POWERFUL BUT INTEGRATIONIST:
GERMAN BEHAVIOUR REGARDING EUROPEAN INTEGRATION

by
AMIR-HASSAN ABEDI-DJOURABTCHI
M.A., Universität Hannover, 1992

A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF
THE REQUIREMENTS FOR THE DEGREE OF
MASTER OF ARTS
in
THE FACULTY OF GRADUATE STUDIES
(Department of Political Science)

We accept this thesis as conforming
to the required standard

THE UNIVERSITY OF BRITISH COLUMBIA
September 1995
© Amir-Hassan Abedi-Djourabtchi, 1995
In presenting this thesis in partial fulfilment of the requirements for an advanced degree at the University of British Columbia, I agree that the Library shall make it freely available for reference and study. I further agree that permission for extensive copying of this thesis for scholarly purposes may be granted by the head of my department or by his or her representatives. It is understood that copying or publication of this thesis for financial gain shall not be allowed without my written permission.

Department of **POLITICAL SCIENCE**

The University of British Columbia  
Vancouver, Canada

Date **SEPTEMBER 07, 1995**
ABSTRACT

This thesis analyzes Germany's policy towards European integration by examining both its motivations for participating in the process of European integration and its limits of acceptance of further integration. It concentrates on the early 1950s and on the years following the end of the partition of Germany — two critical junctures when the Federal Republic of Germany has had to make decisions of general principle about its future role in Europe.

Germany is of special interest because it is a rather distinctive case: very pro-integrationist despite being large and increasingly powerful. Support for European unification has been a fundamental assumption of German political behaviour from the earliest days of the Federal Republic. In the period 1949 - 1957, however, Germany's position towards European integration was more fluid.

Germany's main motivations for participating in the process of European integration were initially moral rehabilitation and the regaining of sovereignty. Another important motivation has been the creation of internal and external stability. Regional integration has been regarded as the most appropriate strategy for achieving these aims.

Yet there are certain areas where Bonn has been less willing to make compromises. Since the 1950s one of Germany's foremost limits of acceptance of integration has been to not foreclose the possibility of German reunification.

Since 1990, when reunification was finally achieved,
Germany's limits of acceptance are centred on three principles: free trade, monetary stability, and subsidiarity/federalism. These principles have been essential for the successful political and economic development of the Federal Republic. Germany, therefore, wants to see them firmly established in the European Union.

The Federal Republic's distinctiveness can be explained by its historical experience. West Germany's political and economic structure was created in the early 1950s. These formative years also saw the Federal Republic's integration into the West and participation in the process of European unification. West Germany's successful economic and political development was therefore seen as being a result of these two interconnected processes. Germany's disastrous prewar history combined with more than forty successful years in an interlocking network of international institutions has minimized the importance of classic state-sovereignty for the Federal Republic.
# TABLE OF CONTENTS

Abstract                                      ii  
Table of Contents                             iv  
List of Tables                                 v   
Acknowledgement                                vi  
Chapter One: INTRODUCTION                     1   
Chapter Two: WHAT IS EUROPEAN INTEGRATION ALL ABOUT?  16
  2.1 The historical development
     of the European Communities                16
  2.2 The main institutions of the
     European Union                               26
Chapter Three: GERMANY AND EUROPEAN INTEGRATION 33
  3.1 Germany's European policy under
     Chancellor Adenauer                           33
  3.2 Opposition to Adenauer's
     European policy                               42
Chapter Four: REUNITED GERMANY AND EUROPEAN INTEGRATION 58
  4.1 German reunification in the context
     of European integration                      58
  4.2 The Maastricht Treaty and its
     aftermath                                       70
Chapter Five: CONCLUSION                       90
Bibliography                                  106
LIST OF TABLES

<table>
<thead>
<tr>
<th>Table</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Table 1:</td>
<td>EU-Membership - Date of Accession</td>
<td>23</td>
</tr>
<tr>
<td>Table 2:</td>
<td>Council of Ministers - Voting Allocation</td>
<td>28</td>
</tr>
<tr>
<td>Table 3:</td>
<td>The European Parliament, 1958-1995</td>
<td>30</td>
</tr>
<tr>
<td>Table 4:</td>
<td>Germany's export quota, 1910-1980</td>
<td>87</td>
</tr>
</tbody>
</table>
ACKNOWLEDGEMENTS

For his unfailing encouragement, his constructive criticism, his patience and concern, my warm thanks go to my supervisor, Professor Alan Siaroff, who spared no efforts to guide me until the final completion of this thesis. Thanks also go to Professor Mark Zacher, my second reader, for his helpful comments. I would also like to thank my friend Tolga Otkun for his invaluable help during my research in Hanover, Germany.

Throughout my graduate studies the Department of Political Science provided me with teaching assistentships, and I gratefully acknowledge this support.

I would like to expand a special thanks to my fellow students, who made my year at the University of British Columbia a very interesting one indeed. Finally, my deepest appreciation goes to my parents, Dr. Mirza and Anvar Abedi, to whom I owe everything.
CHAPTER ONE: INTRODUCTION

The German Basic Law ('Grundgesetz') was officially proclaimed on May 23, 1949. Four years after the end of the Second World War, this constitutional document marked the beginning of a new Germany that was restricted to the Western zones of occupation. Owing to Germany's history, the Basic Law recognized the importance of international organizations for security, German reunification, and economic development. Its preamble stipulated that the Federal Republic of Germany should preserve peace in the world as an equal member of a unified Europe and complete the reunification and secure the freedom of Germany through self-determination.¹

European integration, reunification, and the restoration of Germany's sovereignty were the three main objectives of the foreign policy of the Federal Republic of Germany. The divided Germany and its future role in Europe constituted the so-called 'German question'. For more than forty years this 'German question' was in a strange state of suspense which was not only characterized by the partition of Germany but also by the division of Europe. For a long time the general view was that the reunification of Germany could only be achieved at the end of a process in which all of Europe would gradually grow together. However, the radical change that brought about the fall of the communist regime in East Germany in 1989/90 and led to the reunification of Germany on October 3, 1990 reversed this

¹Bundeszentrale für politische Bildung, Grundgesetz für die Bundesrepublik Deutschland: Textausgabe, (Bonn: Bundeszentrale für politische Bildung, June 1993), 11.
chronological sequence.

Since reunification has turned the new Germany into a potential premier power in the centre of the continent, the Federal Republic has to define its future international role even as it tackles the domestic problems of unification. Of special importance is, thereby, its role in Europe, because Europe has always been, and will most likely continue to be, the focal point of Germany's foreign policy.

This thesis tries to analyze Germany's policy towards European integration. Germany is of special interest because it is a rather distinctive case. It appears to be much more integrationist than the other two powerful members of the European Union, Britain and France. This thesis analyzes the German case by examining on the one hand its motivations for participating in the process of European integration and on the other hand its limits of acceptance of further integration. It will, thereby, concentrate on the early 1950s and on the years following the end of the partition of Germany. The main reason for concentrating on these two time periods is that they are the two critical junctures in which the Federal Republic has had to make decisions of general principle about its future role in Europe. The international system was undergoing far-reaching changes both after World War II and after the end of the Cold War. These two time periods represent the beginning and the end of the Cold War and a world order that was based on bi-polarity. Moreover, these two time periods show the importance, one might even say centrality, of Germany for the process of European integration. The development of the process of European
integration both in its initial phase in the early 1950s and during the negotiations that led to the Treaty on European Union was always closely connected to the fact that Germany's position in Europe seemed to be in a state of flux. Between the mid 1950s and 1989 the 'German question' was not to the fore, because it appeared to be neutralized through the seemingly irreversible partition of the country. But, after the end of World War II up to the mid 1950s - one might only think of the Stalin-note of 1952\(^2\) - as well as after 1989 the 'German question' has been on top of the agenda in Europe. This revived old fears of German hegemony among its European neighbours. These fears derive mainly from the historical experiences these countries had with Germany's European policy between 1870 and 1945. The possibility that Germany might return to these earlier patterns of its foreign policy seemed to be all the more likely with a possible reunification of the country. Especially France has been worried about the possibility of a drift of the Federal Republic to the East and a new German nationalism in the West. Each time these fears reemerged they resulted in an acceleration of the process of European integration.

The future role of Germany will be of special significance to Europe. In many respects 1990, as previously 1949, represented a new beginning for the Federal Republic. As a result of the decomposition of communism in Eastern Europe, reunited Germany is once again situated in the centre of an continent that tries to overcome its division. It, therefore,

\(^2\)On March 10, 1952 the Soviet Union published a note in which it proposed the reunification of Germany under the condition that the country would be neutralized and that all occupation forces would be withdrawn.
feels a very pressing need to devote attention and resources to the reconstruction of the former East Germany and to assist the states of Eastern Europe. This on the other hand left Germany's neighbours wondering whether the Bonn government will continue with its orientation towards the West and European integration or whether it will look to the East once more, now from a position of political and economic supremacy. According to several worst case scenarios the unified Germans, suddenly comprising 80 million people in a single country, would try to dominate Europe. They would use their central location and power to take advantage of Eastern Europe's weaknesses; or they would play East and West off against each other; or they might even foster a privileged relationship with Russia to the disadvantage of the West. So the 'German question', which until 1990 had been the problem of German partition, has reappeared in a new and totally different form.

Before we turn to analyzing the German case, though, a more general look at the reasons as to why states might participate in a process of regional integration and at their limits of acceptance of integration seems to be in order. The following overview is, however, not intended to be exhaustive, rather it tries to introduce the reader to some of the points made by liberals/functionalis and realists/inter­governmentalists. The liberal or functionalist theory and the realist or intergovernmentalist theory each put forward various possible motivations for states to engage in regional integration and various limits to the acceptance of integration.

First of all, both schools of thought agree that
international co-operation is possible, but they have differing views concerning the ease and likelihood with which this is to occur. Realists view international co-operation as more difficult to achieve, harder to maintain, and more reliant on state power than do liberals. This is due to the fact that according to the realist image nation-states are the most powerful actors in the international arena. States are constantly striving to maintain and enhance their power relative to one another. Governments of nation-states are not, from this perspective, expected to do things that would go directly against the national interest. One of the central theses of liberalism, on the other hand, stresses the gradual transformation of international relations. According to that point of view the establishment of conditions of justice, prosperity, and peace, will ultimately lead to the achievement of greater human freedom. Since the growth of international co-operation is essential to the realization of that ultimate goal, liberals believe that mutualities of interest and noncoercive bargaining will become evermore prominent characteristics of international life.  

Liberals and realists basically agree that both national security and economic welfare are important, but they differ in the relative emphasis they lay on these aims. Whereas realists maintain that nation-states are concerned first and foremost with the former, liberals point out that economic welfare and

international commerce is much more important to modern democratic states than military power. They argue that for governments to retain their legitimacy economic success is of fundamental importance. The general desire for greater economic welfare among the people of modern democratic states therefore leads to the development of common interests and consequently to a policy that supports mutually beneficial commerce and collective security. The process of modernization, especially in the realm of science and technology, has significantly expanded the opportunities for mutual benefits through economic exchanges. Increasing economic exchanges lead to growing interdependence which motivates states to seek international co-operation and co-ordination to manage flows of goods, services, and factors of production more effectively than would be possible through unilateral policies. Modern economies of scale also create strong incentives for states to co-ordinate their policies in creating larger markets, because states which want to provide their citizens with the same level of welfare as other industrialized states are increasingly pressured to be part of a larger market.\(^4\)

Liberals maintain that as a result of increasing interdependence states recognize the necessity to harmonize their policies in order to guarantee the continued supply of public goods for which the state is domestically responsible, such as socio-economic equality, macroeconomic stability and regulatory protection. This is of special importance where economic interdependence links jurisdictions since conflicting national

policies may undermine each other's effectiveness. Moreover, in order to ensure economic welfare, governments will also be motivated to pursue international co-operation for the purpose of controlling the adverse effects of interdependence.⁵

Some liberals assert that when decision makers realize the effects of interdependence they will accept the uselessness of unilateral policies in the international political arena, and this ultimately leads to an increase in common values, beliefs, and interests. In order to facilitate commerce and the welfare of their citizens different states will accept certain common rights and obligations and finally begin to integrate by setting up common rules and formal institutions.⁶

Another possible motivation for integration put forward by the liberal/functionalist school of thought stresses the fact that states have a mutual interest in creating common institutions, because these institutions facilitate co-operation by enhancing the quality of information as well as reducing uncertainty and transaction costs - the costs of identifying issues, negotiating bargains, codifying agreements, and monitoring and enforcing compliance - among partners.⁷

In the functionalist conception of the integration process states initially adopt strategies of action which converge in the establishment of permanent regional institutions for the purpose of attaining certain common objectives. The


⁶Moravcsik, 484; and Zacher and Matthew, 131, 133-134.

⁷Zacher and Matthew, 125-126, 135-136.
achievement of these objectives is made difficult by the presence of certain tensions. Even where regional integration results in mutually beneficial outcomes, governments often have dissimilar preferences concerning the allocation of the benefits, leading to controversy over the precise terms of co-operation. States and domestic groups that are disadvantaged by this kind of co-operation are likely to oppose it even where integration has generated net gains for society as a whole. Further integration is only possible where governments can collectively overcome such opposition. Liberals, therefore, maintain that regional integration works best where the opportunity for all to gain without harming anyone is greatest.8

In contrast to the liberal/functionalist theory, the realist/intergovernmentalist theory seeks to analyze regional integration as the result of strategies followed by nation-states acting rationally on the basis of their preferences and power. According to that view, national governments accept the establishment of common institutions only insofar as they enhance the autonomy of national political leaders vis-à-vis particularistic groups within their domestic polity or if they strengthen, rather than weaken, their control over the domestic sphere, thereby enabling them to reach goals otherwise unachievable. Decisions to participate in regional integration are, therefore, seen as being the result of conscious calculations to find a balance between stronger domestic control, on the one hand, and acceptable levels of political risk.

concerning the possible loss of sovereignty on the other.\(^9\)

Other realist explanations as to why states might be motivated to engage in integration refer to the external security environment - European integration, for example, has been viewed as largely resulting from the bi-polar world order and the Cold War - or put forward the 'concept of balancing'; according to that concept the renaissance to the European Community in the early 1980s can be attributed to the rising challenge of Japan. Closely connected to the latter concept is the 'binding thesis', which tries to explain, why 'weaker' countries may seek the institutionalization of co-operative ties with 'stronger' partners - EMU, for example, is seen as an attempt to reduce German domination of European monetary affairs by binding it into an arrangement that provides for a single currency.\(^10\)

Realists, unlike liberals, put much more emphasis on the limits of acceptance of integration than on the possible motivations for integration. This can be explained by a key realist assumption, namely, that international anarchy, often defined in terms of the absence of government, shapes the 'substantive rationality' of states. The realist point of view asserts that institutions are of little importance to states. Nation-states tend to be sceptical about co-operation out of a fear of becoming dependent on their partners. This is further

\(^9\)Moravcsik, 496, 507.

supported by a conception of the nation that places value on autonomy, independence and the preservation of sovereignty.11

Another distinction between the liberal and the realist point of view is that whereas liberals are more concerned with absolute gains from international co-operation, realists stress relative gains as being more important for the explanation of state's actions. According to realists, the possibility of a gap in gains is a serious obstacle to integration. States are apprehensive of co-operation, because other countries might become more domineering or potentially more powerful through the achievement of disproportionate gains. Moreover, even if a state is relatively certain that a partner will not use gaps in gains against it in the present or in the foreseeable future, it may still worry about such gaps because it cannot rest assured that new leaders or a new government in the more distant future might use gaps in gains against it. Therefore, states have to be viewed as, what Grieco has termed, 'defensive positionalists', which are "interested in achieving and maintaining relative capabilities sufficient to remain secure and independent in the self-help context of international anarchy."12

Realists also maintain that liberals vastly overestimate the willingness of nation-states to give up parts of their sovereignty in favour of supranational bodies. Nation-states would give up sovereignty only in areas which Stanley Hoffmann termed 'low politics'. These include the economic and welfare

11Baldwin, 14; and Grieco, 329.
12Baldwin, 6; and Grieco, 303.
issues that were the starting point of European integration. In these 'low politics' areas integration might occur, but as soon as the attempt would be made to extend integration from 'low politics' into the field of 'high politics', i.e. the areas associated with national security and prestige, such as foreign policy, defence, and monetary policy, integration would be impossible.  

