

Conclusions of the Rome European Council: extract concerning the Intergovernmental Conferences (27 and 28 October 1990)

Caption: On 27 and 28 October 1990, at a time when German reunification marks a decisive moment in the process of European integration, the European Council meets in Rome to hold a wide-ranging discussion on preparations for the two Intergovernmental Conferences (IGCs), one on Economic and Monetary Union and the other on Political Union, which are planned for December.

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Rome European Council (27 and 28 October 1990) Presidency Conclusions

The European Council heard a statement from Mr BARON, President of the European Parliament, on the main topics on the agenda for the meeting. In his opening address, President ANDREOTTI also welcomed Germany's recovery of its national unity and congratulated Chancellor KOHL and Foreign Minister GENSHER on the decisive roles they had played in this historic event which they saw as consciously helping to accelerate European integration.

I. Progress towards European Union

At this crucial time for Community integration, the European Council has decided to take a further step towards European unity.

The European Council held a detailed discussion, on the basis of the reports submitted by the Presidency, on the state of preparation of the two Intergovernmental Conferences on Political Union and Economic and Monetary Union to open in December of this year and to proceed simultaneously, in accordance with the timetable set in Dublin.

1. Conference on Political Union

The European Council expressed its appreciation of the report from the Presidency and of the Commission's Opinion pursuant to Article 236 of the Treaty, which constitute substantial contributions to future proceedings.

The European Council confirmed the will progressively to transform the Community into a European Union by developing its political dimension, strengthening its capacity for action and extending its powers^(x) to other supplementary sectors of economic integration which are essential for convergence and social cohesion. European Union will be the culmination of a progressive process agreed by common accord among the Member States; it will evolve with due regard being paid to national identities and to the principle of subsidiarity, which will allow a distinction to be made between matters which fall within the Union's jurisdiction and those which must remain within national jurisdiction.

In accordance with the democratic tradition of all Member States, and to increase the democratic legitimacy of the Union, the progress of the Community towards European Union must be accompanied by the development of the European Parliament's role in the legislative sphere^(x) and with respect to the monitoring of the activities of the Union, which, together with the role of the national Parliaments, will underpin the democratic legitimacy of the Union. This same requirement will be met by defining European citizenship^(x), to be additional to citizenship of a Member State, as well as by taking account, in accordance with appropriate procedures, of the particular interests of the regions.

At the same time, efforts will be made to strengthen the other institutions within a balanced framework by developing the instruments and procedures which have hitherto guaranteed the Community's success. The tasks of the European Council and of the General Affairs Council will also be adjusted in line with these new responsibilities.

In the sphere of foreign policy, the European Council recorded consensus on the objective of a common foreign and security policy^(x) to strengthen the identity of the Community and the coherence of its action on the international scene, both of which must be capable of meeting new challenges and commensurate with its responsibilities. The Community's international action will be open to the world and will give a significant role to development policy. The Community will also strengthen its links with the other European countries for which ever-closer co-operation structures must be sought geared to their individual circumstances.

The European Council noted the need to review the procedures and mechanisms for preparing, adopting and

implementing decisions where foreign policy is concerned, so as to increase the coherence, speed and effectiveness of the Community's international action.

The European Council considers that no aspect of the Union's external relations will in principle be excluded from the common foreign policy. The European Council noted that there was a consensus to go beyond the present limits in regard to security^(x). The content and detailed rules for the role of the Union in the security sphere will have to be defined gradually in the light of the various aspects covered by this concept and without prejudice to the obligations arising out of the security arrangements to which Member States are party.

The European Council requests the Foreign Affairs Ministers to continue the preparatory work leading up to the opening of the Intergovernmental Conference. The Presidency will report on this work and will take account of the Opinions of the European Parliament and the Commission.

2. Conference on Economic and Monetary Union

The European Council in Madrid fixed the date for the start of the first phase of Economic and Monetary Union; in Strasbourg and Dublin it set the timetable for the Intergovernmental Conference and the ratification of its results. It now notes with satisfaction the important developments that have occurred in the wake of these decisions.

The European Council takes note of the results of the preparatory work that constitutes the basis for the Intergovernmental Conference.

