LECTURE BY JOHN BRUTON T.D.FORMER TAOISEACH AND NOW MEMBER OF THE PRAESIDIUM OF THE CONVENTION ON THE FUTURE OF EUROPE TO THE WOODROW WILSON CENTER WASHINGTON D.C. ENTITLED "PROSPECTS FOR THE CONVENTION ON THE FUTURE OF EUROPE" Wednesday 13th November 2002 at 4.00 p.m. (U.S.Time)

The Convention on the Future of Europe was set up earlier this year, to produce by June 2003, a basis for a new Constitutional Treaty for the European Union. A Union, that will be able to accommodate up to 30 states.

The European Union is a detailed and binding contract between States, built on the ideal of an ever closer Union between the peoples of Europe. It is a constitutional endeavour of unprecedented scale, and it makes European law superior to laws of the States in all the areas of activity that are the subject of the contract.

In this address I want to deal with the following issues.

- 1. Why should a United States audience be interested in the work of the Convention on the Future of Europe ?
- 2. What is the background in recent European history, to the creation of the current Convention on the Future of Europe ?
- 3. What are the key success factors for the Convention?
- 4. What are the risks to the project ?

<u>RELEVANCE TO UNITED STATES</u>

<u>The Model of Philadelphia</u>

The results of the work of the Convention on the Future of Europe will strongly influence the way our transatlantic relationships will evolve. From the perspective of a United States audience it is important to point out the Convention on the Future of Europe is, to some extent, modeled on the 1787 Philadelphia Convention, which led to the forming of a federal United States of America and replaced the con-federal arrangements that had existed since the end of the War of Independence. The formation of the Federal Union of the United States at Philadelphia was driven, as much by necessity as by idealism. As the people who met in Philadelphia too, realized it would be necessary to share some of the functions of Government.

The Convention on the Future of Europe is also driven, to a degree at least, by necessity. As the Union enlarges from 15 to 25 members, the arrangements for 15, already strained, are perceived as being completely inadequate to accommodate a Union of 25 states. But just as there was no consensus in Philadelphia about the ultimate extent of enlargement of the United States, there is no consensus in Brussels today about the ultimate shape and size of the European Union.

While the existing enlargement to include 10 new member states is taken for granted, there is no final consensus about the ultimate limits of the Union. But if the texts being considered are taken literally, there is no theoretical obstacle to Russia joining the European Union, but I doubt if many of the members have really accommodated themselves to that possibility in their hearts as yet. Certainly, if Turkey of which only eastern Thrace is in Europe, is admitted to membership, no theoretical basis would then exist to exclude Russia – the vast bulk of whose population live in Europe.

It is important also to make a comparison between the size of the endeavors undertaken in Philadelphia and in Brussels. In Philadelphia the attempt was being made to unite people, many of whom spoke the same language, and whose population amounted to a mere 4 million people.

On the other hand in Brussels, we are endeavoring to define a constitution that will accommodate up to 500 million people who speak 20 different national languages.

Whereas the Convention members who met in Philadelphia sat in constant session, six days a week from 29th May until 17th September with an average attendance of 30 people, the Convention on the Future of Europe has only sat in plenary session for 20 days, is composed of 105 number of participants, with an average attendance of 85 and is attempting a much larger task in actual and practical terms. Members have much less time, then did the Convention members in Philadelphia, to meet informally in a social setting, the setting in which durable understandings emerge and compromises become visible.

It might also be added that those who met in Philadelphia represented an elite, who could expect to carry their States and constituents with them in whatever they agreed. In Europe in the early 21st century, there is a much less accepting attitude towards the doings of politicians than there might have been in late 18th century America. In some countries the work of the Convention will have to be put to the people in a Referendum, and there is a generally sceptical attitude in sections of the population towards European integration. Furthermore, whereas the meetings in Philadelphia were strictly private, discussions in Brussels are in public.

In Philadelphia, there was a rough consensus before the proceedings began as to what was to be created – a more centralized system for all the States. In the Brussels Convention some members want more centralization to deal with necessary tasks and others want less centralization.

