1. THE ORIGINS AND DEVELOPMENT OF THE EUROPEAN COMMUNITIES 
AND THE EUROPEAN UNION

7. Post-war co-operation; the Council of Europe. In the aftermath of the 1939-45 war a number of bodies and institutions were set up to promote European reconciliation and economic recovery and to avoid the risks of further conflicts between the nations of Europe. In the early years the United Kingdom played an active part in this process, particularly in setting up the Council of Europe in 1949\(^1\). The United Kingdom was one of the first states to ratify the European Convention on Human Rights, promulgated by the Council of Europe, and to recognise the compulsory jurisdiction of the Court of Human Rights\(^2\).

8. Economic and political co-operation; differences of approach. All the organisations of which, at that time, the United Kingdom became a member were based upon traditional methods of intergovernmental negotiation and co-operation. But there were many who believed that these traditional methods were inadequate to solve the structural problems of the European economies and provide lasting political cohesion. In particular the division of Germany and the Berlin crisis underlined the need to bind the new Federal Republic of Germany more firmly into the political structure of western Europe.

9. The Schuman Declaration. On 9 May 1950, in a statement which has come to be known as the ‘Schuman Declaration’\(^3\), the Foreign Minister of France, M Robert Schuman, announced that:

‘the French government proposes to take action immediately on one limited but decisive point. It proposes to place Franco-German production of coal and steel as a whole under a common higher authority within the framework of an organisation open to the participation of the other countries of Europe’.

This led to the Treaty of Paris of 18 April 1951 establishing the European Coal and Steel Community (the ‘ECSC Treaty’), of which the signatory states

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1. See the Statute of the Council of Europe, signed in London on 5 May 1949 (TS 51 (1949); Cmnd 7778).
2. See the Convention for the Protection of Human Rights and Fundamental Freedoms (the ‘European Convention on Human Rights’, or ‘ECHR’) (TS 71 (1953); Cmnd 8969), and in particular arts 25, 26. Parliament has never acted to incorporate the ECHR into law and British courts are not bound to take notice of it. But it may, or must, be applied by them as part of the general principles of Community law when applying that law; see para 153 below.
3. The Schuman Declaration repays careful study. Originally drafted by Jean Monnet, it contains the seeds of nearly all the ideas which have gone into the making of the European Communities. The text may be found in Selection of Texts concerning Institutional Matters of the Community from 1950 to 1982, published by the European Parliament.
were 'the original Six' – Belgium, Germany, France, Italy, Luxembourg and the Netherlands. The United Kingdom was invited to take part but declined to do so.

10. The European Coal and Steel Community (ECSC). The essential feature of the European Coal and Steel Community was the creation of a new entity (a 'Community') with international legal personality and autonomous institutions in which the member states pooled their sovereignty for limited but defined purposes. The production and distribution of coal and steel were brought under the control of a High Authority with supranational powers, including the power to make legally binding 'decisions' and 'recommendations'. The other institutions of the Community were a Common Assembly with supervisory powers, representing the peoples of the states brought together in the Community; a Special Council of Ministers, whose powers were partly legislative and partly consultative, representing the member states; and a Court of Justice whose function was to 'ensure that in the interpretation and application of this Treaty ... the law is observed'. The ECSC Treaty was concluded for a period of 50 years.

11. The Messina Conference and the Treaties of Rome (EEC and Euratom). The setting up of the ECSC was followed by abortive attempts to establish a European Defence Community and a European Political Community. In 1955 an intergovernmental conference of the original Six (in which, although sending observers, the United Kingdom again declined to take part) met at Messina under the chairmanship of the Belgian foreign minister M Paul-Henri Spaak. This led to the two Treaties of Rome of 25 March 1957 establishing amongst the Six the European Economic Community (the EEC Treaty) and the European Atomic Energy Community (the EAEC or Euratom Treaty).

