.

The other traditional area of international conflict around Europe is the Middle East – again demonstrated by the Gulf War and its aftermath. There are people who believe that the present unrest will lead to a political solution. Perhaps. But it does not take much imagination to imagine what will happen if once again impatience, frustrations, anger combine with the availability of armed forces and modern technology to make the Middle East an area from which war and instability could spread. And as countries in this region acquire their deadlier weapons plus the ability to deliver them by missiles of long distances, Europe cannot remain immune. The third threat to stability around Western Europe lies in the developments on the southern shore of the Mediterranean. The population of Turkey is doubling every 30-35 years, the same goes for Egypt, Tunisia, Algeria and Morocco. The riots we have had in Tunisia and Algeria may just be signs of things to come. These states are less and less capable of containing inherent conflict. They lie moreover in the vicinity of a Europe of declining demographic strength and increasing wealth.

II

The central question for future conflict management is how to provide a horizon of hope and confidence both to Eastern Europe and to the developing countries on our periphery, so that things do not get out of control there. In all these cases a perspective of a viable economic future is the best barrier against despair. It is the only future that provides some hope for a way out of the manifestations of frustration and the conflicts to which they can lead.

We have to think of instruments to enhance stability. These will be more economic than military because the threat of disorder stems more often than not from economic disorder. Of course, it is extremely difficult to try and devise recipes for other countries. Anybody who has looked into the problem of development assistance knows that. But there are considerable expectations in Eastern Europe concerning the European Community. Just as the Community has been given a boost of confidence by the prospects of 1992, so Eastern Europe would profit immensely, in terms of confidence and hence, stability, from a perspective of closer association with, and access to, the Common Market.

Some have even suggested full membership for East European countries, provided they have by then adopted a genuinely democratic political structure and market economy. However, there are powerful arguments against such a general, early enlargement of the Community. For one, enlargement would run against the whole notion of political union. It would dilute Community cohesion and virtually rule out the possibility of the Community assuming responsibility in the field of international order and security. For the Community to remain the Community after enlargement, it must define its political identity first. If the only answer West Europeans can think of for preventing crisis in Eastern Europe is to offer those countries full membership now, this would amount to the renunciation of a political union worthy of that name. And it would weaken the very institutions on whose strength the future stability of both West and Eastern Europe depends.

Futhermore, all East European countries are in a very different economic league from the EC-countries. The transition from centrally planned to market economy, the recovery from economic and technological backwardness will take decades, not years. But only once this transition is nearing completion will full membership, even in a purely economic Community, make any sense.

Finally, admitting East European countries into the Community as full members would once again leave the Soviet Union outside Europe. Yet it is an isolated Russia that constitutes the threat for Europe, not one which can hope to become integrated into the international system. It would be foolish, therefore, to invite East European countries to join the EC without having prepared the future relationship between the Community and the big, powerful and potentially troublesome neighbour on their Eastern border. Moreover, it would mean a profound weakening for the reformist forces within the Soviet Union which alone represent the hope for a modern, cooperative Russia, if a new cleavage were to open along their Western borders.

Hence it makes little sense to try and use full membership as a chief stabilizing instrument, either for the countries of Eastern Europe or for the Community itself. Instead, other arrangements need to be found, more adjusted to the conditions of East European development, more capable also of promising not a distant future but a medium-term perspective. This could consist of tariff-free access to the Community market as a whole. It must also involve formal association agreements, equipped with a wide range of institutions to manifest the new relationship; the "Euro"-Associations currently under negotiation between the Commission and major East European countries still fall short of that requirement. The Community has many instruments at its disposal to convey a "special relationship" to Eastern Europe. There is no other national or international body with the same stabilizing potential as the Community. All it needs is the will to make use of it — the responsibility is there.

This is a responsibility for security in Europe. Indeed, through its very success as an economic community, Western Europe is now being pushed into a strategic responsibility. It applies to Eastern Europe today, to Northern Africa perhaps tomorrow. The Community, whether it likes it or not, is thus acquiring a major role under the new conditions of international security.

III

This role will also increasingly make the Community the material security partner for the United States, Western Europe's traditional ally. It makes the EC the most promising framework wherein West European countries can eventually develop a common responsibility for their military defence as well. There can be little doubt that Nato continues to perform an important role for the security of Western Europe. It has been a remarkably successful organization. It is still needed to assure the coordination both of Western defence in Europe and of arms control negotiations and implementation. But it is difficult to imagine that the organization which was set up to respond to what was seen as a major threat can survive unchanged when that threat is waning. And it is equally difficult to imagine that an alliance structured hierarchically around the nuclear superpower of the United States can continue unaltered when the military attributes of power are being overtaken by economic and financial attributes.

So the transatlantic security partnership has to change. In essence it has to become less hierarchical and more co-equal. And that invariably means that West European states will have to take on a greater responsibility in defining, and providing for, military security in Europe than they have shouldered so far, if the Western Alliance is not to fade away.

