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(3) Wessels, Wofgang: "Specific problems of the Federal Republic of Germany and their impact on Europe"
(4) "Background note on the current issues in the United Kingdom"

The Institutional Structure of the European Communities

Report on behalf of a Federal Trust Study Group
made by Stanley Henig, April 1974

Introduction

The study of instutions is often considered to be peculiarly arid. Many British politicians tend to argue that policies are very much more important than the nature of the institutions through which they must be promulgated: so long as good policies are formulated institutions remain politically neutral. This "where there's a will there's a way" approach relegates the mechanics and administration of government to the level of procedures at a local party meeting. At another level it is also claimed that any study of institutions per se is likely to be over-theoretical: what really counts is the day by day practice.

In the case of the European Community, study of the institutions can readily be justified on a number of criteria. First of all, the basic treaties which established the Communities give to the institutions a large number of specified and critical tasks: Community mechanics are such that successful accomplishment depends in large part on institutional performance. Secondly, the Communities were conceived as part of a strategy for uniting Europe through the method of integration. Since integration is a continuing, dynamic process the details of which cannot be laid down in advance, effective institutions are essential if progress is to be maintained. Thirdly, the act of political will which gave birth to the Communities will not always be sufficient to overcome the detailed obstacles in the path of integrating nine different countries: the institutions have the task of circumventing the crises which are endemic to integration itself. Finally, the national political institutions, influenced as they are by a myriad of conflicting pressure groups, are functionally bound to exercise a kind of centrifugal force towards the Community: in moments of difficulty the institutions may come to represent Europe itself vis-a-vis the member states.

These justifications for the study of Community institutions suggest the nature of the tasks those institutions are assigned to fulfill:-- administrative - putting into effect specific agreements and policies laid down in the treaties or subsequently; teleological - continuation of the drive for integration; deus ex machina - conversion of political will into technical agreements during times of crisis; and representational - embodiment of the 'European' idea. Sixteen years after the Treaties of Rome came into effect it is legitimate to measure the capabilities of the institutions by their past performance measures against

these criteria, but first it is worth giving some attention to the background to the Treaties of Paris and Rome and the 'European' idea itself.

The period 1945-58 was unique in that the governments of six European countries were able to demonstrate, despite various vicissitudes, a joint political will to make the attainment of European unity a matter of the highest national interest. This united political will, which led to the creation of the three Communities, was itself conditioned by a series of events largely extraneous to post-war European government - the recent collapse, institutionally and/or militarily, of many nation states; the new world dominance of the continental superpowers; the onset of the Cold War; and finally the ending of imperialism with the Suez trauma. As the impact of these events progressively faded after 1960, there was a consequent dilution of Europe's political will for unity. In effect, though, a single generation of political leaders agreed on the supreme importance of a long-term aim and embarked on a joint strategy for achieving this through a series of European Communities which have now outlived the particular unity of political purpose which originally brought them into being.

When this generation of 'Europeans' negotiated the establishment of the Economic Community they were fully conscious of the range and complexity of the problems requiring to be solved. Desire to translate the agreed political will on the long-term goal into an initial positive achievement transcended immediate concerns with the detailed minutiae. Instead of seeking prior solutions to the problems as a condition for goal attainment, the Six determined that the problems would be solved as a result of agreement on the ultimate objective. Thus the original member states accepted initially only a limited number of precise commitments. For the rest they agreed to agree.....in the future. The task of facilitating those agreements would be given to the joint institutions. The negotiators were aware that they could not there and then guarantee full accomplishment in all sectors, but they assumed that their successors would continue to accord the highest priority as a national goal to the attainment of European unity. In the last analysis, this continuing, even if muted, political will would work through, and mutually reinforce, the institutions: integration was irreversible and its dynamics would ensure the achievement of all the intended agreements. It followed equally that where the subjects for agreement were held to be particularly important by one or more of the member governments, the whole negotiating process would be subjected to massive tensions. The notion of crisis was built into the system as a means of reinforcing the progress of integration on the assumption that the supreme act of united political will evinced in the 1950s, together with effective institutions, would ultimately overcome all problems.

In 1971 the six member states joined with three (originally four) others in a further important act of united political will when they agreed on enlargement of the Communities. Once again the real problems were left to the future, their solutions dependent on, rather than

conditioning, the basic goal of wider unity. The notion of crisis was deliberately retained in the system on the assumption that once again the political will to go forward to wider European unification would ensure agreed solutions rather than chaos. The institutions as enlarged were given the task of producing the solutions to the wide-ranging problems of integrating nine countries.

The object of this paper is to assess the capabilities of the existing institutions for fulfilling this role and to examine possible improvements. After a general consideration of the institutional system of the Community both as originally conceived and as it has functioned until now, there is a detailed examination of the performances of the Council, Commission and Parliament. The argument for reform is based both on the proven shortcomings of these institutions and on an assessment of the nature of the tasks ahead. The final section indicates possible lines along which reform might be accomplished.

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Europe's Political System

The first model for a Community political system can be seen in the institutional arrangements made for the Coal and Steel Community. Executive power was vested in a High Authority responsible to a Parliamentary Assembly which might soon be directly elected. The Council of Ministers - added rather as an afterthought - seemed no more than the precursor of an Upper House, although it retained the power of appointment to, but not of dismissal from, the High Authority. By the time the Treaties of Rome were signed this model had been somewhat diluted. Whilst the commitment to supra-nationalism remained enshrined both in the Commission and in the provisions for Council majority voting, political power was much more evenly divided between these two institutions. In part this may have reflected a retreat from the high tide of European Federalism after the Defence Community fiasco, but equally it resulted from the fact that so much more was being delegated to the institutions on this occasion. The provisions of the Coal and Steel Community were far-reaching but they affected only a limited sector of economic life and were relatively finite: the ultimate implications of even notional commitments to common social policies, monetary union and harmonisation of laws, were of an altogether different nature. The governments of the member countries readily agreed to reserve for themselves a more important place in the political processes of this new Community.

The precise model at which those who signed the Rome Treaties were aiming is not wholly clear, but rationalisation suggests that Commission and Council would act as joint political authorities, with the former retaining the more obvious attributes of an executive through acting as a kind of motor. The performance of the Community would still be largely determined by the activity of the Commission. Majority voting in the Council would both avoid deadlock and also emphasise the political role of the Commission which would be able to take important initiatives even if not all the member governments were immediately favourable. In the stages of policy formation the Council would play a crucial role, but with the establishment of an increasing number of common rules the Commission might still evolve into a government. This promotion of the Council as against the previous model implied a relegation in the importance given to the Assembly: little attention was given to its role in the European institutional scheme.

It is difficult to assess the evolution of the institutions in isolation from the performance of the Communities as a whole. The united political will of the original Six gradually eroded during the 1960s in the face of President de Gaulle's onslaught on the 'European' idea. Advocacy of 'Europe des Patries' by one major member state was bound to have profound repercussions on the European policies of others. The shared political will of the 1950s spilled over sufficiently to produce common policies on Commission initiatives in those fields where other national interests militated in favour of European solutions - in

particular the rapid completion of a customs union, the establishment of the agricultural policy, some progress towards free movement of capital and persons, and limited achievements in the external field. Such areas of high salience were though for the most part covered by the mid-1960s, after which the national stand of France and her insistence that majority voting not be used was critical.

It ought to be stated quite clearly that in a community the starkness of any rules on voting must be muted. Rules of the game evolve and may take precedence over formal regulations in determining behaviour patterns. For the Six, those rules of the game could be readily formulated: - five countries would not browbeat one into submission; one country would not indefinitely hold up progress on issues considered to be important by the other five; disagreement between France and Germany meant deadlock and perhaps crisis; agreement between France and Germany usually meant progress. Even, though, if the tacit understanding not to use majority voting may have had little impact on the way in which the Council actually conducted business and reached agreement, it had considerable implications for the Commission in depriving it of the real advantage of the role of initiative. The Commission - especially after the events of 1965 which led to the institutional fracas - was unable to take major initiatives without knowing in advance that all governments were positively interested. It could not produce a proposal in the hope that it could later act politically to secure the necessary majority. Gradually the style changed as wheeler dealing replaced political initiative and the Commission itself increasingly resembled a technical administration rather than a political authority.

By the late 1960s, the united political will of the 1950s seemed virtually moribund and the Commission lacked any real power base from which to engender progress. Various solutions were canvassed, but finally agreement could only be reached on enlarging the Community - in accordance with the original 'European' ideas - in the somewhat vague hope that the new Community might resolve the balance of the old. Given that the newcomers had at no time shared the original common political will, enlargement of itself only increased the potentialities for disagreement once the initial euphoria had subsided.

Disappearance of the united political will and the consequential voiding of the notion of the Commission as Community motor has led to an increasing search for a new 'deus ex machina' to engender progress. Summit conferences were used irregularly during the 1960s when particularly important decisions had to be made, but latterly they have become associated with the notion of package deals covering a whole variety of sectors of Community endeavour. Elevation of such a morass of problems to the highest level gives no inbuilt guarantee of solution and the summit has come to weigh on the institutional structure - with it but not of it. After a work programme for the first year of the enlarged Community was formally agreed at the Summit in 1972, there was a increasing tendency to leave aside even

minor problems during 1973 in the hope that they might be solved at the next meeting of the 'Gods from Olympus'. The total failure of the Autumn, 1973 Summit left the Community correspondingly rudderless for the early part of 1974. The decision that henceforth summitry could be a six monthly exercise is probably a step on the way to assimilating such meetings into the Council of Ministers. Insofar as this means the total politicization of the technical it is a bizarre development in the light of the original intentions to take detailed problems away from large inter-governmental conferences to the joint Community institutions.

The final dimension of the present institutional structure relates to the machinery for political cooperation. That member governments have seen a need for some kind of established political machinery, even though they are unwilling to develop the existing Communities in any clear federal direction, demonstrates the existence of community in the sense used by Karl Deutsch. The new machinery co-exists and at certain points clumsily coalesces with the formal Community institutions. The Foreign Ministers meet four times a year to exchange views on matters of mutual interest in the somewhat vague hope that this will improve their understanding of each other's position and also help to promote harmonisation. A Political Committee made up of top officials - 'Political Directors' - from the national foreign offices meetings rather more often to help prepare such meetings and there are appropriate lower level groups. Liaison with the formal Community institutions is ensured by allowing the Commission to make known its views, informing the Council of decisions made by the Foreign Ministers (sic.) and links between the Political Committee and the Committee of Permanent Representatives. Perhaps more importantly the unity of all these mechanisms is maintained through having the same President for the Council and the Political Cooperation machinery.

Increasing use of summitry as a means of solving problems arising from the work of the Communities together with the establishment of separate machinery for political matters, some of which are not unrelated to the economic competences of the Treaty institutions, suggests that there has been a gradual change in Europe's political system. Whilst during the 1950s and early 1960s supra-nationalism was decisively in the ascendant as against inter-governmentalism, this is no longer the case. The current system is a mixed one but the trends favour the use of traditional inter-governmental devices rather than supranational authorities as the main instrument for the development of joint European policies.

*The Performance of the Institutions**

Whilst an early generation of 'Europeans' may have hoped that the institutions themselves would help transform the Communities towards ultimate economic and political union, it is probably not very useful to attempt to assess performance by relation to attainment of these goals. Arguments about the alleged uniqueness of Community institutions already seem anachronistic in view of the changed political circumstances within which they are operating, and traditional structural functional analysis suggests that the best yardsticks for evaluating institutional performance to date must lie in reference to the constituent treaties and the tasks they imposed on the institutions. On this basis one method of procedure is to try to assess the institutions, collectively in the first instance, in terms of the kind of criteria which a rather sophisticated man on the Brussels tramcar might think to be relevant to the workings of the Communities.

In what follows the Community is scored in terms of such criteria, Group 1 representing a high score and Group 4 a low score (i.e. ranging from good to awful). The items are not necessarily in order within each group.

