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EXTRAORDINARY SESSION

Organising security in Europe – defence aspects

REPORT

submitted on behalf of the Defence Committee
by Mr Baumel, Chairman and Rapporteur

ASSEMBLY OF WESTERN EUROPEAN UNION
43, avenue du Président-Wilson, 75775 Paris Cedex 16 – Tel. 53.67.22.00

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1. Adopted in committee by 13 votes to 1 with 1 abstention.

2. *Members of the Committee:* Mr *Baumel* (Chairman); Mr *De Decker,* Mr Horn (Vice-Chairmen); Mr Alloncle, Mr *Beaufays,* Mrs Beer, MM Bianchi, Briane, Brito, *Cox,* Dees, Dumont, Fernandes Marques, Mrs Fernandez Ramiro, MM *Hardy,* Horn, Jacquat, Kotsonis, La Russa, Mrs *Lentz-Cornette,* MM Lopez Valdivielso, Marten, Lord Newall, MM Parisi, Paschalidis, Pavlidis, Petruccioli (Alternate: *Guidi*), Mr Reis Leite (Alternate: Mrs *Aguiar*), Mr *Schloten,* Sir *Dudley Smith,* Mr Sole Tura (Alternate: *de Puig*), Mrs Soutendijk van Appeldoorn, Sir Keith Speed (Alternate: *Thompson*), MM *Speroni,* Valkeniers, Vazquez, Woltjer (Alternate: *Blaauw*), Mr Zierer.
Associate member: Mr *Naess.*
N.B. *The names of those taking part in the vote are printed in italics.*

Draft Recommendation

on organising security in Europe – defence aspects

The Assembly,

(i) Considering that the purpose of the modified Brussels Treaty is to ensure the defence of member countries, promote European unity and strengthen both collective security in Europe and world peace;

(ii) Noting that WEU member countries are resolved to continue to exercise their sovereignty over all matters relating to the composition of their armed forces and their possible deployment;

(iii) Convinced that the Atlantic Alliance will for a long time be the cornerstone of Europe's security and defence, but that it can only play a proper role if its restructuring process also allows for a genuine reinforcement of its European pillar;

(iv) Considering that for more than forty years the United States leadership of the Atlantic Alliance was based on the conviction that its security was at stake in Europe;

(v) Noting, however, that in Europe's new security environment with a united Germany in NATO and the threat of a surprise attack from the East having disappeared, there is no longer an absolute guarantee that the United States will intervene in regional crisis situations;

(vi) Aware that United States interventions in crisis situations on the European continent will depend as much on the defence of its national interests as on its international obligations;

(vii) Considering that, as a consequence, future peacekeeping operations may need to be carried out by the European allies rather than by the United States;

(viii) Convinced that NATO's internal restructuring should be fully accomplished in order to ensure strong cohesion among its present sixteen member states before engaging in any enlargement;

(ix) Noting that, at present, it would seem equally appropriate both to extend defence guarantees to the borders of the CIS and to deepen relations with Russia in the interest of Europe's security, it being understood that any enlargement of NATO must serve to enhance that security;

(x) Strongly regretting that despite its efforts for four years to establish and conduct a common foreign and security policy, Europe has not been able to bring about peace in former Yugoslavia without military and diplomatic intervention and military support from the United States;

(xi) Stressing that, despite the important progress which has been made in recent years in transforming WEU into an operational organisation capable of undertaking an effective military operation, there are still too many deficiencies which need to be addressed urgently in order to attain the following objectives:

- a European military headquarters including a fully-developed command, control and communications system;
- a fully-developed planning capacity;
- European mobile armed forces available at short notice;
- standardisation and interoperability of equipment;
- independent European intelligence and reconnaissance;

(xii) Regretting that more than two years after the adoption of the CJTF concept, NATO has not yet been able to give practical effect to what is considered to be a vital means of improving WEU's operational capability;

(xiii) Considering that it is inopportune to integrate WEU in the European Union until it has fully developed the capabilities required to elaborate and implement the decisions and actions of the Union which have defence implications;

(xiv) Stressing that WEU's activities cannot be confined to Petersberg tasks, ignoring the core function of collective defence as defined in Article V of the modified Brussels Treaty;

(xv) Stressing that the intergovernmental conference cannot ignore the question of Europe's own collective defence capability in view of the possibility of a more limited interpretation by the United States of Article 5 of the North Atlantic Treaty;

(xvi) Considering that, in order to prevent the anomalous existence of different zones of security and defence within the European Union, any future enlargement of the Union should take account of the fact that the countries concerned will, in due course, have to become members of NATO and WEU;

(xvii) Considering that a truly European collective defence should include comprehensive protection from the North Cape to the Caucasus and require the full participation of the associate members of WEU;

(xviii) Aware that, at present, insufficient cooperation among WEU member countries and reductions in their budgets stand in the way of any serious ambition to establish a European collective defence in any field other than crisis management;

(xix) Noting that Europe faces the almost impossible task of developing a defence policy adapted on the one hand to existing and future threats and risks and on the other to its fairly restricted capabilities;

(xx) Considering that there is an urgent requirement for a restructuring of the existing European defence industry to enable it to cope with increased competition worldwide;

(xxi) Stressing that the member states of WEU should no longer hesitate to create the long-awaited European Armaments Agency;

(xxii) Considering the need for a debate on the role of nuclear weapons in view of the extension of the NPT, the planned comprehensive test ban treaty and the French proposal for " concerted deterrence ",

RECOMMENDS THAT THE COUNCIL

1. Maintain the modified Brussels Treaty in force, contemplate no revision thereof other than by the signatory states and not allow accession to WEU by any country not prepared to participate fully in a common defence within the framework of the Atlantic Alliance and at the same time in the activities of the CFSP;

2. Reject any proposal to separate WEU from the European Union, and give proper effect to the decision taken at Maastricht to place WEU at the service of the European Union should military action be envisaged under the CFSP, at the same time ensuring that the WEU Council makes full use of its ability to take any decisions arising out of the application of the modified Brussels Treaty, which will always be in the interest of the European Union and other organisations such as the United Nations and the OSCE;

3. Request the European Union to admit only those countries that are prepared to participate in a European defence;

4. Propose that WEU should not be integrated in the European Union until all the members of the European Union have accepted Article V of the modified Brussels Treaty;

5. Resume and broaden in strategic terms preparatory work on a white paper on European security and defence which, among other things, should discuss the means required for combined interventions, with or without the Americans, depending on whether they would wish to act or would prefer not to be involved in a crisis;

6. Concentrate its energy on a reinforcement of WEU's operational capabilities in the framework of strengthening the European pillar of a restructured NATO by:

(a) consolidating the links between WEU and NATO with a view to sharing the intelligence required for operational planning and activities of European armed forces;

(b) establishing a European headquarters in WEU which should, in order to prevent duplication, be attached to the renovated structure of NATO;

(c) establishing a full and permanent European command and control capability for military operations, filling the existing gaps in the command chain between the WEU Council and the forces answerable to WEU;

(d) establishing an operational structure combining all European multinational units, in particular the European Corps, EUROFOR, EUROMARFOR, the Anglo-French air group, the Anglo-Dutch amphibious force, and others into one effective and coherent force, ready to perform a large-scale military operation at short notice;

(e) doing everything possible to make NATO implement the CJTF concept by summer 1996 so as to enable Europeans to make possible use of certain NATO operational assets where the United States decided not to participate in specific security operations;

(f) reinforcing the Planning Cell and its intelligence section, duly enlarging its staff and providing it with the appropriate equipment and technical resources to enable it to perform all its tasks at a fully-operational level, including in times of crisis;

(g) establishing a direct link between the WEU Planning Cell and the WEU Satellite Centre in Torrejón, through which the Planning Cell should have direct access to the satellite imagery available at the Centre, including the possibility of questioning the Centre on imagery-related issues;

(h) renegotiating the existing Memorandum of Understanding regarding Helios 1A with a view to giving the WEU Satellite Centre the possibility of programming part of the activities of the Helios 1B successor satellite which is to be launched in the 1997-98 timeframe;

7. Make every effort to maintain the scientific, technological and defence industrial base which is vital for the defence of Europe primarily by:

(a) supporting an amendment of the text of Article 223 of the Treaty on European Union in order to ensure that decisions concerning the defence industry are no longer exclusively a matter of national sovereignty;

(b) creating a European Armaments Agency as a subsidiary body of WEU which should be responsible for managing bilateral and multilateral weapons programmes, streamlining procurement procedures and coordinating research and development spending;

(c) promoting, pending the creation of a European Armaments Agency, any agreements reached between European defence industries on bilateral or multilateral weapons programmes;

(d) promoting, in weapons programmes, intelligent arms systems of the third millennium rather than programmes which were undertaken during the cold war and which no longer appear to serve a useful purpose;

8. Engage in a debate on a European defence possibly consolidated by concerted deterrence.

Explanatory Memorandum

(submitted by Mr Baumel, Chairman and Rapporteur)

I. Introduction

1. The Maastricht summit of December 1991 was marked by the intention to make a quantum leap in the European integration process. Even if many of the participants had different views of the speed and depth of integration, none of them wished to be publicly denounced as a wet blanket or for calling into question the long and meticulous preparatory work which had involved so many wise men and specialists.

2. Bold decisions were made, one of them being the establishment of a common foreign and security policy under the provisions of Title V, Article J. Article J.4 provided for the defence implications and in particular it was stated that:

> " 1. The common foreign and security policy shall include all questions related to the security of the Union, including the eventual framing of a common defence policy, which might in time lead to a common defence.
>
> 2. The Union requests the Western European Union (WEU), which is an integral part of the development of the Union, to elaborate and implement decisions and actions of the Union which have defence implications. The Council shall, in agreement with the institutions of the WEU, adopt the necessary practical arrangements. "

3. On the other hand, there was an apparent reluctance to limit the sovereign rights of member states in security and defence policy or to call into question the value of the existing North Atlantic Treaty, as stated in Article J.4.4:

> " 4. The policy of the Union in accordance with this Article shall not prejudice the specific character of the security and defence policy of certain Member States and shall respect the obligations of certain Member States under the North Atlantic Treaty and be compatible with the common security and defence policy established within that framework. "

4. Article J.4.6 states that " With a view to furthering the objective of this Treaty " ... " the provisions of this article may be revised ... on the basis of a report to be presented in 1996 by the Council to the European Council, which shall include an evaluation of the progress made and the experience gained until then. "

5. Much has already been said in the discussions preparing the 1996 intergovernmental conference (IGC) which will examine those provisions of the Treaty on European Union for which revision is provided. Too much or still not enough? The member states of the European Union and WEU, which will be the protagonists in the IGC, have expressed their views, some more clearly than others, and it may well be that a number of them have not yet revealed all their cards. The course to be taken has not yet been chosen and there is still a wide range of options available.

6. The Council's report mentioned in Article J.4.6 has not yet been published, but recently, at its Madrid meeting of 14 November 1995, the WEU Council of Ministers published its own contribution to the work of the 1996 conference regarding aspects that affect WEU. The Council said that this document was established " on the basis of its own review of the provisions of the Declaration on the role of WEU and its relations with the European Union and with the Atlantic Alliance of December 1991 ".

7. Taking into account the Council's contribution to the 1996 conference, the WEU Assembly's Defence Committee has now taken the opportunity to present its own views on the defence of Europe with regard to this conference. Quite naturally, this report will concentrate mainly on the defence aspects, leaving the institutional aspects to be discussed by the Political Committee.

II. The role of Russia

8. Discussing the defence of Europe is impossible without questioning the role of Russia. Will Russia become a reliable partner or will it remain an unstable political and socio-economic entity which could put peace and security in Europe at risk? The final answer to this question cannot be given yet and it will take many years for the dust to settle on the present chaotic upheaval in Russia. In the meantime, we will have to live with many uncertainties and remain flexible enough to be able to react to unpredictable events in every way possible.

