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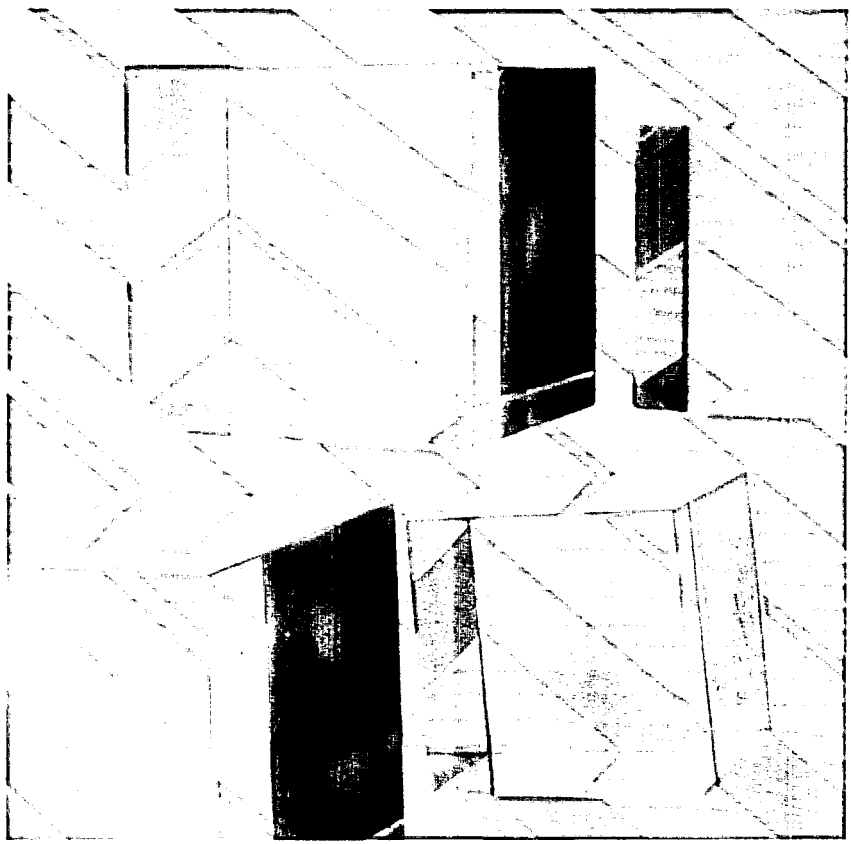
WORKING TOGETHER — THE INSTITUTIONS OF THE EUROPEAN COMMUNITY

by Emile Noël



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WORKING TOGETHER — THE INSTITUTIONS OF THE EUROPEAN COMMUNITY

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THE FOUR INSTITUTIONS

The institutional system of the European Communities is difficult to classify. The Community is much more than an intergovernmental organization: it has its own special legal status and extensive powers of its own. But the Community is not a true federation to which national parliaments and governments are subordinate in the areas reserved to it. Our best course may be to leave it to future historians to find an appropriate label and simply describe it as a 'Community' system.

The task of achieving the aims of the three Communities — the European Coal and Steel Community (ECSC) (established in 1952), the European Economic Community (EEC) (1958) and the European Atomic Energy Community (Euratom) (1958) — rests with four institutions: the European Parliament, the Council, the Commission and the Court of Justice, with the support of the Economic and Social Committee and the Court of Auditors.

Until July 1967 the three Communities had separate Councils and executive Commissions (known as the 'High Authority' in the ECSC). But since then there has been a single Commission and a single Council, which exercise all the powers and responsibilities rested in their respective predecessors by the three Community Treaties. By contrast, the European Parliament and the Court of Justice have been common to the three Communities since 1958.

The merger of the institutions was seen as the first step towards setting up a single European Community to be governed by a single Treaty, replacing the Paris Treaty (establishing the ECSC) and the Rome Treaty (establishing the EEC and Euratom).

But this idea was not followed through at the time; nor was it taken up again in the negotiations on the Single Act in 1985.

The successive enlargements of the Communities[1] — with the accession of the United Kingdom, Ireland and Denmark on 1 January 1973, Greece on 1 January 1981, and most recently Spain and Portugal on 1 January 1986 — have not affected the basic structure or responsibilities of the Community institutions although their composition has altered.

The Single European Act (which was signed in February 1986 and entered into force on 1 July 1987) has extended the Community's field of competence and brought about significant changes in relations between the institutions and in their operating rules. It also gave formal legal status to European Political Cooperation, which has been operating since 1970 simply on the basis of intergovernmental agreements.

The **European Parliament** has been elected by direct universal suffrage since 1979. It has 518 members; the breakdown of seats is as follows: France, Germany, Italy and the United Kingdom: 81 each; Spain: 60; The Netherlands: 25; Belgium, Greece and Portugal: 24 each; Denmark: 16; Ireland: 15; Luxembourg: 6.

The **Council** is made up of representatives of the governments of the 12 Member States. Each government normally sends one of its ministers. Its membership thus varies with the subjects down for discussion. The Foreign Minister is regarded as his country's 'main' representative in the Council, but Ministers for Agriculture, Transport, Economic and Financial Affairs, Social Affairs, Industry, the Environment and so on also meet frequently for specialized Council meetings and sometimes sit alongside the Foreign Ministers.

1 *The original Member States were Belgium, France, the Federal Republic of Germany, Italy, Luxembourg and The Netherlands.*

At their December 1974 Summit, the Heads of State (for France) or Government agreed to meet regularly together with the President of the Commission as the 'European Council', accompanied by their Foreign Ministers. The European Council meets both as the Council of the Communities (to deal with Community matters) and as a forum for political cooperation. Until 1985 it met three times a year, but since 1986 it normally meets only twice a year.

The Presidency of the Council rotates between the member governments at six-monthly intervals. When decisions are taken in the Council by majority vote. France, Germany, Italy and the United Kingdom have 10 votes each, Spain has eight, Belgium, Greece, The Netherlands and Portugal five each, Denmark and Ireland three each and Luxembourg two.

A qualified majority means 54 votes out of a total of 76.

The Council is assisted by a Permanent Representatives Committee which comprises the Permanent Representatives (ambassadors) of the Member States to the Communities. Its main task is to prepare the ground for Council meetings. A large number of working parties operate under its authority.

The **Commission** consists of 17 Members, appointed by agreement between the member governments. Throughout their four-year term of office Members must remain independent of the governments and of the Council. The Council cannot remove any Member from office. Parliament, however, can pass a motion of censure compelling the Commission to resign as a body (in which case, it would continue to handle everyday business until its replacement).

The **Court of Justice**, composed of 13 judges appointed for six years by agreement among the governments, ensures that implementation of the Treaties is in accordance with the rule of law. The judges are assisted by six advocates-general. An additional *Court of First Instance* was set up in 1989.

In EEC and Euratom matters, the Council and the Commission are assisted by the **Economic and Social Committee**. This consists of 189 members, representing various sectors of economic and social life. It must be consulted before decisions are taken on a large number of subjects, and is also free to submit opinions on its own initiative.

In ECSC matters, the Commission is assisted by a Consultative Committee, which has 96 members representing producers, workers, consumers and dealers in the coal and steel industries. It too must be consulted before decisions are taken on a large number of subjects and it can also submit opinions on its own initiative.

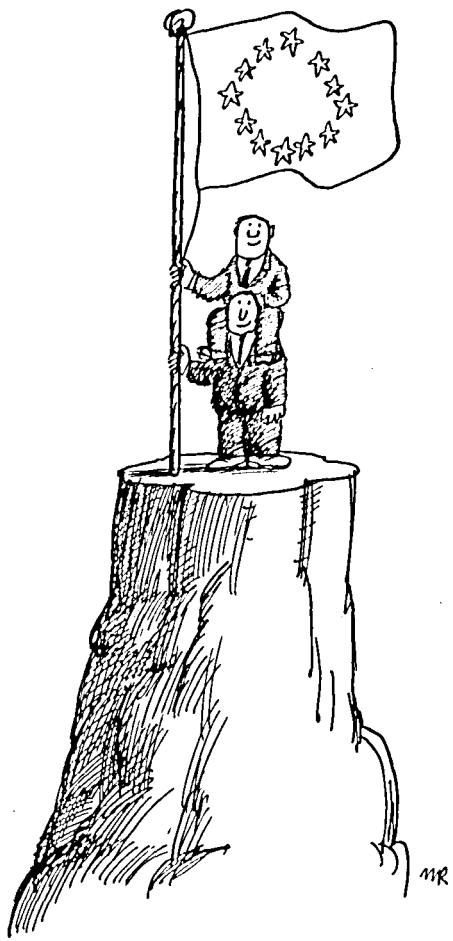
Through the Economic and Social Committee and the Consultative Commitee, the various interest groups concerned are actively involved in the development of the Community.

The **Court of Auditors** has 12 members appointed by unanimous decision of the Council after consulting Parliament. It began operating in October 1977. It audits the accounts of the Community and of Community bodies, examines whether revenue and expenditure have been properly and lawfully received and incurred, checks that financial management has been sound, and reports back to the Community institutions.

With the unification of Germany on 3 October 1990, the Community was enlarged to include the territory of the former German Democratic Republic (GDR) and Community legislation came into force there subject to various temporary derogations. Germany's representation in the various Community institutions remains unchanged.

□ HOW DO THE COUNCIL AND THE COMMISSION DISCHARGE THEIR DUTIES UNDER THE PARIS AND ROME TREATIES?

When acting under the Paris Treaty (ECSC), the Commission can take decisions, make recommendations or issue opinions. Decisions are binding in their entirety; recommendations are binding as to the ends but not as to the means; opinions are not binding.



The Council acts in ECSC affairs mainly at the request of the Commission, either stating its opinion on particular issues or giving the assent without which, in certain matters, the Commission cannot proceed.

The Commission's ECSC decisions are mostly addressed to individual persons, firms or governments but they may also lay down general rules, since the Commission does also have general rule-making powers.

When acting under the Rome Treaties (EEC and Euratom), the Council and Commission issue regulations, directives, decisions, recommendations and opinions. Regulations are of general application: they are binding in their entirety and applicable in all Member States. Directives are binding on the Member States to which they are addressed as regards the result to be achieved, but leave the form and methods of achieving it to the discretion of the national authorities. Decisions may be addressed to a government, an enterprise or a private individual; they are binding in their entirety on those to whom they are addressed. Recommendations and opinions are not binding.

The discrepancy in terminology between the Paris and the two Rome Treaties is perhaps confusing. An ECSC recommendation is a binding enactment corresponding to the EEC and Euratom directive, whereas an EEC recommendation is not binding and is no stronger than an opinion.

The Commission is the driving force behind the ECSC (though the Council's role in connection with issues of special importance must not be underrated). Under the EEC and Euratom Treaties, on the other hand, we have what is perhaps the most novel feature of the whole institutional system, with the Commission and the Council operating in tandem to provide the motive power. Here the Commission derives the political

authority that is essential for it to fulfil its role *vis-à-vis* the Council from the fact that it is answerable to Parliament alone. With the entry into force of the Single European Act, Parliament is now more closely involved in the Community's legislative process, through what is known as the 'cooperation procedure'.

In the three Communities (ECSC, EEC and Euratom), the Court of Justice not only affords the Member States and individuals the assurance that the Treaties and the legislation implementing them will be fully complied with, but also plays a notable part in ensuring uniform interpretation and enforcement of Community law, particularly through national courts.

□ FINANCING THE COMMUNITY

The budgets

From the very outset in 1952 (with the ECSC), the Community has been provided with funds not only for its own administrative working but also to finance a variety of operations. It has also been very active in borrowing and lending. Both the budget and other financial operations have increased considerably over the years.

The ECSC is financed in a rather novel way — by a levy on the value of coal and steel production, paid direct to the High Authority (now the Commission) by the various producers. The EEC and Euratom, on the other hand, were originally financed by contributions from the Member States. But with the completion of the customs union and the introduction of a common agricultural policy financed entirely on a Community basis, the Heads of State and/or Government, meeting in December 1969 in The Hague, decided to set up a system for the Communities' own resources, as foreseen in the Treaties, which would meet all the requirements of the EEC and Euratom. This own resources system would exist alongside the ECSC system.

The new system was adopted by the Council in April 1970 and, after ratification by the Parliaments of the six founder Member States, was gradually introduced from the beginning of 1971.

The Community's own resources consist primarily of levies on imports of agricultural produce and customs duties collected at Community borders, plus certain other taxes introduced under the common agricultural policy. The 1970 decision also assigned to the Community part of the value-added tax (VAT) collected in the Member States up to a maximum of 1% of the tax base. Owing to the growth of the Community's budget, the full amount of available own resources was called up in 1984 (and even had to be supplemented by advances from the Member States).

