

# European Communities

---

## EUROPEAN PARLIAMENT

# Working Documents

1983-1984

---

15 July 1983

DOCUMENT 1-575/83/B

REPORT

drawn up on behalf of the Committee on Institutional  
Affairs

concerning the substance of the preliminary draft Treaty  
establishing the European Union

o

o

o

Coordinating rapporteur: Mr Altiero SPINELLI

Rapporteurs: Mr Karel DE GUCHT

Mr Jacques MOREAU

Mr Gero PFENNIG

Mr Derek PRAG

Mr Hans-Joachim SEELER

Mr Ortensio ZECCHINO

o

o

o

PART B: EXPLANATORY STATEMENT

(and motions for resolutions annexed to the report in accordance with Rule 47  
of the Rules of Procedure)

PE 83.326/B/fin.



## C O N T E N T S

		<u>Page</u>
I	<u>EXPLANATORY STATEMENT</u>	
	Introduction by Mr Altiero SPINELLI .....	3
	Chapter I - The legal structure of the Union by Mr Karel DE GUCHT	8
	Chapter II - Economic Union by Mr Jacques MOREAU .....	13
	Chapter III - Policy for society by Mr Gero PFENNIG .....	18
	Chapter IV - International relations by Mr Derek PRAG .....	25
	Chapter V - The finances of the Union by Mr Hans-Joachim SEELER ...	27
	Chapter VI - The Institutions of the Union by Mr Ortensio ZECCHINO	31
II	<u>MOTIONS FOR RESOLUTIONS</u>	
	- Motion for a resolution tabled by Mr LOMAS and others on proposed changes to the Treaty of Rome (Doc. 1-926/81) .....	32
	- Motion for a resolution tabled by Mr JONKER and others on behalf of the Group of the European People's Party on the draft treaty on the first stage in the implementation of European Union (Doc 1-940/81/rev) .....	33
	- Motion for a resolution tabled by Mr NORD on behalf of the Liberal and Democratic Group on European Union (Doc. 1-301/82)	62



INTRODUCTION

- 0 -

Mr Altiero SPINELLI

- 0 -



1. The decision to set up the Committee on Institutional Affairs was taken in a resolution of 9 July 1981 and the committee was constituted and commenced its work in January 1982 under the chairmanship of Mr Mauro Ferri.

2. Six months later, on 6 July 1982, it requested Parliament to approve the guidelines it proposed to adopt for its future work. Parliament approved these guidelines by 258 votes to 37 with 21 abstentions, that is, by a majority of 81.64% of the votes cast.

3. On the basis of these guidelines the Committee on Institutional Affairs appointed six rapporteurs, responsible for drawing up the various chapters on institutional reform and a coordinating rapporteur. The rapporteurs submitted working documents for discussion in committee which were subsequently revised by their authors and may be regarded as supplements to this explanatory statement.

The rapporteurs then each drafted one chapter of this resolution together with the relevant comments contained in the explanatory statement.

The rapporteurs are :

- Mr Spinelli, for the preamble, the final provisions and the coordination of the various texts into a single resolution;
- Mr Moreau, for the section on economic competence;
- Mr Pfennig, for the section on competence in the field of policy for society;
- Mr Prag, for the section on competence in the field of international relations;
- Mr Seeler, who replaced Mr Junot following the latter's resignation from Parliament, for the section on the finances of the Union;
- Mr De Gucht, for the section on law;
- Mr Zecchino, for the section on the institutions.

4. The Committee on Institutional Affairs organized hearings with the Presidents of the Commission, the Council, the Economic and Social Committee, the European Trade Union Confederation and the UNICE and with economists and political Scientists. Two seminars were held at the European University Institute in Florence at which the rapporteurs and the chairman of the Committee on Institutional Affairs discussed their subjects with eminent professors of law, political science and economics from various European universities and with high-ranking Commission officials.

5. After a year of discussions and complex drafting activities the Committee on Institutional Affairs is returning to Parliament to submit to it this motion for a resolution which sets out in detail the substance of a preliminary draft Treaty establishing the European Union.

6. When Parliament has adopted the resolution, the Committee on Institutional Affairs will transform it into a draft Treaty establishing the Union, with a view to it being considered and voted by Parliament in February 1984.

\* \* \*

Since the various chapters of the resolution are explained by the individual rapporteurs in the relevant sections of this explanatory statement, the coordinating rapporteur will confine himself in this introduction to considering a number of general questions.

#### The purpose of a new Treaty

7. As described in the explanatory statement that accompanies the resolution on the guidelines for the reform of the Treaties and the achievement of European Union (Doc. 1-305/82/B), the purpose of a new treaty is to take a qualitative step in the process of European integration going beyond the important, but limited, achievements of the existing Communities. This is necessary in particular :

(a) to update the Treaties in order to include new areas of competence that were not foreseen in the original Treaties but which, at a time of growing interdependence, require a joint European approach,

(b) to bring into a single, clear institutional framework the various forms of cooperation that have grown up over the past thirty years (European Communities, European political cooperation, European Monetary System, etc.),

(c) to render the institutions established by the Community more democratic, more effective and more accountable than hitherto.

8. The need for such changes and for progress along the path of European Union has been recognized by many. Over the past few years a number of initiatives from the governmental side have put forward proposals and defined objectives for European Union. One may recall among others the declaration of the Heads of Government in Paris in October 1972 fixing the goal of European Union to be achieved by 1980, the Tindemans report, the report of the 'three Wise Men', and, more recently, the Genscher/Colombo initiative. All these reports concluded that further progress towards European Union, including institutional reform, was necessary. However, they all suffered the same fate of being dealt with in secret negotiations between national diplomatic delegations, without any



participation of the Parliaments - European and national. The inescapable consequence of this method, which made impossible any political elaboration of common views and exalted the paralyzing national nearsightedness of all negotiators, was that the initial proposals were invariably watered down to insignificant compromises and finally dropped.

9. The decision of the EP not to rely on officials from national ministries but to set in motion a political process with a broad backing from political parties of all Member States and all tendencies, has been successful. The resolution we present to Parliament for approval is a reasonable and realistic compromise, but a compromise founded on a common European view of the problems and not on the algebraic sum of single national views.

#### The form of the new Treaty

10. The new Treaty defines the competences, powers, institutions, procedures, goals and working methods of the Union without specifying in undue detail the contents of the various policies to be followed. This global structure will incorporate in a single institutional framework areas formerly subject to Community competence and those subject to cooperation among Member States. It will, however, maintain both the method of cooperation and that of common action. Those parts of the old Treaties that dealt with details of individual policies as well as all regulations, directives, decisions of the Communities, will remain in operation until they are modified by laws of the Union.

11. The fundamental basis of the Union will be respect for democratic human rights and social justice. It will be open to all democratic European states. At a time of growing interdependence, it shall allow an effective joint approach to those tasks that Member States face together.

12. In accordance with the principle of subsidiarity, the Union will only act in those areas that can be dealt with in common more effectively than by the Member States acting separately. In particular, the Union will deal with those areas covered by the existing Community (either by virtue of the Treaties directly or by virtue of Article 235), developing above all those areas in which Community action has been insufficient such as research, industrial policy, environmental matters, transport policy. It will take on new competences in the area of foreign policy, security, European citizenship, culture and the achievement of monetary union.

13. In order to deal with these matters effectively, the respective powers of

the institutions must be modified. The Commission's role as the executive will be strengthened and firmly established, the Council of the Union, with a modified composition, and the European Parliament will share legislative, budgetary and ratification powers, in such a way as to speed up the decision-making process (majority voting) and ensure democratic accountability both to the representatives of the people (Parliament) and to those of the Member States (Council).

14. The role and tasks of the European Council will be clearly defined, giving it general responsibilities in the field of cooperation among Member States in areas not subject to common action and giving it certain specific responsibilities in Union matters as such.

15. The system of own resources of the Community will be built up and strengthened with the elimination of the distinction between so-called compulsory expenditure and non-compulsory expenditure and with the possibility, through appropriate procedures, to establish new resources.

