

Background Notes

EUROPEAN COMMUNITIES

INTRODUCTION

The three European Communities (Coal and Steel, Common Market, and Euratom) are often referred to as a single European Community and at times simply as the Common Market. The European Coal and Steel Community (ECSC), was founded in 1951, and the European Economic Community (EEC) and the European Atomic Energy Community (Euratom) in 1958. The Communities made decisive advances on July 1, 1967 with the merger of the three Executive Commissions and on July 1, 1968 with the completion of the customs union. The aim of the Communities is to create a full economic union as the foundation for political unity. The basic motivation of the founders was to end the conflict between France and Germany, to achieve a high standard of living and to create a Europe able to stand as an equal to America and the Soviet Union.

THE INSTITUTIONS

The EEC, ECSC and Euratom now have the same institutional framework: the Commission, the Council of Ministers, the European Parliament and the Court of Justice. The core of the Community policy-making process is the dialogue between the Commission, which initiates and implements policy, and the Council of Ministers, which makes major policy decisions. Community legislation is binding upon the member states, corporations and individuals without further national parliamentary approval. The beginnings of democratic control are exercised by the European Parliament, while the Court of Justice ensures the rule of law and is the final arbiter in all matters arising from the Community Treaties.

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Since the start of the Common Market and Euratom in 1958, the Parliament and the Court of Justice have been common to all three Communities. Until July 1, 1967, however, each Community had its own executive body (the Common Market and Euratom Commissions, and the ECSC High Authority) and its own Council of Ministers. On that date, the single Council and single Commission took over from their predecessors the powers conferred by all three Community treaties.

The Commission consists of 14 members. They are appointed by agreement among the six member governments for a four-year renewable term, but they are pledged to independence of the governments and of national or other particular interests. They accept a joint responsibility for their decisions, which are taken by majority vote.

The Council is the only Community institution whose members directly represent the member governments. The Ministers of the national governments designated to sit in the Council normally depend on the subject under discussion. For major decisions, the Foreign Ministers are usually present. According to the treaties, decisions on most issues are, since January 1, 1966, by weighted majority vote. This, however, is a hotly disputed issue with the French, who insist that unanimity be attained on any vital question. Since the dispute arose in 1965, neither the French nor the Five, who back the terms of the treaties, have tested the determination of the other, although many lesser decisions have been made by majority vote.

The European Parliament has 142 members, who are at present elected from and by the legislatures of the member countries. The treaties foresee their direct election to the Parliament by universal

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suffrage. The Parliament has more influence than power. It must be consulted before decisions are taken on certain EEC and Euratom affairs, and it has the right to propose changes in the Community budget. Members of the Parliament frequently put written and oral questions to the Commission, and sometimes to the Council of Ministers. The members are divided into four political groups - Christian Democrats, Socialists, Liberals and the Gaullist European Democratic Union - and sit together in these groups irrespective of nationality.

The Court of Justice is a supreme court of seven judges (at least one from each member country) with the power to decide whether acts of individuals, corporations, the Commission, the Council of Ministers, member governments and other bodies are compatible with the treaties and subsequent Community legislation. The Court can annul acts of the Commission itself and of the Council of Ministers. Appeals to the Court against a member state for alleged failure to meet its treaty obligations may be made by the Commission or other member states. Member states, Community institutions, firms and individuals may also bring actions against the Commission and Council for failure to act under the treaty. The Court also has jurisdiction in certain cases arising in the national courts when the interpretation of the treaties and their implementing legislation is at issue. It may be appealed to by parties engaged in national litigation before national courts.

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Meeting with Jean Rey, President of the
Commission of the European Communities

OBJECTIVES PAPER

U.S. Objectives

In this your first meeting with Jean Rey, President of the Commission of the European Communities, you will be establishing the policy of your Administration toward European unity. You will be setting the tone of U.S. relations with the Communities.

- a) This is your opportunity to affirm your support for European unity. You may make clear that you support British membership in the European Communities.
- b) You will be able to make known to the largest trading unit in the world -- the European Communities -- your support for policies for freer trade.
- c) You should stress the importance of avoiding protectionist measures on both sides of the Atlantic. In particular, you could express your concern about European agricultural protectionism, which is fueling protectionist fires in the U.S.
- d) You should indicate that we oppose compromise commercial arrangements between the EC and other European states not tied to EC membership. Such arrangements would discriminate against the U.S. and would

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not advance the movement toward European unity.

e) You should emphasize the desire of the U.S. to consult with the Communities on these and other matters of common concern. These consultations must be intensified, and they must lead to concrete results, if we are to control the forces of protectionism and avoid a confrontation between the U.S. and the EC on trade.

Rey's Objectives

Rey's main objectives are to obtain your assurances that:

- a) the U.S. Government continues to support the European Communities.
- b) The U.S. Government is committed to a liberal trade policy--he is concerned about steel and textiles.
- c) The U.S. Government is willing to consult on common problems.
- d) The U.S. Government is aware of the Community's problems with NPT.

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