

## The Bruges Group's Opinion of the Draft Treaty of European Union (November 1991)

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1/6

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31/10/2012



# The Bruges Group's Opinion of the Draft Treaty of Union (Maastricht, December 1991)

A Bruges Group opinion of the current proposals for European economic, monetary and political union:

The Maastricht Summit, December 1991

#### **SUMMARY**

- 1. The EEC summit at Maastricht marks a further stage in a progressive aggrandizement of centralised authority that threatens to reduce national parliaments to the status of local authorities.
- 2. Free trade in a single market depends on differences in costs of resources and output which can only be raised by present trends in the name of harmonisation and social cohesion, thereby weakening the competitiveness in the European community.
- 3. The eventual extension of Qualified Majority Voting beyond economic and social issues to foreign, security and defence policies, would extinguish the last vestiges of sovereignty necessary for self-protection.
- 4. The removal of the words "federal goal" would not lay to rest the ambition to create a European state with Euro-citizenship eventually replacing British citizenship.
- 5. The strengthening of the un-elected Brussels Commission and the more remotely elected Strasbourg European Parliament at the expense of the Council of Ministers would immediately weaken the power of the British Parliament to influence the future speed and direction of economic, social and defence policy.
- 6. The massive enlargement of the Brussels Commission has already raised discussion of the prospect of taxation being levied direct from Brussels and Strasbourg.
- 7. Even if the Draft Treaty presented for signing at Maastricht on 9–10th December is modified in the hope of avoiding a British veto, there is provision for further conferences in December 1993 and every 3 years thereafter to extend the powers of the Commission and Euro-Parliament.
- 8. The varying interpretations of "subsidiarity" have provided no protection of local self-government against the more powerful determination to impose detailed, uniform restrictions on working conditions in the name of the Social Charter, or to prohibit Sunday opening or the advertising of tobacco products in the name of health and safety.

We should return to the principle that areas of competence of the European Commission and Parliament should be strictly confined to those which are unanimously agreed by Member States as transnational imperatives.

- 9. Whatever temporary, specific or formal safeguards are unveiled at Maastricht, there is no question but that Monetary Union represents a decisive centralization of control over the economic policy of all participating states with massive additional taxation necessary to compensate the less developed participants for the burdens imposed by the abandonment of flexible exchange rates.
- 10. The profoundly undemocratic character of the emerging European state cannot be remedied by strengthening the Strasbourg Parliament in which 518 MEPs, speaking 9 official languages and divided into 89 separate political groupings are supposed to represent 340 million Europeans who vote in European elections overwhelmingly on national issues.
- 11. Behind the Euro-rhetoric of the European vision often lurks the naked, short-term national interest of the stronger economies to burden weaker Community members with higher costs, and of the weaker countries to burden the stronger with the compensating cost of increased subsidies.

2/6

31/10/2012



- 12. The Single Market agreed to be established by December 31st 1992 promised consumers gains from free trade between more keenly competing producers of both goods and services. It is still a long way from completion, and is already weakened by such protectionist policies as the Common Agricultural Policy and would be made worse by other "Common Policies" for social action, energy, culture, immigration, research and development, consumer protection and many others.
- 13. The collectivist, centralist direction now proposed for the continuing development of the European Economic Community now to be transformed into the European Union simultaneously raises economic and political barriers against membership by the newly-liberated nations of Eastern Europe (and the former USSR) whose cause Margaret Thatcher championed in her truly visionary Bruges speech in September 1988.
- 14. Most, if not all, these anxieties are widely shared by Europeans from Sweden to Switzerland, as indicated by the Declaration from Prague, (Appendix II)
- 15. If some or all the other 11 members of the EEC wished to go further in surrendering power to existing or new European entities, they should be encouraged to supplement the EEC by forming a Political Union open to all who wished to join.
- 16. If we take the courage of our convictions and cease appeasing forces alien to our history and character, a veto at Maastricht would provide the opportunity to build a wider, freer Europe, open for nations to the East and further afield to the West and South to build an association of free nations integrated through mutual interdependence on trade and cooperating increasingly in other aspects of economic and political development.