Moreover, Hoffmann asserts that there is a lack of any appreciation of nationalism in the liberal school of thought, but he believes that nationalism plays an important role especially where integration tries to pass from 'low politics' to 'high politics'. Hoffmann proposes a threefold distinction of nationalism in order to better understand the effect it has on a nation's attitude towards regional integration. 'National consciousness', his first distinction, is described as a 'feeling', "a sense of cohesion and distinctiveness" which differentiates groups from one another, but does not necessarily inhibit sacrifices of sovereignty. The second distinction he makes refers to the 'national situation' of a country, that is, a 'condition' which is made up of internal features of a country and its position in the world. This 'condition' can either promote or impede a nation's willingness to pursue regional integration. Unlike the first two factors, 'nationalism', Hoffmann's third distinction, is an obstacle to supranational

---


14Hoffmann, 75.
unification, because it has the preservation of the nation as its highest good.\textsuperscript{15}

Realists stress the survival of the nation-state, because they view it as being preserved by "the resilience of national political systems, by the interaction between separate nations and a single international system, and by leaders who believe in the primacy of 'high politics' over managerial politics and in the primacy of the nation."\textsuperscript{16}

In summary, one can say that the main differences between liberalism and realism start with the central theses of these two schools of thought. Liberal international theory stresses the fact that the process of modernization and, stemming from this, growing interdependence promote increasing international co-operation and, thereby, the spread of democratic values. This development gradually transforms international relations such that they promote greater human freedom by establishing conditions of peace, prosperity, and justice, ultimately leading to the development of common values and beliefs among nations. The realist image on the other hand puts much more emphasis on the nation-state, which is regarded as the most powerful actor in the international arena. Since, according to the realist view, this arena is characterized by international anarchy and states are constantly striving to maintain and enhance their power relative to one another, nation-states tend to be sceptical about co-operation out of a fear of becoming dependent on their

\textsuperscript{15}Hoffmann, 75-76.

\textsuperscript{16}Hoffmann, 96,
partners. They, therefore, do not tend to attach great importance to international institutions, and their behaviour towards regional integration is determined by their national interest.

Following from these respective initial assumptions are the motivations and limits of acceptance of integration which both schools of thought put forward. Although both realists and liberals agree that international co-operation is possible, they have differing views concerning the ease and likelihood with which this occurs. As we stressed earlier, since realists put more emphasis on the nation-state they view international co-operation as more difficult to achieve, harder to maintain, and more reliant on state power than do liberals. Liberals do not deny the important role the nation-state plays in international relations, but they maintain that as a result of increasing interdependence states recognize the necessity of harmonizing their policies in order to manage flows of goods, services, and factors of production more effectively than would be possible through unilateral policies. Thus, liberals attach great importance to economic welfare and international commerce. While realists acknowledge the importance of these factors, they regard national security as the most important motivation for states' actions. Realists, therefore, assert that nation-states accept the establishment of common institutions only (a) insofar as they enhance national political leaders' control over the domestic sphere, or (b) as a result of the external security environment. Liberals, however, maintain that since common institutions facilitate co-operation by enhancing the quality of information
as well as reducing uncertainty and transaction costs among members, states have a mutual interest in creating these organizations.

Turning to the limits of acceptance of integration, the liberal school of thought points to the probability that states and domestic groups which are disadvantaged by regional integrative arrangements are likely to oppose them. Therefore, liberals assert that co-operation is most likely where the opportunity for all to gain without harming anyone is greatest. Realists on the other hand do not support the view that absolute gains guarantee the success of regional integration. They rather stress that gaps in gains can become a serious obstacle to integration. Furthermore, realists mention the existence of nationalism as another factor that tends to prevent international and regional co-operation. Finally, realists maintain that integration is impossible in areas associated with national security and prestige, so-called 'high politics' areas.

In its attempt to explore Germany's commitment to and policy towards European unification, this thesis will, first, give an overview over the main developments of European integration from the Schuman Plan up to the Maastricht Treaty and provide information about the principal institutions of the European Union. The third chapter will then examine the Federal Republic of Germany's response to the first initiatives that were aimed at European integration and its policy in the initial stages of the development of the European Communities in the 1950s. The fourth chapter will take a look at reunited Germany's policy towards the Maastricht negotiations and the European
Union. The fifth chapter will, finally, draw the conclusions, and put forward the main characteristics of Germany's European policy.
2.1 The historical development of the European Communities

After the end of World War II many different plans for a future architecture of the wartorn European continent emerged. The massive destruction and misery caused by the war engendered an increase in support for European integration in the early postwar years. European unity was widely regarded as the only way out of the constant succession of wars which were seen as a result of an international order that was made up of antagonistic nation-states. Consequently, a series of initiatives was taken to follow these federalist objectives.

The first initiative toward European integration came in 1948 when a Congress of Europe, a gathering of about six hundred influential Europeans, proposed to institutionalize the ideal of European unity by establishing an international organization with a parliamentary body. This organization was to have dealt with practical problems of recovery faced by West European governments and would have a supranational structure. But, in the following negotiations the British and Scandinavians, who were opposed to any supranational features, managed to water down the initial proposal and transformed the ensuing Council of Europe to being simply an intergovernmental body. Another proposal that was aimed at bringing Europeans together was made by US Secretary of State George Marshall, who offered substantial American aid for the rebuilding of the continent on condition that the receiving countries would co-operate with each other in the use of the funds which the US government would make available. This
The first initiative that went beyond the creation of an intergovernmental organization and met some of the integrationist objectives was, however, made by the French foreign minister Robert Schuman on May 9, 1950. It was his proposal that was the real originator of integration in Europe. He proposed the creation of a European Coal and Steel Community (ECSC) which would remove the coal and steel industries of its participants from full national control to place them under a single, supranational authority. France was thereby driven by its fear of German remilitarization. International arrangements for regulating the production and marketing of these two key sectors of industrial production looked like an effective check on Germany's war-making potential. This plan had been worked out by the then director of the French Modernization Plan, Jean Monnet, who was convinced that a future severe depression in the European coal and steel industries due to unregulated overproduction could only be avoided if the regulative capacities of the producing countries with respect to these specific industrial sectors were pooled into a community. The following year, on April 18, 1951, Belgium, France, Germany, Italy, Luxembourg and the Netherlands

---

signed the Treaty of Paris which brought the ECSC into being.18

With the increasing fear of a political and military threat from the Soviet Union and under the pressure of early defeats in the Korean War, American demands for West German rearmament increased. The French Prime Minister René Pleven, realizing that a remilitarization of the Eastern neighbour could no longer be prevented, proposed in October 1950 the creation of an integrated European army under supranational control. This, he hoped, would make the raising of a national German army unnecessary. He managed to gain the support of the member states of the ECSC for his plan and on May 27, 1952, a treaty establishing the European Defence Community (EDC) was finally signed.19

Monnet, who was again involved in drawing up this plan, saw the EDC as well as the ECSC not as the end, but as the beginning of a development that would eventually lead to a European federation. His attempt to link these single-purpose organizations to the goal of an eventual multi-purpose organization of the same members becomes apparent in Article 38 of the EDC treaty, which called upon the member states to draft a separate treaty on a supranational European Political Community (EPC). The draft treaty for the EPC drawn up by a 'constitutional committee' consisting of an enlarged ECSC Common Assembly provided for a political community that would apart from


19Dinan, 26-28.
EDC and ECSC also encompass a common foreign, economic, and monetary policy. But, the far reaching proposals of the 'constitutional committee' were toned down at several intergovernmental meetings in late 1953 and early 1954 and, finally, came to a sudden halt when the French National Assembly failed to ratify the EDC treaty. The common fear of sharing sovereignty over national defence policy and of German rearmament united Gaullists and Communists in their vote against the treaty.²⁰

The failure of EDC and EPC left the members of the ECSC uncertain about how to proceed with the construction of a unified Europe. At a meeting in Messina in June 1955, the governments of the Six set up a committee under the chairmanship of the Belgian Foreign Minister Paul-Henri Spaak to examine future options for European integration. The governments of the Benelux countries and Germany pressed forward with the economic content of integration. The Spaak-committee submitted its report in May 1956. It proposed an Atomic Energy Community, structured along the lines of the coal and steel community, and a common market (Economic Community). The reaction to the proposals was generally positive, and after two years of intense deliberations, the six ECSC members agreed to create in three successive four-year stages a common market for industrial and agricultural products. They also agreed to coordinate social policy and to create an Atomic Community. The understanding was that there would ultimately be a single administrative body for the then

²⁰Dinan, 28; and Nicoll and Salmon, 13-15.
three Communities. On March 25, 1957, finally, the treaties establishing the European Economic Community (EEC) and the European Atomic Community (Euratom) were signed at Rome.21

In order to work out a plan that would supplement the common market with political co-operation and lay the foundations for a progressively developing union, the Six decided in February 1961 to set up a committee under the chairmanship of the French representative Christian Fouchet. But, the two drafts which Fouchet presented to the committee did not meet with the approval of the other members. It were especially the Benelux countries which opposed the Fouchet Plan. They feared that it would not lead to more European integration, but rather by calling into question the existing institutions undermine the achievements that were already made. Attempts to reach a final agreement between the main adversaries, France and the Benelux countries, failed in April 1962.22

However, this political setback did not hamper the economic development of the EEC. A common agricultural policy was introduced in 1962. It was based upon three guiding principles, first, common prices, second, common financing (i.e., an agricultural budget), and third, Community preference over imports. Most trade barriers between the six member states were, consequently, removed by 1966. Progress was also made in abolishing customs duties in intra-Community trade. Increasing trade led to a strong upswing in the economy of the six EECs.

21George, 4-5; and Nicoll and Salmon, 15-19.

22Nicoll and Salmon, 29-31.
member countries. This made Britain, which had previously declined all invitations to join the European Communities and unsuccessfully proposed a European industrial free trade area instead, reverse its position. Moreover, Britain realized that it would be increasingly affected by the new developments on the Continent and that it had to be involved in the movement towards European integration. Therefore, in July 1961 the British government announced its decision to apply for EEC membership. However, in 1963 while Britain's entry negotiations were well under way French President Charles de Gaulle rejected London's application. De Gaulle justified his decision by pointing out that in his opinion Britain was not yet ready for membership. Its main orientation was insular and directed towards the United States of America, as well as to the members of the British Commonwealth. Apart from that de Gaulle feared that British membership in the EEC would threaten the French leadership role.  

In 1965, the German President of the EEC-Commission, Walter Hallstein, presented to the Council of Ministers a plan that would result in a greater transfer of revenues from the member governments to the EEC, thereby enabling a strengthening of the organization's economic impact. De Gaulle objected to Hallstein's plan and boycotted Community meetings for what turned out to be a period of six months, from July 1965 to January 1966. Ultimately Hallstein and the governments of the other five countries, which had initially supported him in his attempt, had  

---

23Dinan, 48-54; and George, 10-11.
to withdraw the budget expansion proposal and concede to France informally, and contrary to the spirit of supranationalism, that the rule of majority voting in a large number of Council decisions, which was to come into effect on January 1, 1966, would not be applied. This meant that when a member government considered the vital interests of its country to be at odds with a given proposal to be voted on in the Council, it could insist on the unanimity rule and thereby exercise a veto. As a result of this so-called 'Luxembourg compromise' of February 1966, the normal procedure became a search for unanimity achieved through the Council negotiating intergovernmentally to amend Commission proposals.24

Despite the 1965 crisis and the disruption caused by it, the Communities continued to operate and develop. In July 1967, the institutional structures of the three Communities were reorganized. The High Authority of the ECSC and the two Commissions of Euratom and the EEC were merged into one unified Commission. Although four major organs - the Commission, the Council of Ministers, the European Parliament, and the European Court of Justice - were now operating the three Communities, each one was still continuing to function under its own constituent treaty. One year later, in 1968, the EEC made a big step towards the completion of the common market. Almost eighteen months ahead of schedule the remaining clauses that were dealing with customs duties in the commercial sector were removed and common

---

24George, 11-12; and Nicoll and Salmon, 33-35.
external tariffs were introduced.\textsuperscript{25}

The movement towards an enlargement of the Communities gained new momentum after de Gaulle's departure from the French presidency in 1969. The General had twice (in 1963 and 1967) vetoed British applications to join the six founding members. A new round of entry negotiations with Britain, Denmark, Ireland and Norway began in June 1970. After two years of intense bargaining the accession treaties were signed, and on January 1, 1973 the first expansion of the Communities took effect. Norway, however, did not join the other three new members because the consultative referendum in that country went against membership. The Norwegian voters also turned down Oslo's second attempt to join what is now known as the European Union (EU) in 1994. The

Table 1: EU-Membership - Date of Accession

<table>
<thead>
<tr>
<th>Members of the EU</th>
<th>Date of Accession</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>1952/1958</td>
</tr>
<tr>
<td>France</td>
<td>1952/1958</td>
</tr>
<tr>
<td>Germany</td>
<td>1952/1958</td>
</tr>
<tr>
<td>Italy</td>
<td>1952/1958</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>1952/1958</td>
</tr>
<tr>
<td>Netherlands</td>
<td>1952/1958</td>
</tr>
<tr>
<td>Denmark</td>
<td>1973</td>
</tr>
<tr>
<td>Ireland</td>
<td>1973</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>1973</td>
</tr>
<tr>
<td>Greece</td>
<td>1981</td>
</tr>
<tr>
<td>Portugal</td>
<td>1986</td>
</tr>
<tr>
<td>Spain</td>
<td>1986</td>
</tr>
<tr>
<td>Austria</td>
<td>1995</td>
</tr>
<tr>
<td>Finland</td>
<td>1995</td>
</tr>
<tr>
<td>Sweden</td>
<td>1995</td>
</tr>
</tbody>
</table>


initial extension of the Communities was later followed by three further enlargements which increased the membership of the EU to

\textsuperscript{25}Dinan, 63-64.
now fifteen members (see Table 1).\textsuperscript{26}

On a meeting in Paris in December 1974, the heads of state and government made two important institutional decisions. First, they decided that they would meet regularly in the future and that these meetings would be institutionalized as the European Council. Second, they agreed on universal direct elections to the European Parliament. This decision paved the way for the first directly elected European Parliament in 1979.

The same year, 1979, saw another important development. German Chancellor Helmut Schmidt and French President Valéry Giscard d'Estaing had launched an initiative that was aimed at ensuring Community-wide exchange rate stability through a quasi-fixed exchange rate regime. Their proposal led to the creation of the European Monetary System (EMS), which took effect in March 1979. The new exchange rate mechanism used a parity grid and a divergence indicator based on the European Currency Unit (ECU). The EMS was open only to members of the European Communities (EC), but no one was obliged to participate. Except for Britain all EC member countries decided to join the EMS.\textsuperscript{27}

After almost twenty years of a rather intergovernmental approach to European integration, the idea of supranationalism gained new momentum in the 1980s. In 1981 a joint German-Italian proposal (the Genscher-Colombo initiative) called for the adoption of an Act of European Union in an attempt to extend European integration more into the political sphere. As a result

\textsuperscript{26}Nicoll and Salmon, 36-39.

\textsuperscript{27}Nicoll and Salmon, 41, 152-154.
of that initiative the European Council on its meeting in Stuttgart in 1983 passed the Solemn Declaration of European Union, in which the EC member states proclaimed their intention to intensify their co-operation in the areas of foreign policy, economic and monetary policy, internal security and cultural policy. One year later in Fontainebleau, the Council set up two committees to work out reports on the future of the EC. The Commission under its president, Jacques Delors, put forward its own so-called 'White Paper', which it presented to the European Council meeting in Milan in June 1985. It proposed to complete the common market by the end of 1992 and provided specific recommendations and a detailed timetable to ensure the success of the plan. Upon receipt of the 'White Paper' and the reports of the two committees the Council decided to convene an intergovernmental conference (IGC) to discuss amending the three initial treaties of the Communities. This decision was made against the opposition of Britain, Denmark and Greece. For the first time the Council had outvoted members in order to reach an agreement.  

