

EUROPEAN COMMUNITY

BACKGROUND INFORMATION

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BACKGROUND NOTE

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EUROPEAN COMMUNITY MEMBERS TO ISSUE EC CITIZENS A "EUROPEAN" PASSPORT

American collectors of passport stamps will soon have to find a new hobby -- or travel to other parts of the world than the European Community.

The Community's nine member countries have decided to replace national passports with a single type of European passport by 1978 as the first step toward a passport union. Once this union has been completed, citizens of the "Nine" will be able to travel from one end of the Community to the other without passing through customs. For Americans, it will mean a single customs check on entering the first Community country visited and one on leaving the last -- two passport stamps instead of 14. (Belgium, the Netherlands, and Luxembourg have already ended passport checks.)

European passports could be in use soon, because this change needs legislation only in Germany. Other parts of the passport union will take longer to work out, because they will take changes in national laws setting conditions of entry, length of stay, and checks of luggage, currency, and cars. Eventually, the Nine will have to negotiate agreements with non-member countries to treat every holder of a European passport the same, regardless of nationality.

The passport decision was made at a meeting of the Community members' heads of State or Government, foreign ministers, and EC officials in Rome on December 1-2. The group, known as the "European Council," also discussed

- the election of the Community's Assembly, known as the "European Parliament," by direct universal suffrage
- the Community's economic and social condition
- the Community's budget and financial arrangements
- the December 16 Paris Conference on International Economic Cooperation
- a report, due by the end of this month, on building a full "European Union."

What is the European Council?

The European Council was born at the December 1974 Summit of the Nine when the heads of Government decided that more frequent but less formal meetings at the highest political level could speed up the Community's decision-making process. The Community's usual decision-making process -- where the Commission proposes and the Council enacts -- often bogs down in technicalities and bargaining.

Direct Elections to the Parliament

The first line of the Common Markets founding treaty says that the member countries are "determined to lay the foundation of an ever closer union among the peoples of Europe." The direct election of representatives to the European Parliament will be a cornerstone of that Union. It will give the peoples of Europe for the first time a direct say in the way the Community is run.

The European Parliament now has 198 members appointed by and from the national legislatures. This procedure was, however, always considered temporary. The Parliament itself was to and did make proposals for the election of its members by direct universal suffrage. Only on January 14, 1975, however, did the Parliament adopt a new draft convention for direct elections taking into account the three new members (Denmark, Ireland, and the United Kingdom). This convention must now be unanimously adopted by the EC Council of Ministers and ratified by the national legislatures.

The European Council smoothed the way for completion of the convention by securing the Nine's agreement on two details

- that elections will be held on a single date between May and June 1978
- that until the United Kingdom and Denmark work out internal arrangements, those countries can continue to appoint members of the European Parliament.

The directly elected Parliament will have 355 members who still hold office for five years.

The Community's Economic and Social Condition

The European Council met during Europe's worst recession since the war. The Community's unemployed number 5,000,000, more than 4.5 per cent of the labor force. Almost a third of the unemployed have just left school. Thousands of foreign workers have returned to their home countries, and 1,500,000 workers are working short time. These conditions pose a threat to the Community's social stability.

To deal with this situation, the European Council agreed that member countries had no choice but the closest consultation over economic policy both within the Community and with the rest of the world.

The Council also expressed satisfaction with the results of last month's "Tripartite Conference" organized by the EC Commission and attended by representatives of labor, management, and government. The conference asked the Commission to hold more such conferences so that all parties involved in industry could explore current labor, social, and economic conditions.

The Community's Budget and Financing

This year the Community has a budget of \$783,125,000, a figure 2 per cent of the members' total national budgets. Revenues came from customs duties, agricultural levies, and a tax on coal and steel production. The deficit was made up by contributions from member states, based on the size of their economies.

During recessions, countries, like individuals, are especially budget conscious, and the Common Market members are no exception. The European Council discussed at length ways of seeing that Community funds are properly handled and well spent.

The Council said it would like a number of budget tightening proposals studied soon and asked the EC Commission and the Council to get the Parliament's ideas on how the latter's budgetary powers could be expanded. The Council also agreed

- to speed up the ratification process for the Treaty creating a European Court of Audit, signed on July 22
- to hold joint annual meetings of their finance and foreign ministers for a general review of the Community's budget to improve allocation of funds between different policy areas. Eventually, these meetings would lead to budget forecasts several times a year.

The "North-South" Dialogue

The European Council cleared up one cloud that had hung over the future of the Conference on International Economic Cooperation, scheduled for December 16 in Paris. The heads of State or Government agreed that the Community would be represented by a single delegation.

The Council also decided that work on a common energy policy should be resumed as soon as possible. It asked the Commission to make proposals for conserving energy resources and for developing new sources.

Building the European Union

The Council also heard an interim report by Belgian Foreign Minister Leo Tindemans on the chances for building the Community's achievements so far into a European Union. The report, commissioned at the 1973 Copenhagen Summit, is to be completed this month.

Preparing the report, Tindemans has talked with a wide range of political, labor, and business leaders and has also received the views of the Community's Court of Justice, the European Parliament, the Commission, and the Economic and Social Committee, an advisory body to the Commission and the Council.

Achievements of Previous European Councils

The first European Council was held in Dublin on March 10-11. Here, the last details of the United Kingdom's "renegotiation" of membership conditions were worked out: budget contribution and dairy imports from New Zealand.

The second European Council met in Brussels on July 16-17. This Council reaffirmed that the Community would talk about closer ties with Portugal but that it could "give support only to a democracy of a pluralist nature." It also defined the Community's position for the United Nation's special session on raw materials and development last September, and welcomed China's decision to establish official relations with the Community.

The next European Council is scheduled for Luxembourg on March 8-9, 1976.