9. There can be no doubt that the strategic situation has changed dramatically since the unifi-

cation of Germany and the collapse of the former Soviet Union. As far as security in Europe is concerned, present-day Russia is different from the former Soviet Union for several reasons.

10. First of all, it is to be noted that Russia's armed forces have been withdrawn from the territory of Moscow's former Warsaw Pact allies. What is left of the armed forces under Russian control is in an advanced state of dilapidation. For a number of years, there has been a chronic lack of funding. In 1995, the Russian armed forces received only 60% of the approved budget. For 1996, the armed forces have been promised 82 trillion roubles, which falls far short of the 113 trillion roubles requested by the Defence Minister. Soldiers are demoralised, poorly paid and poorly trained. It is said that Russian pilots only receive 20 to 30 hours of flight training per year, compared to the 150 to 220 flight hours in the air forces of NATO member states[1]. Equipment is often in a bad state of maintenance or outdated and fuel and power supplies are a serious problem.

11. Only the nuclear forces with an arsenal of about 27 000 warheads are being well-maintained and, logically, this could be a matter of concern if there was no strong political leadership to control the military.

12. Although Russia is not fully implementing the CFE Treaty on the reduction of conventional forces in Europe, it should be noted that Russia's share in the global arms balance in Europe is only about 15% of the stock held previously by the Soviet Union.

13. Events in Chechnya, where the Russian armed forces, while far superior in numbers and equipment, took months to control Grozny and almost completely devastated the city, have shown serious deficiencies in the armed forces' capability to mount armed operations. Recently, the destruction of the village of Pervomayskoye, where about 200 terrorists had entrenched themselves with their hostages, has merely confirmed that the Russian army now lacks the will and skill to engage in surgical strikes.

14. It has recently become known that Russia has refused to implement the " Joint Statement on the Transparency and Irreversibility of the Process of Reducing Nuclear Weapons " which was drawn up by President Bill Clinton and President Boris Yeltsin at their May 1995 summit meeting. Implementation talks have in practice been suspended and, as a consequence, the mutual inspections and data exchanges concerning weapons and nuclear materials are not taking place. Nor is Russia implementing a 1994 agreement which stipulated that it was to cease producing plutonium, a key building-block of nuclear weapons. There are also doubts over implementation by Russia of a 1992 deal between the United States and Russia, according to which the United States would pay Russia $12 billion for 500 metric tonnes of highly enriched uranium from scrapped nuclear arms. The first major shipments of enriched uranium began arriving in June 1995, but the United States Government has no appropriate inspection rights to verify its source of origin. United States government officials suggested that the change in Russia's attitude could jeopardise the process of ratification of the START II Treaty by the American Congress, but on 26 January 1996 the United States Senate in fact ratified this treaty.

15. Support for START II has been expressed by the Russian Foreign Minister, Yevgeny Primakov, and President Boris Yeltsin. Ratification by the Russian Duma is, however, still highly uncertain since many of its members feel that the treaty favours the United States. The communist leader Gennadi Zyuganov has stated that NATO's plans to expand eastwards called into question ratification of START II, stressing that NATO's enlargement " upsets the balance of conventional forces, destroys the achieved agreements and raises the issue of how to compensate for this "[2]. The leader of the extreme nationalists, Vladimir Zhirinovsky, who said that Russia should not rush into ratification, ventured that the treaty " makes Russia a secondary power ".

16. According to START II, Russia has to destroy its highly accurate SS-18 land-based missiles, while it does not have sufficient submarine-based missiles to reach its permitted ceiling.

17. Russians are also uneasy about possible United States proposals to change the Anti-Ballistic Missile (ABM) Treaty in order to be able to deploy a national missile defence system. It is said that at a forthcoming United States-Russian summit meeting, the United States may make proposals to reassure Russia on the ABM Treaty, while at the same time proposing a START III agreement with a limit of 2 000 warheads which would put Russia in a less unfavourable position.

18. Russia's resistance to any eastward enlargement of NATO is only too well known. The recent changes in the composition of the Russian Government have by no means made it more forthcoming on this issue. Although nobody would admit a Russian veto on NATO enlargement, its opinion cannot be ignored since relations with Russia are vitally important for security in Europe.

19. The Russian economy is in a state of total collapse and although it will probably start to grow in 1996, it will have a long way to go before it recovers the losses of recent years. Russia's

1. Defense News, 15-21 January 1996.

2. International Herald Tribune, 30 January 1996.

trade balance is healthy because oil and gas still represent 41% of exports while, on the other hand, only little of the capital equipment which is needed for a substantial recovery is being imported. It should be noted, however, that oil production is decreasing with far too few investments in that sector being made to reverse the downward trend.

20. In politics, there is an unmistakable retreat from reform and nostalgia for old habits is making a comeback.

21. The December 1995 elections for the State Duma resulted in more seats for the communists, who are now by far the largest political group with 158 seats (22.3%). On the other hand, as was rightly observed in a report of the Parliamentary Assembly of the Council of Europe [3], the combined percentage national vote for communists and ultra-nationalists is virtually unchanged. At the same time, the combined percentage national vote for " centrists " and reformers more or less matches the vote for the communists. Altogether, one could conclude that there is a degree of stabilisation on the political landscape, although the general political situation seems to be fragile.

22. Still, it should be noted that Russia's leadership is retreating from the economic reform which is badly needed to put the country back on the rails. Also, in foreign policy, the forthcoming and conciliatory attitude adopted by President Gorbachev is gradually being replaced by a more assertive stance.

23. Preparing his campaign to be re-elected as President of Russia, Boris Yeltsin fired Foreign Minister Andrei Kozyrev, who was increasingly criticised by communists and nationalists for his pro-Western views. Yevgeni Primakov, the newly appointed Foreign Minister, and former KGB head of foreign intelligence, is regarded as a pragmatist who is neither friendly nor hostile to the West. Mr Primakov has stressed, however, that Russia will behave as a " great power " and has pledged a more aggressive pursuit of Russian interests, especially in regard to the West [4]. On 16 January 1996, President Yeltsin accepted the resignation of Anatoli Chubais, the deputy Prime Minister, who supervised the stabilisation of the Russian economy and designed its privatisation programme. Mr Chubais was the last liberal left in an increasingly hard-line cabinet. His successor, Vladimir Kadamikov, has frequently called in public for more state support for industry, higher tariffs to protect domestic producers and a halt to the strong rouble policy which has hit exporters. His appointment could signify more interventionist economic policies and a return to hyperinflation.

3. Document 7430, Addendum V.

4. International Herald Tribune, 22 January 1996.

24. A few days later, on 24 January, Sergei Kovalev, the well-known Chairman of the Russian Human Rights Commission and a member of President Yeltsin's Advisory Council, announced his resignation from both organs, lamenting that the President had failed both to come to grips with organised crime and to initiate a reform of the army, while increasingly resorting to secrecy and lies.

25. While the war against separatist Chechnya has been dragging on now for more than a year, the tendency of Russia's leadership to resort to violence has become a pattern.

26. The Russian leadership is apparently unaware that it will never succeed in eradicating nationalism in the Caucasus which it subjected to a long and bloody campaign before incorporating it into the Russian empire in the 19th century. Chechen and other Caucasian nationalists will increasingly pose a serious threat to the existing balance in Russian government and society. The violent methods which are now being employed to exterminate " bandits " and " terrorists " may very well be sowing the seeds for increased destabilisation in Russian politics.

27. Oil, natural gas, the energy infrastructure and pipelines are all important reasons for Russia to keep the Caucasus under control. One wonders, however, whether the Russian leadership has ever made a serious evaluation of the issues at stake or weighed the political and military cost against economic returns and calculated the chances of keeping the area under stable political control.

III. Implementation of the CFE Treaty

28. The Treaty on the Reduction of Conventional Forces in Europe (CFE), signed in Paris in November 1990, called for full implementation by its signatories by the final deadline of 17 November 1995, with a review conference to take place in Vienna in May 1996.

29. On many occasions, Russia has argued that it has problems implementing the treaty because the limits imposed on Treaty Limited Equipment (TLE) for its northern (St. Petersburg/Kola) and southern (Trans-Caucasus/Northern Caucasus) flanks no longer corresponded fully to the new realities. The limits granted to the Soviet Union for its northern and southern flanks together amounted to 1 300 combat tanks, 1 380 armoured cars and 1 680 pieces of artillery.

30. Other signatories have insisted that the CFE Treaty, which is generally considered as the cornerstone of European security, must be preserved and implemented as planned.

31. In September 1995, at the opening of the two-month session in Vienna of the Joint Consultative Group (JCG) planned for this treaty, NATO proposed a compromise on the question of flanks, offering to remove a few " oblasts " from them, thus creating a rear zone and enabling both Russia and Ukraine to maintain more equipment near these flanks. In exchange, NATO wished to introduce a few more binding measures, in particular with regard to verification and information.

32. At the United States-Russian summit meeting of 21-22 October 1995, President Yeltsin made a counter-proposal to President Clinton, modifying CFE restrictions concerning the flanks, but not providing any details. One week later, the Russian Defence Minister, Pavel Grachev, announced that he had reached an agreement with the United States Defence Secretary, William Perry, to exempt the Russians from implementing the disarmament agreement in four regions in the south of the country: Krasnodar, Stavropol, Volgograd and Rostov on Don. He also stated that the Russians had, for their part, agreed to include the region of Leningrad (St. Petersburg) in the northern flank. He went on to say that Moscow would conserve a " margin of manoeuvre " to deploy troops and armed vehicles on its northern flank, thanks to its enclave in Kaliningrad. The other signatories of the CFE Treaty, however, have not yet agreed to any changes.

33. On the occasion of full entry into force of the treaty on 17 November 1995, Minister Grachev declared that Russia was " not ready to actually respect " the treaty, adding that " seven or eight other countries are also not ready " to apply it fully[5].

34. At the moment, Russia and several other ex-Soviet republics are still in breach of the CFE Treaty and all attempts by the United States and Russia to meddle with the terms of the treaty have raised strong objections, particularly from Turkey.

35. Some voices have now been heard to suggest that Russia might be induced to soften its objections to NATO enlargement in return for amendments to the CFE Treaty, but this would really be a case of putting the cart before the horse and would not help to achieve the ultimate objective of enhancing Europe's security.

IV. Europe, France and NATO

36. It is well known that France, in particular since President Charles de Gaulle's decision in 1966 to boycott NATO's integrated military structure, has always taken a rather critical stance towards NATO. Developments in Bosnia, however, have compelled France to reconsider its position. The Dayton Peace Accords provided for the establishment of an international implementation force (IFOR), under the command of NATO, to enforce the peace and replace the United Nations force (UNPROFOR) whose mandate was due to expire in early 1996. France, which had decided to participate in IFOR, had no reasonable choice other than to agree that French forces in Bosnia would operate inside the NATO military command system. On 5 December 1995, France announced that it would participate fully in NATO's military committee and meanwhile some 200 French officers have been assigned to NATO work.

37. Following these overtures, France announced on 17 January 1996 that it was prepared to discuss nuclear issues within NATO, while stressing that it intended to maintain its full independence as regards the development, production and use of nuclear weapons. Since then, France has again occupied its seat in meetings of NATO's defence ministers, but this does not mean that it will participate fully in the integrated military structure. At the same time, France has made it clear that it will neither join NATO's Nuclear Planning Group (NPG) which oversees the planning, control and maintenance of the alliance's nuclear arsenal, nor the Defence Planning Committee. Overall, France will take part in all discussions on defence policy, strategy and questions of general organisation, but not in joint planning or the integrated military structure.

38. Does all this mean that France has completely given up the idea of a European defence organisation? Not really. A Foreign Ministry spokesman has said that France wants to engage in a real renovation of the Atlantic Alliance, including the development of a true and equal European pillar, but the issue is too complicated for a simple reply. In fact, there are many reasons for France's move.