Some of the very same issues, which manifested themselves in Philadelphia so many years ago, are emerging again in Brussels today. The relative representation of smaller and the larger states, so hot an issue in Philadelphia, is an equally heated one in Brussels.

Another common issue is the method for ratification of the new Constitution. The E.U. practice up to now has been that every state must ratify a new constitutional treaty before it comes into effect. At Philadelphia, the ultimate agreement was that it would be sufficient for three-quarters of the states to ratify it for the Constitution to come into

effect. Some in Brussels are now advocating that we follow that precedent. This is exceptionally controversial with the smaller states and with those who have to have referenda on E.U. Treaties. They fear being excluded from the Union altogether as a result of a failure to carry in a referendum.

<u>The Marshall Plan</u>

The Marshall plan of the United States in 1947 was a key driver towards the European Union as we know it today.

Secretary of State Marshall made it clear to Europe in May 1947 that U.S. aid for postwar reconstruction would only get Congressional approval, if the European countries took steps to ensure that the money was spent between them in a co-operative way. In Paris, just a month later, sixteen nations met to form the European Economic Co-Operation Organization – later to become the O.E.C.D. The dismantling of intra-European trade barriers, the setting up of a European Payments Union (the fore-runner of the present single currency) and the Treaty of Rome itself can all be traced back to the requirements of the Marshall initiative.

<u>The Role of President George Bush Snr</u>

More recently still, the United States has played a key role in setting the scene for the present phase in European history – the enlargement of the Union to include the countries of central and eastern Europe. In 1989 The United States had a choice. It was clear that the Soviet Empire was beginning to dissolve. Gorbachev was still in power. The United States could then have sought to prop up the Soviet Union. A plan was put forward by Henry Kissinger for a Yalta-like agreement over the heads of the East Europeans to maintain spheres of influence in Europe. This would have prevented the integration of countries of the former Warsaw Pact in the European Union, leaving some or all of them in a Russian sphere of influence.

President George Bush Snr., chose not to take that course. In an important speech on the 17th April 1989, in Hamtramck Michigan, the President said

"We dream of the day when Eastern European peoples will be free to choose their system of government and to vote in regular, free, contested elections. We dream of the day when Eastern European countries will be free to choose their own peaceable course in the world, including closer ties with Western Europe".

The President went on to say :

"The true source of tension is the imposed and unnatural division of Europe. We accept no spheres of influence that deny the sovereign rights of nations".

In a speech at Boston University on 21st May 1989, he went even further.

He said "

"This administration is of one mind. We believe a strong, united Europe, means a strong America".

What we are doing in Brussels now, in the Convention on the Future of Europe, is making arrangements to ensure that the strong United Europe envisaged in 1989 by President Bush, comes into operation on a basis that will work in practical terms.

The United States thus has a huge investment in Europe, - moral, political, economic and strategic. It should not see a united Europe as a threat to United States interests, but rather as the fulfillment of a long-sighted, well considered, United States strategy.

There is mutual inter-dependence between Europe and the United States. We must make that structure of mutual inter-dependence work to the benefit of everyone.

THE EUROPEAN HISTORICAL CONTEXT OF THE CONVENTION

I now move to my second question – What is the background, in recent European history to the creation of the Convention on the Future of Europe? The Europeans were determined never again to be at war with one another. In an historic declaration on the 9th May 1950, Robert Schumann Minister for Foreign Affairs of France stated that :

"Europe will not be made all at once, or according to a single plan. It will be built through concrete achievements which first create de-facto solidarity".

In other words, he opted for a functional method of integration, building on results achieved, rather than an idealized system towards which one would then work.

The first step towards creating de-facto solidarity was the establishment of the European Coal and Steel Community. Given that coal and steel were the traditional instruments of war, it was essential that the coal and steel industries of Germany and France would be so integrated with one another that neither would ever again be independent enough to go to war with the other.

Germany and France were in future to be like boxers in a clinch, so close to one another that neither could swing a punch !

This worked.