#### 6. WHAT HAPPENS IF WE SAY NO?

Current political thinking in Britain assumes that if the UK refuses to sign the Treaty of Union at Maastricht the other Member States would go ahead with a similar, but separate, Treaty excluding Britain. Faced with a choice of going ahead or "being left on the sidelines", it is not hard to see why any British government would be somewhat hesitant to stand aside. No doubt, this is why many politicians, both Continental and British, have been at pains to make us believe this.

The argument should, however, be examined more closely. For a start, any British government — or Opposition party — which made this assumption would severely curtail its room to manoeuvre, and would be likely to yield to demands it would otherwise find unacceptable. But in any event, a pragmatic appraisal of Britain's position, and the principles involved, yields a much more positive perspective on what we can set out to achieve.

Unitary Nature of the Community

There is no need for Britain to be hesitant. The Draft Treaty of Union shows how the European "bicycle theory" lays strong emphasis on the unitary nature of the Communities: the need for all Member States to proceed along the same path at much the same speed. How can Europe become a single, unitary state if its constituent parts are involved in different, dislocated programmes?

The Commission knows that its own power depends on its ability to initiate the same policy for all twelve Member States under one European law. Having spent 40 years building and shaping the institutions of the Community — the Council, Commission, Court, Parliament, and developing the so-called "acquis communautaire," the legal precedents and technical standards — how can the Commission allow disparate groupings to emerge just as the EEC is on the point of becoming a superstate?

It should be no surprise that President Delors condemned the original Dutch EMU proposals to the realms of "political unacceptability". The Commission will oppose anything that threatens the unitary whole, that is,

3 / 6 31/10/2012



allows too much discretion to the Member State.

The Realpolitik of the Summit

The political credibility of the EEC relies upon all twelve Member States remaining firmly committed to travel along the same path at the same time. Despite repeated statements to the effect that the rest of the EEC would move ahead, if necessary, without British participation, rational analysis suggests that this is a bluff which the Government should be willing and prepared to call.

The balance of power within the EEC relies too heavily upon British influence to offset the dominance of the Franco-German axis for a number of European countries such as Holland, Denmark and Portugal even to consider radical changes to the framework of the EEC without whole-hearted British involvement.

The question of establishing a Political Union, extending even to foreign policy and defence, without the international influence and military capability of the UK, is a matter which would severely constrain the ambitions of some of our more federalist partners.

If Her Majesty's Government were seriously to threaten to use Britain's veto at Maastricht, the rest of the EEC would face the critical choice of either accommodating the anxieties of the UK, or going ahead and establishing a separate treaty to include all the common policies and objectives outlined in the Draft Treaty or whatever finally emerges at the conclusion of the intergovernmental conferences.

And what if the unthinkable happens and we do not sign? Other member states desiring a federal superstate would have to sign a separate treaty to lay the legal basis for administering the powers they wish to confer upon the Union. Expert opinion indicates that they would not be able to make use of the present EEC <u>Treaty of Rome</u> institutions. The resulting treaty would have to set up parallel institutions in order to bestow new powers on a "new" Commission, Parliament, Court or Council of Ministers. In setting up these parallel institutions the various players would have an opportunity to re-define their present roles. Any attempt to graft onto the carefully crafted Treaty of Rome could be challenged in the European Court.

It is clear that a decision by our partners to move ahead and sign a treaty without the UK would present quite formidable obstacles for them, especially since they have spent the years since 1957 painstakingly moulding and shaping the present treaty and institutions to their advantage. We should safely conclude, therefore, that no country is likely to advocate a step forward for as long as there is any prospect of Britain using her veto.

The more likely result would be that our partners would accept finally that we are serious about certain matters of principle and that our objections cannot be taken lightly, especially as we are plainly negotiating in good faith.

### 7. WHAT HAPPENS IF WE SAY YES?

The latest Dutch proposals are an entirely predictable attempt to satisfy the **minimum** British reservations whilst, crucially, allowing the rest of the EEC to continue to centralise decision-making within the existing treaty and its institutions. It would set an important precedent for future stages, when Member States propose to centralise even more power within the institutions of the Treaty of Rome. No doubt, we would seek yet another "compromise."

