

European BACKGROUND INFORMATION Community

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BACKGROUND NOTE

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EC LEADERS TO DISCUSS THE STATE OF THE COMMUNITY

Against the backdrop of the current monetary upheaval in several European Community countries, the nine EC heads of state or government will meet in Luxembourg April 1-2 for the first European Council meeting of 1976. The European Councils are informal, thrice-yearly gatherings of EC officials and member countries' heads of state and foreign ministers, instituted last year to replace "summit" meetings.

France's recent withdrawal from the EC currency "snake" -- the joint float of strong EC currencies within prescribed limits (2.25 per cent up or down) -- as well as the devaluations of the British pound and Italian lira pose a knotty problem in the Community's attempt to coordinate its member states' economic and monetary policies. Unemployment in the Community -- which stood at five million at the end of 1975 -- will also be discussed within the context of the general EC economic and monetary situation. (EC member state unemployment rates ranged from 3 per cent in Denmark to 10.3 per cent in Ireland, with most member states having a rate of 5-to-6 per cent.)

The European Council will also devote considerable time to institutional questions, especially direct elections to the European Parliament. The last European Council -- held December 1-2 in Paris -- pledged to hold elections in May or June 1978. However, the Council still has to decide how constituencies should be drawn up; the number and distribution of seats; whether members of the European Parliament should be members of the national legislatures as well, and the way in which a uniform electoral procedure can be set up.

Tindemans Report to be Discussed

The EC leaders are slated to discuss the report by Belgian Prime Minister Leo Tindemans on the chances of building a European Union. This report, published last January 7, was commissioned by the EC heads of state or government at their 1974 Paris summit and was done by Tindemans, not in his public role, but as a private citizen.

The Tindemans report is not a blueprint for some future civil government of Europe; rather, it seeks ways of gradually transforming relations between the European Community's member states and broadening their present collective action. Tindemans suggests that the European Council should take the following elements into consideration in its definition of European Union:

- European Union implies a united front towards the outside world, expressed in common defense, foreign, and economic policies.
- European Union acknowledges the interdependence of the Nine by forging common economic, monetary, agricultural, industrial, energy, and research policies to foster their mutual well-being.
- European Union commits the Nine to correcting regional and social differences in wealth.
- To these ends, European Union will have common institutions empowered to act for the common good under the supervision of the people.
- European Union will be built gradually, starting with a political commitment by its member states.

The political results of these choices include the transfer of power to common governing bodies and the transfer of resources from affluent to poor areas.

Tindemans recommends institutional changes of the following nature:

- Direct elections to the European Parliament should be held as soon as possible to give the Parliament a new political authority. The Community's founding treaties should be amended to give the Parliament the right of initiative.
- The European Council should make coherent general policy statements. On EC matters, it should follow the treaties' procedures, with the Commission present. In other fields it should draw up guidelines, appoint an institution or other organization to apply them, and where necessary, set deadlines.
- The Council of Ministers should be given competence outside the treaties on the authority of the European Council. Majority voting in the Council should be instituted and the Council presidency should be extended from six months to a full year.
- The Commission should be given broader powers. Its President should be appointed by the European Council and confirmed by the European Parliament. The President would then choose his own Commissioners, who are now appointed by member states.
- The European Court of Justice's powers should be extended into the new fields covered by European Union. Existing Community bodies should continue and develop, and administrative decentralization should be sought.

This European Council is the first one in which both an outgoing head of government, British Prime Minister Harold Wilson, who has resigned, and his possible successor, Foreign Minister James Callaghan, will be present.