Six countries then moved on to a more ambitious stage when in 1955 in the Messina Declaration, they envisaged the creation of a common free market in goods between Germany, France, Belgium, Italy, Luxembourg and The Netherlands. Britain was also invited to join. This common market was finally launched in the Treaty of Rome in 1957 (without Britain).

It was based on four fundamental freedoms, freedom of movement of goods, freedom of movement of salaried workers, freedom of establishment of businesses, and freedom of capital movements.

In 1973, Denmark, Ireland and the United Kingdom, joined this Common Market. Greece joined in 1981, Spain and Portugal joined in 1986 and Austria, Finland and Sweden became members in 1995.

But by the mid 1980's it had been found that the planned Common Market had not been fully achieved. This was because so many of the decisions, necessary to allow free movement of goods like common standards for labelling, had to taken by unanimous vote.

This unanimous voting system was abandoned for market opening measures, in the Single European Act of 1987. This Act committed the members to adopt measures to progressively establish a fully free and open internal market by the end of 1992.

The next stage was the Treaty of Maastricht of 1992. This Treaty took forward four basic projects.

The first was the establishment of a single European currency (eventually achieved in 1999).

The second was the establishment of a Common Foreign and Security Policy (still very far from being achieved – although some progress has been made).

The third was the introduction of a concept of citizenship of the Union in addition to individual citizenship of individual member states. (This is a rather vague aspiration, so it is unclear whether it has been achieved or not).

Fourthly, Maastricht envisaged closer co-operation on Justice and Home Affairs –crime and civil law co-operation. (Slow but steady progress has been made here. We now have a common European Arrest Warrant, to provide for free extradition between member states, but that only came about as a response to September 11th)

The next landmark in Europe's development was the Treaty of Amsterdam of 1997. It set out to place employment and citizen's rights at the heart of the Union and to give Europe a stronger voice in world affairs.

Then the Treaty of Nice, of 2000 made new arrangements to alter the composition of the European Commission, for weighting of votes in the European Council, and for more majority voting, to prepare for the accession of 10 new members mainly from central and eastern Europe.

All of these different treaties have been added on top of one another. Each was an amendment of a previous treaty. Thus they are almost impossible to read in any coherent way. They cannot be compared to the comparatively readable, and simple, United States constitution.

One of the roles that has now been given to the Convention on the Future of Europe is to produce a single simple treaty, that will bring together all the strands in the earlier Treaties.

The mandate of the Convention on the Future of Europe is set out in an Annex to the communiqué issued at the European Council (of Heads of State and Prime Ministers) in Laeken on 14th and 15th December 2001. It stated :-

"At long last, Europe is on the way to becoming one big family, without bloodshed. This is a real transformation clearly calling for a different approach from 50 years ago when six countries first took the lead". It then said what the Convention had to do.

Firstly, it was to achieve a better vision and definition of competences in the European Union as between the Union, its different institutions, and individual member states.

It was to simplify the Union's instruments, in other words to simplify the way the European Union makes laws and enforces them.

It was to introduce more democracy, transparency and efficiency into the European Union. This raised questions such as how the European Commission should be elected, in particular how its President might be chosen.

It was also asked to consider whether the European Union needed a single electoral method for selecting members of the European Parliament, whether the powers of the European Parliament should be enhanced, and whether there should be a greater role for the parliaments of member states in European integration.

Finally, it was also asked to consider whether more issues should be decided by qualified majority vote in the Council of Ministers (e.g. foreign policy and crime policy), and whether the proceedings of the Council of Ministers should be more open to the public.

In addition to its Chairman and Vice-Chairmen, the Convention is composed of 15 representatives of the Heads of State or Government of the Member States (one from each Member State), 30 members of national parliaments (two from each Member State), 16 members of the European Parliament and two Commission representatives. The accession candidate countries will be fully involved in the Convention's proceedings. They will be represented in the same way as the current Member States (one government representative and two national parliament members) and will be able to take part in the proceedings without, however, being able to prevent any consensus which may emerge among the Member States.

The members of the Convention may only be replaced by alternate members if they are not present.

