

Dept. of Foreign Affairs
Min. des Affaires étrangères

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energy policy or a common economic policy to deal with mounting deficits and high inflation. And a major dispute over the British contribution to the EC budget replaced discussion of other pressing issues.

In the late 1970s, in response to the economic situation, the EC established the European Monetary System, which required member state governments to keep their currency rates within a narrow bond. The monetary system is credited with helping to curb exchange-rate fluctuations that had led to uncertainty in financial markets, and with encouraging member states to co-operatively establish financial policies.

It wasn't until the mid-1980s, however, that major initiatives were introduced to move the EC ahead once more. A revision to the Treaty of Rome, called the Single European Act, made it more difficult for one or two members to veto the Community's plans. As well, the Community decided to complete the removal of remaining physical, technical and fiscal "non-tariff" barriers that had kept the common market from being as open as the name implied. "Europe 1992," as the process has been called, promises to make the EC a truly single market by 1992. The European Community, which gained three new members in the 1980s — Greece in 1981, Spain and Portugal in 1986 — is well on its way to becoming the largest integrated market in the world.

The Institutions

The European Community operates through four principal institutions: the Commission, the Council of Ministers, the European Parliament and the Court of Justice.

As the executive arm of the European Community, the **Commission** is sometimes referred to as the EC's "engine" because it proposes the regulations and directives that, along with the treaties, make up Community law. The Commission ensures that the common market is running properly and that it

has the power to enforce community law where it is being breached.

The Commission is headed by 17 commissioners, 2 from each of the larger states (Germany, France, Britain, Italy and Spain) and 1 from each of the smaller member countries (in effect a "Cabinet"). Commissioners are "Europeans" first and foremost: though they are nominated by their national governments, they are obliged to carry out their duties to the European Community with complete independence.

The Commission president is appointed to a two-year term, though this is almost always extended to four years. Other commissioners are appointed to four-year terms.

The Commission's services are based in Brussels and employ about 11 000. Its staff provides many services in addition to the vital role of policy formulation — from translating documents between the nine official languages of the Community, to doing research at one of the Commission's scientific research centres, to producing European Community statistics.

The **Council of Ministers** has the legislative power to adopt Community legislation proposed by the Commission. Until adopted by Council, a measure does not become community law binding on all the member states.

The Council is made up of representatives from each member state, usually government ministers, and therefore reflects the varying attitudes and priorities of the national governments. The faces around the table change depending on the subject the Council is discussing: for budgetary discussions, finance ministers will meet; for agriculture, agricultural ministers will meet; and so forth.

While "very important" legislation requires the unanimous approval of the Council, the Single European Act of 1986 limited the number of issues requiring unanimity. This action was taken in an attempt to speed the work of the Commission. More of the Commission's legislation

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