Group 1

1. *day-to-day routine execution at Community level as a result of delegation (sc. to the Commission).*
2. *ability of policy initiator to decide on own policy initiatives.*
3. *bringing together in ad hoc and standing groups of relevant national officials for numerous and frequent meetings.*
4. *execution by national authorities of detailed Community mechanisms.*
5. *self-organisational decision-making (Council, Commission, Parliament).*
6. *preparing negotiating mandates for trade negotiations and conducting trade negotiations.*
7. *developing organically the constitutional 'density' of the Community.*

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* *The first part of this section of the report, incorporating the criteria listings for institutional performance, is drawn from a discussion paper entitled 'The Community's Institutions: a Dissection of their Present State', which was presented to the Study group by P.J. Allott*

8. *involving national officials in routine execution at Community level (management Committees).*

9. *management of the common agricultural policy.*

Group 2

10. *delegation implementing authority (legislation of execution) between Community institutions (sc. Council to Commission).*

11. *publishing decisions (Official Journal and Bulletin).*

12. *package-dealing (inter-subject compromise).*

13. *setting and keeping to deadlines.*

14. *ensuring compliance of governments of member states.*

15. *ensuring compliance by persons and companies.*

16. *assimilating interest-group opinion in the decision-making process.*

17. *permitting secret deliberations before unpublished decisions.*

18. *creating the legal certainty required of a developed legal system.*

19. *accumulating loyal expertise at Community level.*

20. *respecting the letter of the Treaties.*

21. *amending the Treaties as necessary.*

Group 3

22. *ability of initiator to ensure adoption of its policies.*

23. *creating new policy in areas not fully developed nationally.*

24. *developing common positions for international monetary negotiations.*

25. *explaining decisions to public opinion.*

26. *developing aggregate Community expertise in technical matters.*

27. *encouraging no-reward intra-Community transfers of resources.*

28. *encouraging cross-national movement of persons.*

29. *permitting emergency monetary action at Community level.*

30. *permitting group pressure and loyalty to overcome national viewpoints.*

31. *encouraging group aggregate-consciousness among national governments.*

32. *encouraging group aggregate-consciousness among national ministers.*

33. *encouraging group aggregate-consciousness among national officials.*

34. *encouraging and harnassing 'European' idealism.*

35. *enabling good legislation to be adopted (well-drafted and mechanically effective).*

36. *avoiding LCM decisions; encouraging HCF decisions.*

37. *avoiding documentary Parkinsonism at Community level.*

38. *avoiding personnel Parkinsonism at Community level.*

39. *transferring burdens from senior national officials and not merely adding to their workload.*

40. *controlling and auditing Community expenditure.*

41. *simplifying intra-Community commercial transactions.*

42. *eliminating intra-Community customs barriers.*

43. *lowering intra-Community economic and monetary friction.*

44. *removing intra-Community trade distortions.*

45. *promoting intra-Community economic rationalisation.*

46. *promoting Community economic policy solidarity.*

47. *promoting Community monetary policy solidarity.*

Group 4

48. *assimilating general public opinion into the decision-making process.*

49. *promoting Community loyalty alongside national loyalty.*

50. *permitting secret deliberations prior to published decisions.*

51. *making use of the special 'political' contribution of elected representatives.*

52. *organising executive accountability to elected representatives at Community and national level.*

53. *involving elected representatives in legislation.*

54. *distinguishing law-making and law-implementation, legislation and subordinate legislation.*

55. *developing cross-area Community policies.*

56. *winning national government loyalty to guidelines (i.e. non-compulsory policies).*

57. *coordinating foreign policy positions.*

58. *establishing a distinct Community identity internationally.*

59. *establishing a distinct Community image in the member states.*

60. *ensuring democratic control of Community finance.*

Rationalising on the basis of the above, it is possible to argue that the institutions perform particularly well when the Commission is acting within those spheres over which it has been granted a large measure of autonomy. The institutions also work reasonably well where the criteria imply close collaboration between Council and Commission. However, the greater the relative competence of the Council as against the Commission the less successful the institutions appear to be. The nature of the Commission/Council collaboration contrasts strongly with those spheres involving or implying parliamentary or popular participation: the ratings on all possible criteria here are extremely low. One might tentatively conclude that whilst the Commission/Council relationship is well articulated and institutionally successful, Commission/Parliament and Council/Parliament (national or European) relationships seem to have virtually no institutional capacity for any task fulfillment. Finally, there is some implication that the capacity of the institutions to reach out autonomously beyond the limitations formally placed upon them is extremely small.

From this general survey the institutions emerge as having been reasonably competent in fulfilling the tasks specifically laid down in the Treaties. Autonomously they can achieve little more; their basic structure is likely to be less acceptable in the light of the re-emergence of inter-governmentalism; and they are possibly incapable in their present form of engendering the necessary degree of popular support for Europe. The current institutional pattern embodies 'Commission Europe', successful enough in dealing with certain tasks but unlikely to have the capacity for economic and political union. However, to gauge more accurately the performance and capabilities of the institutions, it is also necessary to look at the functioning of each in greater details.

The salient characteristics of the Commission lie in its independence, representativeness, collegiality and the intense verticality of its internal articulation.

Independence was intended in the Treaties to be the crucial attribute of the High Authority and the Commissions and it took various forms: - the right of initiative and the associated ability to act alone in certain ways in specified areas; non-dismissability by the member governments; and responsibility to a separate power base in the Assembly or European Parliament. In practice only the first form of independence has been fully operational: the Commission has maintained its right of initiative and also that of execution after the decision-making stage. The real motor of the Community lies in the collaboration between Commission and Council, but it is the activities of the former which supply the essential catalyst for decision-making. Even at times when sentiment amongst some of the member governments has run most strongly against the idea of Commission Europe, there has been no serious suggestion of taking away the Treaty powers of initiative and execution. Throughout the sixties the Commission produced streams of proposals, however political unimaginative they tended to become. In addition the role of the Commission in managing those common

policies agreed in the later 1960s differed remarkably little from that accepted earlier.

Non-dismissability has been much less of a bolster to independence, partly because its granting was a little half-hearted. The power of appointment was left in the hands of the member governments who tacitly agreed that each would appoint its own national Commissioners: there would be no joint selection of a politically homogeneous executive. A period of office limited to four years at a time means that the date for re-election is never far away. A Commissioner can make himself virtually indispensable for his country, as was the case with Mansholt, but the norm is that he will have a much greater dependence on those who appoint him than vice versa. Thus the French Government could effectively dismiss Etienne Hirsch as Euratom Commission President by non-reappointment. The same government later on illustrated the limitations of non-dismissability in another way when making it clear that the continuance of Hallstein as Commission President was unacceptable: he too had been 'over-independent'. Hallstein could have continued as a rank and file Commission member, but the demotion implied made this unacceptable.

It is arguable that non-dismissability has not really helped the Commission that much because the third measure of independence - the separate power base - has been non-operational. Some of the reasons for this can be considered later in the section dealing with Parliament, but a major feature has been the inability of the Commission to appreciate the real importance to itself of the body to which it is constitutionally responsible. Acting on the basis that Parliament will never operate the censure procedure, the Commission simply does not bother to secure firm advance support for its initiatives and proposals. The Commission seems happy to turn to Parliament only when it needs a fan club in the context of its prior - almost obsessional - relationship with the Council. This kind of support was quite inadequate to give any protection to Hirsch or Hallstein.

The second suggested characteristic of the Commission - representativeness - is likely to cause raised eyebrows. Once appointed, Commissioners take an oath to accept no instructions from any outside body, least of all their own national governments. Palpably they are not in any sense national delegates. Equally there is a clear intention that each member state shall have at least one Commissioner appointed - and subject to reappointment - by, in effect, the national government. Whilst any individual Commissioner may deem it wise not to assert too frequently his national links, there is an assumption that each is fulfilling a representational role towards the public in his country of origin. This has particularly been the case with the Commissioners for the new member countries. It is arguable that the low ratings given above on those criteria which involve Parliament and people reflect to some extent the Commission fear that any emphasis on the representational role will detract from its independence. One further facet of the representational role is worthy of comment. For a variety of reasons national links amongst members of the Eurocracy working

for the Commission are fairly strong: the national Commissioners tend to be at the pinnacle of this process.

Collegiality affects the work of the Commission in a number of ways. All the Commissioners are jointly responsible for all 'legal' actions of the Commission, defined in terms of the Treaties, and also for the actions of the civil service employed by them. Purely as a matter of administrative convenience the Commission has entrusted to different of its Members the direction of particular aspects of its work. However, there is no constitutionally defined notion of individual ministerial responsibility of a Commissioner for the General Directorate the work of which he supervises. In contrast with Ministries in national governments, a General Directorate has no legal persona. All policies and actions must be of the Commission as a whole. Whilst individual policies may become popularly associated with a particular Commissioner, responsibility is collective. In answering before the European Parliament, Commissioners are interchangeable whatever the subject under discussion. Collegiality of the Commission and distinctness from the Eurocracy which serves it are further emphasised by the existence of ministerial Cabinets. Each Monday, the Chefs de Cabinet, convened by the Secretariat, meet to prepare for the Wednesday Commission meeting. At both these tiers there is for the Community an almost unique veil of silence over the deliberations which would be quite unenforceable at any meetings within the Council aegis.

The meeting of Chefs de Cabinet is, in fact, the lowest level at which formal horizontal links exist within the entire Commission structure. The Eurocracy itself is organised entirely on vertical lines with only very occasional and exceptional provision made for liaison between Directorates and Divisions in different General Directorates when there is the most obvious functional overlap, as in the external field. In fact horizontal articulation within General Directorates is extremely feeble when compared to national ministries. As between General Directorates horizontal links are normally almost non-existent below A1 level: even then they are completely informal.

Based on these fundamental characteristics of the Commission, a sketch of its working methods can be given. Policies require to be drafted in accordance with Treaty commitments, Summit decisions or Commission timetables. The basic work will be organised at Division level within the appropriate General Directorate and almost the entire flow of the decision-making process will be vertical. At an early stage there will be consultation with outside parties, particularly national civil servants and interest groups, in the form of ad hoc meetings and a range of bi-lateral contacts. Whilst these meetings enable the Commission to draw on an extremely wide range of technical expertise and also to test the political climate, there is no necessary attempt to secure general agreement. The process at this stage is one of Commission policy making and <u>not</u> Community decision taking. A policy document will work its way, without any great secrecy, through the General Directorate without any significant horizontal communication prior to General Director level. A great deal of the work

of horizontal communication may not take place until a document is ready for adoption by the Commission and falls to be considered by the Cabinets. As late as the Chefs de Cabinet meeting, other General Directorates may be submitting various reserves for final resolution at Commission level. In a sense all this is, of course, at the pre-decision taking stage, but a great deal more is known about this than is usually the case at national level.

The basic characteristics of the Council are complex rather than simple and cannot be categorised quite as easily as those of the Commission. In the first place the Council is the institution which supplies the linkage between the European and national political processes. Whilst it is a Community institution, it is only partially 'communautaire' and it cannot in any sense be described as collegiate. Two other features are peculiarly important to the whole Council machinery: - it has evolved no system for delegating decision taking outside of a very limited number of areas: and it tends to ensure that all problems, however technical in origin, become deeply politicised.

During the period when it was optimistically hoped that European political institutions might soon largely replace those of the nation states, little attention was paid to the Council. Its rise to greater importance in the Community political system reflects and parallels the trend towards inter-governmentalism. Insofar as the European and national political institutions will have to co-exist in decision making for some time to come, the Council has a critical role in linking the two processes. It is the only level at which there is formal interchange between the two processes or systems. The contacts described earlier between Commission and national civil servants are totally at the behest of the former and do not form part of the formal decision making machinery of the Community. The links between national and European Parliament hardly exist outside the process of nomination of the membership of the latter. It is a consequence of the bicephalous nature of Community political authority - Commission and Council - that the first interaction between the two decision making processes takes place at ministerial level. The detailed work which goes into taking an actual decision after the tabling of a Commission proposal is carried out within the Council machinery and for these purposes various tiers of sub-authorities have been created, generally against the wishes of the Commission, who have tended to see in such bodies as the Committee of Permanent Representatives possible rivals for the future. Fluctuating membership, the fact that those who attend are delegates rather than representatives, the lack of any concept of collective responsibility and failure to maintain secrecy about any of the proceedings all militate against collegiality at Council level. In the French sense the Council cannot be described as 'communautaire', but during the 1960s and early 1970s the logic of curbing the political role of the Commission has led Ministers who attend the Council to take perhaps a more European view of their responsibilities. Such a tendency is re-inforced by the growing importance of the Committee of Permanent Representatives, which links top national officials to the Community political process. Whilst those who attend are even more

delegates than their Ministers, membership is more stable and there is some beginning to what could become a refined version of collective responsibility.

Despite the development of Coreper and the essential part it now plays in preparing the work of the Council, no formal machinery for the delegation of decision taking has been elaborated. Formally all items referred from the Council to Coreper have to be returned for approval even if this is expected to be automatic under the Points A procedure. There is no doubt that this slows down the working of the entire Council machinery. The only significant exceptions relate to the management committees, particularly in the agricultural sphere. These do work as collegiate organs, and even operate on majority voting, but they must be considered part of the machinery for carrying out decisions and policies already determined upon by the Council. In a sense the alternative to their establishment would have been a greater delegation of competences to the Commission alone.

The ineffectual nature of the machinery for delegation is probably a major contributory factor towards the tendency to politicise even the most technical issues. Part of the problem is that the Commission can never succeed in absorbing to the European level all the activities of those pressure groups likely to be affected by Community decisions. For such groups the national arena remains an important locus of activities. Action undertaken at national level to influence Community decision making processes inevitably leads to the politicization of issues which in a domestic environment would be considered technical questions for resolution within the appropriate Ministry. So long as the Council retains its present decision taking powers, it is hard to avoid a situation in which Ministers find themselves confronted with relatively trivial issues which they would normally expect to be resolved at administrative level.