The result of the 1985 IGC in Luxembourg was the Single European Act (SEA) which was signed on February 17, 1986. The member countries committed themselves to the achievement of the objectives that were set out in the Commission's 'White Paper'. Apart from that, the SEA extended the scope of majority voting within the Council of Ministers. It thereby restricted the requirement for unanimous agreement to sensitive issues such as

---

28Dinan, 136-143.
taxation, the dismantling of borders and workers' rights. The SEA also extended the powers of the European Parliament by devising a 'co-operation procedure' between Parliament and the Council which allowed the Parliament a second hearing in certain matters and granted it the right to decide over the entry of new member states into the EC. But, the new procedure stopped short of giving the European Parliament real co-decision powers in the legislative process. The authority of the Community was expanded into more areas such as energy, environment, monetary and social policies as well as research and technology. The member countries, thereby, agreed that priority should be given to strengthening the economic and social cohesion of the EC. The SEA also contained separate treaty provisions on political co-operation, which for the first time codified the existing practices of foreign policy co-operation and set up a permanent secretariat in Brussels.  

The SEA significantly strengthened the supranational elements of the EC. But, there was still a considerable way to go before the EC could be transformed into a European union. Further progress towards monetary and political union was made in the years following the SEA, especially at the Maastricht summit in December 1991. These developments will be dealt with, in greater detail, in other parts of this thesis.

2.2 The main institutions of the European Union

The European Union (EU), as the EC is known since the

29George, 17; and Nicoll and Salmon, 48-52.
Maastricht Treaty has come into force, has five main institutions: the Commission, the Council of Ministers, the European Council, the European Parliament and the European Court of Justice. While the Commission, the European Parliament and the European Court of Justice represent the supranational element of the EU, the Council of Ministers and the European Council are the intergovernmental bodies of the Union.

Decisions of general principle about the future development of the EU are made by the European Council. It brings together the heads of state and government of the now fifteen member countries of the EU, and meets at least twice a year. The European Council can take formal decisions only when it has previously received a Commission proposal and the required opinion of the European Parliament. Although the foreign ministers normally attend the meetings of their heads of state or government, they are not a part of the European Council. They rather belong to the Council of Ministers, which is still the most powerful body of the EU. The Council of Ministers might be termed the legislative body of the EU. It is organized according to portfolio and its members are ministers, who act as representatives of their governments. Since the Council often meets in different compositions, according to the subject it is dealing with at the time, its daily work is prepared by the Committee of Permanent Representatives (COREPER), which consists of officials who are delegated by the fifteen member states. The Council of Ministers is the main decision-making body of the Union. But, as a general rule, it can take decisions only on Commission proposals. Voting takes place according to complex
rules which stipulate that unanimity is necessary to decide over new policies, or if the Council wants to change a Commission proposal without the latter's agreement. A simple majority of votes is sufficient when the Council is dealing with procedural questions, and a qualified majority is necessary for matters that deal with existing policies. A qualified majority is made up of roughly seventy per cent of the votes of the member countries, weighted by size (see Table 2). Since January 1, 1995 the qualified majority is 62 out of 87 votes. Whereas abstentions count as votes against in qualified majority voting, they do not prevent decisions that need unanimity.\textsuperscript{30}

Table 2: Council of Ministers - Voting Allocations

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4</td>
<td>4</td>
<td>0.50</td>
</tr>
<tr>
<td>Belgium</td>
<td>2</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>0.50</td>
</tr>
<tr>
<td>Denmark</td>
<td>-</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>0.56</td>
</tr>
<tr>
<td>Finland</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3</td>
<td>3</td>
<td>0.59</td>
</tr>
<tr>
<td>France</td>
<td>4</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>0.17</td>
</tr>
<tr>
<td>Germany</td>
<td>4</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>0.12</td>
</tr>
<tr>
<td>Greece</td>
<td>-</td>
<td>-</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>0.48</td>
</tr>
<tr>
<td>Ireland</td>
<td>-</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>0.83</td>
</tr>
<tr>
<td>Italy</td>
<td>4</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>0.17</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>5.00</td>
</tr>
<tr>
<td>Netherlands</td>
<td>2</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>0.33</td>
</tr>
<tr>
<td>Portugal</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5</td>
<td>5</td>
<td>0.53</td>
</tr>
<tr>
<td>Spain</td>
<td>-</td>
<td>-</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>0.20</td>
</tr>
<tr>
<td>Sweden</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4</td>
<td>4</td>
<td>0.45</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>- 10 10 10 10 10</td>
<td>0.17</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total votes 17 58 63 76 87 0.23
Qualified majority 12 41 45 54 62

Sources: Economist (London), October 22nd 1994, 20; Frankfurter Allgemeine Zeitung, December 31, 1994, 4; and Edward Nevin, The Economics of Europe (Basingstoke: Macmillan, 1990), 34 (Table 4.1).

As Table 2 shows, the voting allocation for Germany does

\textsuperscript{30}Dinas, 229-255; and Nicoll and Salmon, 67-74.
not match with its actual weight in terms of population. This becomes obvious if one compares the weight of the ten German votes per million population (0.12) with the weight of the ten French, British, and Italian (0.17) votes. In order to get the same weight, Germany should have had fourteen votes instead of ten. The main reason for this imbalance is the fact that Germany's votes were not increased after reunification.

The most important of the supranational bodies of the EU is the Commission. It is sometimes called the 'government' of the EU and could be termed the executive body of the EU, because it implements EU policy by carrying out the resolutions of the Council of Ministers to which it also proposes new legislation. Apart from that, the Commission is responsible for managing the budget of the EU. The current Commission consists of twenty Commissioners: two each from Britain, France, Germany, Italy and Spain, and one each from the other member countries. The Commissioners are nominated by their respective governments and serve a five year term. The Commission president is appointed through a collective agreement of the governments. The Commission as a whole is subject to a vote of approval by the European Parliament, which can also at any time force the Commission to resign as a body by passing a vote of no confidence with a two-thirds majority.31

The European Parliament is the best example for the 'democratic deficit' of the EU. Although it is the only body of the Union that is directly accountable to the people of the

31Dinan, 199-227; and Nicoll and Salmon, 61-67.
member countries, it is still lacking substantial powers. Nevertheless, the European Parliament has made some progress since it has been elected directly for the first time in 1979. These so-called 'European elections' take place every five years. Since Austria, Finland and Sweden have joined the EU, the European Parliament comprises of 626 MEPs. A specified number of MEPs are, thereby, elected in each member country (see Table 3).

Table 3: The European Parliament, 1958-1995

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>21</td>
<td>2.6</td>
<td>2.6</td>
</tr>
<tr>
<td>Belgium</td>
<td>14</td>
<td>14</td>
<td>24</td>
<td>24</td>
<td>24</td>
<td>25</td>
<td>25</td>
<td>2.4</td>
<td>2.5</td>
</tr>
<tr>
<td>Denmark</td>
<td>-</td>
<td>10</td>
<td>16</td>
<td>16</td>
<td>16</td>
<td>16</td>
<td>16</td>
<td>3.1</td>
<td>3.1</td>
</tr>
<tr>
<td>Finland</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>16</td>
<td>-</td>
<td>3.1</td>
</tr>
<tr>
<td>France</td>
<td>36</td>
<td>36</td>
<td>81</td>
<td>81</td>
<td>81</td>
<td>87</td>
<td>87</td>
<td>1.4</td>
<td>1.5</td>
</tr>
<tr>
<td>Germany</td>
<td>36</td>
<td>36</td>
<td>81</td>
<td>81</td>
<td>81</td>
<td>99</td>
<td>99</td>
<td>1.3</td>
<td>1.2</td>
</tr>
<tr>
<td>Greece</td>
<td>-</td>
<td>-</td>
<td>24</td>
<td>24</td>
<td>24</td>
<td>25</td>
<td>25</td>
<td>2.4</td>
<td>2.4</td>
</tr>
<tr>
<td>Ireland</td>
<td>-</td>
<td>10</td>
<td>15</td>
<td>15</td>
<td>15</td>
<td>15</td>
<td>15</td>
<td>4.2</td>
<td>4.2</td>
</tr>
<tr>
<td>Italy</td>
<td>36</td>
<td>36</td>
<td>81</td>
<td>81</td>
<td>81</td>
<td>87</td>
<td>87</td>
<td>1.4</td>
<td>1.5</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>16.2</td>
<td>16.2</td>
</tr>
<tr>
<td>Netherlands</td>
<td>14</td>
<td>14</td>
<td>25</td>
<td>25</td>
<td>25</td>
<td>31</td>
<td>31</td>
<td>1.7</td>
<td>2.0</td>
</tr>
<tr>
<td>Portugal</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>24</td>
<td>25</td>
<td>25</td>
<td>25</td>
<td>2.3</td>
<td>2.7</td>
</tr>
<tr>
<td>Spain</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>60</td>
<td>64</td>
<td>64</td>
<td>1.5</td>
<td>1.6</td>
</tr>
<tr>
<td>Sweden</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>22</td>
<td>-</td>
<td>2.5</td>
<td>-</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>-</td>
<td>36</td>
<td>81</td>
<td>81</td>
<td>81</td>
<td>87</td>
<td>87</td>
<td>1.4</td>
<td>1.5</td>
</tr>
<tr>
<td>Total MEPs</td>
<td>142</td>
<td>198</td>
<td>410</td>
<td>434</td>
<td>518</td>
<td>567</td>
<td>626</td>
<td>1.6</td>
<td>1.7</td>
</tr>
</tbody>
</table>

Sources: Nevin, 48 (Table 5.1); Das Parlament (Bonn), January 6, 1995, 11.

As Table 3 shows, in contrast to the allocation of votes in the Council, German reunification resulted in a significant increase of MEPs allocated to Germany and other member states. Nevertheless, Germany's ratio of MEPs per million population has slightly deteriorated. Concerning Germany's share of total MEPs in per cent, the development was as follows: 1989: 15.6% of all MEPs were from Germany, 1992: 17.5%, 1995: 15.8%. If one takes into consideration that Germans make up 22.0% of the EU's total
population, the number of German MEPs is, compared to the other large EU-members, still too small: France (1995: 15.5% of the EU population, 13.9% of MEPs), United Kingdom (1995: 15.7% - 13.9%), and Italy (1995: 15.6% - 13.9%).

The European Parliament exercises some control over the Commission. Apart from its right to force the Commission as a body to resign, the most powerful tool of Parliament is, thereby, its exclusive authority to grant a discharge of the general budget. But, the legislative powers of Parliament are despite of recent improvements still relatively limited. For example, the European Parliament has no right whatsoever to initiate legislation, it can only ask the Commission to submit certain legislative proposals. After the Commission has submitted a proposal, Parliament can exert some influence by falling back upon three legislative procedures: consultation, co-operation, and co-decision. Co-decision grants the European Parliament only a limited right of rejection rather than a positive right of approval. By rejecting draft legislation, Parliament can ask for a third reading and the establishment of a conciliation committee in which Parliament and the Council, with the participation of the Commission, attempt to reach agreement on draft legislation. If this fails, Parliament can reject the draft legislation by an absolute majority. The European Parliament is also co-equal with the Council concerning EU-enlargement and association with third countries. Every accession and association agreement the EU reaches has to be approved by an absolute majority of MEPs.  

---

32 Dinan, 257-292; and Nicoll and Salmon, 79-93.
The judicial body of the European Union is the European Court of Justice which might be termed the 'guardian of the treaties'. The three original treaties, the treaties of accession, the different treaty amendments, and the laws made by EU-institutions are the main sources of European Union law. The Court of Justice is responsible for all cases that fall into the competence of the European Union. It, thereby, serves as a European constitutional court, as well as an administrative court, a civil court, and a court of arbitration. Moreover, the Council, the Commission or a member country may ask the Court of Justice for an opinion on whether an international agreement that the Union would like to conclude is compatible with EU law.

Among the numerous other institutions of the EU, the most important are the Court of Auditors, which examines the Union's financial affairs, the Economic and Social Committee, and the Committee of the Regions. The latter two are advisory bodies. The Economic and Social Committee advises the Council and the Commission on social and economic issues, and the Committee of the Regions has to be consulted by the Council and the Commission where specific regional interests are involved.\(^3\)

---

\(^3\)Dinan, 295-316; and Nicoll and Salmon, 93-99, 108-110.
3.1 Germany's European policy under Chancellor Adenauer

Germany's defeat in World War II and the collapse of the national-socialist ideology, which had led the country into war, defeat, and destruction, resulted in the almost total discredit of any form of nationalism. Germany's unconditional surrender to the allied forces and the totality of the defeat prevented any potential revival of conspiracy theories which had seriously undermined the country's first democracy in the interwar years. An analogy put forward by Stanley Hoffmann describes Germany's postwar situation very well:

The defeated nations - Germany in particular - were in the position of patients on whom drastic surgery has been performed and who lie prostrate, dependent for their every movement on surgeons and nurses. Even if one had wanted to restore the nation to the pinnacle of values and objectives, one could not have done so except with the help and consent of one's guardians - and they were unlikely to support such a drive. In other words, the situation set strict limits on the possibility of any kind of nationalism, expansive or insulating.\textsuperscript{34}

Germany in 1945 was not only physically and morally degraded, it was also totally stripped of sovereignty. Even in 1949, when the Federal Republic of Germany was founded, the new West German state was granted only a limited measure of sovereignty. Political and economic relations with other countries were controlled by the Allied High Commission, which had the power to supervise and even regulate domestic economic and political developments. The German government's authority over domestic and especially foreign policy was, as a result,

\textsuperscript{34}Hoffmann, 77-78.
only limited. Restoring sovereignty and the right to pursue its own foreign policy therefore became the primary goal of the first postwar government under Chancellor Konrad Adenauer. Adenauer wanted the new democratic Germany to be included as an equal and respected partner in a West European community. In his view such a policy would ultimately reestablish Germany's credibility and reliability in international politics. He strongly believed that the moral, political, and economic rehabilitation of Germany was only possible if the Federal Republic would become a part of the Western world and share the values of the Western democracies. This would, in his opinion, not only strengthen democracy but also the national security of the Federal Republic with regard to the expansionist policies of the Soviet Union.  

The continued occupation status delayed the establishment of a Foreign Ministry until 1951, and the appointment of a Foreign Minister until 1955, the year in which the Federal Republic of Germany attained formal sovereignty. It was, therefore, the Chancellor who shaped foreign policy in the early years of the new state. The primacy of Adenauer, and his personal beliefs, in determining the basis and strategies of West Germany's foreign policy was reinforced by the fact that he had set up his own Foreign Policy Bureau and, as Federal Chancellor, had privileged access to the Allied high commissioners, with whom he often discussed foreign policy matters without informing the

---

rest of his cabinet.\textsuperscript{36}

Adenauer acknowledged the limits that were explicitly and implicitly placed upon the Federal Republic by the Allies, and which influenced the country's ability to conduct an independent or flexible foreign policy. He, therefore, saw no alternative to a policy that would develop a close alignment with the Western powers and integrate the Federal Republic into a supranational West European community, because only this, he believed, would make it possible for the Allies to restore Germany's sovereignty. Moreover, it would be the only way to ensure the future security and equality of the Federal Republic.\textsuperscript{37}

But, Adenauer did not only pursue this policy out of pure necessity, rather it reflected his own beliefs. He was an anti-communist to the core and convinced that Soviet hegemony, unless counterbalanced by the United States and a unified Western Europe, would extend over the whole continent. As a faithful Catholic and 'Rhinelander', he thought that only a Germany which was securely tied to the cultural, religious, and political traditions and values of Western Europe would not be in danger of returning to a dictatorial regime. These aims required a fundamental and lasting rapprochement with France, and Adenauer was willing to make concrete concessions to the French in order to gain their trust and goodwill. In March 1950 he even suggested that France and Germany should be completely united,


\textsuperscript{37}Wolfram F. Hanrieder, Germany, America, Europe: Forty Years of German Foreign Policy (New Haven: Yale University Press, 1989), 4-6.
beginning with a customs union and customs parliament.\(^{38}\)

Consequently, the German government's response to an invitation to join the Council of Europe as an associate member in 1950 was favourable. However, it was obvious that Bonn would not be satisfied with this status. The federal government was eventually able to achieve full membership in the Council in 1951. Bonn had initially hoped that the Council of Europe would serve as a starting point for further integration, and would ultimately lead to a European federation. The German government believed that stability and peace in the region could only be maintained in a federally organized, united Europe. This supranational approach to European integration becomes obvious in a memorandum of May 7, 1950 in which the federal government gave reasons for its acceptance of the invitation to join the Council of Europe:

\[
\text{Der Zusammenschluß Europas auf föderativer Grundlage ist im Interesse aller europäischer Länder, insbesondere auch der Bundesrepublik Deutschland, notwendig. Der Europarat ist der Anfang eines solchen Zusammenschlusses. Die Bundesregierung muß die Einladung aus tiefer Überzeugung, daß nur auf diesem Wege Europa und der Friede gesichert werden können, annehmen.}^{39}\]

Bonn's support for a European union that would be organized along federal lines can not only be explained by the fact that West Germany had less sovereignty to lose than the other member states, but also by the country's familiarity at


home with federal political structures. The federal order stipulated by the Basic Law was not just the result of Allied pressures - France advocated strong decentralization in order to weaken Germany whereas the United States promoted federalism as a means to strengthen and stabilize the new democracy - but also the result of a long historical tradition. It was only in the years between 1933 and 1945 that Germany was strongly centralized. Moreover, a federal structure was one of the prerequisites for the achievement of a unified German state. Since German political development was characterized by the division and subdivision of sovereignties within the confines of what was often loosely termed the German lands, the accomplishment of the national unification of 1871 came about only through the recognition of these peculiarities of Germany's past. The Basic Law, therefore, provided the constituent states of the Federal Republic, which were set up before 1949, with broad areas of competence, such as education, cultural affairs, and regional economic development.  