In 1988, after lengthy discussions and the adoption of transitional measures in 1984, an overall financial reform was decided on, on the Commission's initiative, and entered into force on 1 January 1989. It guaranteed that the Community would receive the resources necessary to carry out its activities up to the end of 1992 (including the full implementation of the Single European Act) and incorporated the following novel features:

(i) the ceiling for own resources was set at a percentage of the Community's GNP, ranging from 1.15% in 1988 to 1.2% in 1992 (payment appropriations);

(ii) a proportion of 1.4% of VAT collected in the Member States was allocated to the Community (subject to a correction to allow for disparities in the structures of their economies);

(iii) a new 'fourth resource' was instituted, based on the GNP of the Member States, to ensure that the amount of resources paid by each Member State is more closely related to its ability to pay;

(iv) customs duties on ECSC products would from now on be part of own resources.

The following figures will give some idea of the size of the budget and the various sources of revenue. The 1990 budget totalled ECU 46

700 million[1], (appropriations for payments). Financing came from ECU 2 300 million in levies and other agricultural revenue (4.9%), ECU 11 300 million in customs duties (24.2%), ECU 28 200 million in VAT (60%), and ECU 2 000 million under the 'fourth resource' (4.3%), the remainder being made up of miscellaneous revenue.

The ECSC operating budget is far smaller; ECU 435 million in 1990, of which ECU 172 million came from the ECSC levy (at a current rate of 0.31%) and the rest from interest on investments and loans made from ECSC own resources.

Details about the main chapters of the Community budget are given below.

The British contribution to the Community budget

During the accession negotiations in 1970-71 the United Kingdom had claimed that application of the own resources system established by the Six would produce an unbalanced situation in which it would be the loser. The Accession Treaty laid down lengthy transitional measures. Moreover, it had been agreed during the accession negotiations that if a Member State found itself in an unacceptable position, the Community should take appropriate measures.

In 1979 the British Government, citing this agreement, asked for special measures to replace the transitional provisions expiring that year.

Although the other Member States and the Commission disputed the basis of the British calculation (since own resources cannot be viewed as State contributions), they recognized that the situation was unjust, mainly because British agriculture receives very little cash under the common agricultural policy.

After some hard bargaining, the principle of financial compensation was accepted and a fixed system was adopted at the Fontainebleau European Council in June 1984. This arrangement was confirmed and geared to the new system of own resources in 1988.

There are complex rules for calculating the amount of 'compensation' and the cost is borne by the other 11 Member States in proportion to their GNP, with reductions being granted to Germany (and to Spain and Portugal up to the end of their transitional period in 1991).

In 1990 the United Kingdom received compensation of ECU 2 430 million for the 1989 financial year.

Community borrowing and lending operations

The Community carries out borrowing and lending operations under the ECSC, EEC and Euratom Treaties. It also has its own banking institution for long-term financing — the European Investment Bank, established by the Treaty of Rome. The Community's borrowing and lending has expanded considerably over the years thanks to its excellent credit rating on the international capital markets.

Most of the Commission's ECSC loans go towards the modernization of mines and steel plants and the conversion of areas af-

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[1] *All amounts are given in ecus. The ecu (a name adopted by the European Council in December 1978, deriving from the abbreviation for European currency unit and also calling to mind a medieval French coin) is the accounting unit of the European Monetary System and in 1981 replaced the accounting units previously used for the budget and for the accounts of borrowing and lending operations. The ecu is made up of fixed amounts of Member States' currencies. Its composition, which was first determined in 1979, has subsequently been revised with the introduction of the Greek drachma, the Spanish peseta and the Portuguese escudo. Its value is calculated daily on the basis of exchange market rates. ECU 1 2.10.91 = 42.1890 Belgian/Luxembourg francs; 7.90285 Danish kroner; 2.04736 German marks; 228.081 Greek drachmas; 129.520 Spanish pesetas; 6.97654 French francs; 2.30756 Dutch guilders; 0.765783 Irish pounds; 1531.76 Italian lira; 176.076 Portuguese escudos; 0.702940 Pounds sterling; 1.23260 US dollars.*

fected by declining coal or steel production. Some of them are eligible for interest relief financed from the ECSC budget. Between 1954 and the end of 1989 the High Authority (later the Commission) borrowed and on-lent a total of ECU 17 200 million in this way.

To help Member States overcome balance of payments difficulties the EEC has, since 1981, been allowed to raise up to ECU 8 000 million in loans for on-lending. In return, recipients have to accept a certain measure of economic and monetary discipline. A loan of ECU 4 000 million was made to France in 1983 and ECU 1 750 million was lent to Greece in 1985/86. Measures of this type were first introduced in 1975, but on a smaller scale.

Another Community borrowing and lending scheme is the New Community Instrument (NCI), administered jointly by the Commission and the European Investment Bank, which is designed to help finance investments in energy, industry (especially small businesses) and infrastructure. Since its launch in 1978 the NCI has been extended four times, with a total of ECU 6 350 million being raised up to the end of 1989. Loans go towards projects that are in line with Community objectives.

Besides the NCI, there are also Euratom borrowing and lending operations, under which ECU 3 000 million may be raised for projects in the field of nuclear energy.

The European Investment Bank gives guarantees and loans for a variety of investment projects, mainly in industry, energy and infrastructure. In order to qualify for assistance, projects must promote regional development or be of common interest to several Member States or the Community as a whole, or they must contribute towards industrial modernization or conversion. The EIB may also grant loans to non-member countries with Community authorization.

The Bank's capital, which is subscribed by the Member States, amounts to ECU 57 600 million. Its activities have increased considerably in recent years. Between its establishment in 1958 and the end of 1989 the Bank granted loans totalling more than ECU 68 000 million from its own resources. In 1988 and 1989 alone, loans totalled ECU 9 600 million and ECU 12 000 million respectively. Some of its loans are eligible for interest relief financed from the Community budget.

THE COMMISSION

The Community Treaties assign the Commission a wide range of tasks. In broad terms the Commission's role is to act as the guardian of the Treaties, to serve as the executive arm of the Communities, to initiate Community policy, and to defend the Community interest in the Council.

□ THE COMMISSION AS THE GUARDIAN OF THE TREATIES

The Commission has to see to it that the provisions of the Treaties and the decisions of the institutions are properly implemented and endeavours to maintain a climate of mutual confidence. If it performs its watchdog function properly, all concerned can carry out their obligations to the full, secure in the knowledge that their opposite numbers are doing the same and that any infringement of the Treaties will be duly penalized.

Conversely, no party can plead others' failure to meet their obligations as a reason for not fulfilling its own: if any party is in breach, it is for the Commission, as an impartial authority, to investigate, issue an objective ruling, and notify the government concerned, subject to review by the Court, of the action required to put matters in order.

The ECSC Treaty was the first to require the institutions to discipline infringements. But the procedure, since it involves governments, is complex and cumbersome, and (fortunately) has seldom been applied. In the light of experience with the ECSC, the provisions written into the Rome Treaties were simpler and tougher and, in the case of the EEC, have been quite extensively used. It is these rules that are decribed in what follows.

The Commission investigates a presumed infringement of the Treaty either on its own initiative or on the strength of complaints — from governments, firms or private individuals. Such complaints are always examined with particular care. Once an infringement has been established, the Commission requests the State in question to submit its comments within a specified period, generally two months. This time-limit is much shorter in the case of serious infringements wich directly affect the functioning of the common market.

If the Member State allows the disputed practice to continue and is unable to satisfy the Commission, the Commission issues a reasoned opinion, which the State must comply with before a given deadline. If it fails to do so, the Commission may refer the matter to the Court of Justice, whose judgment is binding on both parties.

These rules, which give the Commission and the Court considerable powers, are comprehensively enforced. In 1989, for example, the Commission instituted infringement proceedings in 664 cases, issued 180 reasoned opinions and referred 96 cases to the Court.

As these figures show, only a very limited number of cases are referred to the Court of Justice. The majority are settled at an earlier stage, the Member State concerned having rectified the situation.

The Community has stepped up its legislative activity in the run-up to the single market. At the same time long delays have built up in the implementation of decisions once they have been taken; this is especially true of the incorporation of Community directives into national law. Around 80% of the infringement proceedings instituted in 1988-89 arose because directives had been wrongly incorporated into national law or not incorporated at all. The areas where the largest number of infringements occur are the internal market, agriculture and the environment.

Despite the high number of infringements against which action has been taken, their economic significance has been limited. Except in a few serious cases, they have tended

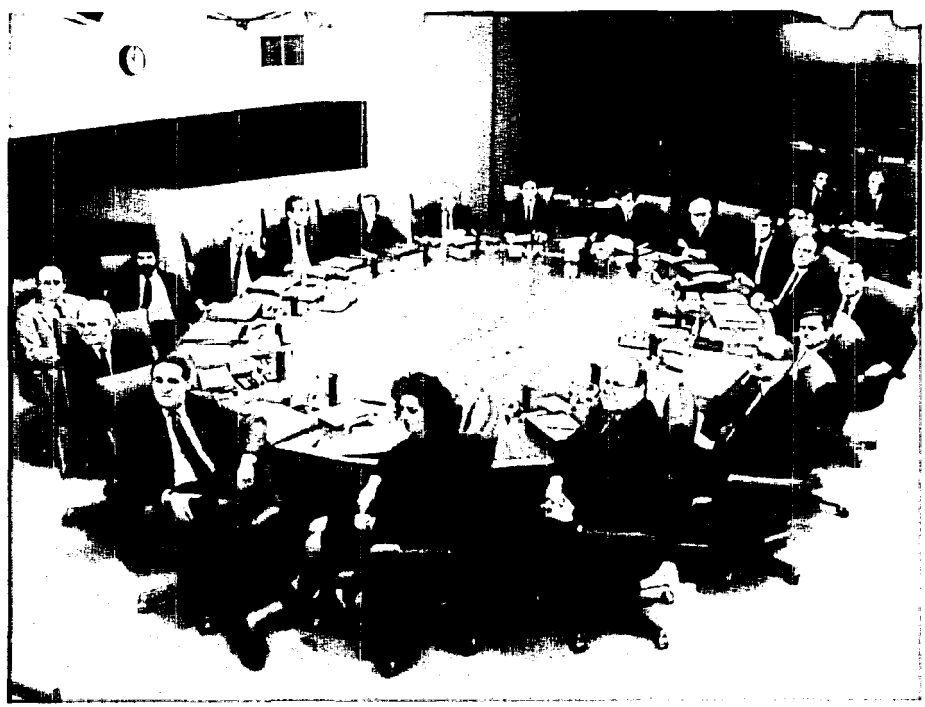
to be not so much deliberate attempts to evade the Treaty rules as differences in interpretation between the Commission and Member States, and these have been settled by the Court. More frequently still, they have been the result of delays in national administrative or parliamentary procedures or the kind of mistake that is bound to crop up occasionally when national civil services have to adjust to Community procedures. Nevertheless, the Commission has been taking a tougher stance in view of the threat to the completion of the Community's internal market posed by the delays in incorporating directives. As a result the situation gradually improved during 1990.

It should be remembered that most Community law is directly applicable (notably regulations but other instruments too). This means that any individual or firm can invoke Community law in a national court or claim redress if it is wrongly applied. This decentralized monitoring of the application of Community law is gradually developing more widely, complementing the supervision carried out by the Commission.

□ THE COMMISSION AS THE EXECUTIVE ARM

The Commission is directly invested by the Treaties with wide executive powers. In addition, substantial extra powers have been conferred on it by the Council, mostly in the EEC context, to secure implementation of legislation based on the Treaty (normally termed 'secondary legislation'). Under the Single European Act, the conferring of executive powers on the Commission is now the general rule.

The powers deriving directly from the Treaties and those conferred by the Council



The European Commission

can be subdivided into three broad categories.

1. Issuing of decisions and regulations implementing certain Treaty provisions or Council acts

The ECSC Treaty gives the Commission particularly extensive legislative powers: its function is declared to be 'to ensure that the objectives set out in this Treaty are attained', i.e. to establish and operate a common market in coal and steel. Practically every article invests it with fresh responsibilities and corresponding powers.

The Rome Treaties also give the Commission direct legislative powers. This is particularly true of the EEC Treaty in all matters connected with the establishment of a customs union in accordance with the Treaty timetable. But it is above all the powers conferred by the Council in connection with the common policies — especially the common agricultural policy and the completion of the internal market — that have so notably enlarged the Commission's responsibilities.