12. The three Communities and their political aims. The immediate purpose of the EEC was to establish a 'common market' for all forms of economic activity, whilst that of Euratom was to create 'the conditions necessary for the speedy establishment and growth of nuclear industries'. But it is fundamental to an understanding of the Communities and their law to appreciate that from the outset the treaties had longer-term political aims. The Schuman Declaration referred to 'common foundations of economic development as a first step towards a European federation'; the Preamble of the ECSC Treaty refers to 'a broader and deeper Community among peoples long divided by bloody conflicts' and that of the EEC Treaty to a determination of its signatories 'to lay the foundations of an ever closer union among

1 ECSC Treaty, art 31. The provisions regarding the institutions of the ECSC are to be found in arts 7-45.
2 Ibid, art 97.
3 EEC Treaty, art 2.
4 Euratom Treaty, art 1.
the peoples of Europe. The aim of the treaties was to achieve political ends through economic means. Coal and steel were, at the time, in the words of the Schuman Declaration 'the basic elements of industrial production', and atomic energy, then in its infancy, was seen as the principal future source of energy. It was believed that the bringing of coal and steel and atomic energy, as well as economic activity generally, under common rules and common institutions would lead to economic interdependence and, eventually, to the political integration of the member states. Subsequent events were to prove that economic, not to speak of political, integration would be more difficult to achieve than the immediate and short-term aims of the treaties.

13. The institutions of the Communities. The EEC and Euratom Treaties, both concluded for an unlimited period, followed the same general scheme as the ECSC Treaty in establishing a Community with legal personality and four autonomous institutions to exercise the powers conferred upon the Communities by the member states. As before, the institutions included an Assembly representing the peoples, a Council representing the member states and a Court of Justice. The institution equivalent to the High Authority of the ECSC was, however, called the Commission; its powers were more limited and it was ranked after the Assembly and the Council in order of precedence.

14. The merging of the institutions. Under a convention signed at the same time as the Treaties of Rome, a single Assembly and a single Court of Justice were established for all three Communities. In 1967, by a treaty known as the Merger Treaty, a single Council was established and the ECSC High Authority and the EEC and Euratom Commissions were merged into a single body to be known as the Commission. Nevertheless, although they have common institutions, the three Communities remain legally distinct and the powers and functions of the institutions depend upon the terms of the treaty under which they act. In particular, when acting under the ECSC Treaty, the Commission enjoys the more extensive powers conferred upon the High Authority. In what follows, 'the Community' refers, according to context, either to the three Communities collectively or to the EC, formerly the EEC.

15. First United Kingdom application for membership; the Luxembourg Compromise. In August 1961, during the premiership of Mr Harold Macmillan, the United Kingdom applied to join the Community. Owing to the attitude of President de Gaulle of France, the application was rejected in January 1963. President de Gaulle also became dissatisfied with

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1 As to the legal relevance of the Preambles to the treaties, see paras 128ff and 161 below.
2 EEC Treaty, art 240; Euratom Treaty, art 208.
3 Convention of 25 March 1957 on Certain Institutions Common to the European Communities.
the workings of the Community, and in 1965 France adopted 'the policy of the empty chair', absenting herself from meetings of the Council and effectively bringing the legislative machinery of the Community to a standstill. The crisis was resolved by the so-called 'Luxembourg Compromise',1 which, although it had no legal status and was little more than an agreement to disagree, had the political effect of allowing any member state to veto any legislative proposal which it conceived to affect its 'very important interests'. It also altered the balance between the institutions which had been intended by the Treaty2.

16. United Kingdom accession. In May 1967, under the premiership of Mr Harold Wilson, the United Kingdom applied a second time, again unsuccessfully, to join the Community, but a third application under the premiership of Mr Edward Heath was successful. A Treaty of Accession was signed in Brussels on 22 January 19723 between the six member states and the four applicant states of Denmark, Ireland, Norway and the United Kingdom. Following a ‘no’ vote in a national referendum, Norway did not deposit instruments of ratification. On 1 January 1973 the United Kingdom, with Denmark and Ireland, became member states subject to transitional arrangements which expired at the end of 1977.

17. Renegotiation and referendum. The accession of the three new member states was followed almost immediately by the world oil crisis and the fall of Mr Heath's government. The government of Mr Wilson sought to 'renegotiate' the terms of entry. Some concessions were made which involved no amendment to the treaties. Thereafter, in the only national referendum in United Kingdom history4, a substantial majority voted, in effect, in favour of continued membership of the Community.

18. Progress and setbacks. During the late 1960s and 1970s various attempts were made to make more effective progress towards economic, monetary and political union. The Community was successful in expanding its activities into new fields, such as regional, social and environmental policy. But completion of the common market through legislation, the procedures for which were hampered by the Luxembourg Compromise, made little progress. Some steps were, however, taken to improve the workings and accountability of the institutions and to promote political and monetary co-operation.