Much more important for the development of the process of European integration than the Council of Europe was the Schuman Plan of May 9, 1950. Although Adenauer was only informed of the French Foreign Minister's plan the very day of its public announcement, he enthusiastically embraced the idea. For him, the ECSC offered the opportunity not only to change economic conditions, but also open the road towards a fundamental reconciliation with France in the context of a West European

community. Moreover, for the Federal Republic the ECSC meant the abolition of the International Ruhr Authority and represented a significant step towards the restoration of German sovereignty since an international organization in which Germany would participate as an equal would take the place of Allied control.

Concerning the Pleven Plan for a European Defence Community (EDC), Chancellor Adenauer, who had first demanded a national army for Germany, soon followed the American government's line and supported the EDC plan. His main goal was thereby the abolition of the Occupation Statute for which he saw a realistic chance. Bonn vehemently opposed repeated French attempts to limit the size of German units, to leave the Germans as the only troops not commanded by their officers, and to ban them from French territory. Accordingly, the German delegations which were to negotiate the ECSC and the EDC treaties received strict orders not to accept any possible discrimination of Germany and to insist on full equality.

The fact that Adenauer supported the plans of Schuman and Pleven as a foundation for a future European federation on the one hand and as a means of extending the sovereignty of the Federal Republic on the other did not seem contradictory to him. Apart from his deep personal conviction that only further

---

41 The International Ruhr Authority had been created by the Allied occupation powers as a means to control the distribution of the Ruhr's coal, coke and steel. The United States, Britain, France, the Benelux countries, and Germany were represented on the Authority, with Germany's votes being cast by the occupying powers.


43 Müller-Roschach, 25-26; and Willis, 98.
European integration would once and for all prevent another war in Europe, he regarded equality rather than independence as the primary payoff for Germany. Adenauer saw no problem in giving up gains in sovereignty by joining the new integrative European organizations as long as it resulted in gains in equality. Giving up newly earned rights and privileges enabled the Federal Republic to put forward its demands for political and legal equality in the name of European integration, rather than in the name of a discredited German nationalism. Moreover, the government in Bonn knew that France and the other Western powers were far more willing to make concessions regarding the abolition of the Occupation Statute, if they could be sure that the restored elements of sovereignty would still be subject to some kind of international surveillance.

The German federal elections of 1953 impressively reaffirmed Adenauer and his policy. His party, the Christian Democratic Union (CDU), won 45.2 percent of the vote, a gain of 14.2 percentage points over 1949. The politically strengthened Chancellor soon had to turn his attention to unresolved problems. A major obstacle to the Franco-German rapprochement was the Saar question. It had overshadowed all negotiations since 1949. The problem was that France tried to legalize the de-facto union of the Saar and French economies. The government in Bonn strongly rejected French attempts to give the Saar political autonomy. Adenauer openly declared that the Saar was rightfully German territory, but at the same time he did not want to jeopardize the

---

*Hanrieder and Auton, 27-29.*
prospects for a long-lasting friendship with France. The Chancellor, therefore, proposed to place the Saar under the supervision of a European organization. In October 1954, the government in Paris finally agreed to a 'Europeanization' of the Saar after it had realized that the support for its policy was diminishing, even within the Western Alliance. But, in the following referendum the voters in the Saar overwhelmingly rejected the 'Europeanization' of their territory and indicated their desire to be a part of Germany. Consequently, on January 1, 1957 German political sovereignty over the Saar was restored.45

In 1954 the limits of French support for European integration were revealed by the French National Assembly's refusal to ratify the European Defence Community Treaty. The common fear of sharing sovereignty over national defence policy and of German rearmament that united Gaullists and Communists in their vote against the treaty ironically strengthened the German claim to membership in NATO on a national basis. Bonn was quick to point out that the German side had fulfilled all its commitments to the EDC. Soon thereafter the Bonn government took the opportunity offered by British Prime Minister Anthony Eden to join the members of the Brussels Pact (Britain, France, Italy, and the Benelux countries) in the Western European Union (WEU). The United States and Britain strongly supported the rearmament of Germany. The French government realized that as a result of the economic and military weakness of their country it could not

45Hanrieder (1967), 61-66; and Paterson, 143; and Willis, 96.
afford to further isolate itself. In May 1955 France acquiesced to German membership in NATO. With the ratification of the so-called Paris treaties in 1955 West Germany attained formal sovereignty. Nevertheless, the Allies retained some rights regarding both Berlin as a whole and Germany as a whole. Adenauer appointed Heinrich von Brentano to be the first Foreign Minister of the Federal Republic of Germany. But, von Brentano became no more than an administrator and executor of Adenauer's foreign policy.\textsuperscript{46}

The benefits to Germany of participation in European integration were a central element in Adenauer's foreign policy. As has been explained earlier, his concept of European integration rested on a Franco-German alliance. The strong commitment of the Bonn government to European integration meant that it was normally in the position of endeavouring to persuade a more reluctant France. The need to make concessions to win French support became a high priority in the negotiations over the common market. After the failure of the attempts at creating a European Political and Defence Community in 1954, Germany and the Benelux countries were the most active proponents of extending the process of European integration into the economic realm by creating a common market. The Bonn government came to the conclusion that since an abolition of the political borders in the near future seemed no longer realistic, the establishment of an economic community would be a logical extension of the already existing ECSC. It hoped that such a community would help

\textsuperscript{46}Hacke, 82; and Müller-Rosbach, 43-48.
to overcome the divisive impact of national borders on economic prosperity."

The Chancellor realized that without German concessions the weak French government would have difficulties in taking France into the European Economic Community (EEC). Moreover, he was convinced that it was an attitude of 'quid pro quo' that had proved the deathblow to Franco-German rapprochement in the 1920s. Consequently, Germany agreed to French demands for an inclusion of agriculture in the proposed common market and to an associate status for overseas territories. Furthermore, a joint development fund was to be established to help finance investments in these territories. Germany was even willing to make higher financial contributions. In return the Federal Republic was able to gain the concession that trade between the two German states would not be impeded by the common market's external trade barrier which made East Germany a de facto associate member of the Community. Germany's flexibility, therefore, played an important role in bringing the lengthy deliberations on the creation of the EEC and Euratom to a successful conclusion in 1957."

3.2 Opposition to Adenauer's European policy

The main goals of the new West German state besides moral rehabilitation, regaining sovereignty, and gaining equal status among the family of nations, were economic recovery and German

\footnote{\textsuperscript{47}Müller-Roschach, 53-57.}

\footnote{\textsuperscript{48}Campbell, 58-60; and Hanrieder and Auton, 32-33; and Müller-Roschach, 58-63.}
reunification. While these foreign policy goals were not contested, domestic conflicts over the proper order of priority and the implementation of these goals ensued between the main political parties and even inside the government. The question as to how to pursue a policy of integration into a West European community and simultaneously advance the cause of German reunification and West German economic recovery soon became the centre of the debate.

Not surprisingly the strongest resistance to Chancellor Adenauer's policy came from the principal opposition party, the Social Democratic Party of Germany (SPD), and its leader, Kurt Schumacher. Up until his death in 1952, this fervent anti-communist, nationalist and socialist politician strongly influenced the policy of the SPD. The priorities set in the foreign policy program of the SPD were almost exactly reverse of Adenauer's. The Social Democrats saw themselves as the only party that truly looked after the German national interest. Although the SPD had no principle objections to the Chancellor's policy of reconciliation with the West, it saw German reunification as the most important goal. The Social Democrats feared that the commitments resulting from Adenauer's policy, such as membership in the Western alliance and rearmament, would be detrimental to the cause of German unity."

Two main reasons for the SPD's opposition to the government's European policy and its emphasis on reunification have to be mentioned. First, there was a deep apprehension about

---

the prospect of a West European community with strongly Catholic and conservative tendencies. This resulted, not least, from the social democratic ideas for a new socio-economic and political order in postwar Germany and Europe. These ideas were Marxist-reformist and had strong antibourgeois and anticlerical overtones. Since the SPD's socio-political and economic values were closer to the ones that were put into effect in the protestant countries of Scandinavia and Britain, which had been significantly influenced by their Social Democratic/Labour parties, it had little hope that such an economic and political socialism would prosper in a Western European union shaped by conservative Catholic Europeanists, like Adenauer, Schuman, and de Gasperi. According to Schumacher, this new Western Europe would rather be dominated by the four Ks - 'Kapitalismus', 'Klerikalismus', 'Konservatismus', and 'Kartelle'.

The second reason for the SPD's strong commitment to reunification was the fact that the party had been considerably weakened by the division of Germany. The SPD was cut off from those areas of the country where it had enjoyed strong support during the Weimar Republic. It found itself in a rump state with a small Catholic majority, which favoured the CDU. Thus, reunification seemed essential not only for establishing the political order the Social Democrats wished to foster in Germany, but also for solidifying and extending the party's power base. It is therefore not surprising that the SPD was much more willing than the government to test Soviet proposals for a unified

50Drummond, 25-33; and Hanrieder (1967), 100; and Willis, 97.
neutral Germany. It frequently accused the Adenauer government of letting pass by opportunities for profitable negotiations, such as the Stalin-note of 1952. The Social Democrats argued that Germany's division could only be overcome if the two parts of the country loosened their ties to the superpowers. This would require not only abstention from political, economic, and military association with the West, but also a more open policy towards the East bloc. This view also explains the SPD's opposition to rearmament and membership in the EDC and NATO. In the opinion of the Social Democrats, the Western Allies should be responsible for the Federal Republic's defence since they were still occupying the country. Only the restoration of sovereignty would warrant rearmament. This subject was one of the major points of disagreement between the government and the SPD. While Adenauer rejected neutrality outright, the Social Democrats found it acceptable if it were accompanied by a genuinely democratic domestic political order.\textsuperscript{51}

In contrast to the Social Democrats, Adenauer believed that only integration into the West would give the Federal Republic the opportunity to regain its sovereignty. Integration into the West on the other hand would necessarily reinforce the partition of Germany. Adenauer was therefore ready to subordinate the goal of reunification to the achievement of sovereignty and equality for the Western part of the nation. Furthermore, his policy was determined to the realization of reunification in the long run. It was based on two assumptions,

\textsuperscript{51}George, 65-67; and Hanrieder (1967), 102; and William E. Paterson, The SPD and European Integration (Farnborough: Saxon House, 1974), 71-88.
first, that the keys to the solution of the German question lay in the United States and in the Soviet Union, and, second, that the balance of power between the two blocs would inevitably shift in favour of the Western side, which would make it possible for the West to negotiate with the East on the basis of strength, thus forcing Moscow to accept German reunification on Western terms. Nevertheless, when negotiating the various treaties concerning European integration Adenauer made sure that the German question would be left open in terms of international law. He was not willing to accept any clause that would formally recognize the existence of two German states.52

The postwar policy of the SPD on European integration was characterized by a number of phases. In the early years of the new West German state the SPD opposed various attempts at European integration. The Social Democrats fought membership in the ECSC, the EDC, and NATO, and accused Adenauer of being a willing instrument of the Western Allies. Later, the SPD only reluctantly and with grave reservations acquiesced in plans for the European Common Market. Although the Social Democrats did not oppose European integration as such, their objections to the Schuman Plan were drastic and led to some of the most intense political debates in the 'Bundestag'. The SPD argued that the ECSC would become a conservative regional alliance that would only perpetuate capitalism. It objected to French attempts to admit the Saar to the ECSC as an autonomous entity. In general,

the Social Democrats attacked the Schuman Plan as an international conspiracy aimed at impeding reunification and restricting Germany's ability to compete with France on world markets.\textsuperscript{53}

Between 1952 and 1955 the SPD gradually moved away from its extreme opposition against Adenauer's European policy. Kurt Schumacher, the first postwar leader, died in 1952. His successor as party leader, Erich Ollenhauer, was not as uncompromising and inflexible as Schumacher. The SPD's attachment to socialist goals began to weaken in the face of the economic miracle ('Wirtschaftswunder') which the voters attributed to the 'social market economy' and the CDU. Moreover, socialist terminology was more and more associated with the much disliked communist regime in East Germany. In 1954 the SPD no longer objected to the transfer of economic authority to international agencies but stressed instead that such a transfer ought to be accomplished in a democratic-parliamentary manner. The SPD now called for extended economic planning, supranationally co-ordinated economic policies, and countercyclical measures and investments. By 1955 the SPD proclaimed that what Europe needed was a consistent supranational policy on investment, modernization, and full employment which in their opinion had not been pursued sufficiently by the ECSC authorities.\textsuperscript{54}


\textsuperscript{54}Bulmer and Paterson, 135; and Hanrieder (1989), 341-342.
In part, the SPD's volte-face can be explained by the fact that the Saar dispute, which had figured prominently in previous objections to the Schuman Plan, was now basically settled by the pro-German plebiscite. Also, the SPD feared that with a totally negative attitude it would be impossible for Social Democrats ever to gain influence on the ECSC, thus allowing industrial interests to take control of the Community. Another important factor that made the SPD change its attitude toward the European policy of the government was the fact that the choice of security, recovery, and democratic freedoms on the one hand, or reunification on the other ceased to be a salient issue after the decision of general principle that had been made by the Adenauer government was confirmed by the voters in the 1953 elections. Also it was now becoming obvious that German unification on terms other than those proposed by Moscow was not likely, and those very terms were not acceptable to the voters. This made it possible for the SPD to free itself from its preoccupation with reunification and assess foreign policy issues on their own merit and with more detachment. Thus, political isolation at home and changes abroad had let the SPD to reverse itself on a major foreign policy issue.\(^5\)

The Social Democrat's new attitude towards West European integration became apparent in their support for the Spaak-proposals in 1956. The separation of defence from the agenda of European integration after the collapse of the plans for the EDC made it obviously easier for the SPD to support integration. The

movement for full economic integration was now welcomed; however, one precondition was democratic control over the regional institutions. Hence, there was basic support for the establishment of the EEC and Euratom, but, the SPD tied its approval of the treaties of Rome to certain conditions. It supported these new Communities only on the assumption that they would not make the achievement of German unity more difficult. Other conditions were that the inclusion of overseas territories of other member states would not burden Germany with 'colonial' policy, that the border between the two German states would not become a customs border deepening the division between the two parts of the nation, that membership in the Communities would be open to all European countries, and that Euratom would serve exclusively the peaceful uses of nuclear energy. These four conditions were generally fulfilled by the treaties and ensuing events, because the Bonn government, which agreed with the SPD on the importance of these issues, took them into account while negotiating the EEC and Euratom treaties, and was finally able to obtain some concessions. On July 5, 1957, therefore, the 'Bundestag' approved the Treaties of Rome with the votes of the SPD members, and, finally, on July 19, 1957 the 'Bundesrat' unanimously ratified both treaties.56

Both the SPD and the German Federation of Trade Unions (DGB) supported the idea of closer European co-operation, but shared the same ideological reservations about the Schuman and Pleven Plans. Regarding the ECSC the DGB was especially