Figures speak louder than words: during 1989 alone, the Commission enacted about 5 719 regulations, most of them relating to the common agricultural policy.

2. Application of the Treaty rules to specific cases (involving governments or firms)

Here again the Commission was given a particularly prominent role by the ECSC Treaty; it deals direct with coal and steel undertakings and monitors certain aspects of their activities. It can promote and coordinate their capital spending, assist miners and steelworkers facing redundancy, grant loans, etc. The crisis affecting the European steel industry in the 1980s demonstrated the scope of the Commission's activities in this field.

Under the EEC Treaty, it has many similar powers, especially with regard to competition (keeping restrictive practices and market dominance within bounds; setting limits to or prohibiting State subsidies; discouraging discriminatory tax practices, etc.). In addition, it has been given various powers by the Council in connection with the common policies (agriculture, fisheries, commercial policy, the environment, etc.) and completion of the internal market.

Under the Euratom Treaty it has the same sort of supervisory responsibilities as in the coal and steel industries, covering such matters as supplies of fissile material, radiation protection, inspection of nuclear plants and dissemination of technical information.

3. Administration of the safeguard clauses in the Treaties

These clauses allow Treaty requirements to be waived in exceptional circumstances. This places a very heavy responsibility on the Commission. Had it been left to the individual States to decide whether special problems or circumstances entitled them to bypass the rules laid down in the Treaty or in implementing regulations, interpretations would have differed sooner or later and before long each State would have been doing as it pleased. The Treaties wisely provided that only the Commission may authorize waivers ('derogations') at the request of a Member State and that in doing so, it must act in the strictest independence and objectivity after considering all the circumstances, taking care to ensure that the operation of the common market is affected as little as possible. The Council has given the Commission similar powers in legislation on the common policies.

The Treaties contained clauses enabling a wide variety of waivers to be authorized, ranging from tariff quotas to measures excluding a whole sector of the economy from the rules. Most of them were valid for the duration of the transitional period only, though Article 115 EEC, which provides for action to prevent trade with non-member countries from being deflected, will remain in force until the completion of the internal market in 1993. The clauses most commonly invoked were those under the ECSC and EEC Treaties, but the High Authority and the Commission succeeded in keeping derogations within strict limits.

New general safeguard clauses have been written into subsequent accession treaties to deal with problems involving the new Member States. They are of limited duration, the only ones still in force being those provided for by the Spanish and Portuguese Acts of Accession (due to expire at the end of 1992 or, in a few cases, at the end of 1995).

By contrast the Community legislation that has grown out of the Treaties allows for various limited exceptions in specific cases. The Commission is responsible for administering these, though in certain cases the Council may subsequently be asked to confirm or modify the measures taken by the Commission. Recourse to these exceptional measures has become less and less frequent and the Commission has always insisted on granting derogations only where they are necessary and on condition that they are implemented in such a way as to avoid any substantial effect on the functioning of the common market.

4. Administration of Community funds

The Commission is responsible for administering appropriations for the Communities' public expenditure and the four major Community Funds.

As early as 1952 the ECSC levy (the ECSC's own resource) made it possible not just to guarantee Community borrowing but to finance operations in the coal and steel industries. The ECSC operating budget for 1990 was ECU 435 million. Most of this was spent on grants for research (ECU 88 million), interest subsidies on investment and conversion loans (ECU 68 million), grants for the retraining and redeployment of workers (ECU 184 million) and other social measures linked to the restructuring of the steel industry (ECU 50 million).

On the Euratom side, ever since 1958 the Commission has run Community nuclear research and training programmes which have led, in particular, to the setting up of the Joint Research Centre, consisting of four nuclear research establishments, at Ispra in Italy, Karlsruhe in Germany, Geel in Belgium and Petten in The Netherlands.

Major changes have been made to research activities since the 1970s. The Community has made large-scale efforts to coordinate the nuclear research activities of the Member States in order to carry out joint projects, of which the most spectacular has been JET (Joint European Torus), a vast installation designed to obtain more information on controlled nuclear fusion, sited at Culham near London.

But the most important development is that Community research has extended well beyond the nuclear field and now covers a wide range of activities. As a consequence of the Single European Act research is now organized within multiannual framework programmes, whose purpose is to coordinate and (through part-financing) promote research both in laboratories and institutions in the Member States and in the Joint Research Centre, which was reorganized in 1989.

Under the present framework programme (1990-94), Community action focuses on three main areas: enabling technologies (information and communication technologies, industrial and material technologies), management of natural resources (environment, life sciences and technologies, energy) and management of intellectual resources.

A total of ECU 5 700 million has so far been budgeted for the programme; this amount may be revised in 1992.

The major Funds administered by the Commission for the European Economic Community have relatively substantial resources.

There is, first of all, the European Agricultural Guidance and Guarantee Fund (EAGGF) whose Guarantee Section is responsible for all financing of measures agreed by the Community concerning agricultural market organization and support. It is the only instance where a common policy covers an entire sector of the economy and the Community is wholly responsible for determining and providing the financial resources. That is why agricultural expenditure

accounts for a considerable proportion of the Community budget (57.8% in 1990). EAGGF-Guarantee expenditure in 1990 was ECU 26 500 million. The reform of the common agricultural policy undertaken in 1988 following a series of Commission initiatives led to gradual stabilization of agricultural expenditure.

The structural Funds comprise the European Social Fund, the EAGGF Guidance Section and the European Regional Development Fund. Under the Single European Act they were radically reformed in 1988 so as to forge a closer partnership between the Commission and the national, regional and local authorities involved in the work of the Funds and to concentrate action on five priority objectives:

(i) the development and structural adjustment of regions whose development is lagging behind;

(ii) the conversion of regions seriously affected by industrial decline;

(iii) combating long-term unemployment;

(iv) more effective occupational integration of young people;

(v) the adjustment of agricultural structures and rural development.

The reform of the Funds was backed up by a substantial increase in their budget: commitment appropriations will be doubled in real terms between 1987 and 1993, providing more than ECU 60 000 million over five years towards the strengthening of economic and social cohesion in the Community.

The European Social Fund (ESF), for which provision was made in the Treaty itself, seeks mainly to expand vocational training for workers in order to promote employment and occupational mobility. Its budget was ECU 3 400 million in 1989 and ECU 4 100 million in 1990 (commitment appropriations).

The purpose of the EAGGF Guidance Section is to contribute to the modernization of agricultural structures and the development of rural areas. It had a budget of ECU 1 400 million in 1989 and ECU 1 700 million in 1990 (commitment appropriations).

The European Regional Development Fund (ERDF) was established in 1975 to help correct regional imbalances in the Community. It had a budget of ECU 4 500 million in 1989 and ECU 5 400 million in 1990 (commitment appropriations).

In a different field altogether, the European Development Fund (EDF), for which provision was made in the Treaty of Rome, is the principal instrument in the Community's development aid effort. It operates on the basis of agreements concluded periodically between the Community and its Member States on the one hand, and the African, Caribbean and Pacific (ACP) countries which formerly had special ties with them. These agreements have included the series of Yaoundé Conventions concluded with the African States and Madagascar associated with the Community of Six and, following enlargement, the Lomé Conventions. Sixty-six ACP States were party to the Lomé IV Convention signed on 15 December 1989.

Community financial assistance for 1990-95 was set at ECU 12 000 million, made up of ECU 10 800 million under the EDF (grants and loans on special terms) and the remainder as loans administered by the European Investment Bank. The Lomé Convention also provides for very broad trade cooperation, economic cooperation (promotion of industrial and agricultural development, finance for mining operations) and a scheme for stabilizing export earnings from the chief ACP products.

The Commission also runs Community operations to assist non-ACP developing countries, including the Mediterranean countries and a number of countries in Asia and Latin America. These operations primarily involve technical assistance and investment support (with appropriations totalling ECU 631 million in 1990). A considerable amount of food aid is also provided (ECU 510 million in 1990).

Committees

We have seen how much the Council has extended the Commission's management and administration function in the EEC context by giving it additional responsibility for the implementation of secondary legislation. In many cases, the Council was anxious that the powers so conferred should be exercised in close consultation with the governments of the Member States. For this reason various committees of government representatives are attached to the Commission.

As well as making this transfer of responsibilities the general rule, the Single European Act also envisaged an overhaul of the committee system, and on 13 July 1987 the Council adopted a Decision — known as the Decision on committee procedures — which provides for four procedures.

In **advisory committees,** the Commission listens to the opinions of representatives of the Member States. While it has promised to take the fullest account of the views expressed during these consultations, it is in no way bound by them and the committee has no influence on the further course of the procedure.

The declarations annexed to the Single European Act recommend the use of the advisory committee procedure for measures relating to the completion of the internal market.

Management committees were first set up in 1962 under the arrangements for the agricultural markets and in the event have proved to be very valuable and effective. One committee exists for each category of products.

The procedure is that the implementing measure the Commission intends to enact is submitted in draft form to the appropriate management committee, which gives its opinion by qualified majority (54 votes out of 76), votes being weighted as in the Council.

Again the Commission is not bound by the committee's opinion; it takes note of it, but remains entirely free to decide for itself; and the measure, once enacted, has direct force of law. However, if the Commission decides to go against the committee's opinion, the matter is referred to the Council, which may reverse the Commission's decision within one month. If, on the other hand, the Commission's decision is in line with the committee's opinion, or if no opinion has been forthcoming (the committee having failed to muster a qualified majority either for or against), the decision is final and there is no appeal to the Council.

The management committee formula is widely used and works extremely well. In 1989, for example, there were 359 meetings of various management committees concerning the common agricultural policy. Favourable opinions were given in 1609 out of 1749 cases. One adverse opinion was given. In 139 cases no opinion was offered by the committee.

This is eloquent testimony to the atmosphere of cooperation and mutual confidence which has developed in the committees between the Commission's departments and the national departments which subsequently enforce the Commission's decisions.

The management committee's function is to act as a kind of alarm mechanism. When the Commission departs from an opinion given by a qualified majority — that is, voted for by most of the government representatives — this is a clear indication of a serious problem, which it is only right and proper that the Council should discuss. The fact that it is seldom called upon to do so is proof of the measure of understanding between the parties and of how well the system works.

The third type of committee set up by the Council is the **regulatory committee,** in which the management committee formula is applied to other fields. It was used initially in the management of the Common Customs Tariff, then for the management and adaptation of common standards (food, veterinary and plant health regulations, for instance), environmental legislation, etc. The procedure is similar to that followed in the management committees, but with greater scope for appeals to the Council.

When the measures envisaged by the Commission go against the committee's opinion, or when no opinion is forthcoming, the Commission makes a proposal to the Council on the measures to be taken. The Council then decides by a qualified majority vote. If it has not reached a decision within a certain time (normally three months) after the matter is referred to it, the Commission takes the decision itself. An exception to this rule has been introduced in a number of cases where, if the Council has expressly rejected the Commission's proposal by a simple majority, the Commission may not take a decision and must present a new proposal.

Finally, a special procedure has been set up for commercial policy measures or action under the safeguard clauses, enabling the Commission to take directly applicable decisions once it has received the advisory committee's opinion. None the less, these decisions must be approved by the Council within a period of three months, failing which they become null and void.

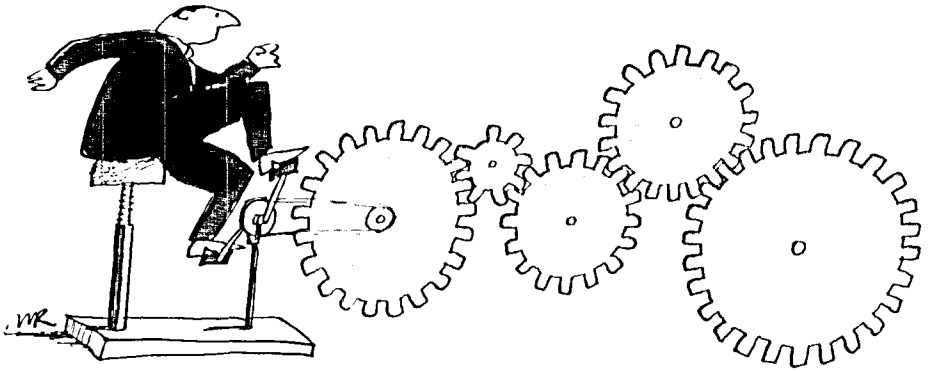
Parliament has strong reservations about the use of these various types of committee, fearing that they may affect the Commission's independence. Moreover, in practice, the Council has almost entirely ignored the undertaking given by the governments of the Member States to give precedence to the use of the advisory committee procedure for measures relating to the completion of the internal market; instead it is making increasing use of procedures which offer no guarantee that a decision will be taken (certain types of regulatory committee) at the risk of jeopardizing the effectiveness of Community measures.