1 For the text of the Luxembourg Compromise (or Luxembourg Accords), see Bull EC 3-1966, pp 9 ff.
2 See paras 30 and 78 below.
3 For the text of the 1972 Accession Treaty and on accession generally see para 300 below.
4 There have been three 'regional' referenda: the 1973 referendum in Northern Ireland on whether the province should remain part of the United Kingdom, and the 1979 devolution referenda in Scotland and Wales. The Community referendum (see The Referendum Act 1975, c 33) took place on 5 June 1975.
19. **Budgetary reform.** In 1970 the Assembly, which had come to be known as the European Parliament, was given greater powers in relation to the Community budget, and the system under which Community revenue was raised by financial contributions from the member states was replaced by a system known as 'own resources'. Under this system, the Community budget is financed almost entirely from agricultural levies, customs duties and a percentage of the value added tax levied by the member states.

20. **Political co-operation; the ‘European Council’.** The early 1970s saw the beginnings of the process of political co-operation in the field of foreign policy, and of regular meetings of the heads of state and government of the member states known as 'summits' or, since 1974, as meetings of the 'European Council' (not to be confused with the Council of Europe or the Council of Ministers). The European Council increasingly assumed overall policymaking authority, although it had neither legal status in the framework of the Community nor any power to take binding decisions. Its existence was first recognised by the Single European Act, and re-affirmed subsequently by the Maastricht Treaty.

21. **The European Monetary System.** In 1978 a Resolution of the European Council established the European Monetary System (EMS), including a mechanism for stabilising exchange rates (the Exchange Rate Mechanism, or ERM) and a new unit of monetary value (the European Currency Unit, or ECU) based on a 'basket' of values of national currencies. The EMS was established alongside, but independent of, the Community. The pound sterling has always been part of the basket comprising the ECU. The United Kingdom joined the Exchange Rate Mechanism in 1990, but following serious disruption of the currency markets ('black Wednesday') left it in 1992.

1 The Assembly had been called 'the Parliament' in normal and sometimes official usage since 1962; see Assembly resolution of 30 March 1962 (JO 1962, p 1045). By virtue of the Single European Act (see paras 28ff below), art 3(1), the name of the institution was changed formally (although in a roundabout way) to 'the European Parliament'.

2 See the EC Treaty, arts 203-206 as amended; see para 53 below.


4 There are minor sources of Community revenue, such as tax upon the income of Community employees, income from the sale of publications, investment income, competition fines and the sale of property, but these are insignificant in relation to the budget as a whole.

5 The original 'constitution' of the European Council was laid down at the Paris Summit of 1974; see Bull EC 12-1974, pp 7 ff.

6 See para 29 below.

7 See para 46 below.

8 Bulletin EC 12-1978, pp 10 ff; Cmnd 7419.

9 The value of the ECU is now fixed by Regulation 3320/94, OJ L350, 31.12.94, p 27, and varies relative to a national currency with currency fluctuations. One ECU is now worth about 80 pence.
22. Direct elections to the Parliament. 1979 saw the first direct elections to the European Parliament, which until then had consisted of nominees of the parliaments of the member states. Although the Parliament had, since 1973 (chiefly at the instigation of its British members), begun to call the Commission more effectively to account by parliamentary questions, it remained a consultative assembly unwilling to use the two draconian powers conferred upon it by the treaties: the power to reject the budget prepared by the Commission and approved by the Council and the power to force the resignation of the Commission as a body. It first made use of its power in relation to the budget in 1980, thereby complicating a financial situation already fraught by demands of the United Kingdom for a reduction in her financial contribution and by the impending accession of Greece. Since direct elections the Parliament has also edged closer to using its power in relation to the Commission.

23. Greek accession. On 1 January 1981 Greece became the tenth member state, subject to transitional arrangements which expired at the end of 1985.

24. The Genscher-Colombo Plan; the Solemn Declaration of Stuttgart. The Parliament began to press for radical reform of the institutional machinery of the Community with a view, inter alia, to its being given an equal if not predominant part in the process of legislation. In 1983 the European Council responded with the Solemn Declaration of Stuttgart on European Union. This was a watered-down version of the ‘Genscher-Colombo Plan’, a proposal originally put forward in 1981 by the German and Italian governments for a ‘European Act’ which would progressively transform the Community into a new entity to be called ‘European Union’.