The Praesidium of the Convention is made up of the Convention Chairman and Vice-Chairmen and nine members drawn from the Convention (two representatives of all the governments holding the Council Presidency during the Convention, two national parliament representatives, two European Parliament representatives and two Commission representatives).

Three representatives of the Economic and Social Committee with three representatives of the European social partners; from the Committee of the Regions: six representatives (to be appointed by the Committee of the Regions from the regions, cities and regions with legislative powers), and the European Ombudsman will be invited to attend as observers. The Presidents of the Court of Justice and of the Court of Auditors may be invited by the Praesidium to address the Convention.

SUCCESS FACTORS FOR THE CONVENTION

The main areas in which progress has so far been made has been the agreement that the Union should have a single legal personality, on how the treaties might be simplified, on the basic structure of a simplified treaty, and on introducing mechanisms to ensure that the so-called principle of subsidiarity works. There is an excellent spirit of consensus in the Convention, and it is likely we will reach agreement on opening up the legislative sessions of the Council of Ministers to the public.

The main area in which the Convention notably failed to reach consensus is that of economic governance (which concerns the economic policy underpinning the Euro). The Convention has not yet really started to deal with the most difficult issue of all– the institutional arrangements – the distribution of powers between the Commission and the Council of Ministers, and the relationship of voting strength between small and large states.

What are the key success factors for the Convention on the Future of Europe ?

It is important to stress that the job of the Convention is to produce a document that will be the basis for a draft treaty. That draft will then go to an Inter Governmental Conference, where the member governments of the European Union will make the final decisions.

Vital Role of Government Representatives

The extent to which the Convention representatives of governments can bind their own governments at home will be crucial. If government representatives agree to things in the Convention, which are subsequently disavowed by their home governments, that will make nonsense of the Convention. This places a huge, but entirely necessary, burden on the shoulders of the government representatives in the Convention.

My own feeling is that some of the representatives of member governments do not have sufficiently precise instructions from their home governments. Some member governments are paying insufficient attention to the work of the Convention. Their representatives are forced to make it up as they go along. This, if it continues when we get into the real crucial negotiating stage, will be a recipe for failure.

It is essential that member governments address this now, re-read the Laeken declaration thoroughly, give very clear instructions to their representatives. These instructions should contain a provision for referring back to ensure that an initial position can be modified, as part of a dynamic negotiating process leading to ultimate consensus and agreement.

A European battle against organized crime and terrorism

If the European Union is to win the maximum support of its citizens, it must show that it can deliver concrete results on issues that really matter to people. The Convention will be deemed to be a success if it shows that it has put in place mechanisms for making Europe's streets safe, and helping in the battle against global terrorism.

This is where the European Union can demonstrate its relevance to its citizens in the most visible way. There are a number of cross-border crimes which, in a Union which allows free movement, cannot be overcome by one country acting on its own. Examples are terrorism, trafficking in persons, offences against children, drug trafficking, corruption and fraud. Discussions in the Convention so far have identified other crimes such as contract burglaries across borders, cybercrime, and tobacco smuggling.

There are a number of levels at which the Union can act on those issues. These are :

- (i) More effective co-operation between police forces and prosecuting authorities. Europol, Eurojust and OLAV have already been established in this area but there are question marks about their effectiveness
- (ii) More approximation of national procedural laws for taking and admissibility of evidence for interviewing suspects in other countries, for access to legal aid, for minimum standards for remand for accused persons, for definitions of crimes, and for the retention of types of evidence (e.g. DNA material). This

approximation is necessary if the European Arrest Warrant is to work. Mutual recognition is impossible without minimum standards.

If there is to be progress, the question arises as to whether it will happen on the basis of unanimity having to be reached in the Council of Ministers. Because of this requirement, progress has been very slow so far.

Even where decisions have been taken, there is poor record of their bringing them into effect. There is no one person at European level who takes responsibility for providing feedback to European public opinion, to the European Parliament, and to the Council of Ministers on results achieved in the battle against terrorism and crime.

Further questions arise.

Police, judges and others involved in the criminal justice system of member states need to become more familiar with one another's procedures and concerns. A well resourced European Police College, and a European Judicial College could play a very useful role.