A short sketch of the Council's working methods will complement that given earlier of the Commission. The Council's agenda is substantially influenced, if not fully controlled, by the flow of initiatives and proposals from the Commission. On occasions when a Minister independently raises a subject for discussion in the Council, this is likely to be referred in turn to the Commission, after which the normal procedure will apply. On receipt of a Commission proposal, the Council is likely to have a short 'take note' discussion before referring the question for what is termed 'more detailed study' by the Permanent Representatives. In one sense this next stage is perhaps the most crucial in the entire process of Community policy making, for Coreper both negotiate with the Commission - as a result of which the proposal may ultimately be formally amended - and also involve formally experts from the national administrations, sometimes in ad hoc or special committees. By fulfilling a kind of brokerage role between the European and national decision making processes, Coreper are illustrating the current dominance of the Council. The Permanent Representatives seek to isolate the political aspects of any question from the technical, although 'political' here carries a wide definition,

embracing any issue on which there is substantive disagreement between member governments. Such 'political' matters can only be resolved at Council level, possibly in the context of a package deal. However, there are occasions when progress on the 'technical', i.e. 'non-political', aspects must be held up pending a Council decision. This may necessitate a number of references up and down as between Coreper and Council. Since decisions can, formally at least, only be taken at Council of Ministers level, there are always bottle-necks in the process.

The entire Community decision making and decision taking processes revolve around the close collaboration between Council and Commission, especially that which takes place at Coreper level after the Commission has formally tabled its proposals. This leaves very little scope for effective influence by the third major institution - the Parliament. Compared to national Parliaments, the European body may seem virtually castrated, lacking the power to legislate - or to veto legislation - and without sufficient instruments to exercise any effective control over the twin political authority. On the legislative side, Parliament has the right to be consulted, but since approval is not needed this is of limited value when the final decision, dependent on unanimity in the Council, may be hammered out between that body and the Commission in the course of one or more marathon sessions. Even more important is that Parliament's control over the purse strings is still extremely limited: it cannot affect the bulk of the Community budget in any way. Possibilities of checking and controlling the political authorities only arise out of the constitutional power to dismiss the Commission. Whilst this makes the Commission responsible to Parliament and theoretically gives a functional and logical coherence to the latter's activities, there has been no indication that a classical executive/legislative relationship might emerge. Given that the crucial Community conflict/relationship lies between Council and Commission, Parliament seems both to sense and accept its own impotence. It cannot control the Council in any way and there has been no attempt to forge institutional links with the national Parliaments which theoretically control the individual Ministers. On most issues a majority in Parliament supports the Commission line, especially when this meets with national opposition in the Council, and can usually visualise no role other than standing on the sidelines to cheer, usually in the form of a relatively anodyne motion passed virtually unanimously. Any attempt to use the weapon of dismissal would clearly have enormous implications for the entire Community and they would certainly go far beyond any particular issue which occasioned the clash. In effect Parliament would be making a unilateral attempt to change the entire Community political process by levering itself into the policy making process. A majority has always felt that this would be far too dangerous a course at this stage in the development of Europe: the resultant institutional crisis would probably weaken the Commission without strengthening the Parliament and would only result in further increasing the dominance of the Council. Unfortunately the net result of this cautious attitude is that Parliament seems unwilling to fight for increased powers and prefers to wait until they are bestowed. Parliament is simply not credible as a power base for the Commission in its conflict/relationship with the Council. Its failure must be considered a major factor in the gradual change in the internal Community balance between Commission and Council.

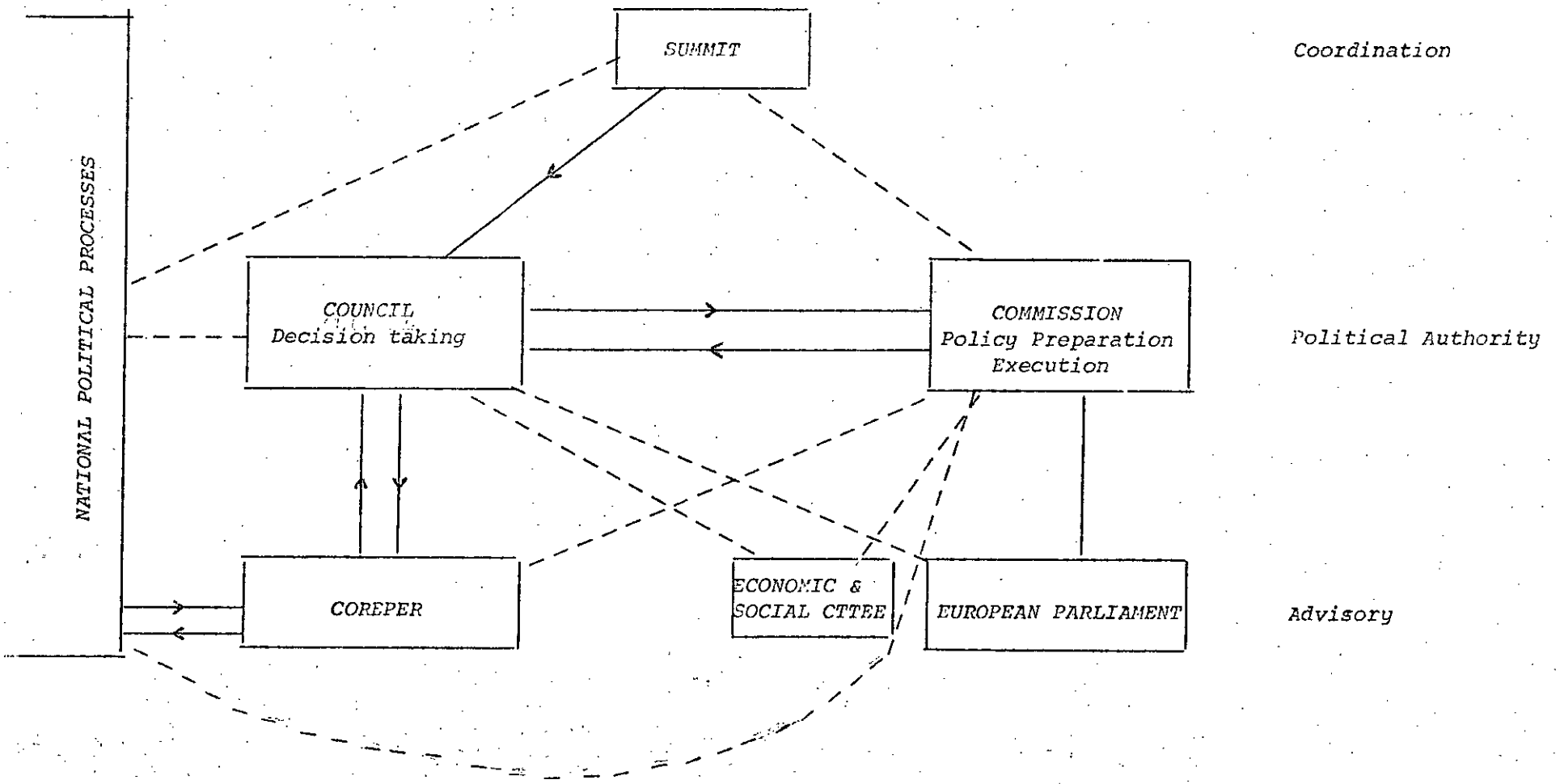
There can be no doubt that of the three major European institutions, Parliament has been completely unsuccessful. If one refers back to the list of categories with which this section began, it is noticeable that those in Group 4 - where Community institutions rated the lowest - rely in many cases for effective fulfillment on the European Parliament. Given the importance of popular involvement and participation in the Community as well as effective control of executive power, it is tempting for would-be reformers to concentrate on Parliament, especially as the case can be cogently argued without necessary reference to the ultimate destination of the Community. However, it must be stressed that the Community is governed by and through a political system of which Parliament is only one feature. Major changes in any one part of this system are bound to affect the operating circumstances for all other parts. It follows that even if one is concerned only with current institutional performance in respect of those tasks already delegated to the Community, the argument would still have to be widened. The task of the second part of this paper is to consider the case for institutional reform against both current performance of current tasks and also the likely future role and scope of the Community.

Towards Reform

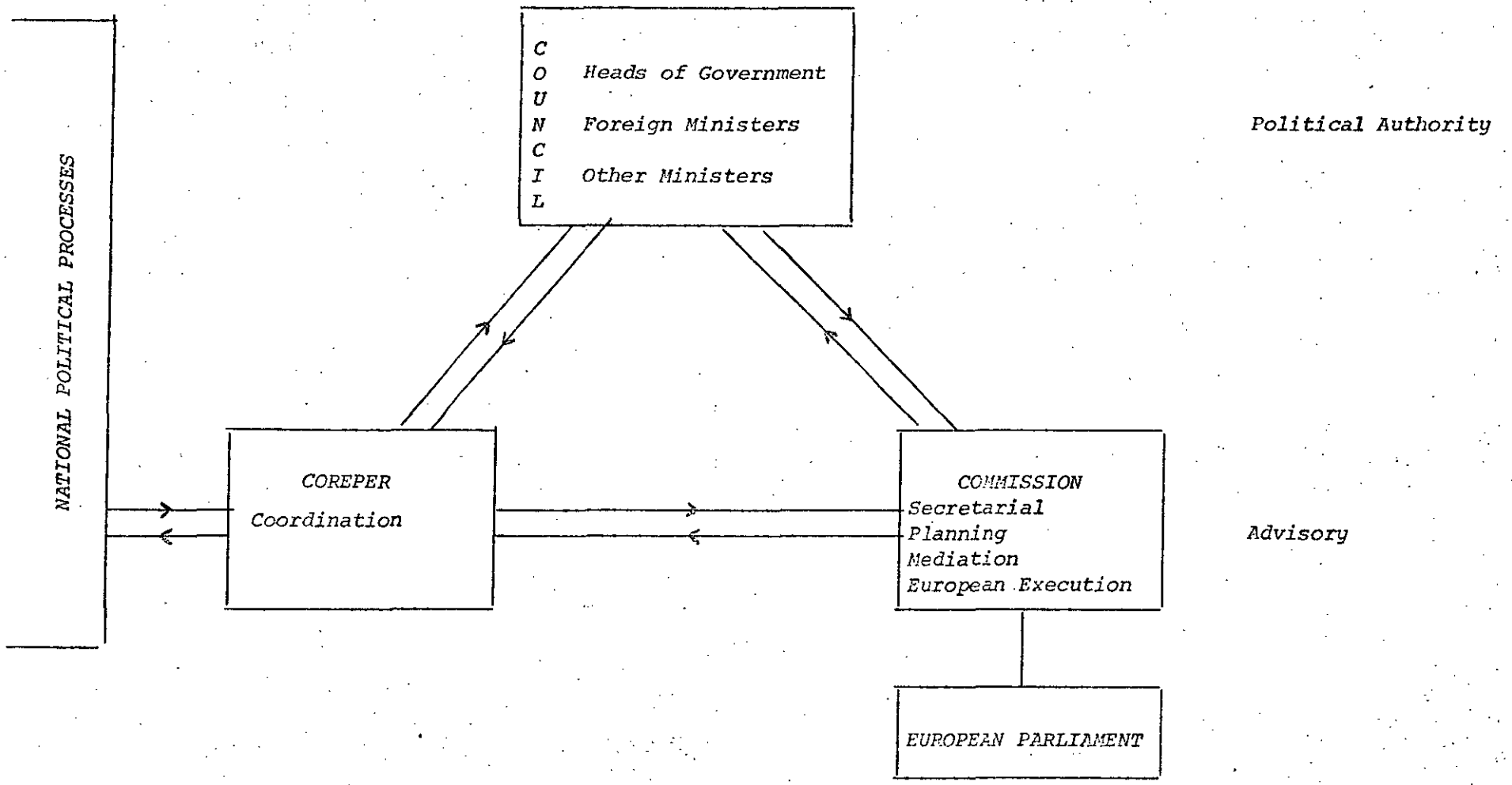
Arguments for or against political reform are often posed as if one relevant alternative were the indefinite continuation into the future of any current institutional pattern. In practice, political and economic realities are subject to continuous change: other things are never equal. One test of any set of political institutions lies in its ability to adjust autonomously to changed circumstances. At one level the future course of world events is bound to have a profound influence on the shape and purposes and, therefore, the institutions of the European Community. Between such external events and any ultimate implications for Europe's institutions lies the entire area of policy making. One may legitimately assume that to a certain extent Europe's leaders will be able to determine their own institutional responses and later on this paper will sketch some possible scenarios. Already, though, there is some evidence that as constructed the European institutions are restricted in their ability for autonomous self-adjustment as overall political circumstances change. However, the argument about the mechanics of institutional change can be switched to quite another level. Within the present Community, inputs from the policy makers have themselves resulted in certain changes in the institutions. The actual performance of the institutions in recent years differs markedly from the originally intended pattern, and there may be further changes if one undertakes the very risky task of trying to extrapolate from current trends.

Earlier consideration of the present institutional pattern of the Community suggests a number of such trends. First, there seems to be increasing use of summitry as an integral and necessary part of Community institutional life. Secondly, there is some tendency to assign new tasks going beyond the present scope of the Community not to the existing institutions, but rather to specially created inter-governmental machinery. Third, in the determination of Community policy there has been a discernible shift in power away from the Commission and in favour of the Council. Fourthly, concern at the failure of the European Parliament is now so widespread that some tinkering with the present system seems inevitable: any increase in the power of Parliament will not be at the expense of the Council. If these tenuous extrapolations are correct then two alternative institutional models offer possible starting points for any discussion of reform. Model A (p.15) most closely resembles what is apparently current practice. There is a dual political authority, Council and Commission, each with specific functions and competences in both the legislative and executive spheres. At top level, overall direction is given to their work by occasional meetings of Heads of Government, whilst lower down appropriate liaison is maintained through various ad hoc channels, particularly those around the Coreper. There are also various advisory bodies, one of which - the European Parliament - has a special relationship with the Commission. Model B posits a continuation of the present trends and places the Council at the centre of the political spectrum meeting in various forms, but at the highest level in the form of Summits laying down packages and timetables. The Council is assisted by two subsidiary bodies - Coreper which coordinates the work at administrative level and supplies the linkage to the domestic political process; and the Commission with a mediating and secretarial role.