56Feld, 39; and Müller-Roschach, 56-70.
concerned about the prospect of greater unemployment as a result of the Community's antitrust provisions. It was feared that the noncompetitive, high prices for coal would drop and thereby lead to the closure of marginal mines and a general erosion of wage levels. Like the SPD, the DGB later changed its policy towards the process of European integration. For example, it was in favour of creating an economic community and an atomic energy community. But, the trade union federation demanded to be consulted by the government and treated as an active participant in the decision-making process, in order to balance the influential role of big business and industry in the governmental policy, and initiate an adequate welfare policy on the European level.\(^5\)

German industry itself was also not very enthusiastic about the Schuman Plan. Like the trade union federation heavy industry was opposed to the ECSC's antitrust provisions. Moreover, although it did not particularly like the International Ruhr Authority, it feared that the ECSC was a French scheme designed to promote Paris' own economic interests. The steel industry, for example, suspected that France would curtail German steel production and at the same time seek access to the German market for its own surplus steel. Another concern, which was especially voiced by the export-oriented segments of German industry and business, referred to the 'dirigiste' nature of the ECSC treaty. This worry was shared by the German Minister of Economics, Ludwig Erhard. He was the only member of cabinet who

\(^5\)Feld, 30, 38-39.
openly opposed Adenauer's policy regarding the Schuman Plan.\textsuperscript{58}

The differences between Adenauer and Erhard resulted from two different views of what would be the best setting for the Federal Republic's future economic and political development. Erhard mistrusted the influence of politics on the economic process and was happy to open the German economy to the influence of global markets. Adenauer's readiness to subordinate the political principle of national sovereignty to the principle of equality pushed him almost inevitably towards West European integration. Erhard's readiness to renounce national economic autonomy pushed him towards economic globalism and away from economic regionalism, which he disliked not only because of its limited size but because of its potential for the political direction of economic and monetary policies.\textsuperscript{59}

Erhard and his supporters in industry and business felt a growing sense of urgency in reaching for secure access to global markets and averting the pressures for regional economic integration. Erhard and many German manufacturers feared that a European economic community would harm the Federal Republic's export trade with countries outside of such a community. German industry would have preferred a worldwide elimination of tariff barriers to a geographically limited common market. The German and European proponents of West European economic integration were pressing hard for the establishment of the EEC and the German Minister of Economics was determined to open the German

\textsuperscript{58}Feld, 29-30, 36; and George, 66-67.

economy to the world market before it would be enveloped by the restraints of West European economic integration.\textsuperscript{60}

Erhard's problem, though, was that in the early 1950s he had no strong political base in his party, the Christian Democratic Union (CDU), which at that time was dominated by Adenauer. The CDU was organizationally weak and only committed to Chancellor Adenauer's success. The party played a subordinate role to both the government and Chancellor and was often politically indistinguishable from them. The CDU was often depicted as the party of the government rather than governing party, or described as an association for the election of the Chancellor ('Kanzlerwahlverein'). What was mostly underlined, though, was its political and psychological dependence on the figure of Adenauer. It was therefore not surprising that the Chancellor was able to use his authority as party leader to overrule the objections of the Minister of Economics. But when the EEC and Euratom treaties were negotiated Erhard's influence in the party had grown, and his concerns were reflected in the German negotiating position. Furthermore, Erhard's commitment to free-trade and free-market principles continued to influence the Federal Republic's position on common Community policies in the future.\textsuperscript{61}

Erhard could also rely on the support of the CDU's coalition partner, the Free Democratic Party (FDP), to promote his economic principles. The FDP favoured a wider framework for

\footnotesize{\textsuperscript{60}Feld, 37-38; and Hanrieder (1989), 243-245.}

\footnotesize{\textsuperscript{61}George, 67-68; and Pridham, 55-56, 85.}
European economic and political co-operation and reunification was generally higher on its list of priorities than it was on Adenauer's. This was due to the fact that in the early years of the Federal Republic, it was the 'national' and not the 'liberal' faction that had the strongest impact on the party's foreign policy agenda. But the FDP's emphasis on Germany's national interest posed no serious obstacles to its support of Adenauer's negotiations with the Western powers concerning rearmament for sovereignty. The FDP, therefore, supported plans for a European Defence Community, because it believed that membership in the EDC and rearmament would symbolize Germany's return as an equal partner into the European state system.  

The party's stand on the ECSC was more ambiguous and not as positive as it was on the EDC. Since the Free Democrats strongly identified themselves with the concerns of industry, they were critical of the vigorous anti-trust provisions of the ECSC treaty. But, at the same time, they claimed that the Coal and Steel Community was not a sufficient step towards true European unity. Many 'nationalists' in the FDP saw the treaty as a French attempt to acquire new markets for excess French steel production. In the end, however, the FDP supported the ratification of the treaty, mostly, for the same reason it supported the EDC treaty, namely, the opportunity it gave to Germany to regain equality among the European nations.  

---

62 Bulmer and Paterson, 132; and Feld, 34; and Jörg Michael Gutscher, Die Entwicklung der FDP von ihren Anfängen bis 1961, revised edition (Königstein/Ts.: Verlag Anton Hain, 1984), 113-114; and Hanrieder (1967), 134.

63 Feld, 31; and Hanrieder (1967), 117-118.
The FDP's opposition to the European policy of Adenauer became more pronounced after it had left the governing coalition in February 1956. The leader of the party, Thomas Dehler, belonged to the stronger 'national' wing of the party and stressed German reunification as the most important goal of the party. Under his leadership the FDP became the only major party in the 'Bundestag' that opposed the Treaties of Rome. The party based its opposition on three main sets of objections. The first concern was that the West European Community might deepen the division of Germany by creating a tariff along the inner-German border. Moreover, the Free Democrats were outspoken critics of French policy and Adenauer's attempts to create a Franco-German alliance. Many party members feared that if the Federal Republic had to seek the consent of the Community members for German reunification, it might well become dependent on the acquiescence of France. The third set of objections was based on economic grounds and resembled those voiced by Erhard. The party disliked the 'dirigiste' orientation of the ECSC and wanted it avoided in the new Communities. It preferred a broad free trade area to an integrated Common Market. On the other hand, it was not opposed to a unified market in Western Europe as long as it was based on the free interplay of economic forces.64

The conflict between the proponents of global free-trade and Chancellor Adenauer did not rest on totally irreconcilable beliefs, though. Both Adenauer and Erhard, for example, agreed on pursuing a strategy of export-led growth in order to rebuild

64Bulmer and Paterson, 132-133; and Feld, 38-40; and Gutscher, 114-116; and Müller-Roschach, 67-68.
Germany's postwar economy. Moreover, domestically the concept of a 'social market economy', which emphasized an economic liberalism that would be cushioned by an active social policy, was undisputed within the governing coalition. There was also general agreement on the achievement of monetary stability as a necessary prerequisite for the German economy to be successful in the long run. Especially, if one wanted to liberalize internal and external trade, because uninflated price levels would help to make German exports highly competitive. Another reason was, of course, the negative experience with the hyperinflation of the early 1920s. The conflict between Adenauer and Erhard and the other proponents of global free-trade rather reflected a difference in priorities. The German Chancellor rejected traditional economic protectionism as a corollary to political nationalism. Like Erhard, Adenauer, therefore, was determined to liberalize domestic and international trade, but he maintained that Germany's economy above all needed a solid national and international political framework, which the integration of the Federal Republic into a stable European Community would provide. He regarded this as being especially important because a successful German economic performance would certainly be perceived as a threat by other countries unless they could be sure of the Federal Republic's commitment to international cooperation.65

Adenauer's policy started to pay off after a relatively short time. Public opinion in the Federal Republic increasingly

65Bulmer and Paterson, 7, 12-13; and Hanrieder (1980), 17-18; and Hanrieder and Anton, 30-31.
supported German participation in the process of European integration. While in 1951, 'only' 42 percent of West Germans welcomed the Schuman Plan, the support for ECSC membership rose to 52 percent in 1955, 70 percent in 1956, and 78 percent in 1957. Moreover, in the 1957 general elections, Adenauer managed to win 50.2 percent of the popular vote for the CDU/CSU and, thereby, an absolute majority of seats for his party in the 'Bundestag' - a unique event in the history of the Federal Republic.\textsuperscript{66}

Membership in the European Communities also greatly benefitted West Germany's economic recovery, and the benefits of easier access to European markets did not come at the expense of German trade interests outside Europe. The Federal Republic's share of world exports rose from 3.6 percent in 1950 to 11 percent in 1960. More important in the period from the signing of the Rome Treaties in 1957 to 1964, exports to EEC member states showed an average annual increase of about 19.4 percent, whereas exports to other countries in the same period rose by 'only' 7 percent annually. These economic benefits as well as the political advantages of participation in the process of European integration, such as the regaining of sovereignty and equal status within the international community, facilitated the development of a general domestic consensus regarding Germany's European policy. Since the 1960s, therefore, membership in the European Communities has been supported by all major parties as

\textsuperscript{66}Feld, 83-88.
well as industry and trade unions.\textsuperscript{67}

CHAPTER FOUR: REUNITED GERMANY AND EUROPEAN INTEGRATION

4.1 German reunification in the context of European integration

The road to Germany's reunification was a rare sequence of events that generated a dynamic of its own. It was neither predicted nor predictable. It seemed as though the principal actors were surprised at almost every turn; painfully designed strategies had to be frequently changed. The principal actors tried desperately to adapt their plans to the fast pace of events. In contrast to the divisions of the cold-war era, reunification depended on concurrent interactive revolutionary change in the relations between the two German states and in Germany's international context. The whole process was started by the democratic revolution in the German Democratic Republic (GDR) which ultimately led to the fall of the political and economic systems of East Germany. 68

It was in November 1989 when reunification suddenly began to appear on the political agenda. The placards in the East German protest demonstrations changed their slogans from "We are the people" to "We are one people." (West) German flags began to appear, then to dominate the 'Montagsdemonstration' in Leipzig and other cities. In the Federal Republic, unification rose to the top of the political agenda. Internationally, the 'German question' was still not officially regarded as a salient issue, but unofficially it began to be discussed as a possible and even

---

The first official declaration came from Chancellor Helmut Kohl. On November 28, 1989 without consulting the Western allies, he presented his 10-Point Plan to the 'Bundestag'. What he outlined was the creation of a confederation between the two parts of the nation, which after a lengthy process would eventually lead to a German federation. But, he had to adapt his plan due to the events that unfolded in the next weeks. There was a continuing stream of East Germans entering the Federal Republic, which put increasing pressure on West Germany's resources and public services. Reunification was no longer a matter of choice, but a political and economic necessity. In order to stabilize the situation in the virtually bankrupt GDR, the government in Bonn decided on February 7, 1990 to accelerate the process of unification and offer East Germany a monetary and economic union. A free-standing German Democratic Republic was, consequently, no longer a realistic alternative when the monetary and economic union between the two German states came into force on July 1, 1990.

Many European governments appeared to be ambivalent about the prospect of German unification. Some feared a renewed German desire for hegemony in Europe as a whole, and especially within the European Community. Even before reunification, the two Germanies had ascended to positions of considerable influence within their respective economic and military alliances. Stable

---

69 McArdle Kelleher, 16.

economic and political relationships had been established with allies and trading partners, and, while these were not always harmonious, the overarching frameworks within which the two German states operated helped to secure co-operation and stability. It were not merely memories of the past, therefore, which raised anxieties about the emergence of the new Germany. The possibility that the established pattern of European relations would be fundamentally changed by unification and that Europe's general equilibrium could be threatened by the creation of a German 'superstate' made many profoundly nervous.71

Political anxiousness has been most noticeable in France and Britain, the two West European powers that had special responsibilities resulting from their status as two of the four powers with rights and obligations towards Berlin and Germany as a whole. In the United Kingdom, the Chequers Conference in March 1990 and the Ridley affair in July 1990 not only caused the government in London some embarrassment, but also led to tensions in Anglo-German relations. On March 24, 1990, Prime Minister Margaret Thatcher invited six British and American scholars to discuss the implications of German unity. The note of the discussion, which had been leaked to the press, listed a series of uncomplimentary features of the German character and came to the conclusion that the official policy of Germany supporting the European integration process might well be a tactic designed to deceive other member states: "the idea that Germany seriously

believed in European federalism as an alternative to nationalism was not wholly convincing, giving that the structure of the EC tended to favour German dominance."  

British feelings were highlighted further with the Ridley affair. British Trade and Industry Secretary Nicholas Ridley, one of the closest advisers to Prime Minister Thatcher for over ten years, forcefully expressed his opposition to German economic and financial dominance in the process of European unification in an interview with the weekly 'The Spectator'. He stated that he regarded plans for a European economic and monetary union (EMU), which was pressed forward at the Hanover summit in 1988 by the President of the Commission of the European Communities, Jacques Delors, French President François Mitterrand, and Chancellor Helmut Kohl, as a German scheme designed to take over the whole of Europe and he likened giving parts of British sovereignty to a European Community agency to giving it to Adolf Hitler. Britain, he felt, needed to maintain the balance of power in Europe now more than ever. Shortly after making these remarks, Ridley was forced to resign. The significance of this lapse lay in the widespread assumption that Nicholas Ridley was speaking for Mrs. Thatcher herself.  

In France, President Mitterrand tried in vain to slow down or even prevent a possible reunification of Germany. He

---


73 Bullard, 37; and Dinan, 159; and Fritsch-Bournazel, 72; and Spence, 139.
paid hasty visits to Poland in November 1989, where he upheld Poland's position on the 'Oder-Neisse' border, to the German Democratic Republic in December 1989, in order to support the existence of a separate East German state, and to the Soviet Union in the same month, where he made ambiguous statements about France's attitude towards rapid German unification. The French government's greatest fear has always been that a unified Germany might increasingly turn eastward and concentrate on its former sphere of influence in Central and Eastern Europe, thereby dominating the whole continent.74

But soon, both the United Kingdom and France had to realize that a reunification of Germany was inevitable. The first free general elections in East Germany in March 1990 had ended with a decisive victory for those parties that called for an immediate unification of both German states. Britain and France, therefore, began to concentrate on developing strategies to constrain the power of a unified Germany. Their strategies were diametrically opposed to each other, though. The government in London called for less European integration, because it strongly believed that a federally organized European union would without doubt be dominated by Germany. It rather sought reassurance within NATO, which it saw as a way of constraining Germany and enhancing Britain's status. France, on the other hand, looked to the EC to play this role. It, therefore, favoured further integration, because a European union would

limit rather than increase Germany's role.\textsuperscript{75}

This viewpoint was, obviously, shared by the Commission of the European Communities. President Delors showed consistent support for the unification process and correctly predicted a very fast integration of East Germany into the Federal Republic. He was one of the first European politicians who recognized the opportunity that German unification provided as a catalyst for the next phase of efforts to increase the pace of European integration. He skilfully used the worries of many EC member states about the challenges an enlarged Germany posed for the Community as well as for the balance of economic and political power between its members to speed up progress on economic, monetary, and political union. Delors, thus, ensured the Community's centrality in the events that unfolded.\textsuperscript{76}

President Mitterrand forged a link between his antipathy towards German unification and his affinity for European integration. The fact that the French government held the presidency of the Council during the second half of 1989 was an important reason to play a more constructive role in the whole process, and try to achieve as much progress as was possible to further French European-policy goals. France viewed EMU as a means to replace the power of the 'Bundesbank' with the pooled power of a European central bank. If the French government had

\textsuperscript{75}Le Gloannec, 252-253; and Carl-Christoph Schweitzer, "The EPC, the East and the German question," in The Federal Republic of Germany and EC Membership Evaluated, ed. Carl-Christoph Schweitzer and Detlev Karsten (London: Pieter Publishers, 1990), 111-120.

tried to obstruct German unification at the Strasbourg summit, which was scheduled for December 1989, it would have destroyed the latest initiative for EMU and damaged European integration. It, therefore, took advantage of the widespread view that German reunification implied a need to accelerate European Union, to settle a starting date for negotiations.\textsuperscript{77}

The Strasbourg meeting of the European Council on December 8-9, 1989 explicitly dealt with the linkage between German unification and deeper political integration and between EMU and a European Political Union (EPU). But, it was overshadowed by Chancellor Kohl's 10-Point Plan with which he had surprised everyone. Kohl referred to the worries of his European partners by pointing at his government's commitment to a deepening of European integration. He emphasized that the future of Germany must be fitted into the future of Europe as a whole, and that his unification policy was aimed at creating a European Germany, not a German Europe. One of Chancellor Kohl's fundamental convictions has always been that the deepening of European integration is the mission of his generation, which could not safely be entrusted to a successor generation.\textsuperscript{78}

But, despite his dedication to European integration, Chancellor Kohl was still reluctant to commit Germany to a schedule for European economic and monetary union. Nevertheless, he was prepared to trade his acceptance of the French plans for EMU along with the recognition of the 'Oder-Neiße' border, for EC

\textsuperscript{77}Ludlow, 24-25; and Spence, 139-141.