A system of "peer review" of member states' penal systems could help build up mutual confidence. Such a review is part of the accession process for candidate countries, and it could be adapted to apply to all member states. Such a peer review could provide a useful information basis for effective accountability both to national parliaments and to the European Parliament.

Public opinion and the creation of a European Political Identity

The next very important factor in the success of the Convention will be whether its work will be accepted, not just by the Governments of the member states, but by public opinion. The involvement of public opinion in the debates of the Convention is essential.

In Ireland we have established a Forum on the Future of Europe.

This Body has had public meetings throughout the country, and provides a useful platform on which the debates in the Convention can be followed, monitored and elaborated at national level. Few other countries have similar mechanisms in place.

But the public are probably not going to take a lot of interest in abstract debates about constitutional forms, no matter how many fora are organized.

That is why we must go for a radically different approach.

At the end of the day politics is about flesh and blood. It is about people, and about what people think of other people. The great genius of the United States system of government is that you have a Presidential election every four years. You have one day, every four years, upon which all Americans are invited at the same time to consider the same question – who is best suited to be President of the United States. The particular choice itself may, or may not, be vital. At some elections, the two candidates will be proposing to follow similar policies. At others, their policies will be radically different. But that is not the point. The real point is that everybody, everywhere in the United States, has to consider the same question.

This creates an American political space. An American public opinion. An American sense of oneness. An American common debate. An American common political language.

We do not have that in the European Union at the moment. There is no one day, every four years, when all Europeans come together to consider the same question. European Parliament Elections are a series of national contests, with no common European choice or theme.

I believe that a crucial success factor for the Convention, and for the long-term success of European integration, will be the creation of such a European political space.

I know of no better way of creating that space than the holding of a European presidential election – to choose either the President of the Commission, or the President of the Council of Ministers, or a person who would fill both roles. This directly elected European President might not have enormous power. He or she might do little more than Chair meetings. But the process of choosing this person would integrate Europe psychologically.

I would make the point that these were issues that were debated in Philadelphia as well. In Philadelphia strong objections were made to the popular election, direct or indirect, of the President of the United States. A lack of confidence in the knowledge and judgement of the people was expressed and the fear that any such method of direct election would give too great an advantage to the large states.

These are exactly the objections that are being raised in the European Convention today. To these general objections are added the concern that, in a continent with so many languages, people will not understand the viewpoints of the candidates for President between whom they must choose. Given the very efficient systems of interpretation now available, this is a very patronizing argument.

<u>RISKS TO CONVENTION'S SUCCESS</u>

I now wish to move to the last of the questions which I will address – what are the principal risks to the success of the Convention ?

I would identify four principal risks :-

- 1. That the outcome will fossilize the European Union in a particular shape, and undermine its dynamic core
- 2. The risk that outcome will change the balance of power in the Union between institutions in a way which will undermine its ultimate cohesion
- 3. The risk that the outcome will not sufficiently underpin competitive economic development in Europe

4. The risk that the outcome will not adequately deal with the issues of a common foreign and security policy

I take each of these risks in turn.

<u>Risk of Fossilisation</u>

The European Union has been able to develop in a flexible way up to now. While it is required not to exceed the powers it has under the Treaties, and there is an independent Court of Justice there to ensure that it does not do so, it has flexibility of reaction, chiefly thanks to Article 308 of the Treaty which enables member states unanimously to allow it to take " appropriate measures" to attain "one of the objectives of the Community". I would be very worried if any attempt were made at the Convention to restrict Article 308.

There are also plans to introduce controls on Union action in the interests of "subsidiarity". This is a concept which says that actions should not be taken at Union level if they can just as easily be taken at Member state level. The trouble is that subsidiarity is an elastic and politically subjective concept. I can see it being used to block Union actions that are really in the general interest.

Most alarming of all is a proposal, from one of the Convention Working Groups, to revise the first Article of the Treaty which refers to

"an ever closer union among the peoples of Europe"

This is apparently motivated by a desire to slow down the pace of integration on certain subjects. This approach is totally misguided because it involved an attack on the very basis for the Union's existence, which is that of bringing people closer together.