Model A


NATIONAL POLITICAL PROCESSES
SUMMIT
Coordination
COUNCIL
Decision taking
COMMISSION
Policy Preparation
Execution
Political Authority
COREPER
ECONOMIC &
SOCIAL CTTEE
EUROPEAN PARLIAMENT
Advisory

Model IB


NATIONAL POLITICAL PROCESSES
COUNCIL
Heads of Government
Foreign Ministers
Other Ministers
Political Authority
COREPER
Coordination
COMMISSION
Secretarial
Planning
Mediation
European Execution
Advisory
EUROPEAN PARLIAMENT

Some of the dilemmas facing Europe's reformers can now be stated. The capabilities and potentialities of Model A can be assessed through experience. For those who believe in a future 'political Europe', Model B offers a quite inadequate institutional framework for fulfilling those tasks which will require in future to be delegated to the Community. Should reformers concentrate on campaigning for the delegation of those tasks at an early date in the expectation that the inadequacy of the institutions will automatically necessitate change? Alternatively, dare they assume that the argument for delegating wider competences to the Community will itself be automatically won as world events demonstrate its necessity, so that the urgent task is to ensure adequate institutions when that time comes? Posing such questions produces no automatic answers, and in practice there is no one homogeneous group of reformers who will opt to concentrate all their fire on a single target. This paper is concerned with institutions, but meaningful proposals for change can only be made on the basis of certain assumptions about the future scope and role of the Community. Before considering these assumptions, however, some general yardsticks for measuring institutions can be suggested.

The two most important general yardsticks are efficiency and legitimacy. Reference to the table at the beginning of the preceding section is one method of gauging institutional efficiency. Another approach would lie in micro-investigation of decision flows. Some parts of the decision making process were clearly functioning at near full capacity even before the Community was geographically enlarged and might well not be able to cope with increased competences. In particular, the Council structure acts as a bottle-neck so long as all actual decisions must be taken at Ministerial level. Another area of inefficiency relates to the linkage between European and domestic political processes. The fact that Commission proposals are made with only minimal, non-formal inputs from national administrations may lead to duplication and time wasting. In addition this is a contributory fact to the politicization of technical issues which enforces detailed discussion as well as formal decisions at ministerial level. Finally the habit of gearing all Community work to infrequent Summit Meetings weakens and slows down the regular institutions. In the past the crisis has been used as a catalyst for progress on major issues: use of the summit in the current manner embodies the notion of crisis so deeply into the Community system as to endanger normal working. All these criticisms are primarily of Model A, but they would be likely to apply with even greater force to Model B unless Coreper were upgraded into a major Community institution in its own right. However, this is to jump the argument.

The other general yardstick is legitimacy. Europe's institutions will be legitimate insofar as individual citizens are prepared to accept decisions made by them even when their own lives and livelihoods are affected and insofar as there is (consequently) a transfer of loyalties and expectations to those institutions. Without this acceptance of the institutions and some associated transfer of loyalty, integration - the peaceful merger of decision making processes and the creation of joint policies to the point of effective political union - will be unable to proceed beyond a certain point. It is desirable, of course, that the European institutions only receive the accolade of legitimacy if they are organised in accordance with certain democratic principles, but the critical operating

condition for integration is legitimacy rather than democracy. Turning back again to the criteria table for institutional performance and more particularly Group 4, the limited capacity of the institutions for engendering their own legitimacy is demonstrated. Supporting evidence can be gleaned from an opinion poll carried out for the Commission in all nine member countries in Autumn, 1973. The following table brings together answers given to several different questions: - first, whether certain specified issues should be dealt with by a European government or by the national government; secondly, whether membership of the Common Market has been a good thing for their country and themselves respectively; and thirdly, support for possible political developments in the Community. A number of conclusions may be drawn. There is significantly more enthusiasm for giving to a European government the handling of those tasks furthest removed from everyday life, even where they involve issues of 'high' politics. In all cases more people see national than see individual benefits from Community membership. Finally, for eight of the countries (excluding Germany) far more people are prepared to give some competences to a European government (and, therefore, by implication to support the notion of such a government) than seem prepared to support the institutional means which might help bring this about. In the original member countries at least the very notion of Europe itself has a legitimising effect which the institutions have not so far exploited.

	Major negotiations with USA/USSR etc.	Aid to Developing Countries	Scientific Research	Economic Growth	Rising Prices	Poverty & Unemployment	AVERAGE for all ten issues in survey	Is it a good thing to belong to the Common Market? For your country?	Is it a good thing to belong to the Common Market? For yourself?	Are you in favour of European Political Union?	Are you in favour of Direct Election of European Parliament?
Belgium	80	75	74	57	46	41	59	57	46	58	52
France	65	70	75	54	50	48	57	61	50	57	51
Germany	70	77	70	49	53	59	62	63	47	70	69
Italy	79	81	77	62	50	55	65	69	54	65	64
Netherlands	81	77	75	64	56	51	65	63	48	55	62
Luxembourg	87	86	86	68	69	66	73	67	42	69	67
U.K.	57	67	56	36	31	30	44	31	22	26	33
Denmark	66	56	78	46	46	37	50	42	32	28	36
Ireland	74	73	73	43	27	33	47	56	41	35	45

The nature of these conclusions is important for the course of European integration. Government within Community countries rests on consent and the creation of any kind of political union would be quite impossible to visualise without a substantial degree of public support. One could even argue that given the present policies and attitudes of member governments, positive public demands will be necessary if further progress is to be achieved. It may be significant that there is at the moment a clear congruence between the ministerial predilection for an inter-governmental approach and the evident public support for transferring to a European authority certain kinds of tasks rather than others. The diagram on page 20* represents one attempt to theorise about the possibilities of institutional change in Europe through looking at the nature of the decisions which require to be taken.

The argument is that where decisions to be taken at European level primarily affect governments, institutional demands can be satisfied through inter-ministerial meetings in the Council context with the existing national parliaments applying any necessary legitimation where decisions involve a degree of coercion. To take some examples, talks with super-powers, aid for developing countries and scientific research are questions which in the first instance primarily affect governments. The second and third may have certain tax consequences, implying a degree of coercion and necessitating parliamentary involvement. However, these are questions which can be dealt with through this tier of institutions. Where decisions at European level affect pressure groups, there must be scope for lobby activity. This is catered for by some of the specifically Community institutions, above all the Commission. On the diagram the common agricultural policy falls around the area marked with a star. Moving to the point where European decisions directly affect individuals in spheres such as taxation and social policies, there will be demands for representative institutions which could only be accommodated through some kind of federal executive and federal legislature, the latter being particularly important where some degree of coercion is involved.

Whilst much of this may seem pure political theory, it does help to clarify the issues involved and, therefore, to answer some of the questions posed earlier. The nature of the institutions should be determined by reference to the tasks they are required to fulfill. A theoretical framework is available for testing the institutional impact of different kinds of tasks, whilst the relative capacity of the existing institutions for such work can also be assessed. Before finally attempting any kind of blueprint for institutional reform, it is necessary to examine the scope of the future Community.

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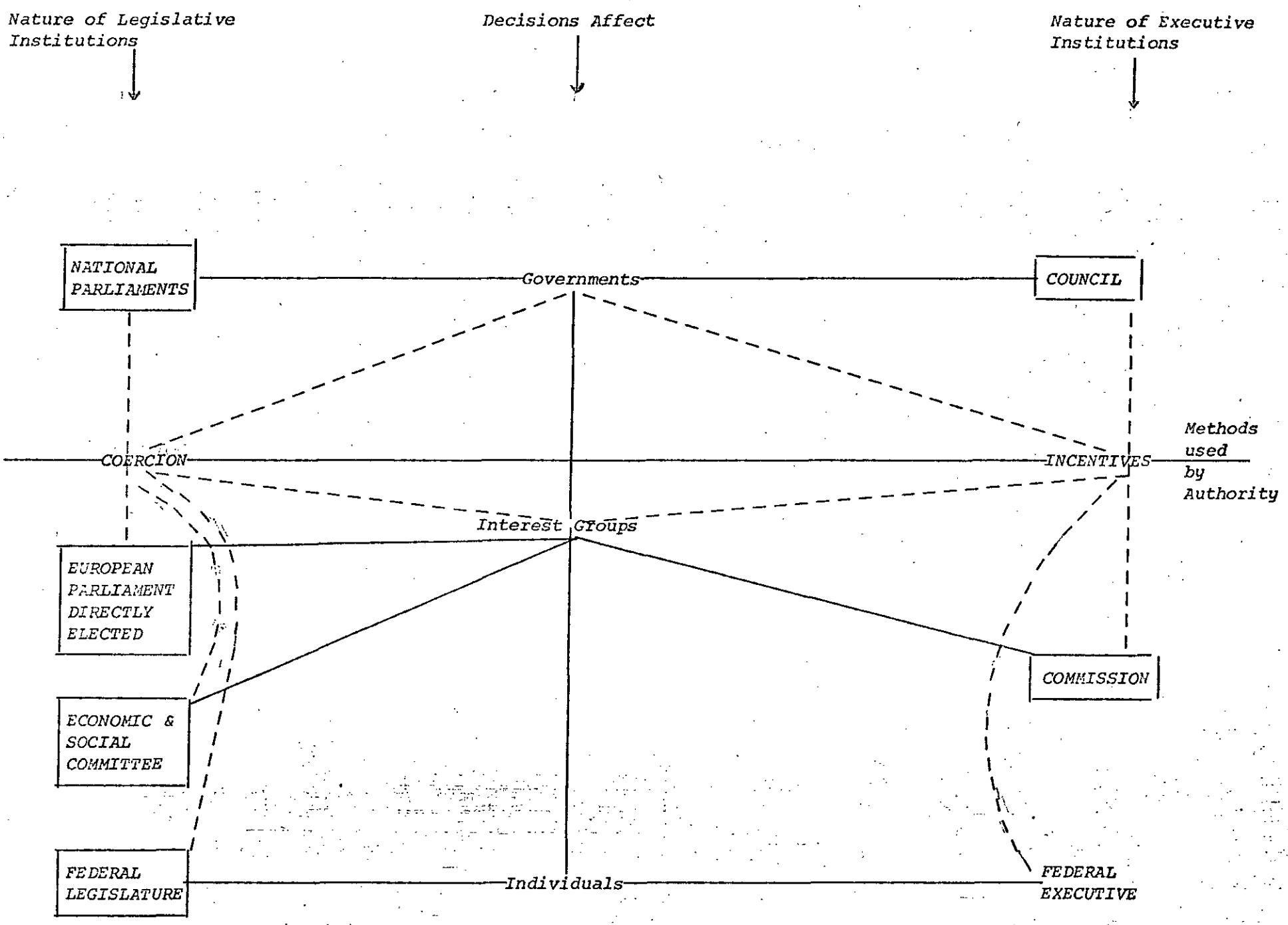
* Presented to the Study Group in a paper by M. Steed.


Nature of Legislative Institutions
Decisions Affect
Nature of Executive Institutions
NATIONAL PARLIAMENTS
Governments
COUNCIL
COERCION
INCENTIVES
Methods used by Authority
Interest Groups
EUROPEAN PARLIAMENT DIRECTLY ELECTED
COMMISSION
ECONOMIC & SOCIAL COMMITTEE
FEDERAL LEGISLATURE
Individuals
FEDERAL EXECUTIVE

Tasks and Strategies

No single territorial unit is optimally equipped to carry out all government functions. The nation state is an artificiality, characterised only theoretically by rational geographical boundaries and ethnic, religious or linguistic peculiarities of its people. For some tasks the nation state may be the optimum size, but for many it will be too large or too small. Similar objections may be made against any European super-state and there is certainly no logic in the present configuration of the Community, but the central argument for integration is that the nation states are individually confronted with a number of important tasks which can be very much more effectively accomplished if they work together through joint institutions. This argument is sometimes modified by the suggestion that the appropriate method of dealing with such problems may not always be through the Community unit. However, from a practical point of view there are many advantages in limiting the number of centres at which government type decisions are being taken. The establishment of a range of different Communities for different purposes would create insuperable administrative difficulties which might ultimately outweigh the gains in task fulfillment.

In the future the European Community should fulfill those tasks for which it is nearer to the optimum unit than to the nation states or where there is a clear utility gain from mutual cooperation. It must be in the national interest for states to opt for a European level approach to those problems with which they are themselves too small to deal successfully. The tasks or problems fall into two broad categories. One is external, concerned with the position of Europe and its component states in the international system and with their relations with countries in the rest of the world. The other is internal, involving the social and economic well-being of European citizens.