\textsuperscript{78}Dinan, 162-163; and Paterson, 154; and Spence, 141.
endorsement of German unity. After this 'bargain' the European Council supported the "German right of self-determination 'within the framework of East-West dialogue and co-operation' and in lockstep with EC integration."  

The Franco-German bargain manifested itself immediately in a decision at Strasbourg to hold an EC summit in December 1990 in order to revise the original Rome treaties that set up the Common Market in 1957. Whereas in 1985, the European Council president called for a vote to convene an intergovernmental conference (IGC) that later culminated in the Single European Act, in 1989 the president simply declared that a majority existed to hold a new IGC. This left the British Prime Minister, Margaret Thatcher, who had made no secret of her opposition to an economic, monetary, and political union, isolated in the Community. She had proposed an immediate widening of the EC, instead. Less than a year later, Thatcher was ousted from her office and replaced by John Major.

The developments of 1989/90 made it seem possible that, finally, the 'German problem' could be resolved. In 1965 President de Gaulle had characterized the 'German problem' as "indeed the European problem, of the German anguish" created by its own uncertainty about its boundaries, its unity, its political system, its international role, so that the more its destiny remains undetermined, the more disturbing it always appears to the whole continent.


80 Dinan, 163-164; and Merkl, 386-387.

81 quoted in Hoffmann, 253.
Since Adenauer the German approach to a resolution of that problem has been basically the same. In February 1990 Foreign Minister Genscher reiterated what every German government has regarded as the basis of its policy:

The policy of the Federal Republic of Germany has, in keeping with the precepts of our Constitution, been a policy of responsibility ever since the founding of our state. To serve world peace, to be an equal partner in a united Europe, and to preserve their national and political unity - that is the mandate which the German people have been given by their Constitution. This includes the determination to firmly link the destiny of Germany to that of Europe. The Germans will not follow a separate path. Nor will they pursue a separate course of neutrality; this would give rise to new insecurity and instability in Central Europe.\(^{82}\)

These fundamental principles of Germany's European policy are undisputed. Furthermore, there has been a long-standing commitment to the idea of West European integration in German domestic politics. All major parties (CDU/CSU, SPD, FDP) and trade unions as well as business and industry generally agree that Germany should continue to participate actively in the process of European integration. Even the Greens, who are very critical of what in their opinion is an overly bureaucratic and undemocratic structure of the European Communities, support European integration and further deepening and widening of the EC.\(^{83}\) In July 1995 the leader of the Greens in the 'Bundestag',


Joschka Fischer, underlined the fact that all democratic parties agree on the central tenets of Germany's foreign policy:

Ich bin der Meinung in der Außenpolitik sind weite Teile der demokratischen Linken wie auch der demokratischen Rechten in zentralen Grundannahmen eigentlich einer Meinung...die außenpolitischen Säulen - Westbindung als Atlantismus und europäische Integration; "Europa zuerst" und damit die Vertiefung und Erweiterung der Europäischen Union; positives Verhältnis zu Rußland; überragende Bedeutung der zivilen Komponente unserer Politik nach außen wie nach innen -, all das sind Dinge, die mit unterschiedlicher Gewichtung so etwas wie ein Fundament deutscher Selbstdefinition und damit deutscher Außenpolitik darstellen."

The question that arises is, why did the Federal Republic decide to continue its active participation in the process of European integration? What were the motivations for Germany's decision? One possible answer has been put forward by Chancellor Kohl in a speech on December 5, 1989. He, thereby, pointed to the common values and beliefs, such as freedom, democracy, and the preservation of human rights, that connect Germany with its neighbours to the West. Kohl stressed that the decision of general principle to integrate into the West, which the Federal Republic made in the early 1950s, is, therefore, irreversible:

Die Entscheidung der Bundesrepublik Deutschland, sich unwiderruflich an den Westen zu binden, entsprach nicht taktischem Kalkül, sondern war Ausdruck einer bewussten Wertentscheidung. Die Bundesrepublik Deutschland entschied sich für eine möglichst enge Bindung an die westlichen Demokratien, weil sie dort ihren geistigen und politischen Standort sah. Diese Entscheidung steht heute wie künftig nicht zur Disposition, sie ist, wie ich wiederholt betont habe, Teil der Staatsraison der Bundesrepublik Deutschland. Mit der westlichen Gemeinschaft verbinden uns daher nicht Zufall oder Zwang, sondern die feste Überzeugung, daß Freiheit, Demokratie


und Verwirklichung der Menschenrechte entscheidende Grundlage für unsere eigene politische Ordnung sind.\textsuperscript{85}

Chancellor Kohl has always been a dedicated supporter of European integration. In his speech to the first all-German 'Bundestag' on January 31, 1991, he summarized his fundamental political conviction with the following statement: "Deutschland ist unser Vaterland, Europa unsere Zukunft." Nevertheless, there is more to Chancellor Kohl's 'Europeanism' than pure idealism. Membership in the European Community was, apart from the genuine commitment of all postwar governments to the concept of European integration, also seen as a way to widen the bounds of West German sovereignty. Ironically, surrendering elements of sovereignty to the EC was the only way for Bonn to regain full sovereignty and convince its Western allies that Germany could again be trusted. This pattern was also used during the reunification process, when Chancellor Kohl had to reassure his partners that a unified Germany would remain as committed to European integration as ever.\textsuperscript{86}

Germany has learned the lesson from the experiences it has made in the last 120 years, namely that an isolation of the country has to be avoided at any cost. This has been of special importance to Bonn and its neighbours, because an internationally isolated Germany in the centre of Europe would endanger political stability in the region. The German government has always been

\textsuperscript{85}Heinrich Seewald (ed.), Helmut Kohl: Deutschlands Zukunft in Europa: Reden und Beiträge des Bundeskanzlers (Berford: Verlag Busse + Seewald, 1990), 145-146.

worried that if the achievements of the last forty years of European integration would be abandoned, the continent would fall back to old patterns of foreign-policy making based on national interests and conflicts. But, maintaining good relations with its neighbours required that those countries would feel secure and never again fear a return of German 'Machtpolitik'. Participating in regional integration seemed the most appropriate means of achieving this goal. European integration and the EC represented for Bonn a framework within which good neighbouring relations could emerge and develop. This gave Germany the opportunity to pursue its interests in the field of foreign policy from within the EC, by influencing and persuading other member countries of the value of certain policies. Due to the sensitivities of Germany's neighbours this approach promised to be more successful than one in which Bonn would try to act unilaterally. 

The process of European integration helped to develop a feeling of mutual trust among the countries of Western Europe, which advanced the generation of political stability within the EC. This in turn facilitated international exchange in every realm, especially in the economic field. The promotion of the social and economic well-being of its citizens has been another important motivation for Germany's commitment to the process of European integration. The continuation of that process is vital for the future development of the German economy. European

---

economic unification has contributed decisively to German job creation, economic growth, and the achievement of a considerably high level of prosperity, and thereby supported the country's internal stability. Moreover, a withdrawal from the EC would be very costly for the Federal Republic, because interdependence between member countries has grown substantially over the last forty years. All in all the EC seemed to offer the Federal Republic an optimal framework for securing economic prosperity and the liberal-democratic order, as well as for preventing a relapse into the old nationalist habits that had caused Germany so much damage.  

4.2 The Maastricht Treaty and its aftermath

In April 1990 Kohl and Mitterrand submitted a joint proposal to the then president of the European Council, Irish Prime Minister Charles Haughey, on opening a second track in the European integration process. The proposal put forward bold steps not only towards European economic and monetary union, but also towards a political union. Both goals would be advanced simultaneously at two intergovernmental conferences. The twelve member states represented at the two IGCs, which opened in Rome in December 1990, concluded their bargaining one year later after intensive negotiations at the summit meeting in Maastricht.  

Germany went into the negotiations with a clear

---


89 Dinan, 165-169.
commitment to EMU and EPU. But, unlike many other member countries, Bonn recommended a close linkage between these two aspects of a future European union. Chancellor Kohl even threatened to veto any agreement on EMU without an adequate agreement on political union. The high importance that the German government attached to a parallel approach can be explained by the experience it had gained from the economic and monetary union with East Germany. It seemed obvious to the government in Bonn that a common monetary policy, in order to function properly, would need a common economic policy, because if economic developments in even a single member country would differ considerably from the developments in the other member countries, negative consequences for the common currency would be inevitable. A common economic policy in turn would necessitate closer links in the form of a comprehensive political union. Furthermore, referring to a future expansion of the EC, Bonn held the opinion that the likely diversity of interests and opinions once eighteen or more countries were participating would almost certainly shatter the Community, unless there was a high level of regulation of the important political issues.90

In 1989, the governments of the EC member states had basically agreed to take a three-stage approach to EMU. The first stage, which called for a greater co-ordination of member countries' macroeconomic policies, the establishment of free capital movement, and membership of all EC currencies in the

European Monetary System, was launched on July 1, 1990. The second stage, which came into effect on January 1, 1994, established the European Monetary Institute, the predecessor of the future European Central Bank (ECB). This Committee of Central Bank Governors prepares the third, and final, stage of EMU. By the end of 1996, the EC governments are to decide by a qualified majority vote whether a majority of member states is ready for currency union. Should the verdict be positive, the currency union could be introduced from the beginning of 1997. If the verdict is negative, member states that are ready have to decide whether it is appropriate for the Community to enter the third stage, and if so, set a date for the beginning of the third stage, i.e., the introduction of a single currency. If by the end of 1997 the date for the beginning of the third stage has not been set, the third stage will start on January 1, 1999.91

Regarding the negotiations on EMU, the German government indicated that it might be willing to make far-reaching concessions. In order to convince its partners that the reunited Germany was not willing to act solely in its own interest and was truly committed to European integration, Bonn was prepared to surrender the deutsche mark and, thereby, give up control over European monetary policy, which it presently possessed in the European Monetary System (EMS). But, this issue was highly contentious. Especially the 'Bundesbank' and its president, Karl-Otto Pöhl, had reservations about EMU. Pöhl, supported by the Ministry of Finance, showed persistent resistance towards the

91Dinan, 158-182; and Nicoll and Salmon, 154-159.
government's policy and eventually resigned before the Maastricht Treaty was signed. In spite of the growing criticism, the government stuck to its decision. But, Bonn formulated three conditions which took into account most of the 'Bundesbank's' recommendations. In order to ensure that the new European currency would be as stable as the German mark, Germany insisted on a European central bank that would be as independent from political control as the 'Bundesbank'. The charter of the new central bank would have to accord high priority to price stability; and only the countries that meet tough criteria for budgetary discipline would be allowed to proceed to the third and final stage of EMU. Finance Minister Theo Waigel summarized the German view of EMU by stating: "[Germany] will bring the German currency order to Europe."

Member states would have to fulfill the following 'convergence criteria' in order to enter the final stage of EMU:
- government deficit spending shall not exceed 3 percent of gross domestic product (GDP) at market prices,
- government debt shall not exceed 60 percent of GDP at market prices,
- inflation for a country over one year before examination shall not exceed by more than 1.5 percent that of, at most, the three best performing EU members in terms of price stability,
- a country must be a member of the Exchange Rate Mechanism (ERM)

of the European Monetary System (EMS) and must not have any devaluations within the narrow band of the ERM in the two preceding years, and,

- in the preceding year, a member state shall have had an average nominal long-term interest rate that does not exceed by more than 2 percent that of, at most, the three best performing members in terms of price stability.\(^9^3\)

However, the Maastricht agreement left a few loopholes concerning the application of these 'convergence criteria' for admission of member states to the third stage of EMU. The final decision over the admission of countries to the third stage of EMU will be made under qualified majority voting. Furthermore, the decision whether to admit member states or not does not necessarily have to be based on the fulfillment of the criteria, but on whether the countries in question have made good faith efforts to meet the 'convergence criteria'.\(^9^4\)

The far-reaching agreement on EMU did not, in the end, meet the high expectations of the 'Bundesbank'. The outcome was criticized because the admission rules, which were believed to be not stringent enough, would not ensure the recreation of the German model at the European level. The 'Bundesbank' based its opposition to the agreement reached at Maastricht on three points. First, the ambiguity of the Treaty with regard to the body that would ultimately determine exchange rate policy, namely either the Council or the future European Central Bank. Second,


\(^9^4\)Garrett, 50.
decisions of the Governing Council of the European Central Bank would be made by simple majority, with each national member having one vote. This voting system would allow for the possibility that members who are interested in looser monetary policies would outvote advocates of tight monetary policies. Finally, third, the sanctions against individual governments free-riding on the monetary union as a whole by running large national deficits were deemed to be not strong enough.  

But, the government in Bonn accepted this suboptimal outcome because it gave priority to a successful conclusion of the Maastricht negotiations and, thereby, the advancement of the process of European integration. This was due to the fact that it wanted to reassure its partners that a reunified Germany would remain firmly anchored in the West. This, Bonn believed, would make it easier for the Western powers to support the rapid unification of the two German states. Moreover, EMU was considered necessary to further penetrate EC markets and give boost to exports. But, the Maastricht Treaty did not get the domestic support the government had hoped for. It was especially the prospect of losing the mark which sparked widespread opposition to the final stage of EMU. In response to the increasing criticism the government agreed not to move to the third stage of EMU and the single currency unless it got the approval of a two-thirds majority of both Chambers of Parliament. Apart from that Chancellor Kohl and Foreign Minister Kinkel stressed that Germany would only participate in the creation of a

---

Garrett, 52-53, 62.
common currency, if that currency promises to be as stable as the mark. \(^9^6\)

Regarding a future European political order the Bonn government strived for a federally organized union. It also pressed for further steps towards supranational as opposed to intergovernmental decision-making. This issue was seen in connection with the 'democratic deficit' of the EC which Germany wanted to rectify. The Chancellor made movement on this matter and urged his European partners to increase the strength of EC institutions and make them democratically accountable. The Kohl government, thereby, attached special importance to the - directly elected - European Parliament. In their view, this should become more powerful and play a greater legislative role, i.e., it should have the same powers as the Council. The German proposal also provided for a right of initiative and parliamentary involvement in the appointment of the Commission and its president. Following its own interests at the same time, the German government pressed for eighteen additional German seats to represent the eastern part of the unified country. The greater influence German parliamentarians would have on the European Parliament made it much easier for Bonn to give up some of the powers of the Council. Apart from that, Germany was willing to extend qualified majority voting in the Council to most areas of business, including foreign policy and security, in

order to make it more efficient. Bonn, thereby, argued that majority decisions would encourage the willingness to reach compromise, whereas having a right of veto would promote national egoism.97

The German government also called for a common internal security policy in such areas as immigration and asylum, organized crime, terrorism, drug trafficking and the environment. Concerning economic policies, Germany strongly believed in non interventionism, and promoted the German model of a 'social market economy'. The German approach to the granting of more competencies to a future European union was greatly influenced by the principle of subsidiarity. This principle maintains that higher levels of government should be allowed to deal only with issues which cannot be handled at a lower level. The adherence to this principle can be explained by the way Germany's federal system is organized. Germany's Basic Law stipulates that governmental powers and executive functions shall be exercised and discharged by the federal states as far as the Constitution does not otherwise prescribe or permit. It should therefore not be surprising that it were especially the German states ('Länder') that pushed hardest for the introduction of the principle of subsidiarity into the EC, and for the creation of new European institutions representing the states or regions.98

97Dinan, 169-170; and Nicoll and Salmon, 228; and Rudolf Seeters, "Welches Europa wollen wir?" Frankfurter Allgemeine Zeitung, April 28, 1995, 8.