16. The draft Treaty establishing the Union will have to be submitted for ratification to all the Member States of the Communities, since the Union represents a further stage in the development of the Communities. If all the Member States of the Communities ratify it in accordance with their Constitutions, the Union will automatically replace the Communities. The objectives, powers and institutions of the Communities will become those of the Union, unless amended by the Treaty. Those sections of the Treaties dealing with details of the common policies and with all the regulations, directives, decisions and obligations of the Communities, political cooperation and the EMS will become the laws, decisions and obligations of the Union and will be susceptible to amendment only in accordance with the legal procedures laid down in the Treaty. The Communities, political cooperation and the EMS will automatically cease to exist.

No Member State of the Communities which refuses to join the Union can be obliged to do so, but nor may it, through its refusal, prevent the others from setting up the Union. It must therefore be possible for the Union to be established by a substantial number of the existing Member States which, under these circumstances, would for their part accept all the abovementioned consequences of the creation of the Union and would authorize the institutions of the Union to negotiate with those countries which did not join a solution to all the problems deriving from their previous membership of the Communities.

17. In proposing the establishment of a European Union which is more effective, more democratic and more able to meet the challenges facing us at the end of this century, the Committee on Institutional Affairs has fulfilled the mandate conferred on it through the guidelines of 6 July 1982.

18. It will draw up the draft Treaty as soon as Parliament has adopted this resolution.



CHAPTER I

THE LEGAL STRUCTURE OF THE UNION

- 0 -

Mr Karel DE GUCHT

- 0 -

19. The existing Community is based on law and, as such, the construction of Europe has been successful. Union law will confine itself to clarifying and developing the existing system, notably on the basis of the jurisprudence of the Court of Justice, with a view to laying the foundations for a sound and effective European construction.

20. The system will be based on democracy and on respect for and the fostering of fundamental rights which will provide the construction of Europe with the necessary legitimacy.

#### A. FUNDAMENTAL RIGHTS

21. The protection of fundamental rights will be a vital task of the European Union and for this purpose the Treaty will contain a list of civil and political rights based primarily on the European Convention on the Protection of Human Rights and Fundamental Freedoms, the common principles contained in the Member States' Constitutions and the United Nations International Covenant on Civil and Political Rights. It will also set out a list of economic, social and cultural rights based principally on the European Social Charter, the rights and principles stemming from the Member States' Constitutions and the United Nations International Covenant on Economic, Social and Cultural Rights.

22. These lists will not be exhaustive, but will give the Union its public image.

#### B. THE LEGAL STRUCTURE

23. The institutional system is described in another chapter.

24. The Union will act either on the basis of cooperation or on that of common action.

25. In the context of cooperation, decisions will be taken by the European Council.

26. As regards common action, the Union will adopt laws, implementing regulations, executive decisions and judicial acts and conclude international Treaties.

27. Acts arising from common action will be directly applicable and Union law will take precedence over that of the Member States. Decisions taken in the context of cooperation, however, will be implemented by the Member States.

28. In taking common action, the Union will exercise exclusive, concurrent or potential competence as set out in the Treaty.

29. In areas of exclusive competence the Institutions of the Union will have sole power to act. In areas of concurrent competence, the Member States will continue to act as long as the Union has not taken action. Potential competence covers areas of cooperation between the Member States which, by a decision of the European Council, may become the subject of concurrent or exclusive competence.

#### C. LEGAL BASES

30. The fundamental law of the Union will be contained in the Treaty. The laws of the Union will be of a general and abstract nature and will be adopted by the legislative authority of the Union in accordance with the various procedures described in the chapter on the Institutions. The different types of laws are as follows :

- ordinary laws, which establish either the framework, principles and objectives of action taken by the Union's executive body or by national bodies, or the specific details of action taken by the Union;
- budgetary laws, which lay down in detail the annual revenue and expenditure of the Union;
- organic laws, which specify, in the instances laid down in the Treaty, the organization of the Institutions and other bodies.

31. The executive will be empowered to adopt implementing regulations. The law will stipulate the contents, objective and scope of the executive's power to adopt a regulation.

32. Decisions are the responsibility of the executive body. They are addressed to specific parties (for example, a Member State, a region, an undertaking or a citizen) and may be taken only in pursuance of a law or a Treaty under the conditions and for the purposes laid down.

#### D. APPLICATION OF UNION LAW

33. As mentioned above, Union law is directly applicable and takes preference over national law.

34. However, a Union law may provide that its entry into force will be preceded by transitional periods limited in time and accompanied by appropriate measures. The law may vary these periods from one Member State or region to another where there is a clear need, but these variations may only serve to facilitate the subsequent full implementation of the law in the state or region in question.

#### E. JUDICIAL REVIEW

35. Judicial review of the Community's acts and activities is well developed in the system in force. For this reason the Court of Justice will be responsible for judicial review within the Union on the same conditions as those laid down in the Community Treaties, with the following details and amendments which will be specified by the law of the Union :

- wider access for individuals by means of individual applications to the Court of Justice where their rights or interests have been adversely affected by any Union act concerning them,
- express jurisdiction of the Court in respect of the protection of fundamental rights, in principle after the possible internal remedies have been exhausted,
- right of the Court of Justice to annul the decision where an application for a preliminary ruling is refused or a preliminary ruling is misinterpreted and no further appeal is possible,
- equality of access to and of review of their acts by the Court of Justice for all the Institutions,
- power of the Court of Justice, on the basis of a Union law, to impose penalties on Member States for failure to fulfil their obligations under Union law,
- power of the Court to annul a Union act within the context of a preliminary ruling or in the case of a plea of illegality,
- jurisdiction of the Court of Justice in any dispute between Member States in connection with the tasks and principles of the Union.



36. Where democracy or respect for human rights in a Member State is endangered, for example by a coup d'état, the Union must be in a position to penalize this development and to restore in the state concerned the principles of democracy and respect for human rights.

37. This procedure would involve the Court of Justice and the legislative and executive bodies of the Union and would conclude by a decision of the European Council which may :

- suspend the application of part or the whole of the Treaty mechanisms to the state in question and to its nationals,
- go as far as suspending participation by the state in question and its nationals in the Institutions of the Union.

38. The same procedure is applicable in the case of serious and persistent violation of the fundamental provisions of the Treaty.

#### F. THE EUROPEAN JUDICIAL AREA

39. In addition to the development of the law of the Union based on the Treaty and the common measures taken by the Union, the latter will proceed with the harmonization of national legislation, in accordance with the cooperation method, with a view to forming a homogeneous judicial area within the Union.

40. The Commission and Parliament may submit recommendations along these lines to the European Council.

41. The fight against international forms of crime is a matter of cooperation within the European Council.

42. The creation of a common judicial area will help to bring to fruition the concept of European citizenship, the main component of which is the common enjoyment of fundamental rights.

#### G. THE TERRITORY OF THE UNION

43. The Community Treaties also define the territory of the Union. Any change in the territory to which the Treaty applies will entail an amendment of the Treaty.

The Union must retain and develop the prerogatives of the Community.

H. REVISION OF THE TREATY

44. As part of a balanced system guaranteeing the defence of the interests of the Member States and the Union, a procedure for the revision of the Treaty will involve all the Union's political authorities and all the Member States.

CHAPTER II

ECONOMIC UNION

- 0 -

Mr Jacques MOREAU

- 0 -

## INTRODUCTION

45. The economic situation in the Community and in the world as a whole has changed fundamentally since the signing of the Treaties of Paris and Rome. These Treaties, which reflected the economic climate of the fifties, no longer provide the Member States with the guidelines, framework and legal instruments needed to pursue common policies capable of dealing with the new challenges of the next twenty years.

46. On the basis of the Community patrimony the Treaty establishing the European Union must therefore develop, extend and adjust the foundations on which further progress may be made towards the economic and monetary integration of our countries.

47. These foundations should enable the Union to pursue policies which are :

- more global in nature (energy, industry, research)
- of a new kind (telecommunications and transport)
- more effective (internal market and legal framework of undertakings)
- more far-reaching (currency, economic policy, financing mechanisms)
- adjusted more effectively (agriculture, competition).