In the external field, it is difficult to think of any purely national interests for European states. The major problems confronting them revolve around four inter-related issues - the East-West politico-ideological conflict; the North-South economic disparity and the politics of development; the security of supply of raw materials; and the international monetary and financial system. No long term gains can accrue from attempts by any individual European state to deal with these problems on a unilateral basis. One illustration lies in relations with oil producers. Confronted by an oligopoly of suppliers, European countries may seem to gain by competing with one another to secure various quantities of oil at apparently favourable prices. In the long run, though, such actions increase the bargaining (or blackmailing) power of the relatively united producers and help to increase prices, in real if not monetary terms. Competition in the sphere of economic development is likely to be equally costly, whilst the political tensions engendered may offset the intended stabilising effects of the assistance. In the international monetary sphere individual European countries do not have the capacity to exercise any control over the periodic bouts of currency speculation which may have serious internal economic effects. The East-West problem involves the defence sphere where there is some disparity of policy between Community members, seven of whom are linked in a security pact with the USA. In fact there is no disparity of defence

interest which is virtually identical for all countries in Western Europe and not totally identical with that of the USA. Europe needs some form of guarantee against further advance by the Soviet Union, whilst running the absolutely minimal risk of nuclear conflict. Different policy ripostes do not affect the fundamental identity of interest, but they do limit the possibilities of securing that interest. Any major security initiative on the part of the USA or the USSR (or both together) will affect European countries similarly, necessitating a collective response. Whilst a wider Community membership might be desirable for these purposes, lack of it should not inhibit attempts to promote a common policy.

In the internal sphere there is no obvious demarcation in practice between those tasks best handled by national governments and those which might become the preserve of a European authority. Over-zealous worship of the economics of scale argument may be partly responsible for contemporary problems of alienation: other things being equal, there is some advantage in using relatively small governmental units where possible, but this is not always the practice within nation states. The appropriate size of a government unit in a particular policy area ought to be governed by reference to the inputs into, and outputs from, the decision making process which go beyond the goegraphic competence of that unit. Thus local authorities usually only have very limited responsibilities for major transport routes which pass through their geographic territory, but they may legitimately expect full powers over their parks, museums and libraries. Policy areas substantially influenced by, or substantially affecting, other nation states are best tackled at a supra-national or international level. A dividing line may rest between the socio-cultural and socio-economic spheres. Education, cultural services, housing, welfare policies should continue to be dealt with by the nation states, although not always at the sole level of central government. Economic planning, investment, monetary policy, energy problems will be more appropriately dealt with at European level. Transport, environment and pollution overlap the two categories and some division and coordination would be necessary.

The Community already has some competences in those fields marked out for European endeavour, but there has usually been little progress. The first stage of the move towards the Economic Union intended by the EEC Treaty lay in the creation of a Common Market for goods and services. Most of the work of the Community institutions to date has been aimed at securing that Common Market through an equalising of the conditions of competition. Policies relating to persons and factors of production have tended to be consequential and secondary, rather than important goals in their own right. The result has been the obsession with uniformisation and harmonisation which has often taken the Community into areas which ought to be the preserve of the individual states. There is a need to switch priorities; to accept that the Common Market has been established and to seek to complement, rather than to bolster, it through the emergence of joint policies in these new areas.

Transfer of competences on this scale to European authorities seems most likely to come about in one of two different ways, or more likely through a

mixture of both. The 'incremental' approach to integration almost reverts back to 'spill over' in anticipating that the creation of European policies will continuously engender demands for an increasing number of tasks to be taken over by the central institutions. In this way the Community might acquire responsibility for many more tasks in the internal sector, but one major problem is that this may result in the new sectors being treated as consequential rather than primary with the difficulties already discussed. 'Incrementalism' posits that whilst the pace of integration may vary, the direction will not, and that in due course joint economic and social policies could beget a political union. The 'external' approach in contrast asserts the qualitative difference between common regulations and a politically united Europe which can never be bridged by any amount of incrementalism. According to this approach, Europe's governments are required from time to time to make extraneous decisions - possibly under the influence of some outside threat, possibly under pressure from federalist groups - which change the whole scope of integration. Such decisions will be needed before the point of economic union and again prior to any real political union.

It can, of course, be argued that the decision to create machinery for political cooperation represents one such extraneous decision by the governments, although the exact impact this will have on integration is as yet unclear. The very notion of the 'external federator' seems less intellectually respectable since the development of the most recent threat to Europe, that by the Arab oil suppliers, and the instinctive, totally non-communautaire response of the member governments. There is always a search for a 'deus ex machina', institutionally to keep the Community working and functionally to ensure the continuation of the integration process. One possibility lies in the development of the Community budget*.

At present the total Community budget is equal to only 0.6% of the combined gross national products of the nine member states, with a target of no more than 1% by 1976. This compares with national budgets equal to about 30% of GNP and is hopelessly inadequate if the Community is going to play a serious role in economic management or if it is intended to pursue an effective social and economic regional policy. Whilst the member states would hardly contemplate at this stage a European budget on the same relative scale as their own, they might consider one which gave the Community the same kind of spending power as, say, the governments of France, Germany or Britain. Such a budget would be equal to about 10% of combined GNPs and might not be unreasonable if the Community were taking over much of the conduct of foreign policy, including the entire cost of overseas aid, as well as the internal European tasks indicated. Reverting to the theoretical model of the last section, a budget on this scale would imply substantial Community taxation - possibly a value added tax of 15% as against the currently intended maximum of 1% - which could only be legitimised through a federal legislature. Equally such sums of money could only really be handled by a federal executive.

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* The section on the notion of a Community budget is drawn from a paper given to the Study Group by John Pinder

A New Institutional Structure

The nature of the tasks which it is suggested should be transferred to a central European authority implies the ultimate emergence of a Federal Executive and Federal Legislature. Even if this cannot be achieved in the short run, any sound strategy for reform must keep the ultimate goal in mind. The present institutional structure is not ideally equipped to fulfill the tasks discussed. Neither the Commission nor the Council as presently constituted looks like the precursor of a Federal Executive whilst the European Parliament has none of the necessary powers and attributes of a Federal Legislature. The collaboration/conflict between Council and Commission which has been the catalyst for the emergence of common policies cannot offer a satisfactory basis for a European Union which will be taking over many of the 'high' politics competences from the nation states. In the past, 'Europeans' have been consistently tempted by the vision of the Commission becoming a nascent Federal Executive whilst the Council withers into a kind of Senate. Such a vision runs palpably counter to present trends, but there are more fundamental objections.

Whilst the Commission has continuously asserted its own political nature, its appointment and composition ensure that it resembles very much more a group of civil servants, albeit both technically brilliant and politically skilled. The power of federal execution in areas of high politics or of everyday economic life could not be handed over to such a group in a democratically constituted Europe. In addition a Commission made up, as at present, of nominees selected apparently randomly through nine different national machineries can never be sufficiently coherent politically to give the Community the necessary overall direction from its continuing position of ultimate dependence on the Council. The only evolution which could lead to the Commission taking this role would be through Parliament acquiring the right to appoint as well as dismiss, so that national balance and control would disappear and the nascent executive would have political homogeneity and the power base of majority support in the nascent legislature. Such a pattern might look almost the ideal blueprint for a perfect world, but it is not going to happen in a Europe of which the nation states will remain a powerful element. There is no conceivable evolution which could bring about this kind of institutional pattern.

The second broad alternative arises out of Model B discussed earlier, and visualises the Council becoming the major driving force of the Community and ultimately the nascent Federal Executive. It can, of course, be immediately objected that the Council will be as little politically coherent as the Commission, but this will be compensated by their direct representation of the major political power within Europe - the nation states. Since, in any event, agreement in the Council is always necessary for progress, this kind of strategy is more clearly founded on realities. It also suggests a short term tactical programme for reform, because at present constituted the Council framework and machine would be palpably inadequate as a basis for a Federal Executive. In the first place some kind of majority voting will be essential,

simply as an administrative speed to decision taking. Secondly, the Council itself needs to acquire a greater collegiality on the basis of which a modified doctrine of collective responsibility might ultimately emerge. This necessitates some kind of permanent, politically high level membership. The most obvious solution would be European Ministers who would in a sense be a political magnification of the present Permanent Representatives. Thirdly, the Council would have to establish means of delegating far more work to lower levels. This introduces the question of the future of Coreper and its relations with both the Commission and the Council Secretariat.

The evolution of both Coreper and the Council Secretariat have been profoundly influenced by the Commission insistence that it is an independent political body. As a result the two newer organs undertake much which should logically be the preserve of the Commission. The logical task for Coreper is to make decisions on minor or technical matters, to hold initial discussions on all other questions and to act as the linkage point with the national political processes. The logical task of the Commission is to draft proposals for common policies, to facilitate agreement within the Council through brokerage, to act as a Secretariat to the Council and to supervise the execution of policies. The Council Secretariat should be abolished. The Commission should work through and with Coreper in early stages of policy making, so that its proposals are not totally independent.

The objection to this kind of structure is that the Council/Federal Executive might be unable to establish an overall direction for its activities. The present drive given by the Commission might disappear in this new configuration. The solution lies in the tenth seat approach. The Commission itself should become a member of the Federal Executive as permanent Chairman or President, placing it in the ideal position for brokerage. Just as the national Ministers would have a formal political responsibility to the national Parliaments, the new Community President or Commission would have the same responsibility to the European Parliament. Whilst the Commission might still consist of thirteen individuals nominated by their governments, their position would require ratification by the European Parliament. In order to give some overall legitimation to the Community, Parliament must be directly elected and must have full powers over the budget together with at least the right to vote or not vote en bloc for any legislation emerging from the Executive. These would be powerful weapons of parliamentary control, but their exercise should not slow down intolerably the normal working of the Community.

A diagram setting out the major features of the proposed institutional arrangements is given below as Model C. It offers the Community a coherent institutional pattern which could be the basis for a gradual movement towards a European Federal Union. If this were adopted as the final goal, it could obviously not be attained overnight, but a short term tactical programme of reforms would suggest itself: -

1. The Council to evolve administratively clearer methods of decision taking through an effective system of delegation and some voting, although lip service to unanimity could for the moment still be paid.

2. All member states to appoint high level Ministers for Europe who would be based normally in Brussels.

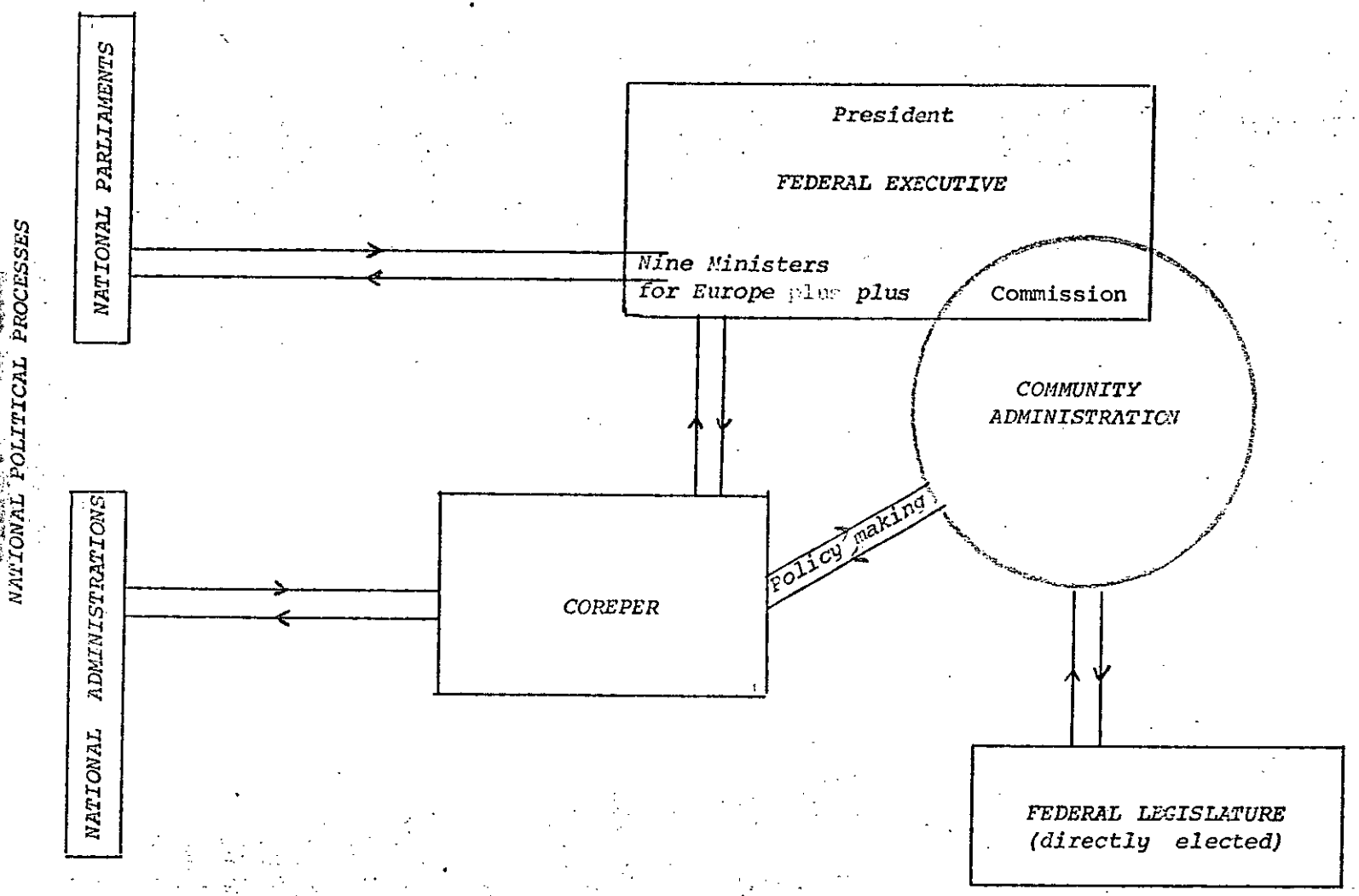
3. The Council Secretariat should be abolished and its powers given to the Commission.