25. The Draft Treaty on European Union; the Fontainebleau Summit. The Parliament in the meanwhile employed experts to draft a new proposal for comprehensive reform in the form of a ‘Draft Treaty establishing the European Union’. This was approved by a substantial, but not absolute, majority of the members of the Parliament in February 1984. Then, in June 1984, a meeting of the European Council (the Fontainebleau Summit) settled the long-running dispute about the United Kingdom’s financial contribution and set up an ad hoc Committee (the Dooge or Spaak II Committee) ‘to make suggestions for the improvement of the

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1 Act concerning the Election of the Representatives of the Assembly by Direct Universal Suffrage, OJ L278, 8.10.76, p 10.
2 See para 53 below.
3 See para 69 below.
4 For the text of the Greek Accession Treaty and on accession generally see para 300 below.
5 For the texts see (1983) 20 CML Rev 685.
6 For the text see OJ C77, 19.3.84, p 33. This draft Treaty is often referred to as the ‘Spinelli Treaty’ because it was based upon a proposal from the veteran Italian politician Altiero Spinelli.
operation of European cooperation in both the Community field and that of political, or any other, cooperation\(^1\).

26. The Delors Commission; the Cockfield White Paper; the Milan Summit; the Luxembourg Conference. The Dooge Committee reported in March 1985 and proposed that an intergovernmental conference be convened 'to negotiate a draft European Union Treaty . . . guided by the spirit and method of the draft Treaty voted by the European Parliament\(^2\). In the meanwhile, a new Commission under the presidency of M Jacques Delors had taken office in January 1985. Shortly thereafter Lord Cockfield, the Commissioner with responsibility for the internal Community market, produced his White Paper\(^3\) identifying the remaining barriers to trade within the Community and proposing a timetable for their elimination over the lifetime of two Commissions – that is, by the end of 1992 (hence, the '1992 Programme'). Despite British, Danish and Greek opposition, the European Council at its meeting in June 1985 (the Milan Summit) resolved to convene a conference for the purpose of implementing both the Dooge recommendations and the Cockfield White Paper\(^4\). The conference met in Luxembourg and Brussels during the autumn of 1985.

27. Spanish and Portuguese accession. The conference included the participation of Spain and Portugal, which formally acceded to membership of the Community on 1 January 1986, so bringing the number of member states to twelve, subject to transitional arrangements which expired at the end of 1993\(^5\).

28. The Single European Act. The outcome of the conference convened as a result of the Milan Summit was a new Treaty known as the 'Single European Act'\(^6\), so called because it dealt with a number of separate matters in a single treaty. The Single European Act was signed on 17 and 28 February 1986, and after some delay waiting upon Irish ratification\(^7\), came into force on 1 July 1987.

29. Treaty amendment and political cooperation. The Single European Act formally recognised the existence of the European Council, although it assigned no powers or functions to it. It provided for a number of amend-

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1 For the text see Bull EC 6-1984, p 11.
3 Completing the Internal Market, White Paper from the Commission to the European Council, COM(85) 310.
4 For the text, see Bull EC 6-1985, p 15.
5 For the text of the Spanish and Portuguese Accession Treaty and on accession generally see para 300 below.
6 For the text, see OJ L169, 29.6.87, p 1. The Single European Act was incorporated into United Kingdom law by the European Communities (Amendment) Act 1986, c 58.
7 See Crotty v An Taoiseach [1987] 2 CMLR 666 (Irish SC).
ments to the founding treaties, and gave institutional form to the machinery of political co-operation in the field of foreign policy. The machinery of European Political Co-operation (EPC) was established parallel to, but not as part of, the institutional machinery of the Community.

30. Majority voting under the Single European Act. The Single European Act amended the EEC Treaty so as to create greater opportunity for legislative decisions to be taken by qualified majority vote in the Council and involve the Parliament more closely in certain aspects of the legislative process. The Single European Act contained no reference to the Luxembourg Compromise and neither recognised, nor provided any machinery for, the exercise of any right of veto. The risk of any such right being exercised was in any event reduced by allowing a measure of 'variable geometry', which eased the political process of agreement, but created new difficulties for the lawyer in ascertaining the law to be applied.