48. The implementation of these measures, redefined in this way, will be based primarily on the following three principles :

- the nature and scope of the common policies will be assessed in terms of the extent to which they complement measures which may be taken by the Member States (subsidiarity/complementarity)
- these policies will be conceived and pursued in a flexible manner and varied to take account of the specific nature of the problems and sectors concerned
- they could be applied in different ways to enable certain Member States to adjust gradually without thereby impeding the more rapid progress which the other Member States may be able to make.

## THE UNION'S TASKS, COMPETENCES AND POWERS IN THE ECONOMIC FIELD

49. The Union's economic activities are indissociable from the regional, social and cultural conditions described in the chapter of this report dealing with

policy for society. In particular, they are linked to the pace of social progress and to the maintenance of the system of social consensus which prevails in our European societies.

Moreover, the Economic Union will be extended by means of external action designed both to maintain the balance and openness of international economic relations and, together with the other industrialized countries, to provide aid for the development of the Third World.

The Union's external economic policy is considered in the chapter of this report dealing with the international relations of the Union.

50. The main economic sectors affected by this redefinition of the Union's tasks, competences and powers are considered separately below.

### Internal market

51. The effective opening up of the internal market (for goods, persons and capital) is the sine qua non for the achievement of economic integration.

Given the Community's backwardness, and indeed failure, in key aspects of freedom of movement (administrative barriers at frontiers, harmonization of standards, etc.), it is essential for the Union to adopt a more energetic approach to this matter.

52. It is therefore proposed that the Union should henceforth exercise exclusive competence in this field and that the Commission should be empowered to adopt the relevant rules on the basis of detailed and binding programmes and timetables drawn up by the legislative authority.

### Competition

53. Community legislation on competition must be rapidly supplemented, particularly with regard to control over concentrations and to public aid.

54. With regard to Article 66 of the ECSC Treaty, provision could be made in particular for a system of prior authorization for certain kinds of concentrations of undertakings, notably in sectors of an oligopolistic nature.

55. The initial concept of competition policy should be adjusted so as to encourage, if possible at European level, the industrial reorganization of certain sectors directly affected by international competition.

## Legal framework

56. The alignment or harmonization of the legal structures (commercial law, fiscal law, etc.) which govern economic activities in the various Member States must be considered as a prerequisite for the achievement of Economic Union.

One of the Union's clearly asserted priorities must therefore be actively to promote this alignment of legislation, while at the same time drawing up a specific, optional framework to enable the immediate formation and development of genuine 'European undertakings'.

## Conjunctural policy

57. The Union must have unequivocal competence in this field to enable it to define common objectives, coordinate national policies and supervise and influence their implementation.

58. The Union will finance its conjunctural policy using resources (capital or budget appropriations) which could be gradually increased.

## Monetary and financial policy

59. On the basis of a technical and provisional agreement between the central banks, the European Monetary System should become an integral part of the Union's decision-making and institutional structure.

The aim is to achieve full and irreversible monetary union through a series of stages, the commencement of which will be decided by the legislative authority of the Union. In a preliminary phase the European Council will retain overall political control over this process.

60. It will be necessary to rationalize the financial instruments inherited from the EEC, the ECSC and Euratom. They will be administered by the Commission under the control of the legislative and budgetary authorities.

## Agriculture and fisheries

61. The Union will pursue and develop the common agricultural policy on the basis of the foundations laid down in the Treaties and of the existing body of regulations. At the same time it will make the adjustments needed to correct and make good deficiencies or shortcomings in the present system.

## Transport and telecommunications

62. The Union will provide for the genuine implementation of a transport policy covering all sectors (road, rail, etc.) and all aspects (traffic, tariffs, infrastructures and so forth) insofar as it is in the common economic interest for the Union to intervene.

63. In the space sector the Union may be granted a potential competence, the exercise of which will be decided by the European Council.

64. The Treaty of the Union will provide explicitly for concurrent competence in the field of telecommunications, a key sector of modern economic development and one in which there is a particularly high level of interdependence between the Member States.

## Research and development

65. In contrast to the present situation, the Union should have general concurrent competence in the field of research and development and not be confined to the nuclear sector alone. Its role could be one not only of coordination but also of guidance and encouragement; consideration could be given to launching or developing direct common action.

## Industry

66. The Treaty will empower the Union to pursue, in various forms, an industrial policy designed principally to coordinate national public initiatives in this sector. Such coordination would be based on industrial development strategies drawn up at Union level, and on appropriate financial incentives.

## Energy

67. The Treaty must explicitly grant the Union general (concurrent) competence for all aspects of energy policy (not, as at present, only for coal and nuclear energy). This competence must be sufficiently wide-ranging to facilitate various forms of cooperation with regard to supplies, storage, prices, research and so forth.

## Other forms of cooperation

68. The Treaty will also provide for the development of other forms of economic cooperation, such as :

- more integrated forms of cooperation such as the setting up of European agencies directly and exclusively responsible for developing a specific action (such as space, telecommunications, transport, etc.),
- more flexible forms of cooperation not linked directly with the Union (such as Ariane, Airbus, CERN, etc.).



CHAPTER III

THE UNION'S POLICY FOR SOCIETY

- 0 -

Mr Gero PFENNIG

- 0 -

## Introduction

69. A description of the social order in the future European Union is of vital importance for an understanding of the whole body of work carried out by the European Parliament's Committee on Institutional Affairs. The European citizen has a right to be informed of the concept of society which forms part of the project being proposed by his or her elected representatives.

The image which arose in Western Europe during the Enlightenment of the State as a free, constitutional, parliamentary democracy is the common political legacy of the democracies which have evolved in Europe and the USA. Their foundation was and remains the conviction that every individual has inviolable and inalienable basic rights. These are primarily human dignity, the right to life, freedom from bodily harm and protection from arbitrary decisions by the state, the free development of personality, equality before the law, freedom of speech, opinion, belief and religion, the right of assembly and association, the right to own property, freedom of movement and the right to a fair trial. From the recognition of these freedoms derives the obligation of each individual and the obligation of the community to enable everyone to live a decent life. Freedom from need and from fear, therefore, was and remains both the aim and the basis of democracy.

70. These values are at the heart of the common basic conviction of the citizens of the European Union. The different emphases and forms given to them in the programmes of the political forces is an expression of pluralism, democratic legitimation, the institutional division of powers and the recognition of the majority principle.

71. A new value, the concept of union, has been added in the European Union to the conventional values of democracy as understood in Western Europe and North America. The association of the Member States in the Union guarantees peace between them and is based on renunciation of any armed aggression. At the same time, it offers all European countries the opportunity to accede if they accept the Union's values. Closely connected with this is the conviction that in future the common values can be realized only within the framework of the European Union.

72. This conviction is based on the concept that the citizen's freedom, awareness of performance and responsibility can best develop in a European Union, which must also provide answers throughout its territory to the new economic and social challenges existing in all the Member States. The European Union has

the opportunity to ensure that it is recognized by the people living within its borders by virtue of the fact that it opens up new avenues of social peace and social justice throughout its territory.

73. In order to guarantee each citizen of the Union every opportunity freely to develop his personality, to ensure freedom of movement and integration and to safeguard the social consensus, the Union will implement an appropriate policy for society, particularly in the fields of social affairs, regional policy, environmental protection, education, cultural affairs and information.

o  
o o

#### A. Human relations

##### I. Social and health policy

74. The Union will pursue an independent social and health policy which will be placed on an equal footing with economic policy objectives. The aims of social well-being, the constant improvement of living and working conditions and internal solidarity within the Union are equally as important as the achievement of economic and monetary union. They are also Union-wide objectives, independent of cultural differences, although even in the European Union the principle will still apply that it is impossible to distribute more than has been produced and that no one may live at the expense of the next generation. More specifically the Union will be concerned to create a European framework for social security and working conditions. It will facilitate the social dialogue between employers and employees in the Union and guarantee worker participation in decisions affecting working life.