☐ THE COMMISSION INITIATES COMMUNITY POLICY AND DEFENDS THE COMMUNITY INTEREST. IT SEES TO IT THAT COMMUNITY POLICY FORMS A CONSISTENT WHOLE

The ECSC High Authority and the Euratom Commission had a predominantly administrative and supervisory function, the framing of common policies being particularly difficult for Communities with jurisdiction in rather limited fields. The merger of the executives in 1967 permitted the pooling of responsibilities in a single Commission and the drawing up of a number of common policies: industrial policy, energy policy, research and technological policy — which despite valuable achievements in the early days had been hampered by the existence of three separate executives.

From the outset the EEC Commission had regarded the initiation of common policies as one of its most important functions, and the single Commission has followed suit. Except where economic constraints dictated otherwise, the EEC Treaty is what may be termed a 'framework treaty', unlike its ECSC and Euratom counterparts which are 'code of rules treaties'. The latter spell out the rules to be applied and the tasks to be performed in their respective spheres. The EEC Treaty — apart from 'automatic' provisions on the dismantling of tariffs and quotas — confines itself to sketching out the policy lines to be pursued in the main areas of economic activity, leaving it to the Community's institutions, and more especially the Council and the Commission in conjunction with Parliament, to work out the actual arrangements to be applied within this framework.

In a sense, everything to do with the economic union was left blank in the Treaty, but the blanks can be filled in by the institutions. There is no need for fresh treaties or fresh parliamentary ratification.



The institutions are thus empowered to bring in full-scale 'European laws', directly enforceable in all the Member States and capable of producing radical changes in the sectors concerned. To give an example, the great corpus of 'European laws' on agriculture, promulgated from 1962 onwards, is comparable in scope to the corpus of rules contained in the ECSC Treaty. Moreover, the guidelines laid down by the Heads of State or Government of the Nine at the summit conferences in The Hague in 1969 and Paris in 1972, and subsequently reiterated, require the Community institutions to draw up common policies in fields not strictly provided for in the Treaties. (The best example is monetary policy, with the European Monetary System, but others include regional development, the environment and consumer protection.) The Single Act puts the final stamp on Community action in several of these fields such as social policy, research and technology, environmental and monetary policy.

It is worth pausing a moment to consider the frequent but mistaken contention that the EEC Treaty is less supranational, or more intergovernmental, than the ECSC Treaty. The ECSC Treaty's 'code of rules' defined the High Authority's implementing powers in detail. By contrast the Commission's implementing powers in each of the areas covered by the EEC Treaty could not be known until the requisite common policies had been agreed. But in fact, as far as restrictive practices and agriculture are concerned, for example, the powers it wields are similar to those conferred under the ECSC Treaty, and in the field of commercial policy they are considerably greater. In matters of finance, however, the powers and capacity for independent action which were conferred on the High Authority by the Treaty of Paris from the outset (fixing of ECSC levy rates, issuing of loans, etc.) are still far greater than those available to the Commission in the areas covered by the Treaties of Rome, even despite developments since 1958.

In point of fact, the Paris and Rome Treaties are based on the same principles and purport to set up parallel institutional systems. But the EEC Treaty, evolving as it goes along and allowing the arrangement best suited to a particular sector or situation to be worked out pragmatically, has perhaps been better able to allay the fears of those not fully converted to the Community idea. The balance which it represents between the powers of the national governments and the powers of the European institutions is more clearly apparent to countries which are just getting to know and learning to live with the Com-

munities. This is true despite all the difficulties the EEC has encountered over the years.

Recent developments, such as the conclusion and entry into force of the Single European Act, the programme to complete the internal market by the end of 1992 and the convening of two new Intergovernmental Conferences on economic and monetary union and on political union, have borne out the approach adopted in 1956 and 1957 by those who negotiated the Rome Treaties. They organized a cautious new impetus to the process of building the Community but provided it with the capacity to evolve and progress, in particular through the gradual extension of majority voting in the Council and direct elections to Parliament. The obstacles which prevented progress after 1966 (these will be dealt with in a later section) have now been removed and the forces for change within the Community system are able to take full effect.

THE COMMISSION-COUNCIL DIALOGUE

The task of building up the fabric of European economic union rests with the institutions. The Treaties laid the foundations, but the structure itself still had to be erected. And even once that structure is in place for a particular sector, the institutions are also responsible for the formulation and day-to-day implementation of the Community policy that is to replace the Member States' separate policies.

The ECSC Treaty made provision for dialogue between the Commission and the Council, but on a limited scale only. The Commission (or the High Authority, as it then was) bears a great deal of the responsibility for implementation of the Treaty. Nevertheless the Council's assent (in some cases unanimous) is required for certain particularly important decisions — to declare a 'manifest crisis' for instance (as in the case of steel) or to adapt the provisions of the Treaty. The approach is, of course, not the same as in the Rome Treaties. In the ECSC, the High Authority (now the Commission) decides with the Council's assent; in the EEC and Euratom, the Council decides on a proposal from the Commission. The difference is not without its political implications, but in both cases the two institutions have a part to play before a decision can be adopted.

Under the Rome Treaties, any measure of general application or of a certain level of importance must be enacted by the Council, but only in rare cases can the Council proceed without a proposal from the Commission.

The Commission, then, has a permanent right and duty to initiate action. If it submits no proposals, the Council is paralysed and the progress of the Community comes to a halt — in agriculture, in transport, in commercial policy, in harmonization of legislation, whatever the field may be.

As an indication of the volume of work done by the institutions, the statistics for 1989 show that the Commission laid 624 proposals and drafts, and 214 communications, memoranda and reports before the Council.

In the same year the Council, besides dealing with purely procedural matters and with budgets and financial regulations, adopted 394 regulations, 79 directives and 161 decisions.

Since the most commonly used procedure, by far, in dealings between the Commission and the Council is that laid down in the Treaty of Rome, we shall look at it in somewhat greater detail.

Once a proposal is lodged, a dialogue begins between the ministers in the Council, who put their national points of view, and the Commission, which seeks to uphold the interest of the Community as a whole and find European solutions to common problems.

There might seem to be some danger of the dialogue becoming rather one-sided because of the Commission's weak position compared to the governments', with the full weight of national sovereign authority behind them. But in fact the Rome Treaties contrive rather ingeniously to ensure that the two are evenly matched.

To begin with, it is the Commission which draws up the proposal the Council is to discuss — and only on the basis of that proposal can the Council deliberate at all. So here the Commission can already exert some real influence. But its position is buttressed in other ways too. Article 149 EEC (119 Euratom), one of the key components of the institutional structure, provides that 'where, in pursuance of this Treaty, the Council acts on a proposal from the Commission, unanimity shall be required for an act constituting an amendment to that proposal'. This means that if the Council is unanimous it can decide on its own authority, even if its decision departs from the Commission's proposal. This is fair enough, since the Council

is then expressing a view shared by all the Member States.

By contrast, the majority rule applies only if their decision is in line with the Commission's proposal. In other words, if the Member States are divided, all they can do by a majority vote is to accept the proposal *in toto,* without amendment, since only the Commission can amend the proposal.

The position, then, is that the Council can either adopt the Commission's proposal as it stands by a majority; or it can depart from the proposal if there is unanimity; or it may fail to come to a decision at all. So the Commission does in fact have genuine bargaining power in the Council. The dialogue can be — and is — conducted on ground of the Commission's own choosing.

This dialogue obeys its own dynamic laws. Fairly substantial EEC experience has shown that application of the majority rule does not mean that a State is liable to find itself 'isolated'. When drafting its proposal, the Commission will have been at pains to take the often widely varying interests of the individual States into account and to establish where the general interest lies. It is only normal in a small 'club' of this kind that Council and Commission Members like to be in agreement if they can. Faced with the prospect of being outvoted, a minister may therefore decide to abandon an extreme or isolated position, while in the interests of good relations the Commission, and the ministers who favour its proposal, may make the effort needed to secure a *rapprochement.* The result — a trifle paradoxical, but amply confirmed in pactice — is that the majority rule makes unanimity easier and quicker. In this delicate interplay of forces, the Commission is always in a position to sway the outcome.

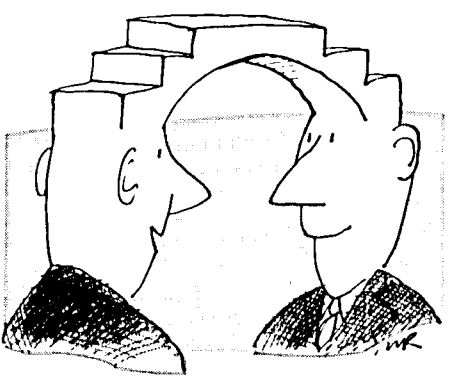
The Commission is thus centrally placed in the Council; it can act as 'honest broker' between governments and apply the prompting and pressure required to evolve formulas acceptable all round.

The political implications are more important still. The Commission's proposals embody a policy based solely on the interests of the Community as a whole. The fact that the Commission is in office for a fixed term ensures continuity, and the Council can only pronounce on measures proposed by the Commission for putting the policy into effect. There is no danger, then, of the Council adopting conflicting proposals on different issues as alliances change and power struggles develop between governments.

Nor can a majority in the Council impose on one of the minority a measure gravely damaging to that State's vital interests without Commission backing. If the Commission does its job properly, it will not be party to any such move. This therefore provides an important guarantee, especially to the smaller Member States, and they have always set great store by it.

◻ UNANIMITY AND MAJORITY

Under the Paris Treaty, as we have seen, the Council's assent is required only in a limited number of cases; sometimes it has to be unanimous, but mostly it can be given by a majority vote. This system has been duly adhered to since the Treaty came into force. Interestingly enough, when the Council refused to give its assent to the High Authority's plan to declare a state of 'manifest crisis' in the coal industry in May 1959, the decision was one calling for a majority vote rather than unanimous assent.



This means that the Council's refusal was due not to a solitary veto but to the fact that it could not muster a majority in favour.

Under the EEC Treaty most Council decisions during the first two stages of the transitional period — from 1958 to the end of 1965 — had to be unanimous. Consequently the procedure described above was not often needed. But even when it was, the Community spirit of the members of the Council, the collective authority of the Commission and the personal reputation of its members always ensured that the dialogue went off smoothly and enabled the Commission to exploit its role of initiator and conciliator to the full.

The scheduled move into the third stage, on 1 January 1966, was to have brought a major extension of the areas in which majority decisions were possible. But at this point the majority rule became the focus of a Community crisis. Was it tolerable, one of the governments demanded, that a Member State should be overruled by the rest when one of its essential interests was at stake?

This question cannot be answered by citing the relevant provisions, nor is there an objective definition of what constitutes an 'essential interest'.

Indeed, if the matter is viewed purely in terms of interests, it could well be that in areas where all the Member States have relinquished their freedom of action to the Community, the vetoing of a Community decision on the grounds of national interest could prejudice the vital interests of other Member States in that they would be harmed by the paralysis of the Community. By contrast, a State accepting the Community system and relying on its inner logic, its institutions and their rules and traditions can rest assured that these will provide all reasonable safeguards.

In the general interest the Community must take account of the essential interests of its members. The institutions are therefore bound to give these interests every consideration. Indeed the Community's ultimate objective of an ever-closer union among its peoples would not be feasible if one nation's vital interests were to be severely harmed. Moreover the Council procedures just described are calculated to achieve the broadest possible measure of agreement. Conversely, even where unanimity is the rule, no member of a Community can disregard the general interest in assessing his own: unanimity in a Community cannot be equated with an absolute right of veto.

Thus, in a living Community, abuse of majority voting — and probably abuse of unanimity too — is a theoretical risk which, with the Community's inner bonds drawing ever closer as it moves forward, should be less and less likely to materialize, while the possibility of majority decisions should render the whole system more flexible and more dynamic.

The only possible answer is to have faith in the future, faith in the institutions' and governments' good sense and desire to work amicably together. In the end, the six Foreign Ministers in session in Luxembourg on 28 January 1966, after months of crisis and difficult debate, had to acknowledge that failure to agree on the application of the majority rule was no reason for not continuing with the joint venture.

The crisis of 1965-66 and what has come to be known as the 'Luxembourg compromise' — though it was, in fact, a statement of disagreement — have, however, had a profound effect on the subsequent development of the Community. For a long time afterwards majority decisions were confined to budgetary and administrative matters, and various bad habits grew up. Some of the new Member States joining the Community since then have pleaded 'very important interests' and demanded unanimity. This state of affairs was confirmed in the drafting and adoption of the Solemn Declaration on European Union, signed in Stuttgart on 19 June 1983 by the Heads of State or Government meeting within the European Council.