Of course, there are many, not least in the United States and in Britain, as well as in the NATO bureaucracy who claim that, on the contrary, West European defence and security integration would undermine the Atlantic relationship. They are, however, wrong for two reasons. The first: The Atlantic framework which is currently resting on the basis of shared military concerns will be undermined as these concerns no longer dominate. Rather that holding on, come what may, to the old structure, it will be necessary to extend the Atlantic relationship to other, less military security issues - economic, ecological, financial. That, however, means that the Community will be the essential partner for the United States in such a wider framework; a stronger Community, as its founding fathers claimed, will strengthen, not weaken the Atlantic link.

The second reason: Even in the field of military cooperation, the traditional NATO structure will turn out to be insufficient for holding Europe and the United States together. America's role as leader, initiator and guarantor in the Western Alliance rested on the assumption of a direct military threat from the Soviet Union. The threats of the future, however, will be less defined, less plannable, less regionalized. Hence the hierarchi-

cal structure of NATO will itself become questionable. American leadership will be less natural, for Americans and Europeans alike. American patience with the need to prepare and foster consensus among 16 sovereign nations will be more wary. In the new environment, the United States needs a major partner in Europe in order to remain anchored to the old continent. The question is, of course, what European institution can best serve as its partner.

Judging from official declarations, the candidate preferred officially by West Europe's major countries is the old West European Union (WEU). It is supposed to "serve as a bridge" between NATO and the EC. Its attraction for its supporters lies precisely in its distinction from the Community and its inability to undermine existing NATO structures. And would, they temptingly suggest, it not be much better to go the WEU way so that the Community can get on with the job of integrating Eastern Europe or neutral states like Austria and Sweden?

But it is precisely for these supposed advantages that the WEU road to European defence integration is fundamentally flawed. For one, it will not provide for real defence integration. Whatever the WEU will coordinate, are only crumbs which fall from the NATO table – military activities in extra-European crises, a bit of Euro-Group activism to show to an increasingly irritated American public that "Europe is carrying a due share of the burden", etc. In other words: the WEU will offer integration not of the central aspects of European defence, but only of the peripheral ones.

But even if it should be able to extend its responsibilities to areas of more immediate concern to West Europeans, the political argument against the WEU option is even more important. For by refusing the EC any real responsibility in matters of security and defence, the community is being emasculated politically. A Political Union which leaves out the last vestige of national souvereignty, namely "national" defence, is like a house with a hole in the roof, open to the destructive impact of fowl weather. And the supposed advantage that a non-defence EC could more easily integrate new, non-NATO members is, in truth, the argument for a community without a clear political identity and without close political cohesion. For those who are serious about the Community becoming a Political Union, there can only be one answer to the question where Europeans should organize their common defence and formulate their relationship to the United States – within the Community.

Only a few years, even months ago, the thought that this might be the framework for West European defence coordination would have seemed outlandish. But now, the Community has acquired a strategic role in the non-military security of Europe through its potential for promoting stability in Eastern Europe, and the need to put the transatlantic relationship on a new basis has become manifest. As a result, the Community has become the natural framework for Western Europe to define and implement its security policy — in the non-military as in the military realm.

Of course, there will have to be a long period of transition before Western Europe becomes a Security Community and a new transatlantic contract is in place to maintain the close link with the United States. The assumption of military responsibilities from Nato institutions will have to be gradual, the learning period protracted.

There could be two complementary avenues to that objective. One would be the avenue of arms control, the other of more coordinated defence planning. We are entering a decade in which our ability to supervise, to inspect, to monitor military arms control moves in Europe is becoming particularly important. There is a strong case for West Europeans to set up a European arms control agency to deal with the monitoring of arms control agreements. This would have a profound effect on West European cooperation. Once you devise a satellite you have to define its tasks. Once it is in orbit, you have to devise ways of elaborating, of interpreting the data it provides. Arms control and military intelligence will have to be coordinated in a different way than before: a satellite in space has profound consequences here on earth. West Europeans would have to think more cohesively about arms control as well as defence.

The other avenue is a European Defence Planning Agency. Western Europe needs an instrumental incentive for its members states to start thinking about military security together. This could be a West European Defence System, modelled along the lines of the European Monetary System: It would consist of an arrangement by which countries that want to participate register their armed forces with a common command authority which would look after common training, common equipment requirements, the education of officers and N.C.O.s etc. This would, in itself, not undercut the responsibility of existing NATO institutions but complement them. And over time it would enable European governments to develop a common security policy and a common defence. Military forces in Western Europe could become more integrated, just like the European Monetary System has brought currencies closer together. There could be a European coordinating body under a joint commander, responsible for developing joint methods of training, military education, force requirements, etc., for those countries who are willing to work within the new arrangement. European defence cooperation, in contrast to the failure of all attempts employed in the past, would be from the top down, not isolated or floating around at the bottom.