4. The Commission and Coreper should begin to work together in the formulation of proposals being drafted for the Council.

5. Parliament should be directly elected.

6. Parliament should be given the power to vote the budget and to approve the composition of the Council.

Model C


NATIONAL POLITICAL PROCESSES
NATIONAL PARLIAMENTS
President
FEDERAL EXECUTIVE
Nine Ministers
for Europe plus plus
Commission
COMMUNITY
ADMINISTRATION
NATIONAL ADMINISTRATIONS
COREPER
Policy making
FEDERAL LEGISLATURE
(directly elected)

(2)

COMMENTAIRES SUR LES CONCLUSIONS DU RAPPORT DE STANLEY HENIG SUR LA STRUCTURE INSTITUTIONNELLE DES COMMUNAUTES EUROPEENNES

par Robert TOULEMON.

Les propositions présentées à la fin du rapport (modèle C) constituent une tentative intelligente de compromis entre l'approche fédérale et l'approche intergouvernementale. Mais, sans doute parce qu'elles reflètent le résultat d'une réunion déjà ancienne, elles ne tiennent pas compte de la nature et de la gravité de la crise que traversent les Communautés.

Les traités de ROME ont été élaborés après l'abandon de la C.E.D. et de la Communauté Politique. Ils étaient le résultat d'une relance de l'intégration européenne sur le terrain de l'économie, après un échec sur le terrain politique. Le succès du Marché Commun, la persistance de la querelle institutionnelle, l'adhésion d'Etats peu désireux de s'engager immédiatement sur le terrain politique ont contribué à maintenir l'intégration sur le terrain économique. Le refus des élections directes au Parlement européen, l'abandon de la règle majoritaire dans le Conseil ont achevé de "dépolitiser" les Communautés et de les éloigner de l'opinion publique.

Cependant, s'est développée une illusion suivant laquelle la réalisation progressive d'une union économique et monétaire européenne ouvrirait la voie à une union politique ultérieure. Les crises monétaires avaient commencé à dissiper cette illusion. La manière dont les gouvernements ont réagi devant la crise du pétrole et la paralysie qui en a été la conséquence dans tous les domaines ont achevé la démonstrati

... / ..

Il est clair désormais que, faute d'une relance sur le terrain politiq non seulement les Communautés ne feront plus de progrès, mais encore les acquis communautaires seront dissipés les uns après les autres. L'union douanière elle-même est menacée de disparition par le jeu des mesures de sauvegarde et des rétorsions.

Donc la réflexion institutionnelle doit porter par priorité sur le domaine politique. Comment créer entre les Etats une structure de réflexion et d'action qui leur permette de définir une sphère d'intérê commun et d'action solidaire, comment mener cette action de manière efficace et en préservant, au moins pendant une période transitoire, une marge suffisante d'autonomie nationale.

Dans ce domaine, bien des suggestions peuvent être présentées. En ce qui me concerne, je pense qu'un grand débat, conduit avec les moyens de communication moderne, devrait précéder et préparer la relance. La radio et la télévision, utilisées avec imagination, permettent des échanges simultanés d'opinion auxquels un grand nombre d'individus et d'organisations pourraient être appelés à participer, sous les formes les plus diverses : depuis les face à face télévisés à l'usage du public de l'Eurovision, jusqu'aux "multiplex" privés permettant à des personnes réunies en de nombreux points différents du territoire communautaire d'échanger leurs idées. Il est consternant qu'un plus grand effort n'ait pas été entrepris pour mettre les moyens modernes de communication au service de l'union européenne.

Organisé par les gouvernements, le débat devrait être ouvert à toutes les forces politiques, économiques, sociales et culturelles existant dans les pays de la Communauté. On ne chercherait pas à éviter dans

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ce grand débat les sujets qui présentement divisent les Européens : rôle du profit, place des travailleurs, relations avec les Etats-Unis, défense de l'Europe, désarmement et sécurité collective, politique étrangère de l'Europe... Mais ce débat serait organisé de manière à mettre en évidence le fait que l'opinion de chaque pays est divisée sur chacune de ces questions, alors que leurs intérêts sont communs. Ainsi, peu à peu la notion d'un arbitrage politique au niveau européen deviendrait acceptable pour les opinions publiques nationales.

Les Parlements nationaux et le Parlement européen seraient le point d'aboutissement de très nombreuses discussions engagées simultanément sur tous les niveaux possibles. L'élection directe du Parlement pourrait être décidée au moment où les opinions publiques commenceraient à être sensibilisées.

Mais le Parlement ne serait pas élu pour se prononcer sur la composition de la bière ou sur les pistolets de scellement. Son mandat serait de prendre connaissance des résultats du grand débat européen et de préparer une charte d'union en accord et en collaboration avec les Parlements de chacun des Etats membres ou avec une assemblée désignée par eux. Le projet ainsi élaboré serait ensuite soumis à une Conférence au Sommet des Chefs d'Etat et à un référendum populaire organisé le même jour dans toute l'Europe. Les pays où la majorité aurait approuvé le projet deviendraient alors membres de l'Union.

Ce processus, s'il était engagé en 1974-1975, pourrait conduire à l'élection directe du Parlement européen en 1977-1978 et au référendum européen en 1980. Ce calendrier serait en définitive assez proche de celui envisagé lors du Sommet de Paris d'octobre 1972 (Union Européenne en 1980).

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Dans l'intervalle, l'intégration économique ne serait certes pas abandonnée. Mais on donnerait la priorité à la préservation de l'acquis et à des réalisations propres à intéresser l'opinion publique : politique sociale (indemnisation communautaire du chômage), politique régionale, politique d'environnement, politique d'information (création d'un système européen de radio et de télévision émettant dans les différentes langues, en liaison étroite avec les réseaux existants).

Mais on renoncerait à établir une union monétaire comportant des taux de change fixes avant qu'un budget fédéral significatif permette de résorber les déséquilibres entre les Etats membres et entre les régions de la Communauté. Ainsi l'union politique rendrait possible l'union économique et monétaire, au lieu que ce soit l'inverse comme on l'imaginait jusqu'à ces derniers mois.

On peut juger ce schéma naïf relevant du "wishful thinking". Mais il est encore plus naïf d'imaginer sortir les Communautés de la maladie de langueur qui, plus redoutable peut-être qu'une crise violente, est en train de les étouffer, par des aménagements institutionnels qui ne changent pas fondamentalement le climat politique de l'Europe.

L'autre voie, hélas, la plus probable, est celle du renoncement. Elle conduit nos pays à un lent mais inévitable déclin, pas nécessairement malheureux, mais indigne du passé de l'Europe.

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Specific Problems of the Federal Republic of Germany and their impact on Europe

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Compiled on initiative of a study group
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(1) As the problem of giving a balanced, comprising and satisfactory presentation of the "specific problems of a country" cannot be solved in so short a time, I shall only outline a sample of the major problems of the Fed. Rep. of Germany (FRG), arranged under four broad questions, and indicate their impact on Community policy as well as possible solutions within the community.

Though it is true, and this may be regarded as an essential thesis, that still each of the three parties broadly shares and articulates the conviction that Western Europe has a future only as a Community, that the Common Market only is able to maintain general prosperity, and that crucial problems in the field of economy, finance and foreign policy can only be solved within the Community (the recent debate on Europe, in the West German parliament, 91st session, march 28th 1974, impressingly documented the existence of that pro-European attitude in all parties), there is, on the other hand, a growing feeling of disappointment because of the unability of the Community Institutions to take the necessary decisions. This is the reason, too, why politicians and the public opinion in spite of objective necessity - often pass over the Community, when discussing problems.

I. Economical and Social Problems

(2) Since the recession of 1967, the danger of inflation has turned out to be the prominent topic, in political dispute, of the five "magic" aims of economic policy (full employment, stability of price level, economic growth, balance of payment and justice of distribution). The FRG of Germany has not succeeded in realising the intended stability of price level. This development has its origin not ex-

clusively in the fact that there is a worldwide and european interdependance of German trade and industry ("imported inflation"). It have been rather internal factors (budget deficits of all levels of governement, wage-price-spiral) that have kept up, and intensified, inflation. In spite of this fact, the international economic system and the European interdependance especially, are readily taken - and not without any reason - as the "scape-goat" of inflation in political discussion. Thus the image of the Community has changed: Whereas the Community, without any restriction, had been advocated for economic reasons as a guarantee of growth and full employment in the 50ies and 60ies, it nowadays risks - under reference to higher inflation rates and inflationary policy of some of its member countries - to be regarded as a "Community of inflation". It is under that perspective, then, that many Community projects are judged - e. g. agricultural policy, regional fund, monetary funds.

The Community could play an important role in fighting some of the causes of inflation if it only had a common finance and demand management policy to restrain inflation. But there are only small chances for an effective realisation of this possibility, considering the different aims of economic and social policies and the different instruments at work, differences, altogether which are even emphasized by the decision-making-mechanisms at Brussels.

(3) The problem of inflation had been aggravated by effects on the price level resulting from the energy crisis which, at the same time, had reduced the growth of the gross national product. (For 1974 the growth rate of the German gross national products is expected to be 1 - 2 %.) Those that, of the start of the crisis, had hoped for a common action of the EC (Brandt's initiative at the Copenhagener Summit had been it's clearest manifestation) had been so deeply disappointed that for the moment, the Community with its Council of Ministers, unable to take decisions, is considered to be in no way competent to solve the German problem of energy supply, though the principal energy situation in the Fed. Rep. shows problems (high dependence on imports, relatively few or any national energy reseources) which show a more similarity to those of countries within the Community rather than to those outside the EC (e. g. USA). In spite of the relatively identical situation, the EC is not likely to take

common steps which go beyond the general aims - safest energy supply at the lowest price - , as differences in energy policies in particular and in economic and foreign policies in general cannot be overcome.

(4) In spite of the increased expense on energy and natural resources, the trade surplus of the FRG is still too high to restrain inflation. Though the structure of west German exports is more balanced, as for the choice of products as well as for the variety of countries they are exported to, than the corresponding structures of other member countries, the FRG nevertheless is deeply affected by import restrictions of other member countries. Because of the importance of foreign trade - which amounts to 22 % of the gross national product - the FRG is highly susceptible to the world market or to tendencies of self-sufficient protectionism. The Fed. Rep., therefore, expects the EC to do defend or to enlarge the customs union and the world-wide liberalisation.

(5) The problem of foreign workers lies heavily on the internal social structure (costs of education, conurbations, criminality, social projudices etc.) and most of it has been realised in the last few years only, beside the advantages of employing foreign workers. There has been, till now, no analysis of costs and benefits, but it may be taken as granted that the Community could facilitate the decentralisation of conurbations - and thus tackle the problem of foreign workers at its very basis - by a decentralised regional and an effective Mediterrenean policy. There are underdeveloped regions all over the FRG but their problems - even on the east-German border or in the Bavarian forest - cannot be compared with the corresponding problems of some of the member countries.

(6) There must be mentioned among the important reforms, the actual coalition government is aiming at, a draft of balanced self-determination (paritätische Mitbestimmung) in the board of trustees of middle-sized and larger enterprises. The intensive and controversial discussions about these questions include, too, the side effects on the position of the FRG in the EC. Opponents of the "paritätische Mitbestimmung" for instance, emphasize the fact that German and foreign capitals in Germany might eventually be disadvantaged

compared to possibilities of investing in other member countries of the EC - an argument which leads some of the advocates of social reforms to refuse the Community being "a brake to social innovations". Liberal advocates of self-determination try to remove these objections and look at self-determination as an instrument to integrate the working population into the decision making process to a larger extent and to give them more responsibility. Thus the FRG would still remain the country with the less social disturbances. But these are only subsidiary arguments in the main stream of the discussion.

There is the fact, however, that self determination, whether advocated or not, creates new barriers to the harmonisation of the economic structure of the Community. These could only be removed - so to say from below - by harmonising the social policies of the concerned social groups of the individual member countries, and not by decision of the Council. The growing discussion about the German model of "mitbestimmung" seems to indicate a development in that direction.

(7) The discussion about environmental problems has been pushed by the energy crisis to the background of political dispute. That is why the Community could and should emphasize action, now that the political discussion has reached a low point and realize far reaching plans of its environmental program. Till now however it has not become quite clear if differences of social and economic priorities in the member countries weaken or even totally obstruct common environmental norms or concrete common projections.

II. Problems in the Foreign Policy of the FRG

(8) The FRG has enlarged its diplomatic possibilities by the "ostpolitik" as part of the worldwide detention and by its economic power. It has got rid of a historical "burden" and develops into a normal west-European power as it is also understood by its citizens. After having renounced at the all-German restauration, three principal options are open to the foreign policy of the FRG:

- The all-European option has the FRG functioning as a "bridge" between eastern and western Europe. This necessitates, on the long, that the FRG has to leave Nato. It also implies a weakening

of its membership in the Community and a turning to the concept of a Europe as "a system of collective security", which would be marked by a Finlandisation.