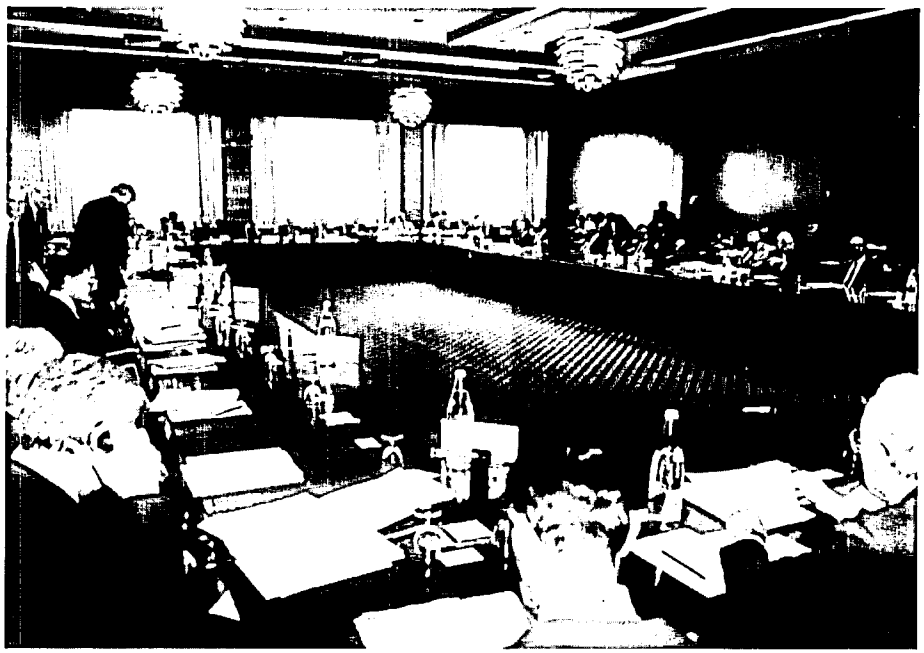
At the end of the 1970s, systematic use of the unanimity rule in the Council together with major disagreements over several important

issues (own resources, the United Kingdom contribution to the budget and the reform of the common agricultural policy) led to the virtual paralysis of the Community during a long period of crisis which lasted from 1979 to 1984. As a result, the governments of the Member States, under pressure from the European Parliament (which adopted the draft Treaty on European Union in February 1984), committed themselves for the first time to a thorough revision of the Rome Treaties. The return to majority voting was cemented by the Single European Act, signed in February 1986, which substantially extended the Council's scope for taking majority decisions, particularly as regards the internal market. These changes ratified by the parliaments of the Twelve marked a fundamental shift in political attitudes.

Since 1986 a large number of Council decisions have been taken on a majority basis and the use of voting has become common practice. Indeed the Council Presidency is often content to see the required majority mustered in favour of a proposal, which the Commission may have amended. Today the 'Luxembourg compromise' is hardly ever used to block a majority decision. In view of this new situation, the Council amended its rules of procedure in 1987 in order to lay down detailed rules on voting procedures. Over the years both delegations and ministers have gradually changed their approach to discussions to take into account the prospect of a final decision by majority vote.

□ THE EUROPEAN COUNCIL

In December 1974 the Heads of State or Government, meeting in Paris, took two major decisions. Firstly they agreed that the European Parliament should be directly elected by universal suffrage (though it took five years before direct elections were actually held). Secondly they decided to meet



The Council in session

regularly within a 'European Council' with their Foreign Ministers and the President and one of the Vice-Presidents of the Commission. This decision came into effect immediately, the first European Council being held in March 1975 in Dublin. Subsequently the existence of the European Council was formally enshrined in the Single European Act in 1986.

The importance of the European Council in the workings of the Community has steadily increased. This trend is linked with the fact that the authority of the Heads of State or Government has tended to grow stronger in most of the 12 Member States, either because of the way their constitutions work or because of how political affairs are conducted. Their personal intervention in Community affairs is therefore a major development. Since 1975 they have provided political impetus or laid down guidelines in areas of prime importance (such as direct elections to Parliament, the European Monetary System, reform of agricultural policy, the accession of new members, completion of the internal market and economic and monetary union).

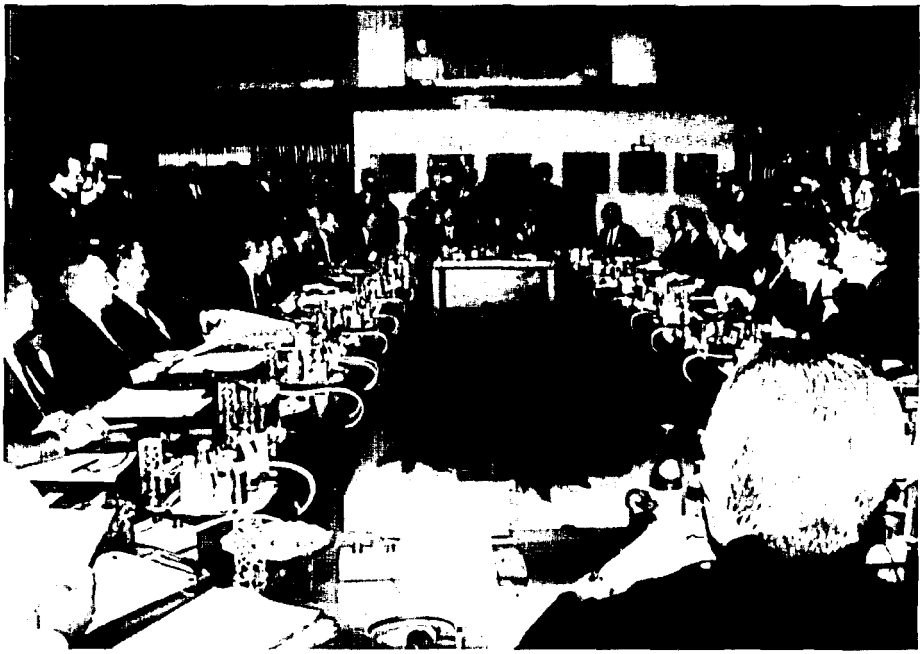
At the same time, the simple fact that the European Council exists and meets regularly has had an effect on the position of the Council itself by opening up the possibility of appeal to a higher authority (even though the Heads of State or Government have, on a number of occasions, refused to take on such a role). The Commission — and in particular its President — has been given increased political status through participation in European Councils, even at the most restricted sessions. Nevertheless, the nature of the meetings (free of any institutional formalities) and the fact that they combine discussions on Community matters with discussions on political cooperation have emphasized the intergovernmental aspects of these European 'summits'. The significance attached to the position of the Presidency of the European Council, particularly when it is held by one of the larger countries, has strengthened this impression as far as the public in concerned.

However, the conclusions reached by the European Council are one thing, their implementation is another. The European Council's working methods (politicians meeting with neither civil servants nor experts present) make for an effective system but at the same time are a source of difficulties later when it comes to implementation. The institutions are aware of the problem and have commissioned several studies (such as the report of the 'Three Wise Men' in 1979), but as yet no solution has been found. Meanwhile, in 1986, it was agreed to restrict European Council meetings to two a year in future, except in special circumstances, with a view to limiting intervention by the European Council in the general running of the Community.

□ THE COUNCIL PRESIDENCY

Another significant institutional change in recent years has been the bigger role played by the Council Presidency. Like the setting up of the European Council, this has not come about as the result of an amendment or addition to the Treaties. It is a development which can be attributed, firstly, to practical needs resulting from the more complex operation in an enlarged Community of a body with representatives from nine, then 10 and now 12 countries plus the Commission and, secondly, to political factors resulting from the excessive insistence on unanimity (and the consequent need for compromises which may bear little relation to the Commission proposal) and from the way the European Council operates.

By limiting the length of the Presidency to six months, the negotiators of the Treaty established a balance which still holds good over 30 years later. Often a country's turn in the Presidency is the occasion for it to show its commitment to Europe and six months is long enough in running the Council to produce results. The fact that the Presidency rotates regularly and thus alternates between



The European Council in session in Rome on 27 and 28 October 1990

the larger and smaller countries also obviates any risk of hegemony.

Cooperation between the Presidency and the Commission remains the general rule: properly applied, it leads to increased efficiency through a distribution of roles, provided that the Commission does not yield any of its powers or relax its vigilance and provided that the Council Presidency performs effectively in its role as political stimulator and impartial referee at meetings of the Council and its preparatory bodies.

THE EUROPEAN PARLIAMENT

□ A DIRECTLY ELECTED PARLIAMENT

On 7 and 10 June 1979 the citizens of the Community for the first time elected their representatives to the European Parliament. Provision had been made for these elections more than 20 years previously in the Treaty of Rome, which stipulated that the Assembly — the European Parliament — would eventually be elected by direct universal suffrage. In 1960 Parliament had submitted a draft convention to the Council, but this was never followed up.

In December 1974 the Heads of State or Government agreed in principle to direct elections and in January 1976 Parliament adopted a new draft convention. At the end of 1975, in Rome, the European Council confirmed that the first direct elections would take place on a single date in 1978. In July 1976, in Brussels, it decided on the number and distribution of seats in the future Parliament. Finally, on 20 September 1976, the Council approved and signed the instruments for the election of Members of Parliament by direct universal suffrage.

However, ratification of the September 1976 'Act' by national parliaments took longer than expected, partly because in the United Kingdom the elections and the electoral procedure to be followed were treated as a single issue. But finally, on 1 July 1978, the 'Act concerning the election of the representatives of the Assembly by direct universal suffrage' entered into force.

The first elections were held on 7 and 10 June 1979, each State using its own national electoral system, and national voting procedures were again used when the next two Parliaments were elected in 1984 and 1989. Eleven countries use systems involving a considerable degree of proportional representation, with only the United Kingdom (except Northern Ireland) using single-ballot majority voting by constituency.

□ THE ROLE AND FUNCTIONING OF PARLIAMENT

The composition of Parliament makes it a fully integrated Community institution. There are no national sections, only Community-level political groups. The fact that the Commission is answerable to Parliament, and Parliament alone, guarantees its independence.

Parliament thus keeps constant watch on the Commission's doings, making sure that it faithfully represents the Community interest, ready at any time to call it to order if it gives the impression of yielding to the lobbying of governments. In addition, Parliament plays a part in the Community's legislative procedure, as will be shown later.

The election of Parliament did not bring about any change in its powers. However, the increase in the number of MEPs and the fact that, with a few exceptions, they sit only as MEPs (and not national MPs as well) has set a faster parliamentary pace and a more aggressive style.

Except in August the House sits for one week each month (normally in Strasbourg), and sometimes in between to discuss special items like the budget. Between the monthly part-sessions, two weeks are set aside for meetings of the parliamentary committees (there are 18 standing committees) and the third week for meetings of political groups.

The appropriate Member of the Commission or his representative appears before the committees to give an account of the decisions taken by the Commission, the proposals presented to the Council, and the position adopted by the Commission, *vis-à-vis* the Council.

The committees thus follow developments in detail and, as they usually meet in camera, can be given a great deal of information, even on confidential matters, and keep a careful

eye on what the executive is up to. The committees are also responsible for preparing Parliament's opinions on the Commission's proposals to the Council, as well as Parliament's own-initiative resolutions. This regularly involves them in hearings with independent experts and representatives of the interest groups concerned.

Questions from Members of Parliament to the Commission, and to the Council and the Conference of Foreign Ministers (political cooperation), provide a much-used means of control. In 1989, 1 711 written questions were put to the Commission, 144 to the Council and 114 to the Foreign Ministers (political cooperation).

Since 1973 there has been a Question Time at each part-session of Parliament. The formula has proved so popular with Members that, except in the case of very short part-sessions, there are now two hour-and-a-half periods, one for the Council and political cooperation and one for the Commission. Questions must be brief and to the point. As a follow-up to replies by the Commission or the President of the Council, the Members can put short supplementary questions which sometimes provide lively exchanges.

In 1989 the Commission replied to 581 questions during Question Time and the President of the Council to 172; there were also 130 questions on political cooperation.

Lastly, Parliament can hold urgent debates on current issues (Community and international affairs, violations of human rights, etc.) to bypass the sometimes rather lengthy procedure otherwise involved, under which the Commission presents a paper ('communication') which is then discussed in committee before the debate in plenary session. One sitting in each part-session is devoted to urgent topics, the selection of which sometimes involves heated debates and highly politicized voting.