75. With regard to social security the Union requires a consensus on social justice, based on measures to combat poverty and a uniform system for minimum social welfare. This includes the abolition of any discrimination between citizens of the Union in the event of a decision to settle in another Member State. Efforts must be made to create full Union citizenship, to be conferred on nationals of the Member States, which grants certain rights to every citizen of the Union. Rules for the protection of the family and in the field of social welfare covering sickness, maternity, invalidity, old age, death and unemployment must correspond more closely. Discrimination on the grounds of sex must be abolished and Union policy must promote equality of opportunity for men and women.

76. The Union must contribute to the improvement of health care in the Member States. This includes the principle of guaranteed medical care for any citizen of the Union who goes to another Member State. In addition, the Member States should provide mutual help in the event of disasters, major catastrophes, epidemics and other exceptionally serious illnesses.

77. Full employment is the most urgent objective of social policy. Success in the fight against unemployment will be decisive for the survival of the existing democratic social system. The measures taken by the Union should help to ensure that, in the context of a market economy, constant and appropriate economic growth is accompanied by stable prices, balance of payments equilibrium and a high level of employment.

78. The Union will engage in intense political activity aimed both at creating new jobs and at maintaining and, possibly, redistributing existing jobs. Employers' and employees' organizations must be provided with a European framework for the social dialogue to enable them, independently and on their own responsibility, to negotiate and conclude agreements, in particular on measures to improve the employment situation. In connection with the necessary adjustments to the existing economic structure, all conceivable methods of improving the employment situation must be investigated and tried. In this connection the division of labour in the form of job sharing and the adjustment of and reduction in working hours are subject to the ultimately inescapable premise that they must not jeopardize competitiveness. Although social policy is not a simple function of economic policy, the close interdependence of their objectives is clearly revealed in this instance. The relationship between the labour market and general economic policy illustrates particularly well why political action in this field should be taken at Union level and not by the individual Member States. A reduction in working hours (in the working week or year or in working life) in one Member State, for example, inevitably alters the competitive position of that country's economy and a unilateral shift in the conditions of competition is not compatible with the economic objective of a Common Market. The rejection of a return to national protectionism thus indicates the harmony and essential link between economic and social policy objectives for the Union as a whole.

79. An active labour market policy includes the provision of proper practical vocational training linked to work experience, courses involving alternate work and training, further training and Union-wide recognition of diplomas and certificates.

## II. Consumer policy

80. Consumer policy likewise includes matters which affect the quality of life of every single citizen. The protection and perception of consumer interests are therefore a matter of concern for all.

81. Common standards forming a basis for the control of the quality and marketing of goods will provide genuine protection against possible abuses and dangers. In addition to abolishing non-tariff barriers to trade and harmonizing the conditions of competition for manufacturers and dealers, a campaign will be waged against any misleading of the purchaser as regards the nature, identity, quality, composition, etc. of products. Rules on liability for defective products and misleading advertizing and protection against fraudulent contracts will improve the position of the consumer. In addition the Union will promote improved consumer information and education and hearings of consumers.

## III. Regional policy

82. Regional policy is a touchstone for genuine and effective solidarity between peoples. Taking account of national programmes the Union's independent regional policy will reduce the disparities between the individual regions and the backwardness of less prosperous regions. Its aim is a comprehensive structural policy based on planned promotion of investment and infrastructure projects. New life is to be injected into the less-favoured regions by giving priority to exploiting local resources.

83. The elimination of regional imbalances is essential for a continuation and strengthening of the process of economic integration. A new analysis of regional information must be carried out, presenting an inventory of the resources and needs of the regions and taking account of the regional impact of other policies such as the agricultural, industrial and research policies.

84. To be successful, regional policy must make use of the knowledge and skills of the indigenous population. This means involving them in the preparation of the Union's regional programmes, as far as possible the direct allocation of financial resources to the regions concerned, special efforts to encourage trans-frontier regional cooperation and finally the creation of a European framework for regional planning policy.

B. Man and nature

IV. Environmental policy

85. It is becoming increasingly necessary for joint action to be taken at Union level in the field of environmental policy. A problem such as that of acid rain and, connected with this, the destruction of forests, can clearly not be dealt with or indeed resolved rationally within the confines of a single Member State.

86. The Union will therefore pursue an independent environmental policy aimed at the responsible conservation and rehabilitation of the natural environment and of natural resources. The policy will be based on the European Community's action programme on environmental protection.

87. Where Union-wide decisions are required, the Union should be in a position to take action in the form of preventive environmental protection measures or of steps to eliminate damage which has already occurred.

88. Environmental policy is a structural policy which must be pursued further, irrespective of short-term economic fluctuations. Differences in environmental requirements result in barriers to trade and distortions of competition and, for that reason, if for no other, must be harmonized. The pursuit of a conservationist and preventive environmental policy is a part of industrial innovation and creates additional jobs. In this way, it coincides with social policy objectives.

89. Environmental nuisances and dangers are not confined to one particular country, nor do they stop at the Union's external frontiers. Consequently, the Union will cooperate actively at international level. Apart from acceding to existing international agreements, it will vigorously press for more far-reaching conventions and take up and solve specific problems with the relevant neighbouring countries of the Union.

V. Animal protection

90. The Union will pursue an autonomous animal protection policy to the extent necessary for reasons relating to trade and competition or on moral grounds.

C. Man and culture

VI. Education and research in the field of human and social sciences

91. With regard to education, the Union should introduce rules to achieve the

Union-wide validity of diplomas, certificates and other evidence of formal qualifications and the recognition of periods spent in school, higher educational institutes and in training, to ensure that all citizens of the Union enjoy freedom of movement and the freedom to choose a profession. This includes efforts to promote multilingualism and special support for the education of disadvantaged sections of the population such as the children of migrant workers, the disabled and young women.

92. In order to ensure a Union-wide minimum standard for professional training and without prejudice to the Member States' responsibility in this field, the training institutes (universities, trade corporations, etc.) should be required to develop, on the basis of cooperation and in conjunction with the Union, common or comparable training programmes. In the school sector, these tasks will be the responsibility of the appropriate ministries in the Member States.

93. In this way education should embody a common core, showing the history of European civilization and the European Union, whose educational objective is to demonstrate the common cultural values of all European citizens and, beyond that, the specific political values of the Union. There should in addition be similar preparation for the impact on working life of new developments relating to culture and civilization, and efforts to promote exchanges of school children, students, apprentices and young workers and exchanges and studies of educational programmes.

94. In order to develop an awareness of the European idea, exemplary education and research institutes such as the European University Institute in Florence, the European Foundation in Paris, the European Schools and the Centres in Berlin and Dublin should be fully incorporated into the Union's organizational structure, while at the same time guaranteeing the University Institute and the Foundation the necessary academic independence. These Union institutes will cooperate with comparable national institutions in the field of education and of research in the area of human, moral and social sciences.

## VII. Information policy

95. Guaranteed Union-wide freedom of information is essential for democracy in the Union. The qualitative variety of information, opinions and ideas is vital for balanced development in the Union, which is based partly on the principles of pluralism, freedom of decision, and individual participation. The Union must therefore facilitate an extensive, Union-wide exchange of information and access to information for its citizens. In this connection, it has a responsibility to guarantee a comprehensive supply of information and maximum competition by means

of a variety of organizational forms. Appropriate Union regulations must be introduced to eliminate obstacles to the circulation of information throughout the Union. This entails the abolition of all barriers erected on monopolistic grounds (e.g. in telecommunications), fiscal grounds (e.g. newspapers) or for reasons relating to tariffs or to transmission, frequency, or satellite technology. The Union could promote cooperation between radio and television companies on a Union-wide programme.

#### VIII. Cultural policy

96. The undisputed European dimension of cultural affairs draws its wealth both from the variations in and from factors common to national and regional aspects. Ethnic and cultural diversity within a common European civilization will be maintained and protected.