39. In the first place, there is active French participation in IFOR under NATO command. After many years of active involvement in the United Nations forces in Bosnia, France was not in a position to give up its preponderant role. Logically, it was aiming to continue that role even with NATO replacing the United Nations. Joining NATO's military command structure provided France with a vote in the decision-making process which also determines the fate of French troops in Bosnia.

40. Another practical consideration was that as a result of thorough assessments of recent military operations, the French armed forces, which are among the very few capable of effective long-distance power projection, had concluded that they needed more training and experience in the command and control of large-scale integrated

5. Atlantic News, 17 November 1995.

battlefield operations. Participation in NATO operations and exercises could provide this experience.

41. On a totally different level, France may have thought that NATO could be the gateway to a formidable future market for defence equipment in the Central and Eastern European countries which are all eager to acquire NATO-compatible equipment in the near or more distant future. France's large but ailing defence industry badly needs access to new markets.

42. The French proposal to participate in NATO discussions on nuclear issues may help to make clear to both its European and American allies that France could provide the umbrella to protect European allied territory, should the United States nuclear umbrella cease to exist. One important element of these discussions would be the concept of " concerted deterrence ", which France proposed to its European allies in September 1995, and which needs to be specified in detail. Deterrence will remain valuable as long as threats and risks continue to exist, but there can be little doubt that existing doctrines of nuclear deterrence will have to be adapted to changing circumstances in post-cold war Europe.

43. France has understood that no progress can be made in reinforcing the European Security and Defence Identity (ESDI) as long as it does not participate more actively in NATO. In order to placate Central and Eastern European states which could not expect to join NATO overnight, NATO has in recent years been subject to a number of cosmetic operations and has created new institutions such as the North Atlantic Cooperation Council, almost forgotten after an initial vigorous public relations offensive, and the Partnership for Peace, with an *à la carte* menu for such widely divergent partners as Poland and Kirgizstan.

44. France is still deeply convinced that more needs to be done to adapt NATO to the completely changed security and defence environment in Europe. NATO needs to be restructured from within and the unmistakably growing United States isolationist tendency, despite many official reassurances, combined with a considerably reduced United States military presence in Europe, call for a Europeanisation of NATO which should also find its expression in NATO's command structures. The European allies must be able to deploy NATO assets for military operations in Europe in which the United States does not want to participate.

45. Part of this is the priority and still controversial issue of the combined joint task force concept which is still at a stalemate more than two years after it was approved by the January 1994 NATO summit meeting in Brussels. It is known that France in particular – and rightly so – insists on European control of the assets detached from NATO's integrated command structure for employment in European military operations without United States participation, while the United States insist that nominal, if not functional, links to the (United States-dominated) command structure are imperative.

46. Some time in the future, WEU will have to be an integrated part of the European Union, but for the foreseeable future, with the many different statuses of its members and other participating European states, prudence is in order. The aftermath of the conclusion of the Treaty on European Union has shown that ill-advised steps can cause serious disruption in the process of Europe's unification. France now seems to have rallied to the prevailing view that WEU must first be developed as the European pillar of NATO before it can ever become the defence arm of the European Union. As an apparent consequence, integration of WEU into the structures of the European Union can therefore only be a distant and long-term political objective.

V. A European defence policy

47. On the eve of the IGC, the main question for WEU is how Europe is going to organise its security and defence. The main objective of the security policy of present-day civilised states or alliances is to prevent a situation in which their armed forces have to resort to the defence of their territory. In crisis situations, every effort is made to find solutions other than by military intervention. It should also be noted that in the post-cold war world, the traditional task of territorial defence has diminished in importance with the emphasis shifting to crisis management, peacekeeping, peacemaking and crisis intervention.

48. The risk and also the expense associated with East/West confrontation in Europe have disappeared and, as a consequence, so have the former balance of power and strictly-disciplined behaviour which were part of that situation. Nowadays, the massive threat of inter-state wars in Europe has largely disappeared, but it has been replaced by the multi-headed Hydra of local and regional conflicts and the risk of extremist ethnic, religious and separatist movements. At the same time, citizens feel threatened by phenomena which are even more difficult to cope with, such as criminality, terrorism, drugs, pollution and mass migration. None of these new threats and risks can be dealt with by individual states.

49. There can be little doubt that for the foreseeable future, NATO remains the vital cornerstone of the defence of Europe's territory against any existential threat because it is the only alliance with an integrated military structure and the main

source of common forces and other assets needed for strategic operations.

50. On the other hand, Europe, as united in the European Union, is irreversibly moving towards further integration which also means an even more inextricable entanglement of interests. A logical and inevitable consequence of this integration process is the establishment of a common foreign and security policy which makes little sense unless it is supplemented by a proper defence policy and a defence organisation to implement that policy. Article J.4 of the Treaty on European Union has indeed provided the basic framework. No member state denies the need for interaction and coordination between the CFSP and WEU, as the defence arm of the European Union.

51. There also seems to be broad consensus among European Union member states that in the complementarity between NATO and the European Union/WEU, the former should retain the vital task of Europe's collective defence, while the latter should in principle limit its activities to post-cold war crisis management as defined in the Petersberg Declaration.

52. On every possible occasion, political authorities declare that there cannot be any competition between NATO and WEU, which are both working and developing for the benefit of the security and defence of their member states. On the other hand, it cannot be denied that a certain intrinsic dynamism lies in establishing a European defence policy and revitalising the Atlantic Alliance.

53. At its summit meeting in Brussels in January 1994, NATO endorsed the principle that collective assets and capabilities of the Alliance can be made available for WEU operations given that WEU will not be able to perform successfully any of the Petersberg tasks until it has developed its operational capabilities. The purpose of the so-called combined joint task force (CJTF) concept which was adopted at that time, is to provide separable, but not separate, military capabilities that could be employed by NATO or WEU, enabling the European allies to conduct military operations in the framework of WEU, if NATO were unable, or unwilling, to act. Since the beginning of 1994, negotiations on the implementation of the CJTF concept have been dragging on for more than two years without any tangible result, although each successive ministerial council meeting of both NATO and WEU in the past two years has welcomed the progress made in negotiations on this issue. Recently, NATO's Secretary General, Javier Solana, admitted that the CJTF concept is blocked and must receive a major boost during the next six months.

54. The changing attitude of the United States in the Bosnian crisis has shown how unpredictable United States policy towards security in Europe can be. For a number of years, the United States did not only not wish to intervene, but also disagreed with its main European allies on the analysis and consequences of the conflict in Bosnia. The United States attitude in the conflict took a very peculiar turn when, in September 1994, it gave up the arms embargo on Bosnia while continuing to keep political and military control over operation Sharp Guard in the Adriatic.

55. The deployment of NATO assets by Europeans is difficult when the United States is indifferent; one can therefore imagine how much more difficult it would be in the case of a major Euro-American disagreement.

56. In recent years the debate on the enlargement of western organisations, in particular NATO, the European Union and WEU, has intensified. It has increasingly become clear that there is a basic consensus on the inevitability of the enlargement process, but far less so on the arrangements and timeframes that should apply to the candidates. In an ideal world, enlargement of the three organisations should be simultaneous and congruent. Reality is different because there are too many different issues at stake.

57. Enlargement of the European Union to take in the six Central European states – Bulgaria, the Czech Republic, Hungary, Poland, Romania and Slovakia – which have already signed " Europe Agreements " formally designated as antechambers to entry, and the other four states which are expected to sign in the near future – Slovenia and the Baltic states – would drastically alter the Union's character. First of all, it would lead to a huge financial crisis since the cost of integrating the four Visegrad countries alone would mean an increase of 60% in the European Union budget, rising to nearly 75% by 2000. In the case of enlargement including all ten ex-communist applicants, the proportion of poor countries in the European Union entitled to substantial financial transfers would rise from 4 out of 15 to 14 out of 25. The present member states would never accept such a burden and either the subsidies to farming communities and poorer regions would be scrapped or it might be decided to create a second-class membership for new entrants.

58. All member states of the Atlantic Alliance have stated in public that enlargement of NATO is inevitable, but apparently there is no consensus on how and when. At the North Atlantic Council meeting in December 1995, Foreign Ministers decided that the enlargement process would continue " at a measured pace ". The Permanent Council has now opened an intensified dialogue, including terms of accession and a possible timetable, on a sixteen-plus-one basis with each of the

countries which so desires. The results of these deliberations will be the subject of a report to be submitted to the Foreign Ministers at their six-monthly meeting in December 1996.

59. The " measured pace " which has now been adopted has also to do with the need to get a clearer view on the envisaged parallel relations with Russia and on the internal development of some of the main candidate countries.

60. From the moment that NATO launched its ideas on enlargement, Russia put up opposition in every possible way. Of course, there cannot be any doubt that NATO has no hostile intentions towards Russia and that the basic objective of any enlargement would only be to enhance security for any new member states. On the other hand, one can imagine that enlargement of NATO to take in all the former Central European Warsaw Pact allies of the Soviet Union could create a feeling of isolation in Russia. At the " Wehrkunde " conference in Munich on 3-4 February 1995, Russia's deputy Defence Minister, Andrei Kokoshin, repeated that the prospect of NATO-membership for countries in Central and Eastern Europe " aggravates in Russia the feeling of vulnerability with unpredictable political implications ".

61. In his address to the December 1995 session of the WEU Assembly, the Spanish Defence Minister, in his capacity as Chairman-in-office of the WEU Council, rightly said that at the IGC, member states should achieve a consensus on a " flexible formula " to facilitate a multi-phase integration of WEU in the European Union which should take account of the problems of national sovereignty raised by defence questions and the different composition of the two organisations.

62. The United Kingdom Defence Minister, Michael Portillo, repeating his government's long-standing view, recently argued for " a reinforced partnership between an autonomous WEU and the European Union and the strict retention of intergovernmentalism and decision-making by consensus "[6]. He added that during its presidency in the first half of 1996, the United Kingdom would work to " close the operational deficit of WEU, making sure that we are able to mount effective, albeit small-scale, operations ".

63. A recent report[7] estimates that over a ten-year period, NATO expansion will cost western allies at least $7 billion, which could rise by a factor of ten if advanced weapons were transferred and new air bases, weapons depots and transportation equipment purchased to reinforce new Central and Eastern European member states. In addition, the new member states would also incur major expenditures. Poland's share could be some $150 million per year, without building up new military capabilities.

64. The main concern over enlargement is that it could diminish security in Europe, rather than enhance it, if no account is taken of Russia's negative reactions to NATO's enlargement projects.

65. Although, in particular since the adoption of NATO's strategic concept at the Rome summit meeting, many efforts have been made in order to adapt the Alliance's structures and procedures to the new security challenges, much still remains to be done, notably regarding the leadership in the Alliance, where the United States should encourage more assertive ambitions by its European allies to maintain regional peace.

66. One particularly thorny problem in the organisation of Europe's defence policy lies in the many different categories into which the 27 WEU countries are divided. Apart from the ten member states which are also members of the European Union and NATO, there are five observer states (Austria, Denmark, Finland, Ireland, and Sweden) of which Denmark is a member of the European Union and NATO, while the other four are members only of the European Union, three associate members (Norway, Turkey, Iceland) which are NATO members and not members of the European Union, and finally, nine associate partners (Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania and Slovakia) which are neither members of the European Union, nor of NATO.

67. This diversification is partly the consequence of a declaration by WEU member states made at Maastricht, in December 1991, reading as follows:

> " States which are members of the European Union are invited to accede to WEU on conditions to be agreed in accordance with Article XI of the modified Brussels Treaty, or to become observers if they so wish. Simultaneously, other European member states of NATO are invited to become associate members of WEU in a way which will give them the possibility of participating fully in the activities of WEU.
>
> The member states of WEU assume that treaties and agreements corresponding with the above proposals will be concluded before 31 December 1992. "

68. Later, at its May 1994 meeting at Kirchberg, Luxembourg, the WEU Council adopted a document establishing the status of associate partner for the nine Central European states.