□ BUDGETARY POWERS

When the Council decided to give the Community financial resources of its own, the Member States agreed to amend the Treaties to increase Parliament's budgetary powers. Two treaties were concluded for this purpose — one on 22 April 1970 (effective 1 January 1971), the other on 22 July 1975 (effective 1 June 1977). The latter also set up the Court of Auditors.

Parliament now has the last word on all 'non-compulsory' expenditure, in other words expenditure that is not the inevitable consequence of Community legislation. Parliament's budgetary powers cover the institutions' administrative costs and, above all, certain operational expenditure (Social Fund, Regional Fund, research and energy, industrial policy, etc.). This expenditure is considerable, representing 36% of the budget or some ECU 15 500 million in 1990, and it determines the Community's development by boosting certain policies (social, regional, etc.) or allowing new activities to be launched (energy, industry, research, etc.). Parliament has the power not only to reallocate but also to increase expenditure within certain limits. This is a good illustration of the political significance of its budgetary powers.

The remainder of the budget is made up of 'compulsory' expenditure (64% or some ECU 31 200 million in 1990). Basically this is expenditure on the common agricultural policy (57.8% of the budget in 1990), most of it for price support. Parliament can propose 'modifications' to this category of expenditure. Provided they do not increase the total amount of expenditure such modifications are deemed to be accepted unless the Council rejects them by a qualified majority.

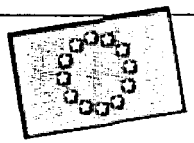
Parliament has the right to reject the budget as a whole: this it did for the first time on 13 December 1979 — a few months after direct elections — when it threw out the draft 1980 budget placed before it by the Council. Parliament also rejected the 1985 general budget, as well as a supplementary budget in 1982.

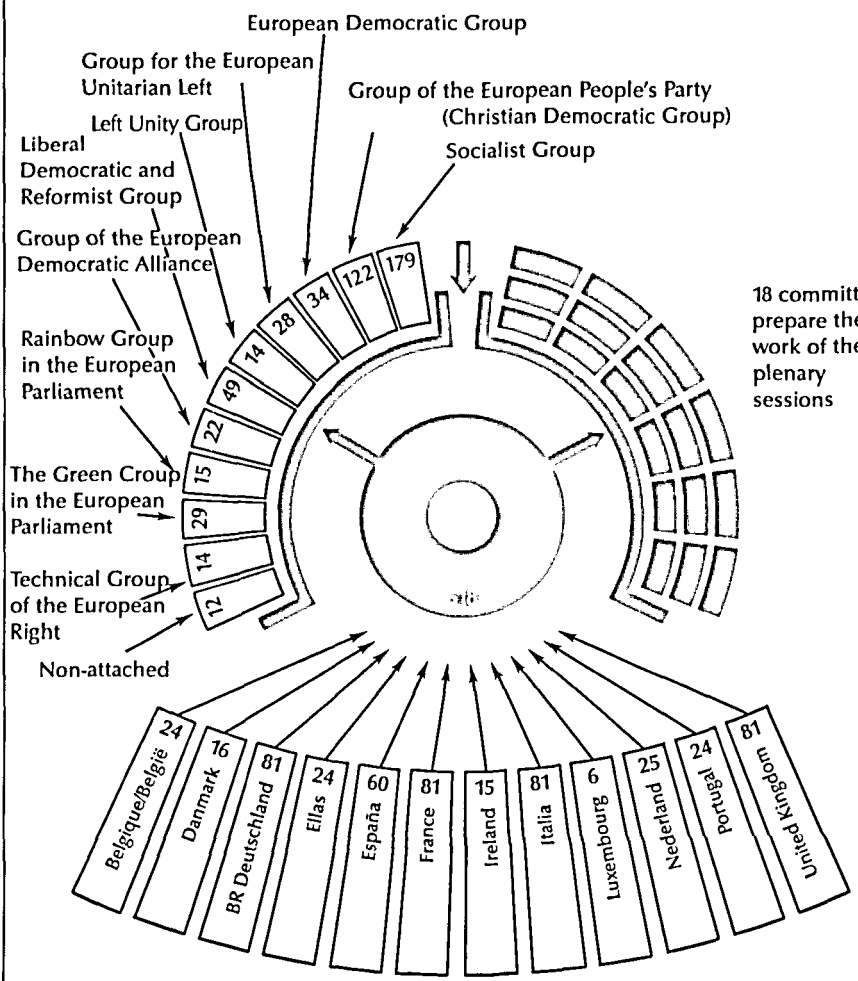
Lastly, it is Parliament's President who is responsible for declaring that the budget has been finally adopted once all the procedures

EUROPEAN PARLIAMENT: 518 MEMBERS

Members meet in political groups regardless of nationality

Parliament is presided over by a President assisted by 12 Vice-Presidents





Political composition of the European Parliament (situation on 10 June 1990)

COMPOSITION OF THE EUROPEAN PARLIAMENT COMMITTEES
(situation on 10 June 1991)

1. Political Affairs Committee
2. Committee on Agriculture, Fisheries and Rural Development
3. Committee on Budgets
4. Committee on Economic and Monetary Affairs and Industrial Policy
5. Committee on Energy, Research and Technology
6. Committee on External Economic Relations
7. Committee on Legal Affairs and Citizens' Rights
8. Committee on Social Affairs, Employment and the Working Environment
9. Committee on Regional Policy and Regional Planning
10. Committee on Transport and Tourism
11. Committee on the Environment, Public Health and Consumer Protection
12. Committee on Youth, Culture, Education, the Media and Sport
13. Committee on Development and Cooperation
14. Committee on Budgetary Control
15. Committee on Institutional Affairs
16. Committee on the Rules of Procedure, the Verification of Credentials and Immunities
17. Committee on Women's Rights
18. Committee on Petitions

have been completed. This has been an important factor in the budgetary debates in that Parliament has been able to bring to bear its own interpretation of the complex budgetary rules laid down in the 1970 and 1975 Treaties. In 1986, however, the Court annulled the decision by which the President of Parliament had adopted the budget for that financial year, following an appeal by the Council. It thereby defined the extent of Parliament's prerogative and at the same time clarified the interpretation of certain budgetary rules.

Parliament, then, holds a strong position in the budget process. The dialogue between Parliament and the Council has increasingly come into play and where it has not been possible to resolve differences, Parliament has on a number of occasions been able to impose its point of view. In 1988, the Interinstitutional Agreement on budgetary discipline and improvement of the budgetary procedure established the joint responsibility of Parliament, the Council and the Commission in this field while respecting the various competences attributed to them under the Treaties. It fixed new rules for cooperation between the institutions and opened the way to a 'lasting peace' in the area of the annual budget procedure.

□ LEGISLATIVE POWERS

Under the Treaties of Rome, Parliament's involvement in the legislative process was restricted to giving its opinion on certain Commission proposals. In addition to this compulsory consultation, provision was later made for optional consultation at the request of the Council, with the result that Parliament now makes its voice heard in the legislative process whenever major legislation is involved.

However, Parliament was not satisfied with this consultative role (even less so once it

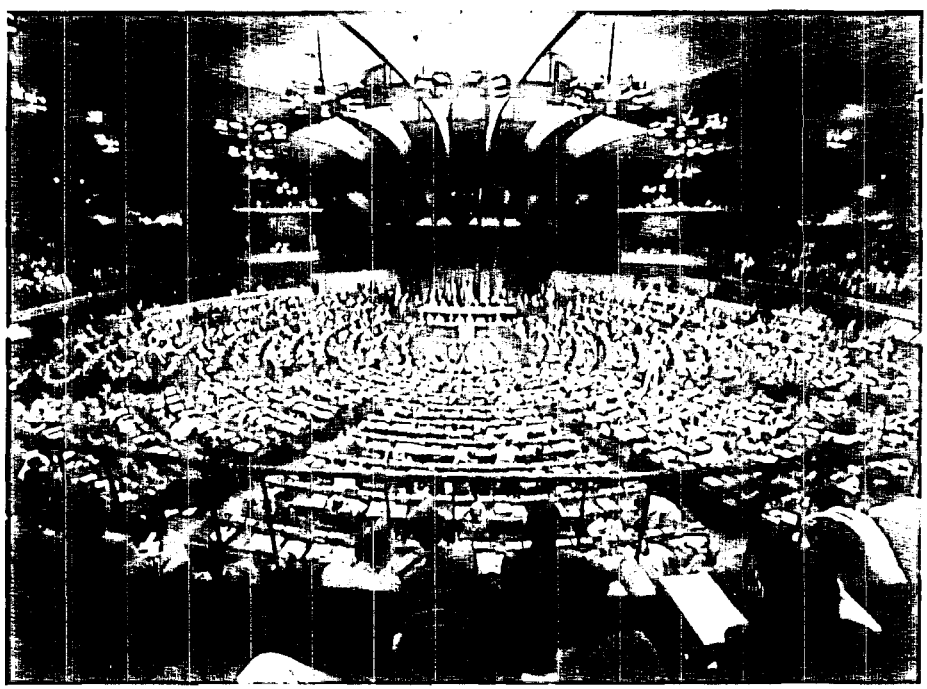
became an elected body). By using its budgetary powers it first endeavoured to obtain a greater say in the legislative activities of the Community. The introduction in 1975 of a conciliation procedure between Parliament, the Commission and the Council should have strengthened Parliament's influence on the drafting of legislation with significant budgetary implications. So far, however, the procedure has not been really effective.

Parliament's stated objective since direct elections is that the power to enact legislation should be shared between Parliament and the Council. Not unreasonably, MEPs see such reform as the surest way of giving Parliament some influence in the running of the Community and of making its voice heard publicly. The low turnout in successive elections emphasized the need for such a change.

Thus, before its dissolution, the first directly elected Parliament adopted a draft Treaty establishing the European Union, initiated by Altiero Spinelli, which aimed at a thorough overhaul of the Community system to enable the Communities to overcome the obstacles they faced and to move forward with renewed impetus. It also sought to reform the Community's system of legislation by giving Parliament and the Council an equal say in decisions.

Parliament's initiative was instrumental in prompting awareness of the need to reform the institutions and to set clear objectives for the Community, and (as has already been pointed out) led both to the decision to complete the internal market by 1992 and to the convening of the Intergovernmental Conference which drafted the Single European Act.

While it does not give Parliament all the legislative powers it wanted, the Single Act does confer on it the power of assent — essentially a joint decision-making power — in relation to accession and agreements



Strasbourg, plenary session of the European Parliament

under Article 238 EEC (e.g. association and cooperation agreements with the Mediterranean countries, the Lomé Convention, etc.).

Secondly, it introduces a cooperation procedure applicable to qualified majority decisions having a bearing on the internal market, social policy, economic and social cohesion and research. This procedure can be summarized as follows:

(i) The Council, on a proposal from the Commission and after obtaining the opinion of Parliament, adopts a 'common position'. This is then referred to Parliament, which has three months in which to endorse it (expressly or implicitly), reject it or amend it. The Commission has one month in which to decide whether or not to accept any amendments proposed by Parliament.

(ii) The Council then proceeds to a second reading.

(iii) If Parliament has rejected the Council's 'common position', unanimity is required. If Parliament has proposed amendments, the Council votes by qualified majority where the Commission has endorsed them and unanimously where the Commission has been unable to do so.

(iv) If the Council fails to reach a decision within three months, the Commission proposal is deemed not to have been adopted.

While the Commission remains the driving force behind the drafting of legislation, this procedure gives Parliament a direct influence on decisions, even though the final word still rests with the Council.

Parliament has been very critical of the cooperation procedure, deeming it to be most unsatisfactory.

At the same time, it has decided to use every possibility open to it to make its voice heard in the legislative process.

It has therefore amended its rules of procedure and changed the way it organizes its business in order to comply with the time-limits laid down under the new procedure and to obtain the required majority in the second reading (absolute majority of members entitled to sit in the House). These changes have ensured that the cooperation procedure functions smoothly: between the entry into force of the Single Act and the end of 1989, 112 acts were adopted under the procedure.

Parliament's intervention has proved effective. A high percentage of its amendments — some of them of great significance — are adopted by the Commission and the Council between the two readings. Parliament nowadays has a real influence on the making of Community legislation.

The combination of the two reforms brought in by the Single Act — majority voting in the Council and the cooperation procedure — has at last had the effect of speeding up the legislative process.

Parliament regards the cooperation procedure as merely a step towards the wielding of real legislative power. At the forthcoming intergovernmental conferences it intends to propose that, at the very least, it be granted real joint decision-making powers with the Council.