Clearly this would not be welcomed by all members of NATO, and not all EC members of NATO need to take part at the outset. But once it can be shown that as a result of their cooperation a lot of other things will be improved – Europe's political weight and responsibility, but also the standardization of equipment, joint procurement, joint exercises by military forces, etc. – a convincing case will emerge that, far form weakening transatlantic relations, European defence integration will strengthen them.

The ground may already be better prepared for such an initiative than appearances and prejudices suggest. The Bush Administration, in marked

contrast to its predecessors, has repeatedly indicated its willingness to accept the European Community as a partner in the evolving Atlantic relationship. In addition, the unification of Germany will force Nato to think more imaginatively about military integration than before. To date, that integration was primarily realized on Germany territory, only German forces were not just earmarked but also assigned to the Nato command. Now that integration will have to be practiced through widening and deepening, both in the level of military integration (down to divisions or even brigades) and in the regional spread (not only in Germany but elsewhere in Western Europe as well). A European Defence Planning Agency within the Community framework would also build a bridge over which French forces could find the way back into a firmer collective defence arrangement.

IV

The main theme of this paper is that West European governments have to recognize the responsibilities that the weight and potential of the European Community bestow on them for the sake of international order. Underlying this view is a particular way of looking at the Community, and it may be appropriate to spell this out in conclusion.

Among those favouring an increasing role of the European Community, there are essentially two schools of thought. The first argues that the main contribution the Community can make is that it puts the relationship among its members on a qualitatively new footing: not the Darwinist rules of international law should henceforth apply, giving power to the mighty and imposing subservience on the weak, but the new rules of supranationality which create a set of institutions and regulations that spread power, impose interdependence, and thus produce peace. In essence, the main contribution of the Community lies in the fact that the condition of state relations *inside* the Community is profoundly changed.

The other school of thought, while recognizing the value of this new internal relationship, is concerned with the international conditions in which the Community, like any subject of international law, has to operate. It looks at the Community's role in the world, at its contribution to international stability, order and peace; to have created a new internal structure of state relations is, for this school of thought, not sufficient.

The first school has powerful spokesmen, among them, it seems, even Jean Monnet himself. He saw the Community as an example rather than a power, a way of being rather than a way of doing. Today, when East European countries are beckoning to be invited for ultimate membership, this view is gaining ground among those who, above all, are concerned with ending Europe's post-war division.

The arguments put forward in this paper, however, only make sense if there is more to the Community, in particular if it is willing to play a role in the world. Its task is not only to serve as an example but to help shape

the international environment in which it operates and on which it depends. Hence the rejection of premature enlargement of the Community since this would dilute its ability to act as a power; hence the insistence that the Community accept its responsibility in Eastern Europe and elsewhere as a prime contribution to international order; hence the argument that the Community should gradually include among its tasks also that of military defence.

Clearly, the second school is more ambitious than the first. Perhaps it is also more traditional in that it believes in a conflictual world in which interests and power are the currency of influence and competition. Yet that ambition is warranted indeed. For rich Western Europe merely to concentrate on itself, to bask in the good feeling of setting an example, is sufficient only for those who have experienced the great European wars of this century: their main objective is, understandably, to prevent any repetition. But that repetition is unlikely in any case thanks to the nuclear peace. The real challenge today lies not in overcoming the problems of the past but in addressing those of the future. And here the Community, by its sheer existence and weight, has a responsibility which it can assume or which it can fail.

Failure, however, will be more costly than those who see the prime function of the Community in setting an example are willing to admit: the very cohesion of the Community would be at risk. Securing the environment in which the Community can prosper is, I believe, a great prize, worthy of the idealism of its citizens and the statesmanship of its politicians. It may also determine in the end the success or failure of the 1992 adventure, thus bridging the cleavage between the two schools of thought. Without a political rationale which goes beyond mere prosperity for the members, Europe will not succeed in becoming a political unit of any consequence, capable both of looking after its economy and looking after its security.

In order to endure, the Community has to make a difference in the world. It will not do that through economic and monetary union, still the prime candidate for the run-of-the-mill Eurocrats for pushing the Twelve to political union. What is now required, particularly at this juncture of change in the East and uncertainty in the centre of Europe, is an unambiguous political signal: that the Twelve intend to be reckoned with on the international scene. Nothing could send this message more clearly than the recognition that the Community is a Community for security, and first steps of European defence integration to underline that recognition.

The crisis of Eastern Europe and the growing need to redefine the transatlantic relationship give to West European governments a unique chance to show what they are about: not just a bunch of inward-looking prosperous states, but a group capable and willing to promote international order and shoulder the costs that go with it. If they miss that chance, more will be lost than just an opportunity. For the supranational

experiment that is the Community will itself be at risk of becoming a model of the past, rather than a beacon for the future.

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