6. Atlantic News, 8 December 1995.

7. " Study on NATO enlargement: Destabilising Europe " published by the British American Security Information Council, London, and the Centre for European Security and Disarmament, Brussels, December 1995.

69. In addition to these declarations, there is an understanding that a country cannot be a member of WEU without being a member of NATO. This understanding can lead to the anomalous consequence that non-European Union member states of the Atlantic Alliance could exert their veto on WEU membership.

70. Could the cross-relations between membership of the European Union, WEU and NATO, which have now been established result in a situation where the member states of the European Union, which are not members of NATO and WEU, if attacked, would not be covered by any collective defence agreement? It would be difficult to imagine that political solidarity, which is at the heart of European construction, would not lead to a moral obligation to come to the rescue of such countries which participate in the integration process of the European Union as full members. Or would the consequence of a possible iron rule of so-called differentiated integration be to leave those European member states, which do not participate fully in the classic security alliances of WEU and NATO, to their own fate? One could argue that those states do not in any event run the risk of being attacked, but if that were true, what is the rationale of two collective defence organisations to protect Europe and why bother to keep them alive and even revitalise and restructure them?

71. As regards the enlargement of NATO, it is vital to know what kind of protection will be given to the new member states and what role the United States intends to play in this protection. Article 5 of the North Atlantic Treaty is formulated in such a way as to allow for discretionary interpretation. Article 5 stipulates among other things:

> " The Parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all and consequently they agree that, if such an armed attack occurs, each of them in exercise of the right of individual or collective self-defence recognised by Article 51 of the Charter of the United Nations, will assist the Party or Parties so attacked by taking forthwith, individually and in concert with the other Parties, *such action it deems necessary*, including the use of armed force, to restore and maintain the security of the North Atlantic area. "

Article 5 in no way obliges member states to assist the party or parties attacked through the use of armed force.

72. Until now, the Atlantic Alliance has always maintained that the defence of the allied territory is based on an appropriate mix of conventional and nuclear weapons. Is there any guarantee that the United States is prepared to extend its long-existing nuclear umbrella to the territories of new Central European NATO members? Would the United States' claim that an attack on Berlin or Paris would be considered as an attack on Washington be easily extended to new allied territory?

VI. What prospects for WEU?

(a) Short-term prospects: operational capabilities

73. The British Presidency, which runs to 30 June 1996, has decided to focus its activities on strengthening WEU's operational capabilities. Its plans are specific and interesting and centre mainly on the development of an exercise policy and the pursuit of the study on European cooperation in the field of strategic lift (" Eurolift ").

74. In addition, the improvements which were decided in 1995 and which the previous presidency began to implement – the creation of an intelligence section in the Planning Cell and of a Situation Centre – are continuing and should be complete by summer 1996. Lastly, following the permanent establishment of the Torrejón Satellite Centre, studies are also continuing to equip the organisation with independent facilities for the acquisition of intelligence gathered from space.

75. While modest, these improvements should not be underestimated. They will in fact provide the Council in the near future with the material means it needs for the proper political conduct of operations in which it decides WEU should be involved, these being:

- the Planning Cell strengthened by the intelligence section and the politico-military group for situation assessments and re-evaluations;
- the Situation Centre endowed with the facilities needed for presenting military situations and with communications equipment in order to facilitate direct, one-to-one and clear dialogue between the Council's representative – the " point of contact " – and the commander of the operation;
- the acquisition and intelligence structures in the relevant capital cities and Satellite Centre, working for the bodies described above.

76. The system as a whole will be evaluated in June 1996 with a view to the second phase of Crisex 95/96, during which a large multinational headquarters for the " operations commander " is to be set up in Metz thus enabling it to liaise with the Council, another player with an essential role in the exercise thanks to the new facilities.

(b) Medium-term prospects: relations with NATO

77. Relations between NATO and WEU are very closely linked to the new prospects arising from France's relations with NATO. The most striking point is that in agreeing to develop the " European pillar " within the Alliance, France is subscribing to the principle whereby, for the implementation of their individual security policies, NATO and WEU rely on joint military assets.

78. This concept entails a number of consequences:

- An effort must be made to ensure that the European pillar is better defined within the Alliance, and particularly in the general staffs, so that when the time comes, Europe will be able, without major difficulty, to borrow staff from NATO's military structure to form an operational chain of command able to conduct European operations under the direct political control of the WEU Council and not subject to the authority of SACEUR.
- The scope of WEU's operational reinforcement is confined to the acquisition of assets required by the Council. In a first analysis, it may be the case that what has or is being achieved – the Planning Cell, Situation Centre, the policy on intelligence, including space-based intelligence – should meet this requirement. These assets are essential for they alone enable the Council, acting in total independence, to take political control from WEU headquarters of military operations without having to have recourse to the Alliance's assets.
- WEU's fundamental political role consequently becomes very clear and it is in this context that Europeans must now find their security and defence identity. However, this approach is also the most difficult owing to all the implications for the member states as regards the pooling of sovereignty. On the other hand, by raising the debate to the political plane, this initiative will put an end to the current fashion that is becoming all too popular in WEU member state governments, namely that of using alleged operational deficiencies as an excuse for having cold feet about Europe. Besides this, recent crises have served to show that whenever European heads of state jointly follow a clear and determined policy entailing the unambiguous deployment of military means, the quality of the political plan is matched by its military implementation.

79. It is now perfectly clear that until the European Union has acquired sufficient political stature, Europe should use WEU as a means of expressing its independence vis-à-vis the United States.

(c) Long-term prospects: WEU's place in the European Union

80. Since the signature of the Treaty on European Union, which in theory gives the Union a strong political role, WEU has ceased to be an " end in itself " and has become the vehicle that could be used to achieve that purpose as far as security and defence aspects are concerned. With that in mind, and with a view to the intergovernmental conference that is to start in March 1996, the WEU ministers meeting in Madrid on 15 November 1995 proposed three possible options for future relations between the two organisations:

- WEU retains its autonomy vis-à-vis the Union and confines rapprochement to the creation or strengthening of a number of institutional links;
- WEU progressively converges with the Union in three stages: first, the Union acquires the power to set general guidelines for WEU; second, it issues it with instructions; and third, it establishes legally binding ties with it by virtue of which WEU has an obligation to implement the Union's decisions on defence matters;
- WEU is integrated in the European Union: the modified Brussels Treaty disappears and the provisions of Article V thereof – the collective defence guarantee – are incorporated in the Treaty on European Union, if necessary with the possibility for those European Union member states that have a tradition of neutrality to invoke a clause of non-participation in collective defence.

81. The first option is the one preferred by the United Kingdom which has a preference for using WEU as a vehicle Europe can use for its humanitarian duties to the exclusion of any joint combat mission which, according to the British view, must remain the sole responsibility of NATO.

82. The second option has won varying degrees of support from the other nine full WEU member countries, which also concede that the third option is no more than the logical conclusion of the process but that when it will happen is impossible to predict.

83. This clearly shows that the issue is no longer an operational matter as has long been preten-

ded but that it is political and depends on two essential questions:

- Will it be possible for the European countries to pool national sovereignty and make it a collective responsibility to give birth to a genuine European identity with all that implies?
- Will they be able to take the necessary measures in time in order to become totally independent of the United States and yet keep the transatlantic link intact?

84. If the European countries are resolved to do so, they will have no difficulty in making the necessary adjustments in the relevant institutions. Many different procedures are conceivable for giving expression to their common will, ranging from the traditional intergovernmental system based on consensus through to a purely community system, with the qualified majority voting procedure lying somewhere between them. It is no doubt too early for important decisions of this sort to be taken at the intergovernmental conference. But it is probably not too late for Europe to assert its independence vis-à-vis its United States partner and, until the European Union has acquired a real political dimension, the best existing forum in which to make that assertion is without doubt WEU, making it more necessary than ever before to maintain the principles and structures of that organisation.

VII. Restructuring the European defence industry

85. Innumerable reports, resolutions, recommendations and conferences have been devoted to the issue of restructuring the European defence industry. One begins to wonder whether it makes any sense to raise this question again. Practically all national defence industries are sustaining losses, notwithstanding government support or big state subsidies. According to a recent report published by the European Commission, the European Union defence industry cut back 600 000, or 37%, of its 1.6 million jobs in the period between 1984 and 1992. The debate over rationalisation, cooperation and mergers still continues without making any substantial progress, while time is running out. Defence equipment orders have decreased sharply and continuing government economies and defence budget cuts offer few positive prospects for the foreseeable future. Competition on the world market is ruthless and fluctuations in the US dollar exchange rate have merely aggravated the existing problems of Europe's defence industry.

86. The European defence industry's main competitor, the huge United States defence industry, has responded to the consequences of the end of the cold war with a series of giant mergers which is still in full swing.

87. In January 1996, Northrop Grumman acquired the defence branch of Westinghouse. Only one week later, Lockheed Martin announced that it was acquiring Loral's defence and electronics business for $9.1 billion. As the world's largest defence conglomerate even before the acquisition of Loral, it will now become a company with a $30 billion turnover and a combined order book amounting to a value of $47 billion.

88. The Lockheed Martin deal with Loral is still subject to scrutiny by the United States anti-trust authorities, but this does not seem to be a problem, given government policy to stimulate the creation of a more efficient and productive defence industrial base. The next big sweep may now be a merger between Boeing and McDonnell Douglas which are both involved in ongoing talks on this subject.

89. The driving force behind the rationalisation and mergers is the steep decline in defence procurement in the United States, which now stands at 40% of its $82 billion peak in 1991.

90. One, if not the most obvious, objective of the United States defence industry has been cost-cutting, with or without the benefit of mergers. The recent merger of Northrop, Grumman and Vought resulted in 14 000 jobs being shed in 1995 from a combined workforce of 53 000. Lockheed Martin is in the process of reducing its 170 000 workforce by 12 000 and closing 12 factories. Between 1990 and 1994, Raytheon cut back the number of its employees in Massachusetts from 30 000 to 20 000, keeping only one of four factories.

91. Increasing exports in order to compensate for a shrinking home market is another main objective of the United States defence industry. Intensive pressure on Middle East states, especially after the Gulf war, has already helped to win back markets which were in the hands of European defence industries.

92. In 1995, United States companies exported $11 billion worth of arms, or 49% of the world market, compared with 32% in 1991. The main losers in this competition were arms producers in the United Kingdom, France and Germany.

93. European defence equipment cooperation has a long history: it started with the creation of FINABEL and the WEU Standing Armaments Committee in the 1950s, and was followed by the Independent European Programme Group (IEPG) in 1976. In May 1993, the IEPG defence ministers agreed to the transfer of the IEPG to WEU. As a result of this decision, the Western European Armaments Group (WEAG) was created, super-

vised by the defence ministers of the member states, in coordination with the WEU Council of Ministers[8]. Tangible results can be shown, such as the Franco-British Jaguar fighter-bomber, the Franco-German Tiger helicopter and the trilateral programme between France, Italy and the United Kingdom for the Horizon anti-air frigate.

94. Still, there are far too many and too small defence equipment-producing companies in Europe, as compared with the United States defence industry. Europe has seven different shipyard companies building submarines compared to only one in the United States and four tank manufacturers against one in the United States. Altogether, Europe has 750 defence industry establishments against a total of 250 in the United States.

95. Notwithstanding many efforts in the field of defence equipment cooperation, Europe is still struggling to get its act together. National sensitivities apparently continue to be a major hurdle. In France and the United Kingdom, even mergers between companies within national borders are difficult to bring about. European cross-border rationalisation and consolidation is progressing even more slowly. The principal obstacles are political differences: many governments are anxious to protect national sovereignty and maintain a national defence industrial base which in fact they cannot afford and which also makes little sense in the present security configuration marked by differing patterns of ownership and uncertainty over the future of European procurement.

