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EUROPEAN PARLIAMENT PLENARY, STRASBOURG, 21 NOVEMBER 1989:
EMU AND INSTITUTIONAL CHANGE

SUMMARY

1. EUROPEAN PARLIAMENT INSTITUTIONAL DEBATE REMARKABLE FOR A SPEECH BY DELORS FLOATING LOTS OF IDEAS ON AN IGC (OR TWO) AND THE LONGER TERM SHAPE OF THE COMMUNITY. MRS CRESSON SUCCEEDED IN HER AIM OF SAYING NOTHING AT LENGTH ABOUT HOW THE EUROPEAN PARLIAMENT WOULD BE ASSOCIATED WITH THE WORK OF AN IGC.

DETAIL

2. DELORS INTERVENED EARLY IN AN EP DEBATE ON 21 NOVEMBER ON ECONOMIC AND MONETARY UNION AND ITS INSTITUTIONAL IMPLICATIONS. HE WELCOMED THE EP'S INTENTION TO WORK ON THE FUTURE OF THE EC INSTITUTIONS. THE COMMISSION WOULD TAKE PART. AS FOR ASSOCIATING THE EP WITH A POSSIBLE INTER GOVERNMENTAL CONFERENCE, THE COMMISSION WAS IN FAVOUR, BUT IT WAS A MATTER FOR DECISION BY THE MEMBER STATES. TODAY'S WAS A FIRST DEBATE. IN APRIL 1990 THE COMMISSION WOULD PRODUCE ITS CONSIDERED VIEWS ON THE INSTITUTIONAL CONSEQUENCES OF EMU. HE GAVE A HEALTH WARNING:- HIS VIEWS WERE HIS OWN, NOT THE COMMISSION'S.

3. THE SINGLE EUROPEAN ACT HAD PRODUCED FASTER DECISION-MAKING THROUGH MORE QUALIFIED MAJORITY VOTING. HE WAS DISAPPOINTED IN THE COUNCIL'S BEHAVIOUR OVER DELEGATION OF IMPLEMENTING POWERS TO THE COMMISSION. THE THIRD ASPECT OF THE SEA - DEMOCRATISING PROCEDURES BY AN ENHANCED ROLE FOR THE EP - WAS GOING WELL.

4. LOOKING AHEAD, THE CONTENT OF EMU WOULD DETERMINE THE EXTENT OF INSTITUTIONAL REFORM. THE PRINCIPLE OF EMU WAS AGREED. THREE OTHER POINTS HAD BEEN AGREED AT MADRID: PARALLELISM BETWEEN ECONOMIC AND MONETARY UNION: SUBSIDIARITY: AND DIVERSITY (IE TIME LIMITED DEROGATIONS FOR SOME). ON PARALLELISM BETWEEN ECONOMIC UNION AND MONETARY UNION, HE REMARKED THAT SOME PEOPLE IN SOME COUNTRIES WANTED MONETARY UNION WITHOUT ECONOMIC UNION. IT WAS NOT ENOUGH TO

HAVE A EUROPEAN SYSTEM OF INDEPENDENT CENTRAL BANKS. WHAT SHOULD BE THE CENTRE POINT OF ECONOMIC DECISION-MAKING? SUBSIDIARITY, HE REPEATED HIS BRUGES REMARKS THAT ONLY 5 PERCENT OF GNP WOULD BE COVERED BY BRUSSELS DECISIONS - THIS WAS HIS RESPONSE TO CRITICISM BY SOME FOR EXCESSIVE CENTRALISM. HE ADDED THAT CRITICISM HAD COME NOT JUST FROM THE UK BUT FROM FRANCE (OPPOSITION PARTIES) AND THE FRG. IT WAS ONE THING TO SECURE THE INDEPENDENCE OF THE ESCB. BUT ONE COULD NOT HAVE EMU WITHOUT A POLITICAL COUNTERPART. DEMOCRATIC ACCOUNTABILITY TO HIM MEANT STRENGTHENING THE EP. RECENT DISCUSSION ON EMU REFLECTED DIVERGING VIEWS ON THE FUTURE OF THE COMMUNITY WHICH WHICH NEEDED FRANK DISCUSSION.

5. HE ASKED THE EP TO BEAR IN MIND SEVERAL VARIABLES IN THEIR REFLECTIONS. IF BY SOME MISFORTUNE EMU FAILED, THEN INSTITUTIONAL REFORM WITH A VIEW TO EUROPEAN UNION WOULD COME BACK ON THE AGENDA. IF NO DATE FOR AN IGC WAS SET AT THE DECEMBER EUROPEAN COUNCIL, PUBLIC OPINION WOULD THINK THAT THE EC WAS SLOWING DOWN. AT STRASBOURG, HE THOUGHT IT VITAL TO CONFIRM THAT THE CONFERENCE WOULD START NEXT AUTUMN. YES TO INDEPENDENT MONETARY DECISIONS BUT THESE MUST BE ARTICULATED WITH ECONOMIC DECISION MAKING. VIEWS DIFFERED ON WHETHER THESE ECONOMIC DECISIONS SHOULD BE CO-ORDINATED OR INTEGRATED.

