

EUROPEAN BACKGROUND INFORMATION COMMUNITY

EUROPEAN COMMUNITY INFORMATION SERVICE

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BACKGROUND NOTE

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EC COMMISSION REPORTS ON "EUROPEAN UNION"

As the United States approaches its bicentennial, a debate similar to the one that inspired America's "founding fathers" is taking place in Europe.

The European Community is weighing proposals to transform "the whole complex of the relations of member states into a European Union," a goal set by the EC heads of State or Government at their October 1972 Paris "Summit." The EC Commission has just completed a report on the subject, as requested by the leaders of the Nine at the Paris Summit.

"European Union" can only be achieved by a return to the Community's basic principles, entrusting competences and powers to common institutions, the Commission concluded. This step is necessary to hasten Europe's internal progress, increase its domestic prosperity, and enhance its influence in the world.

The report set no precise goals for European Union, but rather explores the form it might take. The report was set against the backdrop of the current world economic crisis and changes in international relationships which have virtually halted European integration.

The Commission stressed that future innovation should build on the resources of existing institutions which should be made more democratic as soon as possible. Two proposals now being considered to involve the general public in the institutional debate are the election of the European Parliament by direct universal suffrage and the creation of a passport union of the Nine.

The Community's Institutions Today

As now organized, the Community's executive tasks are shared by two institutions -- the Commission and the Council of Ministers. The Commission initiates action and proposes and supervises the execution of laws and policies. The Council is the Community's main decision-making body, enacting laws and programs based on Commission proposals. The two bodies interact in dialogue -- the Council represents the national points of the view while the Commission supports the Community's interests as a whole, seeking European solutions to common member state problems. The Community also has a European Parliament, with limited budgetary powers, and a Court of Justice, the EC's "Supreme Court."

The Nature and Scope of European Union

The European Union must be a single organization, based on principles held by all member states. In international relations, it will be the expression of a specifically "European identity" as defined at the 1973 EC Summit in Copenhagen.

The Union will be responsible only for those matters with which the member states can no longer deal efficiently because of their interdependence. Its competences -- the areas in which it can act -- will be defined by a new "Act of Constitution," or treaty. Other matters will remain within the member states' jurisdictions.

The Union will need the direct decision-making and supervisory powers which the existing Community has, to exercise its competences. It will also need financial instruments and a judicial function, modeled on the EC's Court of Justice.

Membership in the Union will be open to any European country having a democratic pluralist political system and able to assume the responsibilities of membership.

The Union's Fields of Competence

1) Construction of a Integrated Economic and Social Unit

The Union must continue working toward a main Community objective -- economic and monetary union, according to the Commission. Monetary policy must be brought within the Union's competence to ensure internal economic integration and the Union's international cohesion. A new monetary instrument would be developed for use by the Union's monetary authority in transactions between central banks. Political control would be exercised by the present EC institutions.

A larger budget -- sufficiently flexible to allow for quicker responses to changes in the Union's needs -- would be needed to better manage the economy. The system should be financed by the Union's "own resources," rather than contributions by member states. The existing Community's resources come from revenues from levies, customs duties, and a fraction of the value-added tax.

In improving economic structures and eliminating economic imbalance, the Union would take direct action to finance specifically common policies. For example, regional policy and town and country planning are key areas for direct economic intervention.

In the social field, the Union could gradually introduce uniform systems of minimum social welfare, in conjunction with the member states' more ambitious objectives. In some fields, such as the protection of migrant workers, the Union could carry out purely "Union" policies.

2) Foreign Policy

The Union needs a common foreign policy to ensure the security of the member states and of the Union as a whole. It would guarantee the effectiveness of the Union's policies in its external relations and allow Europe to take its rightful place in international political relations. The member states and the Union's respective competences would sometimes overlap. In dealing with the outside world, the Union should be able to act in the same fields as it does internally. In economic matters, for example, the Union should be able to act where a common policy vis-a-vis the outside world is needed.

3) Defense

The question of defense is vital to the European Union, the Commission stated, but progress in foreign policy and in improving the Community's ability to act as a unit must precede an integrated defense policy.

4) Protection of Human Rights

The protection of human rights is to be a basic element of the Union, and a list of specific rights will be incorporated in its act of constitution.

The European Union's Institutions

The Union's institutions must embrace all the Union's fields of competence. Dialogue will continue between institutions representing Community and member state interests, a main feature of the Community as now organized. If the Union's institutions are given extensive powers of their own, the elected European Parliament must be accorded powers of control. At the same time, the Union's legislative and governmental functions must be clearly defined, according to the Commission.

The Commission feels that the executive should be a collegiate body whose members would be independent of national governments. It would absorb all the Council's executive functions and the present Commission's executive and administrative tasks, as well as its power of initiative. A bicameral system (Chamber of Governments) is suggested as the legislative branch. However, during the short transitional period before the implementation of European Union, the Commission feels that there should be an additional institution -- the Committee of Ministers -- which would include government representatives and whose duties would include participation in the European Government's decision-making process.

The Transformation Involved in Creating European Union

The Union will begin to function gradually, over a long period of time. The new competences and institutional changes will be defined by an act of constitution, in the form of a new treaty ratified by all member states' legislatures. The treaty would be drawn up either by a conference of member state representatives or by an elected European Parliament, working from a mandate containing general guidelines from the European Council. In any event, the common policies, based on the existing EC treaties, must be revitalized for the emergence of European Union, the Commission concluded.