The Union should have an opportunity to cooperate with the Council of Europe, alongside the Member States, in the field of cultural affairs. As in the economic sector, the Union should be in a position to represent cultural developments in the Union both within and outside its territory and to promote cultural exchanges. This would include encouraging special youth exchange programmes and improving the situation of persons active in the cultural sector. These functions would be carried out by a Union institution (the European Foundation). In addition, the Union would contribute to cultural and economic affairs by introducing rules on the harmonization of copyright law and the free movement of cultural assets created by persons working in the Union.

o

o      o



CHAPTER IV

INTERNATIONAL RELATIONS

- 0 -

Mr Derek PRAG

- 0 -

97. As the end of the 20th century approaches, the European Community, through its geographical situation, its trade links and its economic ties, stands at the crossroads of the main dividing lines in world affairs : the North/South gap and the East/West confrontation. Its ability to play a role in international affairs as new power centres develop, and not merely remain a spectator of superpower politics, depends on its ability to work out and put into practice coherent and effective common policies.

98. The increasing interdependence of the Member States of the Community and the growing awareness of the need to work and act together gave rise to European Political Cooperation (EPC). The latter supplemented the responsibilities already attributed to the European Community for external relations in the economic and commercial fields. Recent European history abounds, however, with examples of overlap between the Community and EPC frameworks. They have shown that their continued separation is increasingly difficult to maintain in practice and impossible to justify in principle. The time has surely come to bring them together into a single, rational, coherent and effective framework. Both common sense and efficiency require that the various instruments of external policy should be organized as a coherent whole, with common decision-making bodies for all aspects of external relations for which the Union has a degree of competence. That is why the resolution proposes the ending of the separation between Union competence and EPC procedures by bringing EPC clearly into the field of competence of the Union.

99. Application of the principle of subsidiarity to external relations means that the Union should assume responsibilities only in those areas where common action of the Union is more effective than the Member States acting separately, and in which all or several Member States have an interest. Wherever the Union has not adopted a common policy, but where the interests of more than one Member State are at stake, the latter shall cooperate through the European Council and consult each other before taking action. The Union's efforts must be directed at safeguarding peace, by resolving conflicts which break out, deterring aggression, reducing armaments, raising living standards in the Third World in general, and improving international economic, monetary and trade relations.

100. The competences of the Union in external relations of a predominantly economic nature would be broadly those of the existing Communities. However, in those areas where the existing competences of the Communities have not yet been exercised or not yet been fully exercised, the Union shall assume these in full over a transition period.

101. Development policy should, after a transition period, become subject to an effective common policy of the Union. External agreements and conventions shall be negotiated and concluded by the Commission on the basis of guidelines furnished by the Council. They shall require ratification by the Council and the Parliament.

102. The extension of Union competence to the predominantly diplomatic and political aspects of external relations, i.e. to EPC,

would not initially involve any substantial change in the present decision-making process. However, any aspect of external relations could be brought under the procedures of common action by unanimous decision of the European Council, thus allotting an executive role to the Commission. The Parliament would also be given the right to propose policies relating to common action. The decisive voice would continue to be that of the Council. In matters which the Union has agreed to, subject to the procedures of common action, the resolution foresees special procedures to take into account, without paralyzing Union action, the expression of a vital national interest of one or more Member States.

103. On security, the resolution seeks to overcome the 'taboo' which has surrounded this subject. It proposes that the European Council acting unanimously may attribute to the Union responsibilities concerning matters related to security as and when they see fit.



CHAPTER V

THE FINANCES OF THE UNION

- 0 -

Mr Hans-Joachim SEELER

- 0 -

104. The Union must have a financial system adapted to its requirements and specific features. The existing Community patrimony provides an adequate starting point, subject to changes or amendments relating in particular to the creation of new own resources, financial equalization between the Member States and the budgetary procedure.

105. The two fundamental principles of the Union's financial system will be its independence in relation to the Member States and the fact that, through the effective transfer of the levying of resources from national to Union level, there will be no increase in the overall burden on the taxpayer.

### Revenue

106. The procedure for creating or substantially modifying own resources requires amendment. The existing system necessitates a unanimous decision by the Council and ratification by the Member States. In contrast, the Union Institutions should have freedom to take decisions in this sector, provided they reach agreement in accordance with the majority rules laid down by organic law.

In particular, the system of Community VAT could be adjusted so that the percentage of the basis for assessing VAT to be allocated to the Union is a fixed percentage and does not, as in the past, vary in relation to the trend in annual expenditure.

The percentage rate of VAT has so far been determined by the difference between the Union's other revenue and the expenditure decided on. This meant that negotiations had to be held each year between the Community and the Council on the rates of increase in expenditure. In addition, each increase in expenditure decided by Parliament automatically led to the allocation of a larger share of VAT.

The rapporteur proposes that the Union should receive a fixed percentage of VAT resources so that expenditure is determined solely by revenue. If additional expenditure is transferred to it or if it is assigned higher expenditure on the basis of a Council decision, the percentage share of VAT is increased accordingly by means of an organic law, that is, one in which the Member States are involved through their representatives in the Council.

It is essential for the development of an economic Community to achieve growing convergence with regard to the fiscal burden on the economy. It is

therefore proposed that, following a ten-year transitional period, the legal bases for important taxes in the Member States should be governed by a framework law promulgated by the Union. The taxes would still accrue to the Member States, but they would have a uniform legal basis. Thus petroleum would be taxed equally in all Member States of the Union, thereby helping to create equality of competition in the Common Market.

107. The principle of budgetary independence also implies that the Union's own resources should be paid direct to it as soon as they are collected and should not pass through the treasuries, or, a fortiori, the budgets, of the Member States.

108. A progressive economic Community must seek to equalize regional differences in economic strength and living standards. The rapporteur proposes that this financial equalization should be dealt with by the Union through an organic law and should be implemented vertically, that is, exclusively through the Union's budget. Union revenue in the Member States could provide the basis for the necessary transfer by the Member States to the Union budget. The difference between Union revenue in the individual Member States and Union payments to these states gives a gross or net balance in the individual national currencies. A comparison of this balance with each country's per capita gross national product could provide the basis for calculating the amounts to be contributed by Member States or the amounts to be paid to them in the context of the financial equalization system.

#### Expenditure

109. The Union must have at its disposal all the financial resources needed to fulfil the tasks assigned to it. However, any increase in expenditure must be assessed and embodied in financial estimates which are both global and detailed. There will also be systematic cost-benefit analyses of expenditure.

110. The classification of expenditure as compulsory and non-compulsory was motivated primarily by the desire artificially to restrict the financing of new measures and, in an equally arbitrary fashion, to allocate their respective budgetary powers to the Council and Parliament.

The new financial method to be adopted by the Union and the proposed new budgetary procedure will make it possible to abandon this classification.

## Financial programmes

111. In addition to the annual budget, the Union needs a multiannual financing plan to provide a longer-term view of the foreseeable trend in revenue and the cost to the budget resulting from decisions involving expenditure. At the beginning of each legislative period there will be a revision of the distribution of tasks between the Union and the Member States, and of the adequacy of the Union's financial resources in relation to its tasks. Where appropriate, revenue should be adjusted by means of legislation.

The financial programme should be valid for five years and be re-assessed each year in conjunction with the annual budget to ensure that it is always up to date when the annual budgets are being drawn up.

## Budget

112. The following principles shall be laid down for the establishment of the budget. The financial year covers the same period as the calendar year; all the revenue and expenditure of the various bodies are entered in a single budget; the gross principle is applicable; revenue is not earmarked for specific purposes. Borrowing and lending activities form part of budgetary revenue : they may not exceed the volume of expenditure earmarked for investment and require authorization from the budgetary authority. Exceptions to this rule, for example to cover current expenditure in the event of an unforeseen decline in revenue, must be approved by the budgetary authority. If revenue is insufficient to cover expenditure in a given financial year, the deficit may be temporarily financed by means of loans but must be covered by ordinary revenue in the next financial year but one, that is, when the accounts for the financial year concerned have been cleared. It is proposed that the Commission should have the right to object to expenditure decisions taken by the budgetary authority. Since it is the Commission that implements the budget, it must have an opportunity to obstruct decisions involving expenditure if it considers that the revenue is definitely insufficient to finance such decisions. The budgetary authority may overrule such objections from the Commission only by the same majority again at a subsequent reading.