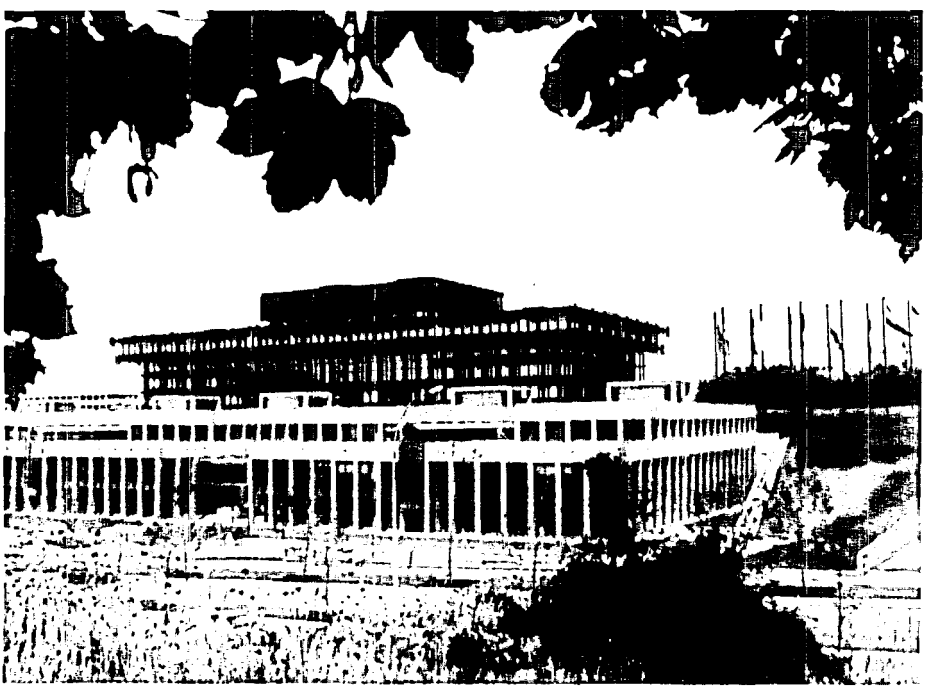
Regarding the conclusion of cooperation agreements, Parliament immediately signalled its intention to make full use of its newly gained power of assent by refusing to be hurried into votes and by requesting full participation in drawing up negotiating briefs as well as in the negotiations themselves.

THE COURT OF JUSTICE

Because of the substantial direct enforcement powers vested in the High Authority under the ECSC Treaty, the ECSC Court of Justice was mainly called upon to handle appeals to it by coal and steel enterprises. In 1958 the Rome Treaties replaced it by a single Court of Justice of the European Communities. Since application of the Rome Treaties, and the EEC Treaty in particular, called for a considerable measure of government action, the first cases coming before the new Court were brought by the Commission against governments for infringements of the Treaties. These were followed in due course by actions brought by governments against decisions of the Commission and actions brought by individuals.

The Court's procedure for dealing with cases of this kind is broadly similar to that of the highest courts of appeal in the Member States. Its judgments not only settle the particular matters at issue, but also spell out the construction to be placed on disputed passages in the Treaties, thereby affording clarification and guidance as to their implementation.

In recent years, over and above this function of ensuring that Community legislation is good law, the Court has increasingly been called upon to give preliminary rulings on questions referred to it by national courts. Community law, made up of the Treaties and the corpus of legislation based on them (secondary legislation), is becoming more and more interwoven with the national law of the individual member countries. Its implementation is therefore attracting more and more of the national courts' attention.



The Court of Justice of the European Communities (Centre européen, Luxembourg)

Several thousand decisions have been taken by national courts under the EEC and ECSC Treaties (but none under the Euratom Treaty because of its special structure).

Referrals to the Court of Justice are requests to it to rule on the interpretation or to assess the validity of particular portions of Community law (in the ECSC context, the validity of Commission and Council legislation only). The steady rise in the number of such referrals bears witness to the closer working cooperation between the European Court and national courts, permitting Community law to be uniformly enforced in all the member countries and helping to build up a consistent body of European case-law.

A few figures may serve to indicate the extent of the Court of Justice's work. Between 1952, when the ECSC Treaty came into force, and the end of 1989, 4265 cases were brought (this figure excludes administrative actions by Community officials in connection with the Staff Regulations). Of this total, 3 711 related to the EEC Treaty: of these 2 061 were preliminary rulings (including 72 actions brought under the Brussels Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial matters), 739 were actions by the Commission, 158 were actions by governments, 27 were by institutions against another institution and 747 were actions by individuals. Of the 537 ECSC cases brought between 1952 and 1989 499 were instituted by individuals and enterprises, 31 by governments and five were preliminary rulings. Twenty actions, of which three were preliminary rulings, have been brought with respect to Euratom.

A Court of First Instance was established under the Single European Act. It took up its duties in October 1989 and has jurisdiction in actions relating to matters covered by the ECSC Treaty, enforcement of the rules on competition and disputes between the Community institutions and their staff. Appeals against its decisions may be brought before the Court of Justice, in which case the latter may deliver a judgment only on points of law.

THE ECONOMIC AND SOCIAL COMMITTEE

The Economic and Social Committee provides institutional representation for the various categories of economic and social activity: employers, workers and interest groups covering the other forms of activity, including agriculture, transport, commerce, crafts, the professions, small businesses, consumer affairs, protection of the environment and cooperatives, are all represented on the Committee.

The Committee has 189 Members drawn from the most representative national organizations; they are appointed in a personal capacity by the Council (after consulting the Commission) for a term of four years.

Members are divided into three groups: Employers, Workers, and Various Interests. Opinions delivered in plenary session are drawn up by specialized sections, whose members may be accompanied at meetings by assistants appointed as experts.

Instituted by the Treaties of Rome, the Committee has to be consulted by the Council on Commission proposals in certain areas specified in the EEC and Euratom Treaties. It also delivers opinions at the request of the Council or the Commission and — since 1972 — on its own initiative.

The Committee also cooperates with the European Parliament along the lines set out in a resolution adopted by Parliament on 9 July 1981, which provides for the organization of exchanges of information between parliamentary committees and specialized sections as well as for liaison between chairmen and rapporteurs.

The activities of the Committee have increased steadily (from seven opinions in 1968 to nearly 180 in 1989). In most cases, the Committee reaches a consensus on opinions which are an amalgam of the positions of the various groups and as such are of considerable value to the Commission and the Council, highlighting as they do the desiderata of the groups most affected by the proposal. Some of the Committee's own-initiative opinions have been of major political importance; a particular example was its opinion of 22 February 1989 on fundamental social rights in the Community, which provided the basis for the Commission's proposal for a 'Social Charter' (accepted by 11 of the Member States).

The Single European Act has increased the involvement of the Committee in the drafting of texts relating to completion of the single market. And the role of the Committee is destined to increase further with the advent of the single market and of economic and monetary union in that it will be responsible for ensuring that those involved in business and commerce and the two sides of industry play a part in the implementation of these major ventures and in progress towards European Union in general.

THE COURT OF AUDITORS

The Court of Auditors was set up by the Treaty of 22 July 1975 and held its constituent meeting in Luxembourg (its provisional headquarters) on 25 October 1977.

The Court took over from the EEC and Euratom Audit Board and from the ECSC Auditor as the body in charge of external auditing of the Community's general budget and the ECSC's operating budget. Internal auditing is still a matter for each institution's financial controller.

In setting up the court the governments and institutions (particularly Parliament) showed that they wanted a qualitative change in the style of budgetary auditing, given the steady increase in the size of the Community's budget. Not only does the Court have more political authority than its predecessors, but, more important still, it is a permanent body with a relatively large staff. It can extend its investigations to operations carried out in and by the Member States on behalf of the Community (such as expenditure on agriculture or the collection of customs duties) and in non-member countries which receive Community aid (under the Lomé Convention for example). It can address observations on its own initiative to the institutions on operations undertaken by them and it can deliver opinions at the request of an institution.

At the end of each financial year the Court draws up a report on its work. This is published in the Official Journal with the institutions' replies to its observations. In addition to this, it produces a large number of special reports on individual and sometimes major issues (e.g. the operation of the EAGGF Guarantee Section or food aid to developing countries).

Parliament, which had attached enormous importance to the establishment of a Court of Auditors, makes full use of the opportunities offered by the Court's investigatory powers, opinions and annual report to reinforce its own control over Community expenditure and give full weight to its annual decision granting a discharge in respect of implementation of the Community budget.

WORKING METHODS

From this brief account of the main tasks of the institutions, their relationship to each other and the balance of powers between them, let us now turn to their working methods.

☐ THE COMMISSION'S DEPARTMENTS

The Commission's departments comprise a Secretariat-General, a Legal Service, a Statistical Office, 23 Directorates-General, and a small number of specialized services.

In December 1990 the staff totalled 12 983, of whom 3 599 are in administrative and executive grades. Another 1 499 are engaged in translation and interpretation. There are nine official Community languages, hence the size of the Language Service.

Officials are divided between the two provisional places of work of the institutions in Brussels and Luxembourg (more than 2 600 based in Luxembourg). Around 2 800 other staff are engaged in research work; most of them are assigned to the Joint Research Centre's institutes.

In 1990 administrative expenditure by the Commission and the three other institutions was in the region of ECU 2 360 million, or 4.8% of the total budget.

Each of the Members of the Commission has been given special responsibility for one or more portfolios or broad areas of Community activity (external relations, agriculture, social affairs, etc.). He has one or more Directors-General reporting to him.

☐ HOW THE COMMISSION WORKS

Under the Treaties, the Commission is bound to act collectively. This means that the Commission, as a body, must adopt the various measures — regulations, decisions, proposals to the Council, etc. — incumbent on it under the Treaties or implementing regulations. It cannot delegate powers to a Member in his particular area which would give him a measure of independence comparable to that enjoyed by, say a national minister in his department.

Various procedural devices have been adopted to ensure that this system does not create log-jams in Commission business. Discussion of particularly important or complex matters is prepared by *ad hoc* groups of the Members most concerned.

The Commissioners' *chefs de cabinet* or other members of their staff meet regularly to prepare the ground for the Commission's discussions and simplify decision-making either by considering matters of a particularly technical nature in depth or, at the start of each week, by discussing all the items on the agenda for the Commission's weekly meeting.

Straightforward matters are largely dealt with by 'written procedure', a device taken over from the EEC Commission: the Members are sent the dossier and the proposal for a decision, and if they have not entered reservations or objections within a given period (usually one week) the proposal is deemed to be adopted.

The written procedure was used 1 758 times in 1989.

Lastly, the Commission can empower one of its Members to take decisions on routine matters on its behalf and under its responsibility. Powers are delegated only if the margin of discretion is narrow and no political issues are involved. Many recurrent agricultural regulations are adopted under this procedure. In 1989 about 11 120 measures were taken in this way.

Only matters of some importance actually appear on the agenda for the Commission's weekly meeting, which usually lasts at least one day.

When particularly delicate matters are being discussed, the Commission sits alone, the only official present being the Secretary-General.

In other cases, the officials responsible may be called in. Although its decisions can be taken by a majority, many are in fact unanimous. Where a vote is taken, the minority abides by the majority decision, which becomes the position of the full Commission.

☐ HOW THE COMMISSION REACHES ITS DECISIONS AND DRAWS UP PROPOSALS FOR SUBMISSION TO THE COUNCIL

The Commission proceeds quite differently depending on whether its aim is to establish the broad outlines of the policy it intends to pursue in a particular field, or to define the practical details of that policy or measures which tend more towards the technical than the political.

When it is formulating policy, the Commission, following extensive consultations with political circles, top civil servants and employers' and workers' organizations, works out its final position with the assistance of its own departments. This involves a series of meetings, often numerous and prolonged, with a period of careful consideration between one reading and the next. It is along these lines, for instance, that the Commission prepared its opinions on applications for Community membership, its annual farm price proposals, its reports on reform of the common agricultural policy and the structural Funds, its proposals on new own resources and documents such as its White Paper on completing the internal market and the 1987 package, 'Making a success of the Single Act'.

By contrast, once the main lines of policy have been agreed, the Commission normally consults national experts to work out the practical details of arrangements to be adopted or proposals to be submitted. The Commission's departments convene meetings of government experts at which a Commission official takes the chair. These experts do not commit their respective governments, but as they are sufficiently well informed as to the latter's wishes and general position, they can guide their Commission counterparts in their search for suitable technical formulas which will be generally acceptable to the governments.

As these meetings of experts proliferate, more and more national civil servants are receiving what can fairly be called a European training.

At the same time, a departmental-level dialogue is being conducted between Community and national officials. In addition, Members of the Commission or their departments have regular meetings with leading representatives of trade unions, employers' federations, farmers' associations, traders' organizations, etc., grouped at European level.