96. One example of the confused and alarming situation facing the European armaments industry is the present competition for missile orders from the United Kingdom Ministry of Defence. At present, three separate competitions are taking place for an air-launched cruise missile, an air-launched anti-tank weapon and a long-range air-to-air missile. The total value of the expected orders is $3.8 billion. The main competitors are United States and European firms. Decisions on the different orders, which will be taken in 1996, will determine whether the United Kingdom retains a significant guided missile industry and contribute to shaping the future of Europe's missile market. The United Kingdom Ministry of Defence, which is reviewing its policy regarding the country's defence industrial base, is said to be very reluctant about technologies being retained. The Ministry's main arguments are that there is a wide variety of weaponry available from allied nations and that modern sophisticated weapons are composed of elements from so many different sources that it is impossible to ensure fully-secure supplies anyway. In the European missile industry, Aérospatiale and Deutsche Aerospace are now merging their missile activities and, in the framework of Franco-German cooperation in observation satellites, their satellite business as well, but more long-term consolidation has not yet taken place. In the abovementioned competition, a team consisting of British Aerospace and Matra is offering a version of the French Apache cruise missile but Matra has announced that a merger of the missile activities of the two companies will not take place if they do not win the contract.

97. Regrettably, too little headway has been made in the creation of a European Armaments Agency which should concentrate its efforts on the strengthening of European cooperation on armaments, improving the defence technology base and supporting the creation of a European defence equipment market. In their meeting on 20 October, the national armaments directors of the thirteen WEAG countries were unable to agree on a WEU charter for a European Armaments Agency which was required to give the agency legal personality and a basis for financial means. Discussions are now taking place to create an agency with reduced tasks and responsibilities. France and Germany, which are both determined to make quick progress in the process of cooperative equipment procurement, have now created a Franco-German arms agency which started its activities on 1 January 1996. With the reduction of defence procurement costs as its main objective, the agency will be responsible for the management of bilateral and multilateral arms cooperation programmes, in which both countries are involved. At a later stage, it will also be responsible for the maintenance of a bilateral defence industrial base, streamlining of procurement procedures and coordination of research and development spending. Both founding nations have stated that their armaments agency will be open to other European allies for participation, in which case, a common understanding will be required as regards the legal charter.

98. Regarding Europe's defence industry, the IGC cannot ignore the role of Article 223 of the Treaty of Rome, which excludes the arms industry from the European Union's area of competence. With considerably diminished defence equipment orders coming from their own governments, many defence industrialists are wondering whether the traditional national protectionist approach is still worthwhile. Above all else, the defence industry is in favour of a procurement discipline with an unambiguous preference to " buy European " but such a regime could only be imposed if Article 223 was amended so that decisions concerning

8. This subject, and the present situation in the European defence industry, are discussed in detail in the report " WEAG: the course to be followed " by Mrs Guirado and Lord Dundee, WEU Assembly Document 1483.

this sector of industry were no longer a matter of national sovereignty.

99. On 25 January 1996, the European Commission published a report in which it suggested opening tendering for government defence contracts to full competition. The Commission believes that extending the European Union's public procurement rules to the defence sector in order to ensure that all companies have a chance to tender could result in dramatic cost reductions and greatly improve the competitiveness of Europe's defence industry. It claims that the rationalisation of defence procurement could save national budgets as much as 11 billion ecus ($14.5 billion) a year. When presenting the report, the Industry Commissioner, Martin Bangemann, rightly said that " a common foreign and security policy loses its significance if Europe does not have its own arms competence "[9].

100. On the other hand, there is a growing feeling among both governments and defence industries in Europe that a European protectionist rule may have to be established in order to grant the European defence industry the time it needs for restructuring.

101. While the United States always insists on the importance of two-way traffic in defence equipment cooperation, there are serious doubts in Europe as to whether it actually makes a serious effort to put this policy into effect. It should be noted that from 1988 to 1992, European Union member states imported almost $18 billion in arms from the United States while exporting less than $1 billion to the United States.

VIII. Military airlift – the FLA programme

102. Based on European experience in the Gulf war, the WEU Assembly started to insist on the importance of an increased European military airlift capability at its June 1991 session. Since then, it has continuously given its full support to what has become the future large aircraft (FLA) programme, most recently in the report " Military airlift – prospects for Europe "[10].

103. It should be stressed again here that military airlift is of prime importance in crisis management, both from a tactical and strategic point of view, as has clearly been demonstrated in recent and present-day crises and conflicts.

104. Europe must strengthen and develop its potential in military transport aircraft, both in order to be able to cope independently with future contingencies and to maintain European industrial capability in the face of competition from the Untied States and Russia in military airlift. At stake are not only Europe's defence capabilities, but also the survival of its aeronautics industry.

105. The FLA programme was launched in 1985 in the framework of the Independent European Programme Group (IEPG) which has now been transformed into the Western European Armaments Group (WEAG). Participants in the development of the FLA are the Airbus partners Aérospatiale (France), British Aerospace (United Kingdom), CASA (Spain), Alenia (Italy), Daimler-Benz Aerospace (Germany) and their associate partners, Flabel (Belgium), OGMA (Portugal) and Tusas (Turkey).

106. The aircraft's characteristics meet European requirements as planned for the medium and long term; it has a hold capacity of 342m^3 and a payload of up to 32 tonnes. With a 16-tonne load the FLA can cover a distance of 5 835 km (or 7 595 km in convoy) and fly at a cruising speed of Mach 0.68-Mach 0.72. Its manufacture involves modern technology such as the use of new composites and aluminium alloys and, recently, turboprops have been fitted.

107. The FLA is expected to cost around $80 million - twice as much as the Lockheed C-130J but three times less than the McDonnell Douglas C-17. The countries participating in this programme have a combined requirement of around 300 aircraft and other European countries are perceived as potential customers. In 1995, the management of the FLA programme was transferred to a European consortium through the creation of the Airbus Military Company (AMC).

108. At present, the FLA programme is at the stage of a feasibility study. The first flight is scheduled for early 2002 and first deliveries are planned to take place in 2004.

109. The FLA will provide the air forces of participating countries with modern, high-performance means adapted to their needs and will make for real European interoperability in military airlift; this is an important step towards an independent European defence capability.

110. Being able to rely upon autonomous military airlift is a vital element of Europe's operational capability. The countries participating in the FLA programme should proceed with the aircraft's development in top gear, lest some of them with urgent requirements turn to foreign competitors such as the Lockheed Martin C-130J Hercules or a version of the Antonov An-70 adapted to western requirements.

9. Financial Times, 26 January 1996.
10. Document 1484: report submitted on behalf of the Technological and Aerospace Committee by Mr Alexander, Rapporteur.

IX. European military observation satellite cooperation

111. In October 1995, Helios 1A, the first French military intelligence satellite in which both Italy and Spain participate, started trials and in early 1996 it became operational. This satellite provides these countries with a new asset to help in forecasting, detecting and monitoring crisis situations. At the same time, a memorandum of understanding allows WEU to share at least part of the information obtained. The companion satellite Helios 1B, with roughly the same characteristics, is to be launched in 1997-98.

112. European military satellite cooperation was given a major boost when, at their summit meeting of 7 December 1995 in Baden-Baden, France and Germany agreed to cooperate closely in the field of satellites. The main focus of Franco-German cooperation will be the development of a FF 11 000 million Helios 2 observation satellite with France as lead contractor, a FF 13 000 million Horus radar observation satellite with Germany as lead contractor and a cooperative study with regard to the possible development of data-relay satellites.

113. Helios 2, due to replace Helios 1 after the year 2000, will include many improvements, such as night observation with its infra-red capability. After the year 2005, the Horus radar observation satellite will provide an all-weather day and night observation capability.

114. Clearly, the Franco-German satellite cooperation programme is an important step towards the emergence of a European satellite system. Both partners share the conviction that a common European security and defence policy, in particular in the fields of crisis prevention, crisis management and peacekeeping obliges Europeans to have a reliable and independent space observation capability at their disposal.

115. Both France and Germany are prepared to share their satellite cooperation programme with other WEU member states.

116. At its meeting in Madrid on 14 November 1995, the WEU Ministerial Council instructed its Space Group to define the basic conditions for " possible WEU participation in a developing multilateral European programme and to study questions related to a possible WEU ground segment, taking account of existing ground segments within WEU nations ".

117. In fact, in its report the Space Group will have to establish which states are to participate in Helios 2 under WEU auspices. Other issues to be discussed are the characteristics of the satellite observation programme. Will WEU only need optical images or also infra-red and radar; should data-relay satellites be included in the programme? A primordial issue will also be the cost of WEU participation in Helios 2 and the sharing of the financial burden between the various participants.

118. Inevitably, the Space Group will also have to discuss whether observers, associate members and associate partners would be able to participate in a WEU satellite programme.

119. There are other issues which the Space Group may not have a remit to discuss, but which are still vitally important for the enhancement of WEU's operational role.

120. At present both the Planning Cell in Brussels and the WEU Satellite Centre in Torrejón are under the Council's custody which in fact greatly restricts their activities. The Satellite Centre, which has no proper action plan, is under the Council's strict orders and cannot do much more than wait for instructions, which are rare because of the lack of consensus in the Council. The present MOU between the three Helios 1A states and WEU is also too restrictive for effective operations.

121. Nobody would venture to question the ultimate responsibility of the Council, but the present strict interpretation of the Council's responsibility is resulting in the immobility of organs which are still in a stage of development and, hopefully, expansion.

122. In the near future, a direct link should be established between the Planning Cell and the Satellite Centre, through which the Planning Cell should have direct access to the satellite imagery available at the Centre, including the possibility of questioning the Centre on imagery-related issues.

123. WEU should also renegotiate the existing memorandum of understanding regarding Helios 1A with a view to giving the Centre the possibility of programming part of the activities of the Helios 1B successor satellite which is to be launched in the 1997-98 timeframe.

X. Conclusions [11]

124. There is no denying the complex political and strategic background to the construction of a common European defence. For forty years, the threat of Soviet aggression was a factor making for European unity and transatlantic solidarity in the interest of a common defence.

11. Most of this chapter is taken from the article by Nicole Gnessoto entitled "*Vers une politique européenne de défense commune* ", which featured in *Ramses 1996* – World Report on the economic system and strategies, published by the IFRI, Dunod, Paris, 1995.

125. Today, crises that may arise, such as in the example of Bosnia, do not inspire the same solidarity among Europeans because they are piecemeal and vary in nature.

" 126. The fact that European security has lost its unity of purpose makes it all the more difficult to develop a common defence policy.

127. Two series of questions will dominate the 1996 intergovernmental conference: institutional aspects – in particular, how decisions on defence matters are to be taken and links between the European Union and WEU – and operational aspects, notably in the context of relations between WEU and NATO.

128. The institutional issue is not confined to a discussion on decision-making methods because no state will ever agree to its soldiers dying as a result of a qualified majority vote if it is not in its national or vital interests.

129. The member states of the European Union do not all have the same status: four of the fifteen countries are neutral and do not belong to the military alliance in WEU. Can a European Union country that is not a member of WEU veto the latter? Clearly, it cannot. The major issue therefore concerns the links to be established between the Union and WEU. One possible solution would be to adjust the rule of consensus in the European Council so that only countries that are both EU and WEU members would qualify for a right of veto on defence matters. "

130. But the development of a common European defence policy also entails clarifying the matter of operational means that can actually be used by Europe, which does not as yet have strategic lift capabilities, genuine logistics capacities or satellite intelligence facilities.

" 131. On what conditions can Europeans use NATO assets, without European command and control, where the United States decides not to take part in a specific operation?