If the budget is not adopted within the prescribed period, the provisional twelfth procedure shall apply as in the past. It may, however, be applied only for a period of six months, to oblige the budgetary authority to take action. Thereafter, only legal or contractual obligations may be fulfilled and no new policies may be financed.



Implementation, control, and balance of the budget

113. The Commission's responsibility for implementing the budget will be strengthened as will the powers of control assigned to the Court of Auditors.

The discharge will no longer be granted to the Commission by Parliament.



CHAPTER VI

THE INSTITUTIONS OF THE UNION

- 0 -

Mr Ortensio ZECCHINO

- 0 -

In its resolution of 6 July 1982, the European Parliament instructed the Committee on Institutional Affairs to draw up a more comprehensive proposal with a view to the drafting of a new Treaty, and laid down the following principle guidelines with regard to the institutional aspects;

- (1) the Community's present institutions should be taken as a model that should be 'readjusted so as, on the one hand to eliminate the existing shortcomings and, on the other, to enable the union to shoulder new tasks';
- (2) the Council and Parliament should 'jointly' exercise legislative power, ratify Treaties and adopt the budget;
- (3) the Commission should be granted executive power;
- (4) the role of the European Council should be redefined.

On the basis of these guidelines, the Committee on Institutional Affairs has fully discussed the subject, taking as its starting point a working document (PE 81.380/rev.) submitted by the rapporteur and concluding with the motion for a resolution briefly explained below.

#### The Parliament

The composition and constitution of the existing Parliament has not given rise to problems of any kind and it was therefore sufficient to re-state the classic characteristics of parliamentary election and to assign to an appropriate organic law the task of establishing a uniform electoral system among the various member states.

#### The Council of the Union

As regards the hotly disputed matter of the Council's composition and voting procedure, the motion for a resolution has reached the realistic solution of retaining the present structure of the Council, as the representative body of the governments of the Member States, and maintaining the system of weighted votes.

As a general rule decisions require a majority of the weighted votes cast, although for a transitional period of ten years, a national delegation may request that voting be postponed, giving its reasons, such reasons to be published, and

that the subject be re-examined in order to defend a national interest. Attention should be drawn to the fundamental innovation relating to the Council's powers. Under the Union's institutional system, the Council will no longer, as in the existing communities, be the virtually exclusive holder of both legislative and, to a large extent, executive power (with all the negative consequences of this situation), but will exercise jointly with Parliament only those functions traditionally assigned to legislative bodies.

#### POWERS OF THE PARLIAMENT AND OF THE COUNCIL

The Parliament's principle power is, on the basis of a vote, to allow the Commission to take office, to supervise its proceedings and, if appropriate, to adopt a motion of censure requiring it to resign.

Parliament was granted sole political control over the Commission, since it was felt superfluous for this power to be shared by the Council, given that the Commission is in the first place appointed by the European Council, likewise an extremely high-ranking body.

#### LEGISLATION

Legislative initiative is primarily the prerogative of the Commission in recognition of its role in putting forward and guiding proposals in this field, which represents an extremely restrictive approach with regard to the Members of Parliament and the Council delegations.

Each proposal is always submitted initially to the Parliament and then to the Council, with the possibility of reference to a Conciliation Committee in order to settle any disagreements between the two Institutions.

To prevent the risk of proposals becoming submerged and of the Union's activities thus being paralysed, specific deadlines have been laid down within which each individual proposal must be considered, failure to do so being deemed equivalent to adoption of the proposal.

## THE COMMISSION

In accordance with the guideline contained in the resolution of 6 July 1982 'the Commission, as the Union's pivotal institution, shall fully exercise its initiatory and executive function'.

The initial stage in the constitution of the Commission is the appointment by the European Council of the President, who then chooses the Commissioners, having consulted the European Council, and finally its political investiture by the Parliament.

In an attempt to combine the need to maintain constant political trust between the parliamentary and executive bodies and the need to ensure the latter's stability, the resolution provides for the Commission to be forced to resign on the basis of a motion of censure which must, however, be adopted by a qualified majority.

## THE EUROPEAN COUNCIL

The European Council, which is not provided for in the Community Treaties but whose presence is nevertheless felt within the Community as the supreme political decision-making body, at last acquires a clear and well defined role within the structure of the Union. It consists of the Heads of State or Government and is responsible on the one hand for tasks which, with certain differences, are comparable to those of a Head of State in a parliamentary system (appointment of the Head of the Executive, communications to the other institutions) and on the other specific tasks (drafting of recommendations and directives) in the field of cooperation.

## THE COURT OF JUSTICE

In this context special mention will be made only of the appointment of its Members. It seemed that a fair and realistic solution was to provide for half the Members to be appointed by the Council and half by the Parliament, to comply with the guidelines contained in the resolution of 6 July 1982, which envisaged appropriate participation by the Parliament in the appointment of the judges.

The reorganization of the Court and the fixing of the number of judges will be set out in an organic law.

o 0 o

The Union's institutional framework will have to introduce a number of reforms relating to the other community bodies, which may be described as auxiliary bodies:

- the Court of Auditors,
- the Economic and Social Committee,
- the European Investment Bank.

The only problem relating to the Court of Auditors concerns the appointment of its Members, which has been dealt with in the same way as for the Court of Justice.

As regards the Economic and Social Committee, it was considered important to ensure greater internal balance between representatives of employers and employees, to provide for the participation of consumers' representatives and to increase its internal autonomy, by granting it the power to adopt its own rules of procedure.

All the problems relating to the structure of the European Investment Bank, which is intended to function as a genuine Bank of the Union, are to be dealt with in an organic law.

-----





## II. MOTIONS FOR RESOLUTIONS

Three motions for resolutions  
were referred to the  
Committee on Institutional Affairs  
in accordance with article 47, paragraph 1 of the  
Rules of Procedure

These resolutions were considered in conjunction with its work  
as a whole in accordance with Rule 47(2) of the  
Rules of Procedure.

MOTION FOR A RESOLUTION (doc. 1-926/81)

tabled by Mr LOMAS, Mrs BUCHAN, Mr BALFE, Mr MEGAHY,  
Mr SEAL, Mr BOYES, Mrs CLWYD, Mr GRIFFITHS,  
Mr GALLAGHER, Mr ADAM, Mr CABORN, Mrs CASTLE,  
Mr ROGERS, Mr COLLINS, Mr ENRIGHT, Ms QUIN and Mr KEY

for entry in the Register  
pursuant to Rule 49 of the Rules of Procedure

on Proposed Changes to the Treaty of Rome

---

THE EUROPEAN PARLIAMENT,

- notes that after 23 years existence of the EEC it is now in a state of severe economic crisis,
- notes that unemployment is now 10 million and is rapidly increasing,
- notes the inability of Member States to resolve these crises under the present terms of the Rome Treaty which are based on a free market economy,
- notes that Governments who wish to introduce Socialist planning including control over movement of capital and goods are unable to do so under the Rome Treaty,

calls on the Commission

to propose to the Council of Ministers changes in the Rome Treaty particularly in the clauses referring to the free movement of capital and goods so that Member States who wish to do so can carry out economic policies which include Socialist planning.

MOTION FOR A RESOLUTION (Doc. 1-940/81/rev.)

tabled by Mr JONKER, Mr VAN AERSSSEN, Mr ANTONIOZZI, Mr DESCHAMPS,  
Mr HERMAN, Mr GOPPEL, Mr LÜCKER, Mr VON BISMARCK, Mr PFFENNIG,  
Mr FRUH, Mr CLINTON, Mr ESTGEN, Mr BEUMER, Mr KLEPSCH, Mr VERGIER,  
Mr FISCHBACH

on behalf of the Group of the European People's Party  
(Christian-Democratic Group)

pursuant to Rule 47 of the Rules of Procedure

on the draft treaty on the first stage in the  
implementation of European Union

---

The European Parliament,

following detailed discussions in the committee responsible  
- having regard to the opinion of the Commission,

1. Hereby adopts the following draft treaty;
2. Resolves to forward it to the Council of Ministers and the Parliaments and Governments of the Member States;
3. Calls upon the abovementioned authorities to take the necessary steps to ensure that the draft treaty enters into force in accordance with the constitutional requirements of the Member States before the next direct election to the European Parliament.