Some committees have been formally institutionalized by the Council or Commission. Examples of this are the Economic Policy Committee, the Committee for Scientific and Technical Research, the agricultural advisory committees and the Consumers' Consultative Council. Some of these committees comprise high-level government representatives, others bring together leading members of the professional and trade associations concerned. Still others have a mixed membership of government experts and delegates from the interest groups concerned.

In due course the results of these preparatory proceedings are laid before the Commission, which then adopts its position. This, then, is the process by which the Commission frames not only its proposals to the Council, but also regulations or decisions which it is responsible for itself, but which it thinks preferable to prepare with the help of national civil service expertise.

□ THE COUNCIL IN OPERATION

When it receives a general policy paper ('memorandum') or a specific proposal from the Commission, the Council refers it to the Permanent Representatives Committee (there is, however, a special committee for agriculture). The ground for the Committee's deliberations is prepared by a host of working parties or committees, some of which are permanent.

The Commission is represented at all meetings of the Permanent Representatives Committee, special committees and working parties so that the dialogue begun with national experts can continue with ambassadors and government representatives.

The Council's decisions must be taken by the Ministers themselves. However, on less important matters, decisions are adopted without debate if the Permanent Representatives and the Commission's representative are unanimously agreed. This procedure has been extended to certain decisions adopted by a qualified majority where the delegations in the minority do not request that the matter be debated in the Council.

By contrast, important questions and issues with political implications are discussed in detail by the Ministers and the Members of the Commission, who attend Council meetings as of right. It is at this stage that the dialogue described earlier comes into play.

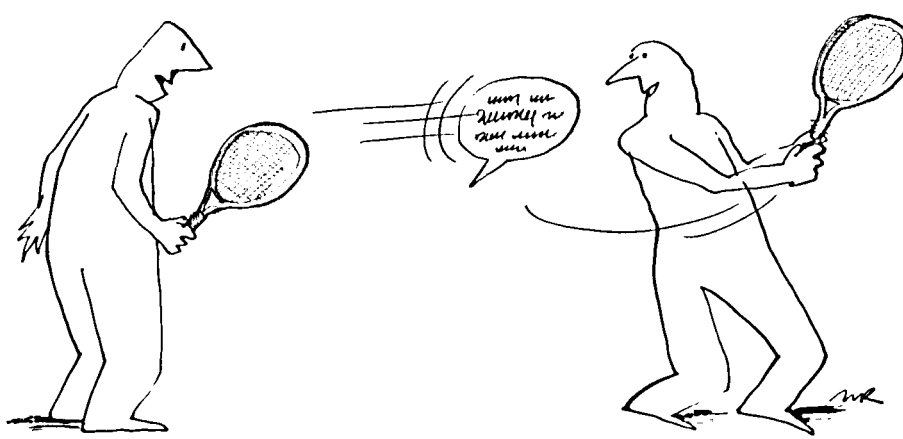
Council meetings are not mere formalities, as ministerial meetings in other international organizations sometimes are. They are down-to-earth working sessions of serious and sometimes heated debate, where the outcome may hang in the balance until the very last. They are, incidentally, frequent and often lengthy.

In 1989, the Council held 89 meetings including the two European Councils. The Permanent Representatives Committee met 44 times.

When a decision has to be taken on a particularly thorny issue, the Council may have to hold a 'marathon' session. Brussels still remembers the marathon on the agricultural market mechanisms at the end of 1961 and beginning of 1962. This meeting, which lasted nearly three weeks after the Council 'stopped the clock' holds the record, but there have been others...

This, then, is how the Council, the Commission, and the Community in general operate. To sum up, three points might be made about the institutions' approach.

Firstly, the institutions, and the Commission in particular, do not live in an ivory tower. On the contrary, they provide an open forum for



exchanges of views between governments and civil services, Members of the European Parliament and representatives of interest groups in different sectors of the economy.

Secondly, although strict legal rules must be faithfully obeyed, the necessary flexibility is guaranteed by the constant dialogue which creates a team spirit and fosters mutual confidence.

Last but not least, economic interest groups, Parliament, national civil services and Ministers have genuine confidence in the Commission's impartiality.

The EEC and Euratom have been in existence for more than 30 years now; the ECSC even longer. After several crises and the accession of six new Member States, it can be said that the Community system has proved its durability.

Through its institutions the Community has succeeded in attaining many of the Treaties' objectives, and in some areas it has progressed even further. But integration remains incomplete, and worse still, unbalanced. Substantial progress must still be made, otherwise ground will be lost.

The 1969 Hague Summit of the six Heads of State or Government gave birth to two major plans: economic and monetary union and greater political solidarity. At the prompting of Pierre Werner, the Luxembourg Prime Minister, an ambitious project for economic union was presented to the national governments, but progress towards it was slowed and eventually halted by the economic crisis of the 1970s.

Then, in the autumn of 1977, the President of the Commission relaunched the idea of monetary union. Following initiatives by a number of governments and by the Commission itself, and thanks to the active efforts of the European Council, the European Monetary System came into effect on 13 March 1979, with eight Member States as full participants.

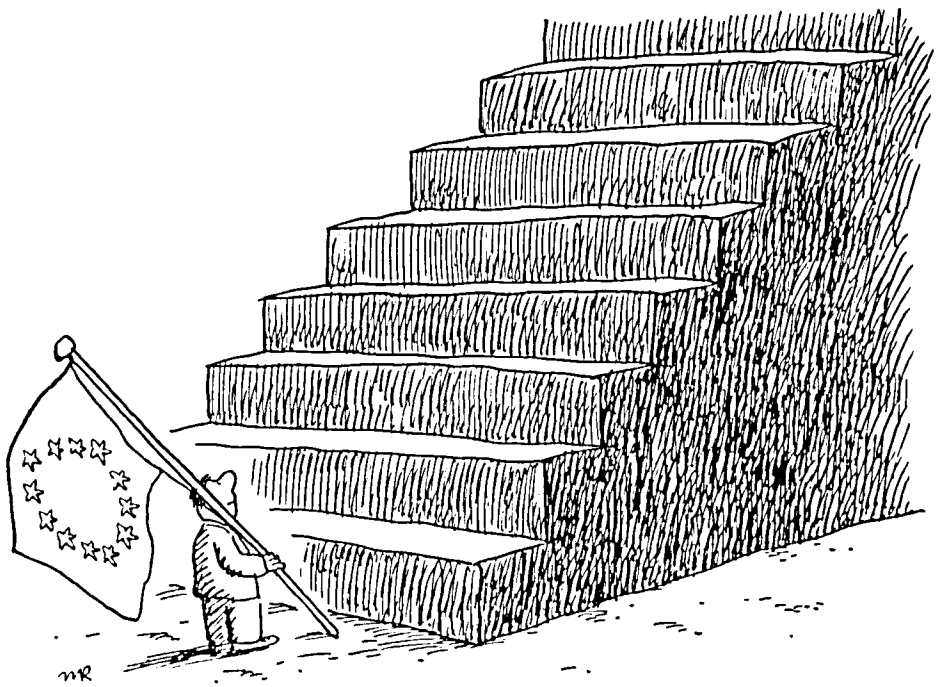
At present Greece and Portugal do not take part in the exchange-rate mechanism although their currencies are part of the 'basket' of currencies that makes up the ecu.

The operation of the EMS has strengthened monetary cooperation remarkably: exchange rates have become a matter of mutual interest and any changes (devaluation or revaluation) are discussed and agreed jointly at special meetings of Finance Ministers. This has also led to increased economic discipline and greater harmonization of the economic policies of the Member States.

In today's world, economic solidarity is inseparable from political solidarity. In this respect, the conclusions of the Hague Summit did have a tangible impact: a system of political cooperation was brought into operation by the governments of the Member States. This has been gradually extended to almost every area of foreign policy, including the political and economic aspects of security, and was made legally binding by the Single European Act. It operates on a consensual basis. Although it has its own structures, it now functions in close harmony with the Community institutions. Its President reports regularly to Parliament and the Commission is involved in all meetings. It has enabled the Member States to speak with one voice on subjects such as East-West relations, the Middle East conflict, Cyprus, Central America and southern Africa.

Greece applied for membership of the Community in 1975, following the end of the military dictatorship, and became the 10th member on 1 January 1981. The newly returned democratic governments in Portugal and Spain applied in March and July 1977 respectively and negotiations with them opened in October 1978 and February 1979. These were finally concluded in 1985, and the two countries joined the Community on 1 January 1986.

But whether these developments, together with the setting up of the European Council and the introduction of direct Parliamentary elections, have given any more substance to the desire expressed by the Heads of State or Government in 1972 to see the relationship between the Member States transformed into a European Union by the end of the decade is another question. The worsening situation in the Community at the beginning of the



1980s contrasted sharply with this declared ambition.

The deepening crisis prompted a sudden political reawakening, bearing witness to the deep roots of the movement for European integration and finding expression in Parliament's adoption of the draft Treaty establishing European Union — the so-called Spinelli draft — in February 1984 and the negotiation of the Single European Act which entered into force on 1 July 1987. The Community thereby set itself a goal of enormous economic, political and psychological significance — the completion of a single internal market by the end of 1992 — and at the same time introduced the substantial improvements to its institutional workings which we have already mentioned (majority voting in the Council, the cooperation procedure between Parliament, the Council and the Commission and the consolidation of political cooperation).

The completion of the single market — including freedom to move capital unhindered — and the demand for closer economic cohesion between the Member States, both formally enshrined in the Single Act, will give the Community a 'dynamic imbalance', which was described by Jean Monnet in the 1950s as a major factor in European integration. This explains the decision by the Hanover European Council in June 1988 to take the first steps on the road to economic and monetary union and the convening of an intergovernmental conference in December 1990 to negotiate the relevant amendments to the Treaties.

This economic revival warrants pursuing other ambitions, such as the aspiration for a common policy on foreign affairs and security, the need for which has been demonstrated very clearly by the revolutionary events in Central and Eastern Europe and the end of the Cold War (not to mention

the Gulf crisis which began in the summer of 1990). This issue will be discussed at a second Intergovernmental Conference which is to work alongside the one on economic and monetary union and, we must hope, in close relation to it. The conference should also lead to a further strengthening of the institutions, bringing us closer to a European government and making the workings of the Community more democratic. Will the Twelve be prepared to commit themselves wholeheartedly in all these areas or will another framework have to be found or other approaches tried? It remains to be seen, but in today's new international context the important thing is that the Community must — as one former President of the European Council put it — stop 'getting bogged down in petty squabbles that make it lose sight of its purpose' and must reassert its determination to serve as the grand design of the States and peoples of Europe.

European Communities — Commission

WORKING TOGETHER — THE INSTITUTIONS OF THE EUROPEAN COMMUNITY
(1988 edition) New edition 1991
by Emile Noël, President of the European University Institute, Florence

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This booklet discusses Europe's institutional mechanisms and provides basic information on the *modus operandi* of the European Parliament, the Court of Justice, the Council and the Commission.

It explains the role of the Court of Auditors and shows how the Economic and Social Committee assists the Council and the Commission.

It is an essential source of information for anyone interested in how the Community operates.

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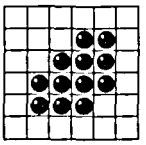

Before becoming President of the European University Institute in Florence in October 1987, Emile Noël was Secretary-General of the Commission of the European Communities for almost 30 years. Beginning in 1958 as Executive Secretary of the EEC Commission under its first President, Walter Hallstein, he continued as Commission Secretary-General following the merger of the three Community executives, serving under Presidents Jean Rey, Franco-Maria Malfatti, Sicco Mansholt, François-Xavier Ortoli, Roy Jenkins, Gaston Thorn and Jacques Delors. From the very outset, then, Emile Noël had a hand in shaping every major development in the Community's history.

Born of French parents in Istanbul in 1922, Emile Noël was educated at the Ecole Normale Supérieure, graduating in physics and mathematics. However, he soon became involved in European affairs. He was appointed Secretary of the General Affairs (political) Committee of the Consultative Assembly of the Council of Europe (1949-52) and Director of the Secretariat of the Constitutional Committee of the *Ad Hoc* Assembly charged with working out plans for a European Political Community (1952-54). From there he went on to become *chef de cabinet* (chief personal political aide) to Guy Mollet when he was President of the Consultative Assembly of the Council of Europe (1954-55), continuing as his chef de cabinet and later *directeur adjoint de cabinet* (Chief of staff) during Mollet's term as Premier of France (1956-57), before becoming Executive Secretary of the EEC Commission.

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