This Article of the Treaty does not pre-ordain any particular distribution of practical responsibilities. To change it would undermine the ideal for which generations of Europeans have striven, not only within the European Union, but within other pan-European institutions, like the Council of Europe.

Changing the Balance of Power

Traditionally in the European Union, the Commission has had the exclusive right to make proposals and the Council of Ministers could accept or reject them. It could only amend these proposals by unanimity. This central role for the Commission ensures that general European, rather than individual state, interests prevailed. The strong role of the Commission was a vital protection for smaller states.

Since 1992, the Union has moved into sensitive areas like Foreign, Defence and Justice policies. Member states have drafted the existing treaties so as to preserve their own initiative in those areas. Now some of them want to go further by elevating the President of the European Council (an ex-Prime Minister probably), into a role of prominence above that of the President of the Commission.

It is understandable that states want to preserve their predominance in defence and foreign policies, though less so in matters like fighting internationally organized crime. But it would be very unwise to set up a situation in which Europe has "Two Presidents", particularly if this led to a shift in the balance of power in Europe in favour of the Council of Ministers at the expense of the Commission.

Lack of Economic Leadership

The real challenge facing Europe today is the slow pace of economic reform.

Long after the 1992 deadline for the creation of an internal market, significant amounts of internal market legislation have not been transposed in to national law, with Greece, France, Austria, the UK and Germany the worst offenders (in that order). The Public procurement (Government purchasing) market has not been opened to competition – on

average only 15% of such national purchases are openly advertised in Europe and in Germany only 5% is.

The situation in the energy and gas sectors is equally bad. As far back as 1955, European leaders agreed at Messina that the then yet to be formed Common Market would seek to create a common market in energy. That was 1955. By 2000 70% of the electricity markets of France, Portugal, Greece and Ireland were still closed to outside competition, and the situation was almost as bad in Italy, Belgium, and the Netherlands. Last March, France agreed a deal at the Barcelona Summit to open up its electricity market, but it is now trying to back down on this deal because of strikes by public sector workers.

Europe's labour markets are not working. At one and the same time, and often in the same places, there are 13 million unemployed people alongside acute labour shortages in many sectors. This failure to match supply and demand has nothing to do with "harmful tax competition" or "internal trade distortion", but everything to do with political inability at national level to tackle archaic legislation.

This failure of political will is undermining the strength of the Euro. The Growth and Stability Pact, governing excessive budget deficits within the Eurozone, does need to be revised. It should exempt a reasonable amount of borrowing for infrastructure with a financially measurable economic return from the deficit limits, and it should differentiate between high and low debt countries. But any reputable pact should be enforced on all states, large and small, in a uniform way. This is not happening. Ireland was rightly reprimanded in 2001 by E.U. Ministers for an excessively expansionary pre-election budget. But France, Germany and Italy are now escaping any such reprimand for much more serious transgressions.

The problem here is that, at the end of the day, the Stability Pact is being interpreted by Ministers, who will tend to act on an opportunistically political basis, rather than by the Commission, which could be expected to act on an economically objective basis. The most disappointing aspect of the Economic Governance Working Group's report, which is to be debated in the Convention this week, is that it did not reach an agreement that the Commission, not the Council of Ministers, would have the power and responsibility in future to make a formal proposal under the excessive deficit procedure, rather than mere recommendations.

What Europe needs now is a comprehensive economic reform package. This economic reform package should consist of a temporary counter cyclical relaxation of the deficit and interest rate regime, conditional on irrevocable and specific commitments by individual countries to the liberalization of their internal labour, energy and other markets. The Convention must create a constitutional space within which such an economic reform package could be launched.

Common Foreign and Security Policy

This is an area of Europe's work in which the United States has a special interest.

Under the Treaty of Maastricht (1992) the Union commits itself to a common foreign and security policy on certain principles, and members commit themselves to supporting this policy "in a spirit of loyalty and mutual solidarity".

The Treaty also says that "the progressive framing of a common defence policy" is part of the commitment and also authorizes "co-operation" in the field of armaments.