**Draft Treaty**  
**for the first stage of the creation of the**

---

**EUROPEAN UNION**

---

His Majesty, the King of the Belgians,

...

- Determined to consolidate and to develop the Union established among the peoples of Europe in the European Community by the Treaty establishing the European Coal and Steel Community of 18 April 1951, the Treaty establishing the European Economic Community of 25 March 1957 and the Treaty establishing the European Atomic Energy Community of 25 March 1957 as amended by the Treaties amending the Treaties (hereinafter referred to as the Community Treaties),
- Reaffirming the intention announced at the Conference of Heads of State or Government of 19 and 20 October 1972, to convert the sum total of these relations into a European Union,
- Desiring to preserve and further develop the fundamental elements of European identity as defined in the Copenhagen Declaration of 14 December 1973,
  - = unity to ensure the survival of a common civilization,
  - = to safeguard common legal, political and moral values and to preserve the rich variety of national cultures,
  - = to build a society which measures up to the needs of the individual guided by the principles of representative democracy, the rule of law, social justice - which is the ultimate goal of economic progress - and respect for human rights,
- seeking, as the ultimate goal, to create a European Union with a constitution accepted by the member nations,

which specifies the federal nature of the relationship between the Member States and the Union and between the Member States,

which regulates the relationship of the institutions of the Union to each other and to the institutions of the Member States in accordance with the principles of representative democracy the division of powers and subsidiarity,

which defines the legislative, administrative and financial terms of reference of the institutions of the Union on the one hand and the Union and the Member States on the other hand,

which entrenches the basic rights of the citizens of the Union and provides for a legal review of the relevant legislation,

This Union shall possess an independent European Government accountable in accordance with democratic rules to a body representing the people and constituted according to the will of the people with the traditional rights of such bodies, the interests of the Member States shall be represented in a State Assembly, jurisdiction on constitutional matters shall be exercised by a Court of Justice staffed with an independent judiciary and financial control by an independent Court of Auditors;

- Recognizing that the European Parliament has a crucial political role to play in promoting the development towards union, that the legal acts of the Union and the Community require full democratic legitimation and that therefore the Parliament directed by direct universal suffrage should already be given greater influence and decision-making powers in relation to legislation,

Have decided to implement the European Union described above in a number of stages; have designated as their plenipotentiaries to this end:

His Majesty, the King of the Belgians:

...

Who, having exchanged their full powers, found in good and due form, have agreed as follows:

TITLE

I. CREATION, TASKS, INSTITUTIONS AND POWERS OF THE UNION

Article 1                    - Creation and tasks -

By this Treaty, the High Contracting Parties establish among themselves the first stage of a European Union, hereinafter called the Union.

The Union shall have as its task to define the common interests of the Member States and promote these in such a way as to enable Union to be further developed and achieved.

To this end it shall be given the following powers and terms of reference, on the basis of which it shall take measures to achieve approximation, coordination and standardization where necessary in the common interest. Implementation shall take place at the lowest possible level of administration compatible with the nature of the task involved.



Article 2

- Institutions -

1. The tasks of the Union shall be carried out, in the manner provided for in this Treaty, by the institutions common to the three European Communities.

Article 3

- European Council -

The Heads of State or Government of the Member States of the European Communities and of the Union shall meet whenever the situation so requires in a European Council.

When the European Council is convened pursuant to this Treaty and the Community Treaties it shall meet as the supreme Council of the Union and the Communities under Article 2 and shall exercise the powers and jurisdiction conferred upon the Council of the European Communities by Article 1 of the Treaty of Brussels of 8 April 1965, in the manner provided for in that article and in this Treaty.

This Treaty shall not apply to other meetings of the Heads of State or Government of the Member States.

In order to carry out those tasks which fall outside the terms of reference of the European Coal and Steel Community, the European Economic Community and the European Atomic Community, the Union shall have the following terms of reference:

- to develop a Community foreign policy including a Community security policy;

The Union shall promote close cooperation between the Member States in the fields of education, science, technology and research extending beyond the purview of the Community Treaties; to this end it shall issue recommendations.

Under the powers conferred upon the Union and on the basis of the Community Treaties, the Council, unanimously and with the assent of the Parliament shall conclude treaties with non-member states and international organizations on behalf of the Union.

These treaties shall be binding on the Union and the Member States.

Article 6 - Extending the powers of the Union -

1. If the execution of the tasks of the Union requires action by the Community and the relevant powers and authority are not provided for in this Treaty or in the Community Treaties, legal instruments extending the Union's powers and authority may be enacted by the Council at the initiative of a Member State, the Parliament or the Commission, acting by a qualified majority after consultation with the Commission in cases where the initiative did not originate therefrom.

2. These legal instruments shall specify the tasks entrusted to the Union and the powers for their execution by the Union. A justification shall be given for the need for action by the Union.

Such action is justified if

- = a matter cannot be effectively resolved by the legislation of individual Member States or
- = the regulation of an issue by one Member State may be detrimental to the interests of other Member States or the Union or
- = it is a question of preserving legal or economic unity, in particular preserving the uniformity of living conditions beyond the territory of a Member State.

3. These legal instruments shall require the consent of Parliament, which shall adopt them acting by a majority of its Members and with two-thirds of the votes cast inasmuch as the initiative did not originate from Parliament with such a majority.

4. These legal instruments shall require the assent of the national legislative bodies. Such assent shall be deemed to have been given once national parliaments representing a qualified majority in the Council have given their assent to the legal instruments.

Article 7 - Powers following an extension of the terms of reference -

Once jurisdiction and powers have been transferred pursuant to Article 6, the legislation for their implementation shall be enacted in the form of regulations or directives by the Council acting by a qualified majority and with the assent of Parliament.

Article 8

- Powers of the Union -

To enable it to carry out its tasks, the Union shall be accorded the powers set out in Articles 189 to 192 of the Treaty establishing the European Economic Community which it shall exercise under the terms of Title II of this Treaty.



Article 9      - Legal capacity of the Union -

The Union shall have full legal powers. In the Member States it shall enjoy the most extensive legal capacity accorded to legal persons under municipal law. In particular, the Union may acquire or dispose of movable and immovable property and may be a party to legal proceedings. To this end it shall be represented by the Commission of the European Communities.

The Member States and the Union shall afford each other solidarity and mutual assistance on a reciprocal basis. They shall undertake to cooperate fully in attaining the objectives of the Union and in facilitating the performance of its tasks.

In the execution of their powers, the institutions of the Union shall respect human rights as defined in the constitutions of the Member States and the European Convention on the Protection of Human Rights and Fundamental Freedoms of 4 November 1950 and acknowledged in the Community Treaties.

Article 12 - Jurisdiction of the Court of Justice -

The jurisdiction of the Court of Justice, as provided for in the Community Treaties and in Article 11 of this Treaty, shall cover the acts of the institutions of the Union, other than recommendations or opinions, and the conduct of the Member States with regard to the provisions of this Treaty or the provisions adopted pursuant thereto.

The expenditure of the Union shall form part of the General Budget of the European Communities and shall be established and implemented in accordance with the recognized budgetary procedure.

TITLE II:        POWERS OF THE EUROPEAN PARLIAMENT

Article 14

The Assembly provided for by the Community Treaties shall be called the 'EUROPEAN PARLIAMENT'.

Within the purview of this Treaty and the Community Treaties, the European Parliament may request the Commission to undertake any studies which it deems necessary for the attainment of the common objectives and to submit to Parliament proposals to this effect.

Article 16 - Legislative powers of Parliament subject to the assent of the Council -

The European Parliament, acting by a majority of its Members on a proposal from the Commission, and with the assent of the Council acting by a qualified majority, shall enact legislation to ensure protection of the environment and consumers at European level and to harmonize those aspects of civil, commercial, taxation, fiscal and labour law which fall within the terms of reference of the Union or where this is justified under the Community Treaties.