31. 'Variable geometry'. Before the Single European Act it was a general principle of Community law that it be applied uniformly throughout all the member states. So, Community legislation which provided, without objective justification, different rules to be applied in different member states was declared to be unlawful. New provisions in the Single European Act implicitly recognised that Community law could be applied differently, at different times, in different member states. This scheme is usually called 'variable geometry' or 'multi-speed' integration. There is a presumption that whilst integration and the rules giving effect to it may proceed more rapidly as amongst some member states, all member states will eventually catch up and Community rules will apply uniformly thereafter. Latterly the terms have been applied to situations whereby some member states enjoy in one sphere or another a right of permanent derogation from Community rules.

32. Implementation of the Cockfield White Paper; 1992. The Single European Act also provided the legislative mechanisms necessary to implement the recommendations of the Cockfield White Paper. The legislative programme envisaged by the White Paper for the completion of the internal market was largely achieved by the end of 1992.

33. The Social Charter. The Commission became concerned that implementation of the internal market as proposed by the White Paper would

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1 See paras 79-80 below.
2 It is understood that throughout the negotiations leading to the Single European Act no mention was made of the Luxembourg Compromise, as to which see paras 15 above and 78 below.
3 See eg Case 41/84 Pinna v Caisse d'Allocations Familiales de la Savoie [1986] ECR 1.
4 EEC Treaty, arts 8c and 100a (now EC Treaty, arts 7c and 100a).
5 See para 170 below. As to the Cockfield White Paper, see para 26 above.
6 See paras 170, 193, 195 and 259 below.
have serious social repercussions which were not sufficiently addressed by the EEC Treaty. Accordingly, it put forward a Community Charter of Fundamental Social Rights of Workers (the Social Charter), which was adopted by eleven of the member states – the United Kingdom opposing – in December 1989. The Social Charter has no legal force; it was intended as a blueprint for the adoption by the Community of legislation in the social sphere.

34. European Monetary Union. Commitment to eventual realisation of economic and monetary union (EMU) within the Community was reconfirmed at the Hanover Summit of the European Council in 1988, which charged a committee chaired by the President of the Commission, Jacques Delors, to study the matter. The Delors Committee reported in 1989, identifying three ‘stages’ necessary for the achievement of EMU. An intergovernmental conference was convened in December 1990 to consider incorporation of the ‘Delors Plan’ into the treaties.

35. European Political Union. Some member states were unwilling to proceed to EMU without an extension of Community competences and enhancement of the democratic accountability of its institutions. Accordingly, a parallel intergovernmental conference was convened in December 1990 to consider these issues and those of foreign affairs, defence and collective security.

36. The Treaty on European Union (the ‘Maastricht Treaty’). Whilst there was little interaction between the two conferences, the deliberations resulted in a single treaty, the Treaty on European Union (TEU), signed at Maastricht (hence, the ‘Maastricht Treaty’) on 2 February 1992. Following legal challenges to ratification in four member states, including the United Kingdom, referenda in three (two in Denmark) and constitutional amendments in three, the TEU came into force on 1 November 1993. It is concluded for an unlimited period.

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1 See paras 272-274 below.
3 For the text see OJ C191, 29.1.92, p 1; Cmd 1934.
4 R v Secretary of State for the Foreign and Commonwealth Office, ex parte Rees-Mogg [1994] 1 All ER 437; [1993] 3 CMLR 101 (QBD); see also Monckton v Lord Advocate, judgment of the Outer House of the Court of Session of 5 May 1994, not yet reported. Rather more sophisticated challenges were mounted in France (see the judgment of the Conseil Constitutionnel of 9 April 1992, [1993] 3 CMLR 345), in Spain (see the opinion of the Tribunal Constitucional of 1 July 1992, [1994] 3 CMLR 101) and in Germany (see the judgment of the Bundesverfassungsgericht of 12 October 1993, [1994] 1 CMLR 57). The Treaty on European Union is given effect in the UK by the European Communities (Amendment) Act 1993, c 32.
5 In a June 1992 referendum the Danes voted narrowly against ratification of the treaty, but following a series of undertakings given to Denmark at a meeting of the European Council in December 1992 (the Edinburgh Summit) which involved no alterations to the treaty, a second referendum in May 1993 produced a vote comfortably in favour of Danish ratification.
6 TEU, art Q.
37. European Union. The Treaty on European Union created the ‘European Union’, which consists essentially of three so-called pillars: the central pillar is the existing Communities and their law (as amended significantly by the Maastricht Treaty)\(^1\). The two other pillars comprise provisions on common foreign and security policy\(^2\) and provisions on co-operation in the fields of justice and home affairs\(^3\). The three pillars ‘support’ the over-arching constitutional order of the Union. The latter two pillars, like European Political Cooperation under the Single European Act\(^4\), extend the areas in which the member states undertake to pursue common action, but are subject only to the legal order of the Union, not to that of the Community. So, although the Union is ‘founded on’ the Communities\(^5\) and is served by the Community institutions\(^6\), its non-Community competences are not subject to the democratic and judicial control inherent in the Community system. They remain, in effect, intergovernmental treaty obligations amongst the member states\(^7\). They were not incorporated into United Kingdom law and are not enforceable in British courts\(^8\).