Member States of the Union have traditionally had very different approaches to foreign and security policy – some favouring a North Atlantic centered approach, others an independent Europe-based approach and yet others preferring to remain militarily neutral within the E.U.

The persistence of these differences have made it exceptionally difficult to agree the common positions and joint actions necessary to give subsistence to a European common foreign and security policy.

Since the Cologne Summit of 1999, however, progress has been made in setting up a Rapid Reaction Force – a stand-by commitment of 60,000 troops available to engage in "crisis management" talks of a military character. The setting up of this force does not involve any commitment on the part of member countries to defend one another, if one is attacked.

Furthermore the evolution of policy in this area has not been given to the European Commission, the full-time body which is charged with preparing E.U. policies in other areas. It remains under the control of member states, working through the part-time Council of Ministers, which supervises the work of "High Representative", who operates out of the Council of Ministers secretariat and independently of the Commission.

This "two hatted" strategy creates confusion because the Commission remains responsible for important aspects of the Union's foreign policy such as trade policy, development aid, and maintaining offices in foreign countries.

It is unlikely that the European Union will develop a coherent and unitary foreign and security policy unless and until two things happen :

- (i) responsibility for formulating policy in this area, for approval by member states, is centered in the E.U. Commission
- (ii) A sufficient budget is put in place to back the policy.

Neither of these things is likely to happen at the Convention.

The underlying problem is that, while Europe's defence budget is almost two thirds that of America, this budget produces less one quarter of America's deployable fighting strength. There is insufficient spending on research in Europe and total dependence on the United States for logistics and projecting forces over distances. The E.U. relies on treaties and agreements in international relations, but only the U.S. possesses the ultimate means of enforcing them.

The U.S. sees the E.U. as prioitising the preservation of the welfare state over defence expenditure and senses a lack of balance in the relationship. This situation is unlikely to change in the short-term, as Europeans see no overwhelming political necessity to change.

CONCLUSION

Finance is the area in which the contrast between the European Union and the Federal Government of the United States is most visible. The European Union may not borrow money and has no autonomous tax raising powers. Its budget is limited to 1.27% of the European Union GDP.

The Chairman of the Convention, Valery Giscard d'Estaing, has talked of our work producing a treaty that can endure for 50 years, and yet there is no proposal on the table before us to loosen the very narrow margin within which the Union may operate financially. The necessary sense of financial solidarity within the Union is something that would flow naturally from the creation of common interests, a common allegiance, and a common sense of patriotism in Europe as a whole.

The underlying problem of the Convention is that the citizens and Governments of member states do not yet see the European Union as something for which they are prepared to make major sacrifices, either personally, politically or materially. The sense of patriotism, of shared achievement, and even of shared enemies which drew the United States together in 1787 does not yet animate the peoples of Europe. The European flag is seen as a symbol of modernity, but there is not as yet any deep emotional commitment to it.

In the past, the European Union was carried forward by memories of World War Two, and by the willingness of Germany to make political and financial sacrifices for the sake of the European Union. That generosity has faded and has not been replaced. European leaders make regular rhetorical commitments to "Europe" and "European Unity", but pursue national and institutional agendas which are narrow and of little interest to most citizens.

The Convention needs to produce a big idea, a big idea that will generate citizen involvement with Europe on a hitherto unprecedented scale. Such an idea is needed to generate genuine European patriotism, a patriotism without which the project will degenerate into a mere business arrangement.

ENDS

Some Further Reading

Nicholas Moussis	"Access to European Union" – European Study Services
Barysch and Others	"New Designs for Europe" – Centre for European Reform
Max Farrand	"The Framing of the Constitution of the United States" Yale University Press
Robert Hutchings	"American Diplomacy and the End of the Cold War" Woodrow Wilson Center Press
- European Policy Centre Website, Brussels	

- Centre for European Policy Studies Website, Brussels
- Report on the Future of Europe for the Joint Committee on Europe of the Oireachtas, Dublin (available on the Oireachtas website)
- Website of the Convention on the Future of Europe.