- The atlantic option has the FRG realizing its interests mainly bilaterally with the USA or eventually multilaterally with other countries in Western Europe which have an atlantic orientation. The Community would be dissolved into a "Europa à la carte", which is characterised by different and changing forms of cooperation without solidarity. The FRG, in the long run, would be tied then to a super-power which has global and/or isolational interests.
- The west-European option has the interests of the FRG embedded into an integrated Community which develops an independant position in cooperation with the USA.

(9) There are no doubts - and the mentioned debate on Europe in the German "Bundestag" has shown it recently - that principally all political parties are ready to aim at a common foreign policy of the Community - in the sense of the "political union until 1980". Reasons for this option are:

- Foreign policy of the FRG actually is decisively influenced by economic problems as well as by the distribution of economic and monetary power within the international system. Considering the international economic interdependence of the FRG, it is only by common European actions (e. g. within GATT, IMF, Unctad or at the conferences on energy and natural ressources) that long term interests can be effectively represented against the USA, Japan, the countries of eastern Europe and the suppliers of raw material as well as the multinational companies. The tendency towards a politically determined division of labour between regions and states in the world - in contrast to an international division of labour based on liberal principles - can be stopped or influenced by common action only.
- Its position and the degree of its integration as well as the basic political values create conditions of action which go beyond the economic problems of the FRG and which necessitate a close cooperation in western Europe:
  - There can only be a balanced German "Ostpolitik" if the west-European integration is strengthened.

- Plans concerning the whole of Europe can be realized successfully only if there is cooperation and coordination among the nine member countries and if they act according to their basic values (liberal and representative democracy, etc.).
- Relations between the USA and the FRG, which for the latter still play a dominant role under the aspect of security policy, can develop to mutual advantage only if the countries of western Europe, in common or coordinated, are able to open a discussion with the USA.
- This, too, refers to other aspects of foreign policy, as e. g. foreign policy in the Mediterrenean or in the Middle East or concerning a worldwide environmental policy.

(10) Thus the development of the Community plays a decisive role in the long term orientation of the foreign policy of the FRG. It is only a progressive cooperation among the countries of western Europe that can prevent the FRG from looking for a bilateral or multilateral alternative to the west-European integration - an alternative which objectively would be less favorable but which would be the only one to be realized.

III. Problems of the Political System

(11) After the close of the first phase of the "Ostpolitik" and its "approval" by the public in the federal elections in 1972, the division into two camps on account of the foreign and German policy has been largely overcome. The rapid increase of inflation and the slowing down of growth have intensified the struggle for distribution among the groups of society, which has been evergrowing since the end of the 60ies, and have placed it into the centre of political discussion. The state of social and political balance, which has added decisively to the political and economic stability of the FRG since the early 50ies, is threatened in its economic conditions. The principal consensus on the mechanisms of economic and political distribution and decision-making ("soziale Marktwirtschaft", parliamentary democracy, pluralism of the groups of society, autonomy of the trade union and employers.) is questioned. Thus political decision have the character of crisis management which is fully occupied in recon-

ciling the economic and political demands of different groups of society and neglects long term perspectives - also in the field of European policy - or judges them primarily under the aspect of immediate effects on interest groups or on principal sectors of the constituency in the FRG.

(12) The process of questioning the social and political consensus can be recognized quite clearly in the political and social groups:

- The situation inside the SPD is an apparent sign of this development. In the Godesberg Program of 1961 the party had finally come to approve the mentioned consensus. The actual discussion about this very program in the left wing of the SPD signals an increasing critical attitude towards constituent elements of the political system. More and more the SPD gets involved into a quarrel between an increasing influence on all party levels exercised by youth sections on the left wing, and the struggle for the political centre of the constituency. The loss of confidence shown in the last provincial elections and W. Brandt's weakening integrative power have brought this conflict to a point. Wether Schmidt, after a period of consolidation, is able to reconcile the contrasts within the party, is still a matter of speculations.

- The CDU is in no need to fight such hard programmatical and ideological differences. Its internal contrasts between a stronger conservative wing and a party of the political centre disappears behind its role as parliamentary opposition. In addition the continuing discussion about whom the party should present as leader for the 1976 elections may lead to instability and to the unability to give clear alternatives.

- The FDP, for the moment, shows the largest internal consensus. It plays the role of opposition towards the party of the chancellor within the coalition government the better the stronger the left tendencies within the SPD grows. Its policy to get profiled has to find the golden mean between two extreme positions: on the one hand, it has to be careful not to be washed away by eventual losses of the SPD, on the other hand it cannot question the principles of the actual government.

- The trade unions have to bear the conflict between the resonsibility towards the general economic development, and especially towards the actual SPD government, on one hand, and the pressure of

their basis on the other hand, which is less under communist influence but rather articulates its displeasure over the economic development.

- The employers who for years have been at the top of the social hierarchy as managers of the economic miracle, have to suffer from growing diffamation. The questions of where they stand socially and of where they place themselves socially are subjects of controversial discussions.
- There is an increase of mutual accusations and a growing loss of confidence between the employers and the unions. The effort of realizing a "concerted action" ("Konzertierte Aktion") among the different groups of society, meant to fix general economic aims and adequate instruments, is considered to have failed for the moment.

(13) The mentioned problems seem to follow developments in other member countries of the EC - even though they show specific symptoms. The Community or a more intensive cooperation of the respective social groups in western Europe is not always a possible solution to these difficulties. Thus a close cooperation between socialists and social democrates in western Europe finds its difficulties in the different attitudes towards the communist parties, which were suited to intensify the conflict within the SPD. The same applies to the unions. There exist other subjects of conflict - though mostly hidden - inside the Christian-democrate and conservative parties. Till now, it has proved impossible to make the respective social and political groups of the Community recognize the convergent character of their interest. All the Community should do here is to favour a learning process by intensifying the internal communication - already started on various levels - and thus to create a basis of confidence.

(14) The actual government has a sufficient majority in the Bundestag in contrast to most of the other member countries, but the range of possible decisions has diminished:

- The stock of common political ideas of the two parties of the coalition government has sensibly diminished after the close of the first phase of the "Ostpolitik". Differences in the program of inner reforms have been deepened and actualized by the tendencies inside

the SPD and the results of the provincial elections. Moreover, inflation creates new social disturbances and respective material demands. To fulfill them would mean to counteract the necessary restrictive budget policy. The increase of worldwide economic interdependance (multinational companies etc.) asks for stronger and stronger measures to correct the economic development. There is no financial possibility, therefore, for realizing the intended reforms. The governmental declaration by chancellor Schmidt clearly shows how the actual situation is taxed in this way. This will meet with opposition in certain groups of the SPD after having overcome the shock caused by Brandt.

- The success of the opposition in the last provincial elections may have as result a blocking up of the government of the FRG insomuch as the Länder under CDU government with their majority in the "Bundesrat" represent an almost equal counterpower to the majority of the coalition government in the "Bundestag". In the case of successful provincial elections on behalf of the CDU in Lower Saxony, Bavaria and Hessen (the latter seems quite improbable), the 2/3 majority of the CDU in the "Bundesrat" could obstruct, according to the constitution any government bill. The only solution, then, would be over-all party negotations which would allow political progression only in form of respective ways of consensus. There would be no new elections.

(15) Consequences concerning the Community:

- The FRG has lost a good deal of its financial and political range of action dealing with larger European projects. The negative effects resulting from Community decisions, which are felt by political groups or the public (agricultural policy) in the FRG, may intensify the displeasure towards government and thus again limit its radius of action. Therefore Schmidt imphasized that in European affairs he had to bear in mind the responsibility towards the German voters.

- The predispositions of the chancellor and the secretary of foreign affairs enlarge this loss of action, which is conditioned by objective factors! Both consider European integration to be important in the long run, but they nevertheless take the concrete, short term interests of the FRG to be dominant in the negotiations. Schmidt's declaration is ambiguous as he is not willing, on one hand, to confide the FRG to a Community unable to take decisions,

but on the other hand,he accepts the advantages of the customs union and the long term political union.

The Community is able to widen this narrowed range of action only if it succeeds in solving practical problems of the FRG. The orientation of the German government on crisis management may be overcome by the Community presenting clear aims for the development of western Europe. It is therefore necessary that the Community succeeds in showing its basic necessity as well as emphasizing again and comprehensively the concrete advantages which the German public and its economic and political groups enjoy, advantages which by no means have to be always material ones. It is, however decisive, that the remaining decisions, which have not beem taken in the last three years but which for the economic Community are urging decisions and which have to be taken on the European level only, will actually be taken (Economic and monetary union, energy policy etc.). This will be impossible if the right of veto for each member countries is maintained whereby every solution is reduced to the smallest common denominator or even obstructed, as it has been the case in the last months. Therefore there is an urgent necessity to have a federal institution deciding on majorities and whose decisions are controlled by the European parliament.

(16) One of the approved experiences of the political system of the FRG is its federal structure. The distribution of competences to those levels on which they are executed most efficiently and the ability to adapt to changing conditions present valuable informations to other member countries. The federal structure of the FRG has proved to be practicable, politically stable and produktive. Problems of regional minorities never gained that importance they have in other member countries, a fact which besides other reasons finds its explanation in the federal structure of the FRG which allows regional minorities to articulate their respective interest as effectively as possible. As a result of these experiences the Community must neccessarily decide to distribute its competences on various levels, whereby the Community institution will have only "few but real competences".

(17) One of the conditions the German public considers to be indispensable is the democratic control and the democratic legislative procedure of the decisions taken on majority basis in a governing European institution. Those few but important decisions which are no longer taken on the national level and which are no longer controlled by national parliaments, must not be taken in secret negotations but by the European parliament which therefore has to be elected directly and has to be given limited legislative competences.

IV. Problems of the Socio-Cultural System of the FRG

(18) The pattern of behaviour of the population has undergone a considerable change in the last years. German citizens and their interest groups have become more conscious politically and more active. Political actions have developed outside the traditional political and parliamentary forms (extraparliamentary opposition, citizen's and voter's initiatives, unauthorizid strikes and go slow), because the existing structure had been regarded as not being efficient or legitimated enough to realize the respective interests. Parties, unions, and constitutional institutions have tried with more or less success to integrate the tendency for participation into their own organisations. By questioning the traditional political structure, the mechanism of economic distribution, too, remains no longer undisputed. The economic logic of a "Marktwirtschaft" based on private property is no longer accepted without opposition as being a legitimation for political and economic decisions. These developments weaken also the legitimation of the Community: it is on account of the postulated economic logic of the EC, and on account of the lack of possible participation and sharing in the decision-making process that de Gaulle's reproach on technocracy is repeated from a different political point of view. If the crisis of the west European countries is not going to be intensified by the demand for participation, the Community has to play a decisive role, as it is only on a European level that the demand for democratic participation can expect to find an efficient political reaction. The Community, therefore, has to accept consciously this demand and has to favour possible participation and co-determination.

It is however not certain that the tendency to participation will last. Developments since the energy crisis indicate

that the dominance of participatory aims might disappear before a stronger care for economic security. This would reinforce the political weight of the "economic logic".

(19) The German attitudes towards the community are positive. The number of those who approve the Community and its development towards a European Union has steadily increased - at least until the energy crisis - in contrast to considerable fluctuations in public opinion towards the "Ostpolitik". The strongest approval is with the younger generations and with the upper classes. Party orientations rarely determine the basic European attitude. The respective occupational status is of greater relevance, especially among the farmers.

The intensity and vigour of this pro-European attitude is still unknown. The alarming lack of information concerning European policies, institutions, politicians as well as the generelly held opinion that the individual has not gained much, till now, from the European Community, including the reproach that the FRG is the "purser" of the Community, all these facts may lead to the provisional conclusion that in the FRG there is a "permissive consensus" for the european integration. Under the aspect of an intensified European mobilisation however, the proeuropean attitude seems to be of no decisive value. There also remains the question whether new nationalistic tendencies as result of the energy crisis and the above mentioned trends in the patterns of behaviour have not yet shown in public opinion polls.

The Community seems to have but small possibilities to influence public opinion directly. A larger and more systematic information policy would help to a limited extent. There is more to be expected from more efficient and more transparent decision-making processes. A campaign for the direct election to the European parliament could play a decisive role in these efforts.

(20) The orientation towards a west-European union must be seen as part of the development of the FRG towards a "national state", mentioned before (8). The loss of national identity after the World War II has forced the west-German citizens to try to find their cultural and political identity in a wider west-European area. The development of the provisional FRG into a "normal" middle-sized country" has weakened

the search for identity in the European area, the more as there is a disappointment over the failures of European policies. The actual alternatives in the field of foreign policy (see 8) have not yet been taken into conscious consideration by large parts of the population. In spite of a growing irritation about some of the member countries of the Community, there remains the dominance of the west-European orientation, though it has lost its initial intensity. To strengthen this west-European orientation, the Community and the member countries of the EC have to avoid further disappointment and alienation by active and successful efforts towards integration.