It was mainly due to German pressure that the principle of subsidiarity was finally enshrined in the Maastricht Treaty and that the Committee of the Regions was established as an official institution of the European Union. Bonn constantly stressed its commitment to the decentralizing principle of subsidiarity, and that it pursued a federal, not a unitary Europe.\(^9\) Foreign Minister Kinkel pointed out that this has always been an important matter of concern for Germany:

> Schließlich ist es ein besonderes deutsches Anliegen, das Demokratiedefizit und Ängste vor Zentralismus und Bürgerferne abzubauen ... Wir wollen eine konsequente Anwendung des Subsidiaritätsprinzips, um die Arbeit der Union auf die wahrhaft großen, übergreifenden Aufgaben zu konzentrieren, die die Mitgliedsstaaten einzeln nicht bewältigen können.\(^{100}\)

Although generally cautious about a European defence identity, the Bonn government supported French initiatives for a common foreign and security policy (CFSP). It did this not only to calm French worries about an unrestrained unified Germany, but also because of its own commitment to multilateralism particularly in security and foreign policies. Bonn advocated a motion that tried to reconcile 'Atlanticist' and 'Europeanist' positions by proposing the development of the Western European Union (WEU) into the defence component of a future union. The European defence policy would, thereby, complement NATO, which Germany still views as the basis of Europe's security.\(^{101}\)


\(^{101}\)Dinan, 177; and Müller, 160.
Despite the numerous and close contacts at all levels between the German and French governments during the negotiations, the two countries had several differences of view. The government in Paris was very much interested in EMU, but it had reservations about many aspects of EPU. With regards to EMU, France, unlike Germany, did not place great importance on tough convergence criteria and on the independence of a European central bank. The French government also rejected non-interventionism and pushed hard for an aggressive Community industrial policy. On EPU, France had a rather ambiguous position. While promoting EPU as a means of tying the reunited Germany closer to the EC, France sought a stronger European Council and opposed giving the European Parliament any more power. Moreover, France differed from Germany in that it did not support a unitary treaty structure, as proposed by the Dutch. 102

During the final stages of the negotiations, the German government showed a considerable willingness to compromise, not only to give effect to the Franco-German relationship but, also, because it regarded it far more important to make noticeable progress towards integration than to let the summit fail by pushing certain issues. For example, Germany did not fight for the Dutch proposal although it resembled German ideas far more than the draft treaty presented by Luxembourg. In a speech to the 'Bundestag', Chancellor Kohl explained that his government could not fight for absolutes and that it would have to settle for compromises in matters of internal security, social policy,

102 Dinan, 171, 178; and Nicoll and Salmon, 227-228.
immigration, and the rights of the European Parliament.\footnote{Dinan, 178; and Müller, 161.}

The expansion of the powers of the European Parliament fell short of Germany's demands, and a common asylum and immigration policy was still far away. Moreover, the German negotiators agreed to postpone a decision on the eighteen extra seats for Eastern Germany in the European Parliament. The question was, finally, resolved at the summit in Edinburgh in 1992, when not only Germany but also most other member states were allocated more seats.\footnote{Nicoll and Salmon, 227-228; Müller, 161; and Paterson, 154.}

The problems that occurred during EU ratification processes are normally associated with Denmark, France, Ireland or the United Kingdom. But, it was actually the Federal Republic of Germany which was the last country to ratify the Maastricht Treaty. The main challenge to the Treaty came from the 'Bundesrat', the Chamber of the 'Länder'. It threatened to block the German ratification process unless the government increased their rights of participation in EU matters. The 'Länder' argued that since areas of policy which have traditionally been the responsibility of the 'Länder' will increasingly become matters of EU jurisdiction, they have to be able to participate in the processes of decision-making and consultation.\footnote{Dinan, 178-179; and Nicoll and Salmon, 228.}

After intensive negotiations between the federal government and the 'Länder', the issue was finally resolved. In
December 1992, the 'Bundestag' and the 'Bundesrat' approved constitutional changes that were aimed at strengthening the role of the 'Länder'. Article 23 of the Basic Law, which legally paved the way for German unity and which had to be erased after its achievement, was replaced by a new Article 23. It allows the representatives of a 'Land' government to exercise the rights of the Federal Republic of Germany in the Council of Ministers when the issues under discussion involve 'Länder' powers. It requires the federal government, in its decisions regarding the affairs of the EC, to consider the views of the 'Bundesrat' in cases where the functions involved belong to the federation. Furthermore, when 'Länder' powers are affected, the federal government must under all circumstances follow the demands of the 'Bundesrat'. It also grants the federation the right to transfer sovereign rights to the EC, but only with the approval of the 'Bundesrat'.

Closely linked with these changes in Article 23 is the amended paragraph 1a of Article 24. This paragraph enables the 'Länder' to transfer, with federal government approval, certain autonomous rights to transborder agencies in order to strengthen co-operation with neighbouring countries in dealing with common problems, such as police, educational institutions, water and garbage disposal.

The last remaining hurdle which the Treaty had to clear in Germany was a legal challenge before the Constitutional Court.

---


107 Bundeszentrale für politische Bildung, 24; and Gunlicks, 96.
Whereas Christian Democrats, Free Democrats, and the opposition Social Democrats supported the Treaty, a coalition of extreme right-wing Republicans, environmentalist Greens and a former German senior Commission official questioned the constitutionality of the Treaty, claiming that Germany gave too many of its powers to Brussels. The Constitutional Court rejected complaints against the Treaty. Yet it emphasized that the principle of subsidiarity would have to be strictly obeyed during the process of European integration. On October 12, 1993, after the Constitutional Court had officially dismissed the complaint, the German government could, finally, ratify the Maastricht Treaty.  

The developments in Central and Eastern Europe were another reason for Germany's interest in bringing the Maastricht Treaty to a successful end. The rapid changes in the former communist countries threatened to destabilize the whole Eastern half of the continent. The collapse of communism resulted in a breakdown of the economic, political, social, and institutional structures. Furthermore, national rivalries and ethnic tensions increased the possibility of large scale armed conflicts in that region. Germany, which is situated on the 'front-line', is, thereby, naturally the country that is affected most strongly by the developments that take place to the east of its borders. A stabilization of that part of the world is therefore in the special interest of the Federal Republic. Bonn wants to prevent

---

Central and Eastern Europe from once again returning to the unstable political order of the interwar years. Germany's answer to this problem has been twofold: first, Bonn continues to participate actively in the process of West European integration, and, second, Germany tries to open this process to the countries of Central and Eastern Europe.109

Because of its geographical situation and its historic ties to the region, Germany felt an urgent need to help these countries to overcome their difficulties. It has been the main provider of Western assistance to ex-Communist states, including financial aid and the transfer of managerial and technical know-how. Yet economic assistance alone was believed to be insufficient. The lack of political stability was perceived to be the foremost problem. As the Federal Republic's postwar experience has shown, participation in the process of European integration has been the best means of safeguarding and fostering external security, internal stability and prosperity. It is, therefore, the same strategic perspective that Germany used for its own foreign policy which stands behind Germany's support for the timely association and eventual EU-membership of the Central and Eastern European countries.110

In February 1995 Foreign Minister Kinkel explained how growing interdependence between the members of the European Union


helped to ensure peace, democracy, and prosperity in Western Europe, and that an inclusion of the countries of Central and Eastern Europe would be the best way to expand these features into the Eastern part of the continent:

Multilateral integration is seen as the best means of ensuring stability and counteracting the resurgent nationalism in these countries. The German government's vital interest in prosperity and stability in Central and Eastern Europe, can, thereby, only be realized through the support of the whole European Union, without which Germany would be hopelessly overburdened supporting political and economic developments in Central and Eastern Europe. Consequently, Bonn has come to the conclusion that it cannot choose between integration in the West and a unilateral policy towards Central and Eastern Europe, because West European integration is a basic necessity for coping with the challenges from the East.\footnote{Klaus Kinkel, "Rede von Bundesaußenminister Klaus Kinkel auf der Münchner Konferenz über Sicherheitspolitik am 5. Februar 1995," Internationale Politik 50, 4 (April 1995): 94.}

\footnote{Burkhard Koch, Germany's New Assertiveness in International Relations: Between Reality and Misperception (Stanford University: Hoover Institution, 1992), 12; and Müller, 135.}
Therefore, Germany, unlike many other EU members, sees no great contradiction between 'deepening' and 'widening' the EU. The German government views 'deepening' and 'widening' as parts of a single process, since the strategic aim is to preserve stability and to build a new and lasting peace order in Europe. But, not all EU partners see genuine altruistic motives behind Germany's promotion of simultaneously 'deepening' and 'widening' the Union. There are already fears arising that Bonn is attempting to establish a new 'German bloc' within the European Union, consisting of Austria as well as the Central and East European countries that have been economically and politically closer to Germany than they have to other EU members. Chancellor Kohl has been criticized for being too vigorous in expanding the EU in new directions. Germany's attempts to lower trade barriers towards the East, for example, provoked many angry reactions from 'Latin' members.\(^{113}\)

Chancellor Kohl has been trying to overcome the fears about a unilateral German policy towards Central and Eastern Europe by proposing a common 'Ostpolitik' of the EU. Moreover, during the Maastricht negotiations Bonn has acquiesced in demands of the poorer members of the Union to establish a Cohesion Fund which would finance projects in the field of environment and the construction of major transport networks in Greece, Ireland, Portugal and Spain. At the Essen summit in 1994 Germany also agreed to support an initiative, put forward by France, Spain, and Italy, aimed at helping Morocco, Tunisia, and Algeria with at

\(^{113}\)Klaus Kinkel, "Verantwortung, Realismus, Zukunftssicherung: Deutsche Außenpolitik in einer sich neu ordnenden Welt," Frankfurter Allgemeine Zeitung, March 19, 1993, 8; and Müller, 158; and Smyser, 151.
least 700 million ecus annually in return for continued financial aid for the countries of Central and Eastern Europe.\textsuperscript{114}

The Federal Republic's postwar experience as well as its exposed location, the legacy of its history and new economic opportunities induce it to be strongly interested in an eastward enlargement of the European Union. For these reasons, Germany has been a firm advocate of Western assistance to the countries of the former East bloc. The German government and German business are using their influence in Western Europe to promote an expanded East-West trade. In a highly contentious EU debate, Germany has tried to relax EU barriers against East European textiles, food, and steel. It has also tried to make it possible for the less-sophisticated economies of the East to trade with the EU by curtailing the application of certain EU regulations.\textsuperscript{115}

Bonn's activities are, thereby, not only a result of its belief that Eastern Europe will not be stable unless it is prosperous, and that trading with the West is crucial to that prosperity, but also due to the economic opportunities that the changes in this region have offered to German business. For example, Germany is currently the chief trading partner of Poland, Hungary, the Czech Republic, and Slovakia. Furthermore, between January and July of 1993 EU trade with the countries of Central and Eastern Europe was in surplus by 1.2 billion ecu with the Federal Republic registering half of the surplus. As the world's second largest exporter, Bonn has every interest in

\textsuperscript{114}Seewald, ed., 169; and The Economist (London), June 17, 1995, 56-57.

keeping the EU's trading practices open and in pressing the EU to establish closer ties with the countries that have been singled out for membership in 1993, namely, Poland, the Czech Republic, Slovakia, Hungary, Romania, Bulgaria, Slovenia, and the three Baltic states.\

As a country with an export oriented economy, Germany is dependent on external trade. Table 4 shows that Germany's dependence on exports has risen considerably since the beginning of this century, and especially after 1949.

Table 4: Germany's export quota, 1910-1980 (measured as the share of exports in proportion to the net national product in market prices)

<table>
<thead>
<tr>
<th>Year</th>
<th>Export Quota in Percent</th>
<th>Year</th>
<th>Export Quota in Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1910/13</td>
<td>17.5</td>
<td>1950</td>
<td>9.3</td>
</tr>
<tr>
<td>1925/29</td>
<td>14.9</td>
<td>1960</td>
<td>17.2</td>
</tr>
<tr>
<td>1930/34</td>
<td>12.0</td>
<td>1970</td>
<td>23.8</td>
</tr>
<tr>
<td>1935/38</td>
<td>6.0</td>
<td>1980</td>
<td>26.7</td>
</tr>
</tbody>
</table>

Source: von Bredow and Jäger, 181.

The European Union has, thereby, become the most important market for German exporters. In 1960, 43.2 percent of the Federal Republic's exports went to the then six EC countries, in 1987, 52.7 percent of the exports went to the then already twelve members of the EC, and in 1990, before German reunification, 54.4 percent of exports went to EC members. In 1992 54.3 percent of German exports went to the members of the European Union, while 27.3 percent of the exports went to other industrialized countries, and 5.6 percent went to the countries of the former East bloc. Moreover, with France, the United

---

Kingdom, Italy, the Netherlands, and Belgium/Luxembourg five of the six largest markets for German products in 1994 were in EU member states. The European Union as a destination for exports has also a significant impact on employment in Germany. Currently one in every six jobs depends on the EU market.117

Germany's export dependence might explain why the Federal Republic has become a strong advocate of free trade not only inside the EU but also globally and opposes any attempt at creating a 'fortress Europe'. The Federal Republic, therefore, opposed France's protectionist stance and pushed its Western neighbour to accept the 1994 Uruguay round GATT agreement. Chancellor Kohl made it clear that the German government is not going to support a policy that results in the EU sealing itself off from the rest of the world:

Eine 'Festung Europa' darf und wird es nicht geben. Die Abschottung Europas nach außen läge auch mit Sicherheit nicht in unserem eigenen wohlverstandenen Interesse. Wenn wir uns nach außen abschotten, werden wir dadurch nicht konkurrenzfähig, im Gegenteil. Protektionismus darf daher nicht das Signal sein, das vom Binnenmarkt ausgeht.118

With these strong political and economic interests, it is not surprising that Germany is a strong supporter of further European integration along free market lines.

To sum up, one can say that the process of German reunification in 1989/90, which was a result of the revolutionary


changes in Central and Eastern Europe in general and in East Germany in particular, led to an acceleration of the process of European integration. Germany's neighbours, especially the French, worried about a possible destabilization of Central Europe. They feared that a unified Germany might once again return to a policy of swinging back and forth between East and West. In order to calm down these fears the German government tried to reassure its partners of its commitment to remaining firmly integrated in the West, and supported further steps towards European unification. In order to achieve this aim, Germany was willing to make far-reaching compromises during the Maastricht negotiations, such as surrendering the mark for the creation of a European Monetary Union. Germany even accepted a suboptimal outcome in the final EMU arrangement, because it had broader political interests regarding EC support for rapid German unification. Another reason for Bonn's interest in maintaining the pace of European integration was the fact that the EU market has been essential for Germany's export-dependent economy. Moreover, Germany, as a state that is situated on the 'front-line' of Central and Eastern Europe, has every interest in preserving stability in Western Europe and extending it into the Eastern half of the continent. It has therefore been an adament supporter of an Eastern enlargement of the EU.
CHAPTER FIVE: CONCLUSION

Support for European unification has been a fundamental assumption of West German politics from the earliest days of the Federal Republic. This principled commitment to a unified Europe has even been laid down in the preamble of Germany's Basic Law. In the period from 1949 to 1957, however, Germany's position towards European integration was more fluid than it was during and after the process of German reunification. While in 1989/90 there was a widespread domestic consensus that a reunited Germany would continue to remain integrated in the West and be a driving force in pushing forward initiatives aimed at further European integration, this concept was more contested in the early years of the Federal Republic. It was then mainly associated with Adenauer who carried through with his ideas. The successful political and economic development of the new state as well as the intensification of the cold war later convinced his adversaries of the merits of that policy, and participation in the process of European integration ceased to be an important source of partisan division in West German politics. This laid the foundation for the later developed domestic consensus regarding Germany's integration into the West and membership in the European Union.

This broad domestic consensus is one of the reasons why the Federal Republic can be regarded as the most 'European' of the three powerful EU member states, France, the United Kingdom, and Germany, whereas in France and Britain the major parties often had conflicting views and sharp internal divisions
regarding their respective countries' policy towards European integration. Bonn's behaviour has been much more integrationist than Paris' or London's. In contrast to these other two member states, Germany supports all three aspects of 'deepening' and 'widening' the European Union. First, it is a proponent of 'policy deepening', i.e., it is in favour of a common foreign and security policy, it supports a common policy towards internal security and immigration, and it even accepts EMU in connection with a closer political union. Second, the Federal Republic is also in favour of 'institutional deepening', which means that it is willing to surrender more powers to the European Parliament, the Commission, and other supranational EU institutions. Furthermore, with regard to the Council, Bonn has called for the introduction of qualified majority voting even in the area of foreign and security policy.

Germany supports 'institutional deepening' as a way to overcome the oft-noted 'democratic deficit' of the EU. Third, Germany supports a 'widening' of the EU by admitting countries of Central and Eastern Europe to the Union.