For the final phase of Economic and Monetary Union eleven Member States consider that the work on the amendment of the Treaty will be directed to the following points:

- for Economic Union, an open market system, that combines price stability with growth, employment and environmental protection; and is dedicated to sound and sustainable financial and budgetary conditions and to economic and social cohesion. To this end, the ability to act of the Community institutions will be strengthened;
- for Monetary Union, the creation of a new monetary institution comprising Member States' central banks and a central organ, exercising full responsibility for monetary policy. The monetary institution's prime task will be to maintain price stability; without prejudice to this objective, it will support the general economic policy of the Community. The institution as such, as well as the members of its Council, will be independent of instructions. It will report to the institutions which are politically responsible.

With the achievement of the final phase of Economic and Monetary Union, exchange rates will be irrevocably fixed. The Community will have a single currency - a strong and stable ecu - which will be an expression of its identity and unity. During the transitional phase, the ecu will be further strengthened and developed.

The second phase will start on 1 January 1994 after:

- the single market programme has been achieved;
- the Treaty has been ratified; and, by its provisions:
 - a process has been set in train designed to ensure the independence of the members of the new monetary institution at the latest when monetary powers have been transferred,
 - the monetary financing of budget deficits has been prohibited and any responsibility on the part of the Community or its Member States for one Member State's debt precluded;

- the greatest possible number of Member States have adhered to the exchange rate mechanism.

The European Council recalls that, in order to move on to the second phase, further satisfactory and lasting progress towards real and monetary convergence will have to be achieved, especially as regards price stability and the restoration of sound public finances.

At the start of the second phase, the new Community institution will be established. This will make it possible, in particular:

- to strengthen the co-ordination of monetary policies;
- to develop the instruments and procedures needed for the future of a single monetary policy;
- to oversee the development of the ecu.

At the latest within three years from the start of the second phase, the Commission and the Council of the monetary institution will report to the ECOFIN Council and to the General Affairs Council on the functioning of the second phase and in particular on the progress made in real convergence, in order to prepare the decision concerning the passage to the third phase, which will occur within a reasonable time. The General Affairs Council will submit the dossier to the European Council.

The Treaty may lay down transitional provisions for the successive stages of economic and monetary union according to the circumstances of the different countries.

The United Kingdom is unable to accept the approach set out above. But it agrees that the overriding objective of monetary policy should be price stability, that the Community's development should be based on an open market system, that excessive budget deficits should be avoided, and that there should be no monetary financing of deficits nor the nor the assumption of responsibility on the part of the Community or its Member for the Member State's debts. The United Kingdom, while ready to move beyond stage one through the creation of a new monetary institution and a common Community currency, believes that decisions on the substance of that move should precede decisions on its timing. But it would be ready to see the approach it advocates come into effect as soon as possible after ratification of the necessary Treaty provision.

3. Organization of conferences

Both intergovernmental conferences will open on 14 December 1990. Arrangements for the organization of the Conferences will be as set out in Annex I.

[...]

Annex I Organization of the conferences

The composition of national delegations will be decided on by the respective Governments. The Commission will be invited to take part with its own representative.

In accordance with the conclusions of the Dublin European Council of 25 and 26 June 1990 the necessary coherence in the work of the two Conferences will be ensured by the Foreign Ministers. The Foreign Ministers will be assisted by their personal representatives at the Conference on Political Union and those representatives may also participate in the work of the Conference on Economic and Monetary Union. The President of the Commission will also designate his own representative. Consistency and parallel progress in proceedings will also be ensured by means of regular contacts between the President of the Commission and the Presidency of the two Conferences (Conference on Political Union and Conference on Economic and

Monetary Union).

Interinstitutional meetings will be held during the Conferences. In addition to the regular contacts between the Chairman of the Conference, the President of the Commission and the President of the European Parliament, the latter may ask to address the Conference before the start of some of its meetings.

The Secretary-General of the Council will take the necessary steps to provide secretarial services for the two Conferences.

[...]

(x) On these points the United Kingdom delegation prefers not to pre-empt the debate in the Intergovernmental Conference.