132. Is it possible for NATO to have sole responsibility for military operations in which the United States decides to participate, while at the same time building up within the Alliance the conditions for genuine European autonomy in defence matters where the United States chooses not to be involved? "

133. Since January 1994 when a proposal was made at the NATO summit in Brussels to create the CJTF, forces ' separable but not separate from NATO ', a solution has still not been found to put it into effect because of the United States' refusal to place its forces under European command, which would be the logical course of action. Could a way out of this deadlock be found in a compromise consisting in giving these forces a ' NATO label ' at the next NATO summit in Berlin?

" 134. There should be nothing more normal than Europeans being able to use NATO assets for a European initiative given that together they make up about 80% of that organisation's conventional means. The main problem is posed by those NATO assets which are mainly or exclusively American (intelligence, communications, operations control) and which Europeans might need to carry out an operation under their own responsibility.

135. Negotiation, already difficult when there is mere indifference on the part of the United States, would become explosive in the event of major political Euro-American disagreement. " One can imagine for instance what could happen in less than a year's time in Bosnia with IFOR when the Americans withdraw their GIs after having helped to rearm the Bosnians on a massive scale in order to restore a balance of weapons in the region. What way out will be left for the Europeans? Will they leave or will they stay with or without NATO operational means available to them? It is understandable that this problem is of concern to Europe. " It is hard to see how an operation in which Europeans alone would be taking real risks could be under anything other than exclusive European command and control. It is therefore necessary to build in a European politico-operational echelon, and in particular a European command answerable to a European political body, without however destroying NATO. "

136. Another question concerns the missions of any future European defence regardless of whether it is organised within the European Union or remains part of a reformed NATO. This question has deliberately been put to one side by the countries concerned " since there is now a consensus to limit such missions to the management of peripheral crises (' non-Article 5 missions ') while reserving for NATO the mission of defending the integrity and survival of European territories (' Article 5 missions '). This distinction clearly has a political basis: its purpose is to avoid giving the impression that WEU and NATO are in competition, so as not to weaken NATO and, consequently, the United States' commitment in Europe. This explains why no European state defends the idea of a European defence policy whose mission would also be to defend Europe. The WEU Petersberg Declaration of June 1993, which did however postulate such a possibility, is nowadays given a narrower interpretation as far as a common defence is concerned.

137. But the distinction between ' Article 5 ' and ' non-Article 5 ' missions is to a large extent artificial and its political advantage – not giving the impression of competition between Europe

and the United States – holds out little prospect of lasting solutions. In the first place, management of the Bosnian crisis shows that a peacekeeping initiative can involve combat operations that closely resemble collective defence missions: can Europe claim to assume its own military responsibility in the management of post-communist crises while still relying on NATO to remove European forces from the theatre of operation in the event of a conflict escalating or of their intervention failing? Secondly, the WEU Treaty is based on the obligation in Article V of collective self-defence that is at least as binding as that of NATO, if not more so. However, no clause in the treaty contains an obligation for the member states to manage the crises of other parties. Moreover, if WEU's role was confined solely to crisis management, it could without further ado admit any European country as a member without the question of its membership of NATO arising at the same time. But this is far from the reality. Two possible conclusions can be drawn from these observations: the first is that any ambition to create a European defence is in effect limited to ' non-Article 5 ' missions, which means it could perfectly well be organised outside WEU, for example by creating a peacekeeping force depending directly on the European Council itself. This is in fact one of the options being studied by the European Commission.

138. The alternative is that WEU should be considered as an indispensable organisation for developing a common defence policy and this can be done only on the basis of a global definition of defence, including Article 5. A crucially important question is whether it is politically acceptable for the European Union to endorse flagrant inequalities in security between its member states depending on whether or not they are covered by the NATO Treaty and enjoy United States protection. The ideal scenario for building Europe's security architecture would be one in which the frontiers of the European Union eventually correspond with those of NATO. But is this likely to happen? The Baltic states and Romania, which should be entitled to membership of the Union, do not necessarily have the same prospects in relation to NATO. Unless the process of Union enlargement is brought to a halt, the Union will one day have to raise the question of its own collective defence capability, in other words of the inclusion of an Article 5 in the Treaty on European Union itself.

139. A new impetus to two-way traffic between the Europe Union and the United States in mutual defence and global cooperation is the only credible option in the long term if the purpose behind the notion of a Euro-American partnership is to promote fruitful cooperation between two partners with equal rights and powers. If that is to be achieved, the construction of a genuine European Union with all the diplomatic and military means of power at its disposal is also a way, and perhaps in the end the only way, of saving the alliance with the United States from the existential crisis besetting it now that the original threat that gave it meaning has disappeared. "

APPENDIX I

Organising security in Europe – defence aspects

Contribution from Mr Skarphédinsson, Iceland (Associate member)

I. Introduction

1. At Maastricht, the European member states of NATO still outside the European Union were invited to become associate members of WEU. The new concept of associate membership included a generous array of privileges that enabled the new partners to participate fully in the activities of WEU. The respective nations – Turkey, Norway and Iceland – all accepted the invitation. Due to their geographical positions, all three are of strategic importance to the Atlantic Alliance and all three share a distinguished record as stalwarts of NATO.

2. The relationship at once promised to develop into a marriage of mutual convenience. From WEU's point of view, associate membership for the remaining European members of NATO further emphasised its declared intention to become a true European pillar of the transatlantic partnership with the involvement of those nations that remained outside the European Union. Simultaneously, it consolidated what were already firm relations between NATO and WEU. For the associate members, their new status within WEU was equally advantageous, creating opportunities to engage in close dialogue with the full members of WEU and thereby to wield new influence in the wider context of the European security architecture. So far, initial expectations have been fulfilled. The new associate members have become active participants at all levels of WEU and view it as a welcome and significant addition to their European relations.

3. Paradoxically, when WEU so generously offered a special status to the three NATO partners, it declared at the same time its intention " to build up WEU in stages as the defence component of the European Union ". On that basis, WEU subsequently embarked on reviewing its relationship with the European Union and formal proposals on the future role of WEU within the framework of European security will be put to the intergovernmental conference in 1996.

II. Flawed proposals

4. In the context of the Maastricht Declaration, it is not surprising that ideas being floated on the future role of WEU and most recently put forward by the Reflection Group, suggest the integration of WEU as an intrinsic part of the European Union. Such a development is, however, unlikely to serve the interests of the new associate members and in the long term will not serve to strengthen the security of European citizens. In fact, there are several arguments against WEU being reduced to a formal defence pillar of the European Union.

(a) The transatlantic link

5. The strongest argument relates to the importance of the Atlantic Alliance in the collective defence of Europe. Despite the recent thaw in East-West relations, the transatlantic link still remains vital for democratic stability in Western Europe. That is the brutal lesson of European history this century and it is being demonstrated yet again in Bosnia at this very moment. It is not possible, therefore, to design a credible security structure in Europe without a direct engagement by the United States. Consequently, it is essential that any change in the role of WEU must not be at the expense of NATO.

6. It is a false prophet who claims it is possible to ensure that the proposed changes in WEU will not have a negative effect on the transatlantic link. In fact, it can be argued that if WEU is transformed into the military organ of the European Union, responsibility for the collective defence of Europe would, to some extent, gradually shift from NATO to the Union. In this context, it should not be overlooked that a new generation of policymakers in the United States is already sceptical about the expensive involvement of the United States in Europe. A European Union with an integrated military component would give shortsighted American politicians added reason to argue that Europe should be left to take care of its own security... and shoulder the expense.

7. Such a development would confuse the division of labour between NATO and a changed European Union, and thus tend to undermine the present level of real security. In the long run, it could also place a heavy financial burden on the European allies. In military terms, WEU and its member states are vastly inferior to the Alliance. In fact, to replicate its operational capability in terms of heavy lift, communications and common logistics would cost Europe $100 billion a year. This means that average European spending on

defence would have to rise by 60%. That is simply politically inconceivable. Apart from the vital security factor, $100 billion per year is a sharp reminder of what is at stake.

8. The Atlantic Alliance may be a little frayed at the edges. However, the experience of the last fifty years has proved it beyond any doubt. There is an American saying: " If it ain't broke, don't fix it. " The present defence structure of Europe, through its reliance on the transatlantic link, is in perfect working order. It doesn't need to be fixed.

(b) WEU – a true European pillar?

9. From the point of view of the associate members, a variety of problems will arise if responsibility for the present defence cooperation system in WEU is carried out directly under European Union auspices. For example, how would the interests of NATO members that are outside the European Union be taken into account? How would WEU under such circumstances continue to fulfil its role as the European pillar of NATO? It thus appears, that the proposed change would literally exclude the associate members from having a say in decisions that would nevertheless directly affect their interests.

10. In political terms, it would be very difficult for some associate members to reconcile domestic opposition to membership of the European Union with an unchanged relationship with WEU. Would the Norwegian public, for example, with its decisive no-vote against European Union membership, be prepared to be an active player inside the formal defence institute of the European Union? Most certainly, the Icelandic government of the day would hesitate to propose an unchanged relationship with such a drastically changed WEU.

11. The possibility remains, therefore, that there might be a change in active participation within WEU and even in the formal status of some of the present associate members. Such a development, where member states of NATO would be forced to reduce their level of participation in WEU, would hardly increase the credibility of WEU as a strong European pillar of the Atlantic Alliance. That would not be at all conducive to inspiring trust in the American partners in the Atlantic Alliance. Hence, in the long term, the proposed changes could have a detrimental influence in terms of European defence and security.

(c) The neutral members

12. Integration of WEU in the European Union also poses difficult internal problems for the Union itself. At present, four of the European Union member states are avowed neutral countries and as such do not participate in military organisations. None is a member of NATO and none an active participant in WEU beyond observer status. Still another member, Denmark, although not a neutral state, has for its own reasons opted for non-active partnership in WEU as an observer. Therefore one-third of the fifteen members of the European Union are at present not prepared to take on the commitments in defence matters deriving from full membership of WEU. The position of these five countries is in most cases based on a long-standing tradition and on history and it is irrational to anticipate a complete turnaround in their defence policies. Consequently, the neutral member states can hardly be expected to accept new defence responsibilities deriving from the transformation of WEU into a formal European Union pillar, unless its present defence policy is altered, and presumably weakened. In that case, the proposed change would not only concern the European Union but the common defence policy of the Atlantic Alliance and obviously affect not only the defence interests of the present associate members of WEU, but of the whole of Europe as well.

(d) The Icelandic angle

13. Geography is often a powerful constraint on the formulation of foreign policy. Whilst the world may be in a flux and political systems emerge and vanish, the facts of geography remain immutable and constant. It is perhaps no longer seemly to quote communist sayings, but the apt observation by Stalin springs to mind: " No one can be blamed for geography being what it is. "

14. Iceland is a case in point. Its geographical position, straddling the transatlantic ridge between East and West, in many ways symbolises its relationship with the outside world. Iceland regards itself as a European nation and has striven to establish close links with the member states of the European Union in a wide variety of fields. Similarly, when Iceland, which has a bilateral defence agreement with the United States, was invited to join WEU as an associate member, it accepted, viewing associate status as a way of consolidating its links with the European pillar of NATO.

15. Being forced to side with either Europe or North America would be a disastrous choice for Iceland. For this reason, it has come to view the maintenance and promotion of the transatlantic partnership as a priority in its security and defence interests. This was a lesson that was presumably learnt by Iceland's allies already twice in this century and resulted in the creation of NATO. Of course, it is the prerogative of the members of the European Union to decide for themselves on their

own common defence policy. As they forge ahead they should, however, bear in mind not only their own, but also the wider security interests of Europe as a whole.