The most damaging consequence would be that our Government would be cast in a long-term negative and adversarial role, forever having to defend both issues of general democratic principle and British national interests. As is typical of fundamentally unsatisfactory agreements, we would spend an ever increasing amount of time in court — the European Court of Justice — defending the validity of national laws *vis-à-vis* the Community, defining the limits of Community competence in order to prevent further encroachment at the national level, defending the implementation of Community laws, endlessly quibbling over procedures.

4 / 6 31/10/2012



Why? Because we would have allowed the Union's scope of action to be extended to other areas such as health, education, consumer protection, culture, research and development and industrial policy. These are all domestic matters, and since two governments cannot have authority over the same people in the same areas of competence, Westminster would be doomed to a struggle for power with the Commission and European Parliament, in which our own Parliament would be the inevitable loser.

#### 8. WHAT SHOULD OUR POSITION BE?

Our Government's position should be straightforward and constructive. We must champion the interest of a "wider Europe" and a Europe firmly embedded in the principles of a free market economy, whilst emphasising our wholehearted support for the EEC as the political and economic entity best suited to construct such a new Europe. It is clear that the economic, political and security needs of Europe <u>as a whole</u> require a substantial increase in the membership of the EEC over the next 5–10 years. But any further centralisation of power within the new Treaty would severely reduce the chances of new countries joining. We would <u>have no choice</u> but to use the veto, if this is what is necessary to "keep the door open" to northern, central and eastern Europe.

This position is not negative or "standing aside." Rather, it is a position of leadership. It recognises that the Community is multi-national both in heart and in reality, and that its manifestation today can only be transitional, given the vast changes that have taken place across the European Continent. Therefore, the long term interests of our nation and other nations are best served by <u>not</u> locking ourselves into or limiting ourselves to a simple-minded Unitary Treaty without escape clauses.

A forthright willingness to use the veto at Maastricht establishes a powerful negotiating position for Britain. It is the correct stance as a matter of principle, and it allows us to take the initiative on both political and psychological levels. We champion a new, wider Europe dedicated to extending the trading benefits of the EEC to a larger number of European democracies, and we oblige our opponents within the Community to face the real challenge that now confronts us all.

The European Union proposed today bears little resemblance to the Common Market which we joined, and the electorate approved in the national referendum in 1973. Britain, perhaps for the first time since then, now has the chance to adopt a clear, unambiguous policy towards Europe and the ability to make it stick. Our policy would be correct because it would reflect the essential realities of EEC politics and would undoubtedly command the respect of many of our European partners. A clear separation between economic and political development would commit all members to completion of the Single Market by 1993, leaving others of the 11 to go further in building a political union open to all who wish to join.

#### 9. STRUCTURAL CHANGES WE WOULD LIKE TO SEE

- Cooperation between Member States should have primacy over consolidation of power within Community institutions.
- The Commission's powers must be strictly and explicitly limited to areas agreed by Member States and the Commission must not be permitted sole right of interpretation of the Treaty articles and directives.
- The principle of subsidiarity should explicitly favour the Member States in any conflict over areas of competence.
- The actions of Community institutions, including the Commission, must be scrutinized for their effect and cost and Community institutions must be held publicly accountable for success or failure to meet their objectives.
- The Commission should no longer have the sole right to prepare and amend directives, regulations etc., The Council of Ministers should have a strengthened function in this respect
- The role of the Commission should be more that of a Secretariat to the Council rather than as at present, a completely autonomous body.

Negotiating Agreements that Work

5 / 6 31/10/2012



In the course of drafting future agreements let us reform the present character of negotiation so that, to paraphrase Sir Charles Powell (11),

- (1) Representatives are less obsessed with compromise and bazaar-style negotiations.
- (2) Words match reality.
- (3) The willingness to cede powers is not seen as a sort of loyalty test. Instead priorities are shifted towards the challenges facing the Community and away from institutional engineering.

6/6

(4) Member States are not deliberately intimidated by deadlines or the prospect of being isolated.

Patrick Robertson, Secretary of The Bruges Group November 1991

31/10/2012