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Background Note on
The Current Issues in the United Kingdom

The state of the political parties

At the General Election held on February 28, 1974, there was a swing away from both major parties. The Labour Party obtained 37% of the vote and the Conservatives, 38%. The Liberal Party obtained 19%, while in Scotland the Scottish Nationalists polled 22% and in Wales the Welsh Nationalists polled 11%. In Ulster, 51% of the vote went to the right-wing Protestant 'Loyalists', and 8% to the various Republican candidates; candidates basically supporting the late Executive's policies obtained 41% of the vote.

The Election was significant for two reasons. The Labour Party obtained more seats with fewer votes than the Conservatives. It was called to form a Government with 17 seats short of a majority. Secondly, there was a major upswing in the fortunes of all the minor parties with the exception of the Nationalists in Wales, where the stray votes appear to have gone to the Liberals.

Since the Election, there has again been a variation in support for the parties. Labour's support has grown to around 48%, while the support for the Conservatives has fallen to 34% and the Liberals to 16%. This may reflect the initial honeymoon mood that the electors have for most new Governments. It may also reflect the failure of the Conservative Party to project much else but the image that its leadership is frightened of another election and its ordinary members disheartened.

The state of non-parliamentary organisations

The return of the Labour Government marked a change in trade union attitudes. There are more than ten million trade unionists in Britain, organised into an historic and sometimes cumbersome patchwork of craft and industrial unions. With a few minor exceptions, these are brought together within the framework of the Trades Union Congress (TUC). Inter-union disputes are less frequent than in the past, the Labour Movement having found a new unity in its opposition to certain of the policies of the previous Government, in particular its Industrial Relations legislation. In return for a pledge by the incoming Labour Government to repeal this legislation and to introduce a broad range of domestic measures that the Unions considered less socially divisive, the Unions committed themselves to a 'Social Contract' to cooperate with the Government in its attempt to hold down inflation.

The employers' organisation, the CBI, has been badly divided since the Election. Some of the major private employers, such as GKN, have argued that it has failed to press their interests sufficiently.

The farmers, previously only heard prior to the annual farm price review, have become a much more vocal lobby. Their fears centre round the future of the pig, dairy and beef industries.

British students have no political influence, although a significant proportion of the politically active are supporters of extreme left-wing factions.

The success of the Protestant strike in Northern Ireland and of industrial action (partly with political objectives) in Britain have demonstrated the strength of non-parliamentary action. Groups which are sufficiently numerous and cohesive and near enough to the main levers of industrial life have shown that they can assert important influence, not confined to industrial matters, contrary to the wishes of the Government and of Parliament.

Regional issues

The most pressing regional issue in the UK is obviously the future of Ulster, but there is no sign of an easy or early solution. The one glimmer of hope may be that over the last few weeks the Protestant 'Loyalists' have been growing increasingly hostile to the British Government: whether this hostility, which they share with the Republican Catholics, will ever bring the two factions to talk constructively to one another about their own futures is an open question. But hostility might be construed as a common interest. The people in Britain appear fed up with these 'spongers' as Mr. Wilson has called them. There is a widespread feeling 'Why should our boys (the troops) be butchered? If the Irish want to fight, let them fight one another'. There is a slight racial - or should it be tribal - undertone in all this. But Wilson probably caught the public mood when he pointed out that each Northern Ireland citizen was costing the British tax-payer £6 or £7 per week. However his remarks probably hardened extremist feelings in Northern Ireland. If, as a result of all this, Northern Ireland becomes in some way more autonomous, this will have an important effect on the regional aspirations of Scotland and Wales.

The maritime oil discoveries have aroused a new self-righteousness in Scotland. There, North Sea oil is known as 'Scotland's Oil' and it is seen to herald a golden age of prosperity. Naturally, there would be even greater prosperity if Scotland could keep the oil revenues and this, combined with an antipathy to distant London, has given a very strong impetus to demands for various degrees of self-government ranging from full sovereignty to a consultative assembly. London is giving considerable

thought to what type of constitutional reform would be best. In the meantime, the oil boom is creating major infrastructure problems for the local authorities and creating social problems for the young and poor in the onshore boom areas.

Wales also has its problems, although these have not manifested themselves in a resurgence of nationalism to the exgent that they have in Scotland, possibly because Wales is more of a mongrel than a nation. Welsh problems are largely associated with the decline of upland agricultural communities and with the run-down of the traditional coal and steel industries and their associated form of community life.

However, there are other regions in the United Kingdom which are not based on ancient kingdoms. One of the findings of the recent Royal Commission on the Constitution was that 'feelings of regional identification are fairly strong throughout the country. Although they are particularly strong in Wales and Scotland, they are almost as marked in the South-West and Yorkshire'. The same attitude survey reported that the 'diffuse feeling of dissatisfaction (with existing government institutions) pervaded all the regions of the country to much the same degree'.

When the regions are viewed as economic units, there is of course a far greater diversity in terms of industrial structure, unemployment and income. But it is roughly true that the poor regions in Britain are separated from the rich regions by a line running from Plymouth at the mouth of the English Channel in the South-West, to Kingston-upon-Hull, which lies half-way up the east coast of England.

Consensus

This geographical divide obviously has some effect on popular attitudes, but more fundamental - and the geographical divide indirectly reflects these - are the strong class divisions which still dominate social life. In 1970, 10% of the population owned 52% of all personal wealth (67% if state pension schemes are excluded) and 5% owned 41%. But class division does not merely reflect immediate patterns of distribution: many members of the 'upper' (sic) middle class with small incomes have a social wealth derived from the fact that they come from 'old' families, i.e. families that have had some considerable wealth in the past.

In as much as people talk of the existence of a consensus, it usually reflects the views of a metropolitan middle-class. Thus although there may be a consensus favouring compulsory incomes controls, the great majority of those most vitally affected could well be opposed to them.

Yet there seems to be a political value in achieving a so-called consensus. When Heath came to power in 1970, he called for 'one nation' - a term he borrowed from a nineteenth centure predecessor. (The awkward thing about it was that nineteenth century Conservatives believed in the existence of a natural social hierarchy in which each knew his place. As Heath later discovered in his confrontations with the members of the nationalised industries, there is no consensus on this type of 'one nation'.) Wilson spoke in similar terms on regaining power in 1974. At the same time, his opponents were calling for moderate government (often used as a synonym for consensus). The truth seems to be that there is no genuine consensus in Britain in a universal sense. Having said that, there may be a relevant point in the slogan carried before the 1970 Election: 'Harold Wilson - Edward Heath. Which is the Tory?'. Perhaps one should not be surprised by the fact that this slogan was used by the Liberals, usually regarded as occupying the middle ground between the two major parties, and referred to as Tories or Socialists in sheeps' clothing by the two respective parties.

Public attitudes to Government machinery

The above may appear cynical to some, but it is borne out by fact. What follows is mainly a synopsis of attitudes revealed in the Attitude Survey commissioned by the Royal Commission on the Constitution, referred to earlier, and carried out in 1973:

1) 49% of the sample thought the present system of government was in need of major improvements;

2) 34% believed that 'our system of government will not give ordinary people what they want until it is completely changed';

3) 63% felt they had no influence at all on the country's future;

4) 53% feel capable of playing 'a role in government';

5) 71% felt that people like themselves did not have enough say in the way the Government was running the country;

6) 68% felt that important issues should be decided by referenda, 20% by Government;

7) turnout in national elections is low relative to other European Community countries. On average, one in four electors does not bother to vote. In local elections it is more like two in three.

Contentious issues

Many of the main issues of political or economic debate reflect the stand-point of the political parties, whilst others are inter-related. As far as the 'ordinary person' is concerned, the following are amongst the most frequently encountered topics: -

1) Price Rises

Under the last government (June 1970 to February 1974) food prices increased by more than 50% and rents and interest rates on housing loans by only slightly less. Inflation was 15% in the last year and is currently running at an annual rate of 18%. During April there was a 3.4% increase in prices, equivalent to an annual rate of 40%.

2) Profits

There is an increasing sensitivity to profit margins and a growing debate as to whether profits are 'good' or 'bad'. A number of politically embarassing profits have been declared recently: the four main banks at around £200 million; ICI at around £150 million; and BP at just under £300 million in the first quarter of 1974.

3) State Ownership

This appears to be growing more acceptable - or less contentious - as those major companies such as British Leyland require increasing financial help from the Government. Around £3,000 million was handed out in state support to private companies in the four years from mid-1969.

4) North Sea Oil

There is a major and continuing row over the profits likely to be made by private companies (mainly American) operating in the North Sea. This is accompanied by a debate on the extent to which there should be state intervention, and in Scotland, Scottish control.

5) Incomes

The inflationary situation has maintained pressure for wage increases. The unions have promised to exercise restraint in return for certain government measures such as subsidisation of certain foods, etc. and exceptions for the low paid. The trouble is, who is not suffering from low pay?

6) Housing

Shortage of materials and labour, high interest rates and rocketing land prices have accentuated the housing shortage. Fewer houses were built last year than at any time in the two previous decades. Someone wishing to buy a three-bedroomed semi-detached house in the south of England (excluding London) would require an income of more than twice the national average wage if he had less than £2,000 savings. There is an even greater shortage of rented accommodation.

7) Wealth

The present Government intends to introduce a wealth tax for those with assets (excluding houses) of more than £50,000. This is contested by the opposition. According to a recent survey, the majority of the population consider anyone with more than £10,000 rich.

8) Defence

There is a substantial popular pressure for a major reduction in defence expenditure.

9) Industrial relations

The Government will shortly repeal the highly contentious legislation introduced by the Conservatives in 1971. The Conservatives, while acknowledging weaknesses in their legislation, still consider that industrial relations should be brought within a comprehensive legal framework. They may derive some support from the fact that 70% of the population considers trade unions to have a lot of influence on the country's future - rating them second in power to the Prime Minister.

10) Northern Ireland

The greater part of the British population probably favours abandoning the Northern Irish to deal with themselves.

11) The European Community

There is a clear majority of the population opposed to remaining within the European Community on the terms negotiated by the last Government. If the Government carries out renegotiation in such a way that it can recommend acceptance of new terms to the electorate, then there is a chance that in a national referendum the majority would oppose withdrawal.

The future

People do not seem very enthusiastic about the future. But with predicted 6% unemployment and increasing inflation, it may not be surprising. Oil is the great hope. As long as we can reach 1976 without collapse, life will then be rosy. A lot of people seem to think that oil will turn the UK into another Gulf State - although they assume that the wealth derived will be equitably distributed. But there are also deep fears: is the Northern Ireland disease contagious? Can we survive the social consequences of inflation? Will there be a decline in the standard of living? Will there be a world-wide recession? Most asked, are we at the end of an era of relative political and economic comfort?

The European Community

There is still deep hostility and profound misunderstanding about the Community. Attitudes reflect a traditional mistrust of our partners; 'wogs have begun at Calais' for a long time. They also reflect the popular belief that the Community is largely responsible for inflation - particularly the increase in the cost of food. The more sophisticated do not blame this directly on the Community but on the previous Government's measures to change the system of agricultural finance. There is a lurking suspicion that 'they' are after 'our' oil. Further, the institutions of the Community are a giant and inflexible bureaucracy which interferes in valued traditions such as the right to grow King Edward potatoes. For many people on the left, the Community is seen as a businessmen's dream and consequently irreconcilably hostile to the interests of the working class. It is also seen as a benefit club for inefficient continental farmers, who impose their interests on the efficient British farm industry at great expense.

Few people feel enthusiasm about European Union: those who have heard of it rightly ask what it means. For people generally - although probably not for decision-makers - political integration is an assault upon sovereignty and unwelcome. On the other hand, there is a feeling particularly evident on the right that European integration will enable Britain to regain some lost world power. Others - still on the right - believe that Britain still has that power, particularly with the white Commonwealth connection, while many on the left never wanted it anyway.

There is one tendency worth noting, however; at recent Labour Party Conferences, support has been given to resolutions that run as follows: "Conference rejects however opposition to the EEC from a narrow nationalist point of view. It affirms that because of the internationalist character of capitalism the fight for a Socialist Britain must be linked to the fight for a Socialist United States of Europe, which alone can provide for the planned integration of European states in the interests of the working class".

It is hard to see how Britain can play a full part in the future of the Community without the whole-hearted consent of the Labour Movement. At the very least this will require modification of the UK contribution to the budget in relation to GNP, modification of the CAP, effective expenditure on regional and social policy, and a commitment not to levy VAT on food. Above all, it will mean that the Community will have to be understood.

The world

UK opinion has become parochial and uninterested in world affairs. Subject to this, cultural links with the English-speaking world remain. Australia, New Zealand, the United States and Canada occupy a special place in British sentiment, even if such feelings are not always reciprocated. Ireland and the 'new' (or black) Commonwealth countries do not have such a strong attraction. But that is not to say that residual feelings of obligation do not remain. They do, particularly so in relation to the Indian sub-continent and certain African states. The current British stance in the Council of Ministers reflects this.

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This very selective survey has painted a rather miserable picture of Britain. But in as much as it is possible to talk of 55 million people as having a single attitude, it is true to say that they are disillusioned, weary and cynical. But they do not entirely lack hope: for example, they believe in oil and they believe that major improvements can be made. But they are very sensitive to their decline and have still to be shown how the Community might help.