III. Future development

16. WEU is already developing along sensible lines. Carefully but slowly it has started to participate in solving regional conflicts within Europe. Its involvement in the embargo in the Adriatic, in monitoring compliance with the economic sanctions on the Danube and in the peacekeeping operation in Mostar reflects a future in which WEU could play a very important role in performing duties which the Alliance is either not prepared or not suited to undertake. The division of labour between NATO and WEU must be clear, however, and absolute responsibility for Europe's common defence and security must continue to rest on the shoulders of NATO. Nevertheless, a strong emphasis on the transatlantic link should not in the least deter WEU from developing its own operational capability. On the contrary, it should strive to increase its military capacity but take good care to avoid unnecessary duplication of existing systems. Instead, the reciprocal use of existing structures should be adopted.

17. Finally, a decision to subordinate WEU to the European Union would only serve to create new divisions, rather than to promote a shared security identity among all European states, whether inside or outside the European Union. Placing WEU under the aegis of the Union would therefore not be conducive to our shared security interests, including the transatlantic dimension. Instead our time would be better spent ensuring that WEU and NATO, two organisations that have served us well in the past, can work together to safeguard our common interests in the future.

APPENDIX II

Organising security in Europe – defence aspects

Contribution from Mr Onyszkiewicz, Poland (Associate partner)

1. The collapse of communism in Poland in summer 1989 started a chain reaction resulting in the end of the bi-polar division of Europe: Germany was reunited and the former Soviet satellites regained full independence. The break-up of the Soviet Union in 1991 brought into existence a range of countries which had either never existed before or had disappeared from the maps half a century earlier.

This entirely new political situation presented a formidable challenge - to redefine and reshape the political and security architecture of a newly emerging Europe. The major problem was to meet the security needs of Central European countries which once again found themselves in the familiar and highly uncomfortable situation of being sandwiched between two major political and military entities – in this instance between NATO, the European Union and WEU to the west and Russia to the east.

2. With a choice of several – at least theoretical – options, the concept of reforming the Warsaw Pact and changing it into a genuine alliance based on true partnership, was never even considered for obvious historical reasons. Similarly, the option of declaring neutrality did not suit the prevailing conviction that, for a country in a geographical location such as Poland, neutrality would have no practical meaning.

For similar reasons, maintaining a position of non-alignment also seemed unacceptable. This would place a country such as Poland in a " grey zone " of buffer states with all the negative consequences. Such a status would not be conducive to internal stability. It would push the country into a position of permanent dissent regarding the influence of powerful neighbours, both close and more distant. Hence, it was strongly felt that Polish security interests could be safeguarded effectively only within a coalition framework.

3. The best solution came as an inevitable consequence of a major political decision which was so natural that it was more or less taken the very day following Poland's newly found full independence and was virtually unanimous. This was the decision to join the process of European integration. In concrete terms, this meant Poland embarking on a quest for membership of the European communities.

The reasons were very profound and basic. The document entitled " Tenets of the Polish security policy ", adopted in 1992 by the government and the President of the republic, puts them in the following form:

> " We can overcome our civilisational delay and become an equal partner for the developed nations only through the swift and effective incorporation of Poland into the economic and political process of West European integration. Voluntary isolation and failure to exploit the opportunity of fast development would undoubtedly lead in time to the marginalisation of the Polish economy and the pauperisation of its society – which in turn could lead to a loss of freedom and sovereignty. Ties with the EC and subsequent full membership will contribute to a decision about our participation in the North Atlantic Treaty Organisation, if we do not become a member beforehand. "

As early as 1991, Poland started negotiations on an association with the European Union and this came into force on 1 February 1994. On 8 April 1994, Poland officially applied for full membership of the European Union.

Poland has also made it absolutely clear that it will seek full membership of WEU as soon as possible.

4. Of the countries aspiring to membership of NATO and WEU, it is Poland that perhaps has the most exposed geographical location. It is worth mentioning that there have not really been any local conflicts involving Poland or Polish territory. For the last 300 years, since Poland lost its status as a European power and could no longer single-handedly confront adversaries, there have been many wars on its territory but all of them were major conflicts involving the big European powers. Because of this, one can say that the " Balkan scenario " is not relevant to Central Europe.

On the other hand, Poland is by far the largest would-be member of the European Union and WEU. In relation to the other Visegrad countries, Poland's population and surface area are by far the largest. This is why Poland in WEU and in NATO would make a quantitative positive difference to both alliances and to the security environment in Europe.

5. It is important to note that, as was rightly mentioned in the Appendix to the report on " Security and Military Cooperation in the Baltic Sea area ", submitted by Mr Marten to the forty-first ordinary session of the Assembly, Poland has exemplary relations with all its neighbours, based on bilateral treaties. Neither are there any problems with minorities in Poland or Polish minorities abroad. Poland is actively developing a process of reconciliation with Germany and similar actions are under way vis-à-vis Ukraine. Poland is also engaged in intensive dialogue with Russia. Besides its very good relations with the United States, Poland is strongly committed to developing Franco-Polish-German cooperation known as the " Weimar triangle " and to increasing even further its contacts with the United Kingdom and other WEU and European Union members.

Over the whole period and despite several changes of government, Poland has followed a consistent, predictable policy aimed at cooperation with all its neighbours, in particular with the West, and at membership of both NATO and the European Union/WEU.

6. To better understand the Polish security environment, it is worth recalling that under the CFE Treaty, Polish holdings of some of the treaty limited equipment are as follows: 1 730 tanks, 1 610 pieces of artillery, 2 150 ACVs. These limits, although higher than the holdings of many WEU countries, should be compared with the holdings of some of Poland's other neighbours such as Belarus which, though four times smaller, has 1 800 tanks, 1 615 pieces of artillery, 2 600 ACVs; in the Kaliningrad area there are 870 HBTs and 980 ACVs [12].

7. As has been said, Poland sees the development of its prosperity, civilisation, stability and security as indivisibly linked to its membership of the European Union, WEU and NATO. The same applies to a range of other Central and Eastern European countries.

However, the prospect of former Soviet satellite countries joining NATO is strongly opposed by Russia. In a report entitled " Poland-NATO ", a group of prominent Polish politicians and analysts said Russian policy towards Poland and Central Europe is:

> " ... subordinated to Russian blueprints for Europe's future geopolitics. The maximum plan is preservation of a belt of militarily, politically and economically weak states and gradual expansion of Russia's presence in this area until its effective power enables it to redraw spheres of influence in this region. Thus, Poland's aspirations and security interests are treated by Russia as a threat to these long-range designs. Fears are also voiced of the possibility of Poland and other Central European countries being used as instruments by the West for gaining influence in Ukraine and other former Soviet republics. Russia's attitude to advancement of stability and wellbeing in Central Europe remains in those circumstances ambivalent, although there is a noteworthy absence of objections to expansion of the European Union and even WEU. The question is, might this be due to Russia's own (negative) assessment of the changes of expansion of these institutions by the end of the century? " [13]

In this context, it is worth quoting theses on Russia and NATO of the Russian Council on Foreign and Defence Policy, where one can find the following assessment of NATO enlargement:

> " Elimination of the belt of the de facto neutral and, as a rule, weakly armed states which has taken shape in the centre of Europe following the demise of the Warsaw Pact, will deprive Russia of a major advantage achieved by its sorting out of the cold war. "

In Munich, at the beginning of February, Andrei Kokoshin, Deputy Minister of Defence of the Russian Federation, once again tried to promote the concept akin to the " Finlandisation of Central and Eastern Europe ".

8. There is no doubt that Russia's relatively " soft " approach to EU/WEU enlargement is due to the following factors:

- full membership of WEU is available only to countries which are both in the European Union and NATO. So, if NATO enlargement could be effectively blocked, there would be no WEU enlargement;
- WEU has (as yet) no military structure of its own and the United States is not a member;
- there is a perception in Russia that WEU is less cohesive and less efficient than NATO, partly due to the absence of clear leadership;
- the process of the enlargement of the European Union will be lengthy and so this issue could be handled later.

9. As an alternative to quick NATO (and WEU) enlargement, a concept of security guarantees for Central and Eastern European countries is

12. The Military Balance 1995/96, International Institute for Security Studies.

13. Poland-NATO report, Euro-Atlantic Association (Poland, 1995).

advanced by the Russians. Official statements and semi-official documents contain several possible options such as bilateral security guarantees by Russia and NATO, unilateral guarantees by NATO or unilateral guarantees by the United States, Germany or other states, possibly codified as treaties.

This type of solution is completely unacceptable. First, the " paper " security guarantees have a very poor reputation in countries such as Poland. Second, if security guarantees were to be serious, then the best way to make them would be to bring the countries concerned into a military alliance and give them cover under Article V of the modified Brussels Treaty or Article 5 of the Washington Treaty.

Security guarantees which appear to be just a formality without any real commitment are worse than none at all.

10. The main reasons for Russia's objections to NATO enlargement (and, undoubtedly, in future to that of WEU) are political as well as psychological. Russia feels that the enlargement of European and Atlantic institutions may create a security system in which there will be no place for Russia. So it is of utmost importance to develop good relations between NATO, WEU and Russia. However, it is unrealistic to hope that Russia can give its consent to NATO enlargement or (when it ceases to be a theoretical question and becomes a real one) to WEU expansion.

11. The much-needed cooperation between WEU and Russia should be copied to produce a similar scheme for Ukraine. It is worth mentioning in this context that Poland is trying to develop intense cooperation with its neighbour, including cooperation in military areas. As an example, there is a plan (already approved by both governments) to set up a Polish-Ukrainian battalion earmarked for peacekeeping operations. Similarly, a Polish-Lithuanian battalion will be set up for the same purpose.

12. The issue of NATO enlargement remains central to the future of European security architecture. It is of direct and very profound relevance to the future of WEU. It was duly noted in the study on NATO enlargement. Paragraph 20 of this study reads as follows:

> " All full members of WEU are also members of NATO. Because of the cumulative effect of the security safeguards of Article V of the modified Brussels Treaty and of Article 5 of the Washington Treaty, the maintenance of this linkage is essential. Both enlargement processes should, therefore, be compatible and mutually supportive. At the same time, WEU is being developed as the defence component of the European Union, which strengthens the relationship between the two organisations. An eventual congruence of European membership in NATO, EU and WEU would have positive effects on European security. The Alliance should, at an appropriate time, give particular consideration to countries with a perspective of European Union membership and which have shown an interest in joining NATO, in order to consider on the basis indicated in this study how they can contribute to transatlantic security within the Washington Treaty and to determine whether to invite them to join NATO. "

13. Poland is one of several Central and Eastern European countries which openly declares its intention to become a member of NATO and a full member of WEU. According to the decision of the ministerial meeting of the North Atlantic Council held in Brussels on 5 December 1995, intensive consultations with Poland and other interested countries will begin as the next stage of the ongoing process of NATO enlargement.

Negotiations on the admission to the European Union of new countries such as Poland will begin, as was clearly indicated, no later than six months after the completion of the 1996 intergovernmental conference. There are hopes that NATO enlargement will proceed faster and, by the time Poland and some other countries are admitted to the European Union, the requirement of NATO membership as a qualification to join WEU as a full member will be met.

In the hope that NATO enlargement can start relatively soon, a number of countries, including Poland, have begun to adapt their armed forces and governmental structures to the requirements of NATO and WEU. For example, in Poland a new comprehensive law on the Ministry of Defence came into force early in 1996, which will bring the military under firm civilian control.

14. The expansion of NATO and, as a consequence, the enlargement of WEU will solve one of the key European problems outstanding at the end of the 20th century. The area of stability will be expanded and will undoubtedly project stability even further. This prospect should not eliminate attempts in other fields to promote a European security system that will no longer be based on a balance of power but on cooperation.

15. In practical terms, the first step is to develop cooperation within the framework of the Partnership for Peace. Poland was one of the first countries to join the PfP and is still one of the most active participants in this programme.

It is worth considering to what extent WEU could be involved in the programme of military exercises carried out within the PfP framework.