While it is true that Bonn is ready to make far reaching concessions to reach these goals, it is also true that Germany has drawn a clear line in certain areas where it is less willing to make compromises. In the 1950s this applied first and foremost to the issue of German reunification, where the government had to face strong domestic opposition to its policy of integration into the West. West German participation in the process of West European integration was being criticized on the grounds of making a unification of the two parts of the nation
impossible. Despite the fact that Adenauer gave priority to the Federal Republic's integration into the West, he and his government were not willing to accept any clause that would have formally recognized the existence of two German states. Moreover, all German governments insisted that the external trade barrier of the EC should not impede trade between the two Germanies, making East Germany a de facto associate member of the Community. In 1989/90 reunification reappeared on the agenda. Bonn made this issue its priority, and any attempt by France or the United Kingdom to veto the unification of the two German states would certainly have jeopardized further progress in the process of European integration.

The principle of equality formed another limit of acceptance of integration for West Germany in the 1950s. Bonn was only willing to participate in the process of European integration if it were based on the principle of equal rights for every member state. Whenever the Adenauer government entered negotiations with the aim of founding a new European organization, be it the ECSC, the EDC, or the EEC, it, therefore, demanded that the Federal Republic be granted full equality.

In the initial stages of German participation in the process of European integration Chancellor Adenauer had to overcome strong opposition in yet another field, namely free trade. Since the government had decided to follow a strategy of export-led growth there were widespread concerns, voiced primarily by the Minister of Economics, Ludwig Erhard, and members of business and industry, that membership in the ECSC and later the EEC would impede German trade with countries outside of
these organizations. These fears were overcome once it became clear that the benefits of easier access to the member states' markets did not come at the expense of German trade interests outside of the Communities. Nevertheless, Bonn opposed any attempt at creating a 'fortress Europe' and has shown resistance to overtly 'dirigiste' tendencies in the EC. The more Germany's dependence on exports grew the more important the maintenance of free trade became for Bonn. Reunited Germany is therefore committed to the achievement of the maximum degree of trade liberalization within the internal market, and between the EU and its external trading partners.

Closely connected to free trade is monetary stability which is often regarded as the other prerequisite for Germany's successful postwar economic development. Since 1949 German governments have made every effort to sustain low levels of inflation and keep the mark stable. Bonn's success in preserving monetary stability has largely been attributed to the fact that the independent 'Bundesbank' has been able to follow its overriding objective of price stability without any government interference. During the Maastricht negotiations on EMU, Germany therefore insisted on an independent European central bank and tough convergence criteria, which would have to be met by all participants before entering stage three of EMU. Bonn was nevertheless willing to make some concessions regarding EMU, but only because it gave priority to the achievement of German reunification, and, therefore, wanted to obtain the support of the other EC members for that step. But, since the Maastricht agreements concerning EMU became public, Bonn has been facing
increasing domestic criticism, which has led the government to harden its stance and clarify its position by emphasizing that it would base its decision to participate in the final stage of EMU not on the arranged timetable but on the fulfilment of the convergence criteria. Germany would only accept a single European currency if it promises to be as stable as the mark.

The Federal Republic's last limit of acceptance of integration concerns the principle of subsidiarity. Germany has always strived for a federally organized Europe based on the principle of subsidiarity, and not for a unitary, centralized Europe. It has therefore tried to prevent as much centralization in Brussels as possible. Bonn wants the EU institutions to exercise their powers only to the extent that the member states are unable, acting separately or in concert, to achieve satisfactorily the same objectives. Germany has been the main proponent of enshrining the principle of subsidiarity in the Maastricht Treaty, and, under the pressure of the 'Länder', of granting the European regions a say in EU matters. The creation of the Committee of the Regions was seen as a first step in that direction.

After examining the Federal Republic's limits of acceptance of integration, we should now turn to the question of why Germany participated in the process of European integration. What were the motivations for the decision to join the European Communities, and to remain committed to that process? If we take a look at what Adenauer wanted to achieve for the country by participating in the initial stages of European integration, the first motivation that comes into mind is the moral rehabilitation
of a defeated and ostracized Germany. A true rehabilitation of the country required above all the restoration of trust among its neighbours who had suffered from the excesses of the 'Third Reich'. Germany's neighbours understandably wanted to have reliable safeguards against a potential future German threat. Participation in the process of European integration and membership in the evolving European organizations seemed the best way to achieve the goal of creating good relations with the Western neighbours and thereby reducing their fears and suspicions.

Closely connected with this point is the second motivation, namely the regaining of sovereignty. Adenauer knew that the Western powers would only be willing to grant the Federal Republic a limited amount of sovereignty if and when they felt that they could again trust the Germans. His strategy and that of every following government was therefore to surrender elements of Germany's newly gained sovereignty to Europe in order to convince the allies that the Federal Republic could be trusted with full sovereignty. This policy was very successful and Chancellor Kohl used the same strategy to achieve German reunification in 1990. By accelerating the process of European integration and agreeing to a German participation in EMU he was able to win the support of the other EC members for Germany's unification. That support helped in bringing the 'Two-Plus-Four' talks to a successful conclusion, and secured full sovereignty for the unified Germany through the 'Treaty on the Final
Settlement with respect to Germany'.  

Another very important motivation for Germany's active involvement in the process of European integration are the economic benefits of membership in the EC. In the early years of the Federal Republic the main goal was to abolish the restrictions that had been imposed upon Germany's postwar economy by the allied victors. By joining the ECSC, the Federal Republic was able to abolish the activities of the International Ruhr Authority and thereby put an end to allied control over Germany's coal and steel industries. Apart from that, the stable framework provided by the liberal economic 'constitution', the EEC Treaty, and supported by effective institutions enabled German companies to benefit from the economies of scale which the common market offered. Moreover, the Federal Republic's strategy of export-led growth rested largely on the fact that the EC constituted the country's foremost export market.

In the realm of foreign policy, Germany tried to refrain from an assertive, unilateral approach, because of the fears of revanchism which such a policy would arouse among its neighbours. Since the use of traditional foreign policy methods based on the nation state was held to be inappropriate because of the Nazi past, the Federal Republic used membership in the EC as a means to broaden its international role. Participating in regional integration seemed to provide the most appropriate framework for calming down the fears of its neighbours, and at the same time

discretely pursuing German foreign policy goals.

After taking a look at these particularly German motivations for participating in the process of European integration and limits of acceptance of integration, we should now try to examine how much the more general explanations put forward in the introductory chapter of this thesis can help to explain Germany's European policy. We shall thereby begin by referring to three of the concepts liberals have put forward to explain why states engage in the process of regional integration, namely, growing interdependence, common values and beliefs, and the information providing and transaction-cost reducing role of common international institutions. We shall then go on to assess the liberal argument that member states or domestic groups that are disadvantaged by the results of regional integration are likely to oppose such a process. After that, we shall examine how well realist explanations for a state's decision to participate in the process of regional integration can account for the German case. We shall, thereby, begin with the argument that national political leaders are interested in the establishment of common international institutions as a means to strengthen their control over the domestic sphere. Second, we shall take a look at the impact the external security environment has on a state's decision to engage in regional integration. Finally, we shall turn to the limits of acceptance of integration put forward by the realist /intergovernmentalist school of thought: first, nationalism, which is mentioned as an obstacle to supranational unification, and second, 'high politics' areas, such as foreign policy, defence, and monetary
policy, in which integration is unlikely to occur.

The liberal or functionalist school of thought has put forward the argument that growing interdependence motivates states to participate in regional integration. This argument is generally applicable to the German case. But, the Federal Republic's behaviour with regard to that argument is rather distinctive, in that Bonn has actively sought to increase interdependence between the European states. This was due to the fact that Germany believed that only a mutual functional interconnection between the West European states would be able to provide the new state with the necessary internal and external stability. Membership in the EC has ensured prosperity and, thereby, the well-being of the West German population which in turn stabilized the newly established liberal democratic order of the country. Moreover, increasing co-operation and integration has made armed conflicts between EC/EU member countries rather unlikely, and has promoted regional security and political stability. This in turn has helped Germany to foster a favourable environment in Western Europe for its export industry. Therefore, in contrast to most states, which view the fact that growing interdependence results in a loss of sovereignty as a negative outcome, the Federal Republic views this as a rather positive effect of interdependence. Since the new West German state has had only a very limited amount of sovereignty to begin with, growing interdependence and participation in regional integration has resulted in more and not less sovereignty and influence for the country.

Germany's political 'power' relies on the fact that it
has become an indispensable part of this interdependent environment. It is therefore very much interested in expanding this interdependent environment into the Eastern part of the continent in order to ensure a stable economic and political development of the Central and Eastern European countries. Bonn sees this as a necessary step in order to preserve its own prosperity and stability.

Liberals maintain that states often base their decision to engage in regional integration on the existence of a set of common values and beliefs. In postwar Germany, the Adenauer government promoted German participation in the process of West European integration as a means to anchor Western values, such as democracy, freedom, human rights, and the rule of law, in the West German population. Chancellor Adenauer was convinced that a moral, political, and economic rehabilitation of the country was only possible if the Federal Republic would share the values of the Western world. This policy was very successful. It helped to transform the Federal Republic of Germany into a truly 'Western' country, that is now trying to establish the same values in the Eastern part of the nation and even across its Eastern borders.

The fact that according to a functionalist argument states are interested in creating common institutions, because they reduce transaction costs and provide more and better quality information to the members, can certainly explain why any country might be interested in further integration, but it does not shed any new light on the German case.

Regarding the limits of acceptance of integration,
liberals/functionals point to possible dissimilar preferences among member states concerning the allocation of benefits. Member states or domestic groups that are disadvantaged by the results of regional integration are, therefore, likely to oppose it. Applied to the German case, we have to say that on the one hand Bonn remains committed to further European integration despite occasional conflicts over the allocation of benefits and especially over the amount of contributions to the EU budget, because the gains in political, economic, and security terms are considered as greatly outweighing the disadvantages, but on the other hand Germany's limits of acceptance of integration are influenced by the level of domestic opposition to certain results of EU policies. Examples are the opposition of industry and business to any 'dirigiste' tendency in the EC/EU, the opposition of the 'Bundesbank' to any EMU arrangement that would endanger the stability of the mark or of the future single European currency, and the demands of the 'Länder' to be involved in EU decision-making and to ensure that Brussels adheres to the principle of subsidiarity.

One of the motivations realists/intergovernmentalists put forward to explain why nation states might be willing to engage in regional integration refers to the autonomy of national political leaders. National governments, according to that explanation, accept the establishment of common institutions only insofar as they strengthen the control national political leaders have over the domestic sphere, thereby enabling them to reach goals otherwise unachievable. This explanation can only account in part for the German experience. While almost all German
governments and Chancellors tried to use the EC/EU to increase their authority vis-à-vis domestic groups and, especially, the 'Länder', the decentralized structure of the Federal Republic, characterized by a dispersion of power between the different tiers of government, both vertically between the federal government and the 'Länder', and horizontally among the federal-level institutions, prevented any attempt at concentrating power in the Chancellor's Office. The constitutional autonomy of the 'Bundesbank' and the prevalence of coalition governments have been further obstacles in that regard. Furthermore, when the initial decision to engage in the process of European integration was made, Chancellor Adenauer's control over the domestic sphere was already quite strong. Strengthening the control of national political leaders over the domestic sphere has, therefore, not been an important motivation for Germany to participate in the process of European unification.\textsuperscript{120}

Another realist explanation puts forward the external security environment as the main reason for regional integration. While the more general statement that European co-operation has been largely the result of bi-polarity refers to all founding members of the ECSC and the EC, the fact that the United States of America decided after World War II that it could not afford to ignore a weakened Europe had special importance for the future of Germany, the country that was most deeply affected by the ensuing cold war. In order to contain Soviet power, the United States encouraged West European co-operation and integration. The first

\textsuperscript{120} Bulmer and Paterson, 18.
step in that direction was the Marshall plan assistance, which was of great importance for the reconstruction of West Germany. As a result of the cold war the United States' thus became interested in a economically strong and politically stable West German state. American presence in Western Europe, both politically and militarily, helped to alleviate French fears of a resurgent Germany. The policy of containment and American hegemony in Western Europe, therefore, supported the economic, political, and later military revival of West Germany.\textsuperscript{121}

The external security environment was an important motivation for Bonn to accelerate the process of European integration in 1989/90. By making concessions during the Maastricht negotiations and thereby ensuring a far-reaching agreement towards European unification, Germany was able to convince its partners that it was still interested in maintaining stability in Europe and remaining integrated into the West. It also helped to reassure Germany's neighbours that the now bigger Federal Republic would not try to reestablish itself as a great military power and return to a policy of swinging back and forth between East and West.\textsuperscript{122}

Realists claim that the question, why a now reunited and fully sovereign Germany still remains committed to European integration, is an important


integration, can be answered by the 'concept of balancing' and the 'binding thesis'. According to these concepts Germany may accept binding, because it believes that although the strengthening of EU institutions may reduce its influence to some extent, it would not prevent the country from defending its important interests in Europe. Another possible reason is Japan's growing economic power. In order to develop a more effective balancing coalition against Japan, Bonn might be ready to accept limitations on its influence in Europe. Finally, according to these concepts, Germany has accepted binding in the issue area of monetary union, because it feared that its European partners might turn inward and return to more protectionist policies if there would not have been any further progress made towards European union. Nevertheless, these two concepts are not very well suited to account for Germany's distinctiveness, although they might be useful in explaining the behaviour of Germany's partners.¹²³

Turning to limits of acceptance of integration put forward by the realist/intergovernmentalist school of thought, Hoffmann mentions 'nationalism' as one of the main obstacles to supranational unification. This obstacle has been eliminated in postwar Germany. As has been explained earlier, Germany's defeat in World War II and the collapse of the Nazi ideology, which had led the country into war, defeat, and destruction, resulted in a complete discredit of nationalism. Even today, fifty years after the end of World War II, there is still no sign of a resurgent

¹²³Grieco, 338.
nationalism in Germany.

We should now turn to a limit of acceptance of integration that is central to the realist view. Hoffmann maintains that nation-states would give up sovereignty only in 'low politics' areas, which include the economic and welfare issues that were at the starting point of European integration. But, integration would be impossible in 'high politics' areas, such as foreign policy, defence, and monetary policy. States are, according to Hoffmann, generally unwilling to give up sovereignty in policy areas that are associated with national security and prestige out of a fear of becoming dependent on their partners.

We can use Hoffmann's concept to answer the question why Germany seems to be a rather distinctive case when compared to the United Kingdom or France. In order to explain the German case, though, we have to make certain adjustments to this concept. We, therefore, propose a 'modified realist' view to account for Germany's limits of acceptance of integration. First, the 'high politics' areas Hoffmann mentions do not exactly cover the German 'high politics' areas. There are three 'principles' on which Germany's negotiating stance is tougher than on other issues; they are free trade, monetary stability, and subsidiarity/federalism. These three 'principles' are regarded to have been essential for the successful political and economic development of the Federal Republic. Bonn, therefore, wants to see these 'principles' firmly established in the European Union. Second, Germany is, nevertheless, willing to give up sovereignty in these 'high politics' areas, but only if
the new European institutions and regulations resemble the German institutional and administrative structure. The reason for that is that the Federal Republic wants to extend frameworks that have proven economically effective and politically accountable in dealing with problems at the domestic level, to the level of the EU.

We, therefore, have to turn to a historical explanation of the Federal Republic's distinctiveness. West Germany's political and economic structure was created in the early 1950s. These formative years also saw the Federal Republic's integration into the West and participation in the process of European unification. West Germany's successful economic and political development was therefore seen as a result of these two interconnected processes. Moreover, Germany's disastrous prewar history combined with more than forty successful years in an interlocking network of international institutions led the Federal Republic away from traditional conceptions of the importance of state-sovereignty. It is therefore not surprising that Germany attributes a higher priority to multilateralism and supranationalism than the United Kingdom or France. This might also explain why the Federal Republic is more interested in absolute gains, and does not view gaps in gains as a serious obstacle for integration. As Foreign Minister Kinkel has pointed out, the well-being of France, the United Kingdom, or the United States is crucial for Germany's own well-being.¹²⁴

¹²⁴Anderson and Goodman, 62; and Bulmer and Paterson, 8; and Kinkel (1995), 94.
BIBLIOGRAPHY