6. SOME MEP'S WANTED TO EXTEND EC COMPETENCE IN THE SOCIAL AND ENVIRONMENTAL FIELDS. DELORS NOTED THAT THE 18 NOVEMBER PARIS MEETING OF EC HEADS OF GOVERNMENT RIGHTLY HAD GONE INTO THE GREY ZONE BETWEEN EC BUSINESS AND EUROPEAN POLITICAL CO-OPERATION. IN DISCUSSION OF A FUTURE TREATY, THE QUESTION OF TOO ABSOLUTE A SEPARATION BETWEEN EPC AND EC BUSINESS SHOULD BE POSED. DELORS THEN TURNED TO ENLARGEMENT, PROFESSING TO HAVE NO OPINION ON THE MERITS OR OTHERWISE THEREOF. BUT WE COULD NOT LIVE AS A COMMUNITY OF 20 OR 22 AS AN INTER-GOVERNMENTAL COLLECTION WITH LOTS OF HOT AIR LEADING TO PARALYSIS. AS A STUDENT OF DECISION-MAKING, HE REMARKED THAT THERE COULD NOT BE EFFECTIVE DECISIONS ON THE SCALE OF PARTICIPATION WITHOUT CHANGING THE EXECUTIVE AND DEMOCRATIC CONTROL. SHOULD THERE BE ONE IGC OR TWO? WHAT MATTERED WAS WHAT WAS ACCEPTABLE TO THE TWELVE.

7. ON INSTITUTIONAL STRUCTURES, THERE WERE TWO QUESTIONS - HOW TO DEFINE THE EXECUTIVE AND HOW TO FILL THE DEMOCRATIC DEFICIT. DELORS GAVE ANOTHER AIRING TO HIS IDEA OF HAVING NATIONAL DEPUTY PRIME MINISTERS MEETING WEEKLY IN BRUSSELS TO RECONCILE DIFFERENCES - AND AS A SEPARATE ISSUE STRENGTHENING THE COMMISSION. ON THE DEMOCRATIC DEFICIT, THE ROLES OF THE EP AND NATIONAL PARLIAMENTS WERE VERY

IMPORTANT. HE NOTED SOME BITTERNESS IN NATIONAL PARLIAMENTS - PERHAPS BECAUSE SOME HAD NOT KNOWN WHAT THEY WERE DOING IN VOTING THROUGH THE SEA. ON A POSSIBLE FUTURE SHAPE FOR THE COMMISSION, DELORS SAID THAT SUBSIDIARITY WAS THE KEY. THE EUROPEAN COUNCIL SHOULD BE ABLE TO REPLACE THE COMMISSION AT ANY TIME. ALSO, 17 COMMISSIONERS WAS TOO MANY. IF THE COMMISSION WAS TO BECOME A MORE POLITICAL EXECUTIVE, IT WOULD HAVE TO CREATE AGENCIES TO RUN THE CAP AND OTHER COMMON POLICIES, EG MERGER CONTROL. HE REMARKED IN PASSING THAT HESELTINE'S IDEA OF A SENATE OF NATIONAL PARLIAMENTS WAS INTERESTING. HE PREFERRED THE IDEA OF THE COUNCIL AS THE SENATE.

8. DELORS CONCLUDED WITH A FLURRY OF QUESTION MARKS, REPEATING THAT HIS COMMENTS WERE PERSONAL - HE MIGHT GET INTO TROUBLE IN THE COMMISSION NEXT DAY FOR HIS SUGGESTION THAT THE EUROPEAN COUNCIL SHOULD HAVE POWER TO GET RID OF THE COMMISSION. AT STRASBOURG, WOULD THE COMMUNITY CONFIRM ITS WILL TO HAVE AN IGC DEALING WITH ALL THE ISSUES ON OUR PLATE? OR COULD THERE BE TWO IGC'S WITH 3 - 4 YEAR INTERVAL - THE FIRST TACKLING EMU, AND THE SECOND THE REST?

MRS CRESSON

9. FOR THE PRESIDENCY, MRS CRESSON ANSWERED EP QUESTIONS ABOUT THE EP ROLE IN AN IGC AND MANAGED TO SOUND WARMLY SYMPATHETIC WITHOUT ACTUALLY PROMISING ANYTHING (TEXT OF DELORS' AND CRESSON'S INTERVENTIONS BY FAX TO ECD(I) WHEN AVAILABLE).

THE MEP'S

10. MARTIN (LABOUR, EP RAPPORTEUR FOR THE INSTITUTIONAL AFFAIRS COMMITTEE ON EMU) WANTED THE EP PRESIDENT TO PARTICIPATE FULLY IN THE IGC. THE OFF-HAND WAY IN WHICH THE EP HAD BEEN HANDLED DURING THE IGC FOR THE SEA SHOULD NOT BE TOLERATED AGAIN. AMONG MANY OTHER SPEAKERS, GISCARD D'ESTAING (FRANCE, LIBERAL LEADER) FAVOURED ECONOMIC CO-OPERATION RATHER THAN INTEGRATION. EP INVOLVEMENT IN THE IGC SHOULD BE IN THE FORM OF SOMETHING AKIN TO THE PRESENT CONCILIATION PROCEDURE. (DELORS AGREED) THE EP WOULD MAKE ITS OWN PROPOSALS IN THE FIRST HALF OF 1990. FOR THE EDG, PRAG SAID THERE WAS A DEMOCRATIC DEFICIT AND CALLED FOR THE EXTENSION OF THE CO-OPERATION PROCEDURE TO ALL EC LEGISLATION. WHEN DISCUSSING LEGISLATIVE PROPOSALS OR THE BUDGET, THE COUNCIL SHOULD MEET IN PUBLIC. THE GOAL WAS EUROPEAN UNION AS AGREED BY ALL IN THE STUTTGART DECLARATION.

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