This legislation may be enacted in the form of regulations or directives.

The Commission shall enact the appropriate implementing provisions.



Article 17

- Legislative powers subject to the  
conciliation procedure -

1. If a regulation or directive is to be enacted on the basis of Articles 43, 75 or 235 of the EEC Treaty in a field not yet covered by Community legislation, the appropriate measures shall be taken in accordance with the procedures laid down in the following paragraphs. The same procedure shall apply to any amendments thereto.
2. The European Parliament shall, acting on a proposal from the Commission by a majority of its Members, adopt a draft regulation or a draft directive and forward it to the Council.
3. If the Council, acting by a qualified majority, assents to the draft measures forwarded to it by Parliament, it shall adopt the legislation forthwith.
4. The Council may, acting by a qualified majority, request amendments to the draft measures formulated by Parliament. In this event, the text drawn up by Parliament and the amendments requested by the Council shall be submitted to a conciliation committee consisting of members of the Council and a delegation from Parliament containing the same number of representatives. The Commission shall participate in the work of the conciliation committee.
5. The conciliation committee shall endeavour to reconcile the respective positions of the Council and Parliament. Where the committee, acting by a qualified majority of the members of the Council and by a majority of the members of the delegation from the European Parliament, succeeds in drawing up a single text, the resulting draft measures shall be referred back to Parliament and the Council.

The Council, acting by a qualified majority, shall adopt the draft measures if they have received the assent of Parliament, acting by a majority of its members.

- Legislative powers of Parliament in the  
event of the Council or Commission failing  
to act

1. If the Council or the Commission should fail to act in a matter where the Community Treaties or this Treaty require rules to be adopted, the European Parliament may, acting by a majority of its Members, impose a time limit on these institutions upon the expiry of which the power to enact legislation shall be transferred to Parliament.

2. The decision of Parliament in which a time limit is set shall clearly specify the matter in which the Council or the Commission is in default. Such a decision may not be made more than three months before the expiry of the period laid down in a Treaty or in the provisions adopted pursuant to this Treaty and shall leave the institution in default a period of at least six months in which to act following the date of its notification.

3. If upon the expiry of the time limit imposed on it pursuant to paragraph 2 the Council or the Commission has failed to act or has only partially remedied the situation in which it was in default, Parliament shall be empowered to regulate the matter in whole or in part, having due regard for the rules already issued by the Council or the Commission.

4. In the matters for which it has acquired jurisdiction, Parliament shall act by a majority of its members. This shall be without prejudice to the Commission's rights under the second paragraph of Article 149 of the Treaty establishing the European Economic Community and Article 119 of the Treaty establishing the European Atomic Energy Community.

Article 19 - Legal review of decisions of institutions  
by Court of Justice -

The Court of Justice shall, in the manner provided for in Article 173 of the EEC Treaty, also review the legality of acts of the European Parliament other than recommendations or opinions.

The European Parliament shall have the same rights as the Council and the Commission to bring actions pursuant to Articles 173 and 175 of the EEC Treaty.

Article 184 of the EEC Treaty shall apply to acts of Parliament other than individual acts.

TITLE III: IMPLEMENTING, REVIEW AND GENERAL PROVISIONS

Article 20            - Implementing provisions -

The Council shall, acting by a qualified majority on a proposal from the Commission with the assent of Parliament, adopt the measures necessary in order to implement this Treaty.

Article 21 - Uniformity of treaties -

1. Five years after this Treaty has entered into force, this Treaty and the Community Treaties shall be subject to a general revision designed to strengthen and promote European integration.

2. The general revision shall be adopted by the Council, acting by a qualified majority on the basis of a proposal submitted by the Commission not later than four years after the entry into force of this Treaty and after obtaining Parliament's approval. The draft treaty shall be submitted for approval to a conference of representatives of the Member States and shall enter into force after being ratified by all the Member States in accordance with their respective constitutional requirements. Article 236 of the Treaty establishing the European Economic Community shall apply as appropriate.

Any European state applying for membership of the European Community shall simultaneously apply for accession to this Treaty. Article 237 EEC Treaty shall apply as appropriate.

{

This Treaty shall enter into force on the first day of the month following the deposit, with the Secretary-General of the Council of the European Communities, of the instrument of ratification by the last signatory State.

Article 24

- Languages -

This Treaty, drawn up in a single original in the ...  
languages ...

IN WITNESS WHEREOF, the undersigned plenipotentiaries ...

Done at .....



tabled by Mr Hans NORD

on behalf of the Liberal and Democratic Group  
pursuant to Rule 47 of the Rules of Procedure

on European Union

---

The European Parliament,

- Expresses its satisfaction that the European Parliament has now started to do what the liberal-democrat Election Manifesto in 1979 proclaimed to be one of its tasks, namely to work out specific proposals for reforming the present Community and setting it firmly on the road to European Union, proposals which should be ready in time to become a central issue in the 1984 elections ;
- Urges political forces everywhere to participate in this process of creative thought ;
- Calls for :
  1. A new Treaty to establish the European Union, which must be short and flexible, setting out the aims of the Union and the machinery through which those aims will be pursued.
  2. The new Union to be developed through the existing Communities : one of the Union's aims must be to stimulate the continued and full implementation of the existing Treaties through the Community institutions. We are also thinking of industrial renewal and job creation; of energy, of economic convergence and regional recovery, of transport, of the untrammelled movement of people, goods and capital throughout the Community and of the protection of our common European environment.

3. In addition to the policies covered by the existing Treaties, the Union should aim at co-ordinating and eventually unifying other policies of vital common concern, notably foreign policy, including security policy, whilst safeguarding existing forms of cooperation within the Atlantic Alliance.
4. In addition to existing Councils, a Council for cultural cooperation between the Ministers responsible in each of the Member States should be convened regularly.
5. The Institutions of the Union to be those of the existing Communities. In addition, the European Council will have to be given its proper place within the institutional framework.
6. A new equilibrium between the Institutions will have to be worked out. None will be all-powerful, but all must have their proper place. The Court of Justice shall retain its central position in a Community system based on the rule of law and the separation of powers. Council and Parliament shall jointly legislate either on their own initiative or on the basis of proposals by the Commission. Treaties between the Union and Third Countries shall be ratified by the Union's Parliament. The appointment of Commissioners shall be subject to Parliament's "advice and consent". Within the framework of the full application of the Treaties, the principle laid down in the Treaties of majority decision-making in the Council of Ministers should be applied, to allow the latter to take decisions. Moreover, we assert that the European Council be incorporated into the institutional framework of the Community to ensure control by the European Parliament.
7. The Council and the European Parliament are the budgetary authorities of the European Union. The European budget should be brought into balance by the development of new community-policies. The budgetary mechanism should take the resources of poorer countries into account, without, in any way, putting prejudice to the financial solidarity.

8. Only by means of enlarging the own resources will the European Union be effectively and seriously able to solve the present economic, social and regional problems. In the short term it is therefore necessary to raise the limit of 1% VAT revenue as well as to intensify the new financial instruments of the Community.

Further considers

1. The negotiation and ratification of such a Treaty will be a long and difficult task. For that very reason, it is important to start the campaign for it at once. But at the same time, urgent improvements of the existing, creaking, machinery of the Community must be undertaken. In a number of cases, interinstitutional agreements can anticipate reforms which will find their formal enactments through the new Treaty.
2. The European Parliament <sup>must</sup> remain in the forefront of the campaign for a fully proportional electoral system throughout the Community for the next European elections.
3. We must continue to insist on the completion of negotiations for the entry of Portugal and Spain, at the same time the necessary reforms of the internal structure of the European Community should be made in order to create a sufficient financial strength for the entry of new members in 1984.
4. The European Monetary System must be further consolidated and strengthened so that our economic recovery can be fostered by conditions of monetary stability.

Fully recognizes that the aim of this campaign will only be realised when it reaches beyond the new Treaty and major reforms to the European Institutions to inspire the people themselves to accept unity of free Europe as the only effective way to meet the challenge and opportunities of their common destiny.