16. Besides bilateral military cooperation based on the agreements which Poland has signed with all its neighbours (including Russia) and most of the major WEU and NATO countries, Poland considers regional cooperation as an important factor of stability and mutual trust. In particular, the Baltic region seems to have natural potential as an area for enhanced confidence- and security-building measures going beyond what was already agreed in Vienna in 1990.

Conclusions

17. One of the key problems at the end of the 20th century is how to bring Central and Eastern European countries into a Euro-Atlantic security system, taking into account the sensitivities and security interests of these countries, some of which are not – at least at present – aspiring to membership of the European Union, NATO and WEU or which, for various reasons, cannot count on joining these institutions in the near future.

In particular, this concerns Russia and, to a lesser degree, Ukraine.

18. The process of NATO enlargement is under way. WEU should determine its own policy on this process, because it will, to a large extent, determine the enlargement of WEU.

It seems natural that WEU should welcome the expansion of NATO as well as the expansion of the European Union.

As a result, there will be a group of new members within the European Union who would be in NATO as well and who would then meet all the criteria for full membership of WEU. Therefore, it would be natural to begin a study on WEU enlargement. The intergovernmental conference which is to begin soon should stimulate such a debate within WEU.

APPENDIX III

Organising security in Europe – defence aspects

Contribution from Mr Björck, Sweden (Observer)

I. Introduction

1. The rapid changes in Europe have affected the traditional security policy of Sweden. The core of that policy, non-participation in military alliances, remains unchanged. The present situation in the wake of the cold war, with Swedish membership of the European Union and increasingly rapid globalisation, has not led to fundamental changes, e.g. in our position towards the United Nations or the defence of our territory. But it brings new possibilities for contributing to the strengthening of peace and security in Europe.

2. Sweden has been a member of the European Union since January 1995. European Union membership and participation in the common foreign and security policy improves Sweden's security policy position and provides greater opportunities to play an active part in security policy issues in our neighbourhood as well as in Europe at large.

3. It is Sweden's aim to have good cooperation with all security organisations in Europe. We have a special interest in furthering peace-promoting activities of the organisations in question. The end of the cold war has resulted in more active Swedish participation in conflict prevention, crisis management and peace building. This is a sign of our commitment to laying solid foundations for European stability and peace. A recent example is extensive Swedish participation in IFOR, the peace implementation force in Bosnia-Herzegovina, under NATO command.

4. A higher level of ambition to participate in peace-promoting activities is consistent with a long Swedish tradition of promoting peace and contributing to international security, also at military level, through peacekeeping operations under United Nations or OSCE auspices. Over 60 000 Swedes have since 1948 served in United Nations peacekeeping missions. The largest contribution has been to missions on Cyprus, in Lebanon and recently in Bosnia. We have a special training institute in Sweden for the preparation of peacekeeping forces with participants from many different countries. Experience has shown that special training is crucial for the difficult task of peacekeeping.

5. Sweden has been an observer in Western European Union for just over a year. Its current observer status is compatible with Swedish policy of non-participation in military alliances and provides us with the opportunity to participate in the discussions in this forum of issues of interest to us. We follow with interest the development of WEU activities that conform to the Petersberg Declaration.

6. Sweden's experience of the cooperation which has taken place so far within the framework of the Partnership for Peace is entirely positive.

7. The Organisation for Security and Cooperation in Europe (OSCE) is making a contribution as a forum for a European security dialogue and as a factor in building up a pan-European order which can accommodate the security interests of all European states. The organisation's principal task today is conflict management, chiefly of a preventive nature. Under the framework agreement for peace in Bosnia-Herzegovina, the OSCE has been given a key role in building peace, democracy and stability in that region.

II. Security policy objectives

8. The ultimate goal of Swedish security policy is to secure the freedom and independence of our country. To a large extent, Sweden's policy in the foreign and defence policy sphere is guided by our security objectives. This is reflected in the fact that our security policy has both a national and an international dimension.

9. Traditionally, it tends to be said that states have two kinds of security objectives: to survive and to protect their autonomy. In other words, states want to retain their internal and external freedom of action, even when subject to external threats, thus enabling their citizens to live a dignified and decent life. The object of security policy is to establish the prerequisites for such a state of affairs.

10. This means that, at *national* level, we must be able to address military threats which directly affect Sweden. The most serious type of threat would be military attack aimed at our freedom and independence. We must also anticipate and be able to deal with situations which might involve serious tension or risks, even if they did not actually represent a threat to Sweden's freedom and independence.

11. At *international* level, we must actively participate in peace-promoting and humanitarian measures, in cooperation with other states. In this endeavour to achieve common security, we will be pursuing our long tradition of working for peace and disarmament, particularly within the framework of the United Nations, and for democratic, social, economic and ecologically sustainable development. We must also cooperate at international level to anticipate and deal with non-military threats and tension.

12. In the case of Europe, our overriding security policy objective is to achieve lasting safeguards for close cooperation between all states in a spirit of confidence. In this connection, developments in Central and Eastern Europe tending towards a deeper democratic culture, economic and social progress, a better environment and greater openness to the rest of the world is also a fundamental Swedish interest. The foundations of Swedish security must increasingly lie in common security, based on durable political and economic relationships between democratic states.

III. Non-participation in military alliances

13. Sweden's policy of non-participation in military alliances gives us the possibility to decide on our position in the event of war in our vicinity. It is also the national security policy framework which offers the best possibility of meeting Swedish security policy interests in a changed Europe. This policy requires the maintenance of an adequate and secure defence capability. By maintaining a credible basis for the long-term strength of our total defence, we are making our contribution to stability in northern Europe.

14. If the security situation deteriorates, our security policy should help to limit tension in our neighbourhood. Apart from being able to defend our territory against armed aggression and attack, we must also be able to take action at foreign policy level to protect Swedish interests in case of attack or threats of attack in situations in which normal relations between states may have broken down or are not functioning properly.

15. The policy of non-participation in military alliances has roots which go back to the situation that prevailed in 19th century Europe. The traditional description of Swedish security policy as non-participation in alliances in time of peace, aiming at neutrality in time of war, which is often summarised in the public debate as the policy of neutrality, was established in a climate characterised by the cold war. Even a country which chose to pursue an independent security policy outside the major blocs could not ignore this climate – it had to bear a special burden and responsibility for making its chosen policy credible. As a result, Sweden refrained from any form of cooperation and commitments which might have involved our country in the foreign policy and security conflicts of the great powers and which in turn might have led to doubts about our intentions and our ability to implement our declared policy.

16. An important objective in Swedish foreign policy was to avoid causing uncertainty in the form of fears or expectations on the part of any major power that Sweden might allow itself to be used to the advantage of one side or the other in a critical situation. In view of this objective, our commitments to European cooperation came to be characterised by self-imposed restrictions and restraint.

17. In this respect too, the situation which prevailed in our part of the world has now changed fundamentally. The relationships which are being built up in the new Europe are characterised by extensive and growing cooperation in a network of partially overlapping and cooperating bodies and structures, within which cooperation also includes security policy. This is a question of qualitatively new forms of cooperation for European security in which all European countries have a part to play.

18. This means that the prerequisites for Swedish security policy are not the same as they were in the cold war epoch. Active participation in European cooperation is now necessary if any state is to be able to influence developments and to contribute to the establishment of a new order for peace and security on our continent. This applies not least to small and medium-sized European countries.

19. The retention of a policy of non-participation in military alliances does not require that Sweden would need to apply self-imposed restrictions in any other respects as regards participation in the multi-faceted form of European cooperation which is emerging. On the contrary, Swedish security policy is characterised by active and full participation in efforts to achieve the objectives which are now shared by all European states. Our ambition is to make effective contributions to joint peace-promotion and humanitarian measures, both in Europe and elsewhere, and to establish an effective European crisis-management capability which functions well and can contribute to promoting stability and the peaceful settlement of conflicts in the European area.

IV. The Baltic Sea region

20. Development of common security and stability in the Baltic Sea region, our own neighbourhood, is of prime importance for Swedish security. In order to promote the stability and prosperity of the region, Sweden places great emphasis on

regional cooperation among the Baltic Sea states. As Chairman of the Council of Baltic Sea States, the Swedish Government has invited the Heads of Government of the CBSS and the President of the European Commission to a summit conference in May this year. The purpose of the conference is to support democracy, encourage economic cooperation and contacts and further develop environmental measures. Sweden considers that the European Union has a particular responsibility to support stability in the region and welcomes the preparation by the Commission of a Baltic Sea region initiative.

21. Sweden's bilateral cooperation plan to promote security in the Baltic states includes initiatives in the areas of coast guard services, border control, police, customs and civil defence. The setting-up and training of a common Baltic peacekeeping force, the Baltic battalion (BALTBAT) is a joint initiative of the Nordic states with a number of other countries (Germany, the United Kingdom and the United States). Cooperation among parliamentarians is a valuable stimulus to cooperation among the Baltic Sea states and helps to develop democratic processes and parliamentary culture. Annual parliamentary conferences are being held under the auspices of the Nordic Council to consider cooperation in the political and security fields as well as on economic and environmental questions.

22. The integration of the Baltic states into the European Union is of major security policy interest and will benefit not only their immediate neighbours, but Europe as a whole.

V. Organisations for European security

23. It is the Swedish ambition to cooperate in the promotion of peace and security with all the organisations which form the pillars of the European security structure. In addition to our participation in the United Nations and the OSCE, we participate in the common foreign and security policy of the European Union, are observers in WEU and cooperate with NATO and the majority of European states in the framework of the Partnership for Peace. We contribute to the work of strengthening democracy in Europe through the Council of Europe. The OSCE, the Council of the Baltic Sea states and the Barents Euro-Arctic Council have a special value from a Swedish security policy point of view in that Russia is an equal partner in cooperation.

24. The common foreign and security policy of the European Union, including preventive action, and WEU crisis-prevention, peacekeeping and crisis-management capabilities should be seen as complementary tools in a broad spectrum of instruments to deal with the new security challenges. The European Union's capacity, both to prevent conflicts and to handle them once they have broken out, should be enhanced. Sweden's policy of non-participation in military alliances does not restrict us in areas other than aspects related to Article V of the modified Brussels Treaty. Consequently, the scope for joint action is wide. We are prepared to participate, on a case-by-case basis, in WEU Petersberg-type operations such as humanitarian actions, peacekeeping operations and crisis-management.

25. An important factor influencing European stability and security is the enlargement of the European Union to those countries in Central and Eastern Europe aspiring to membership. It is important that enlargement of the European Union does not exclude Russia from intensified cooperation with the Union.

VI. Conclusions

26. Over a long period of time, Sweden followed a policy of neutrality. This is now history. In the last few years, Sweden has become a member of the European Union and the Partnership for Peace and is an observer in Western European Union. There are Swedish IFOR troops in Bosnia under NATO command. All this should be seen as evidence that Swedish foreign and security policy is being analysed with the new situation in Europe as the point of departure. It is a process which will no doubt continue, with an openness on the Swedish side to discuss new situations as they arise, to analyse without censuring and to judge every situation on its own merits.

27. Many of the security organisations that we now have are designed for the cold war situation which existed previously, not for today's European climate. Changes are thus necessary, and on their way. We will follow the developments in various fields with great interest. Sweden is prepared to contribute to reforms which could lead to improvements in the organisation of security in Europe.

28. The main goal must be to be able to prevent regional conflicts in Europe. But if such conflicts do break out, they must be solved in a European context. This underlines the need for the creation of a European framework in which action could be taken rapidly. The European Union is primarily an economic institution.

29. The experience of the war in former Yugoslavia clearly indicates that Europe does not have the military and civilian resources to act efficiently. It is therefore necessary to create a European military structure for handling regional conflicts in our part of the world. Against this background, it is my opinion that WEU should be the European instrument responsible for the tasks indicated above.

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