38. Amendment to the EEC Treaty. The TEU amended the treaties founding the Communities in a number of significant respects. Chief amongst these amendments are the following. Recognising its pre-eminence amongst the three Communities and the conferral upon it of new competences in areas which are not primarily economic, the EEC was renamed the ‘European Community’ (‘EC’)\(^9\). Citizenship of the Union was created\(^10\). The Community is committed to achievement of Economic and Monetary Union (EMU) by 1999\(^11\). It undertakes to develop a social policy within the framework of the 1989 Social Charter (although the United Kingdom will play no part in this)\(^12\). A number of changes were made to the institutional (especially in relation to the Parliament\(^13\)) and judicial mechanisms of the Community. And the principle of subsidiarity was introduced, as such, into Community law\(^14\).

39. Future amendment. It was anticipated that the peculiar constitutional structure of the European Union would require adjustment. There were also

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1. TEU, Titles II-IV.
2. Ibid, Title V.
3. Ibid, Title VI.
4. See para 29 above. The TEU, art P(2), repealed the provisions of the Single European Act dealing with EPC, which were subsumed into the more sophisticated provisions of the TEU on common foreign and security policy.
5. TEU, art A.
6. See paras 290-291 below.
7. On Titles V and VI of the TEU, see paras 294-298 below.
8. See para 289 below.
9. TEU, art G(A).
10. See para 171 below.
11. See paras 262-267 below.
12. See paras 273-274 below.
13. See paras 79, 81 below.
14. See para 157 below.
a number of contentious issues upon which the conferences failed to reach agreement. The TEU therefore provides that a subsequent intergovernmental conference is to be convened in 1996 in order to consider further revisions.

40. The European Economic Area (EEA). Unconnected but contemporaneous with the process leading up to the TEU, the seven member states of the European Free Trade Area (EFTA) had sought closer economic relations with the Community. As a result, on 2 May 1992, an agreement was signed between the EEC, the ECSC (but not Euratom) and the Community member states on the one part and each of the EFTA states on the other designed to create a European Economic Area (EEA). In a December 1992 referendum the Swiss voted against ratification. Following ratification by the two Communities, all Community member states and all the EFTA states except Switzerland, the EEA Agreement (as amended in order to take account of the Swiss refusal to join) entered into force, and the EEA came into being, on 1 January 1994.

41. Purpose and scope of the EEA. The purpose of the EEA Treaty is to create, in effect, a sophisticated free trade regime, combined with provisions on the free movement of persons, services and capital, within the area of the EC and EFTA, except Switzerland. It therefore replicates, although less profoundly, the aims of the Community. The EEA Treaty creates its own institutions charged with overseeing the development of the EEA. It will be considered more fully below.

42. Austrian, Finnish and Swedish accession. In June 1994 a fourth accession treaty was signed in Corfu (hence, the ‘Corfu Accession Treaty’) between the European Union, its member states and four EEA member states: Norway, Austria, Finland and Sweden. Referenda were held in each of the applicant states. The Austrians, Finns and Swedes voted in favour of accession, but in November 1994 Norwegians voted, for a second time, not to join. Following ratification by Austria, Finland and Sweden and by all existing member states, the treaty entered into force on 1 January 1995, so bringing the number of member states to the present fifteen. Adjustment to the Treaties necessitated by the failure of Norway to ratify were made by the
Council by authority of the Corfu Treaty. Transitional arrangements for the three new member states expire for the most part in 1998.

43. Recapitulation. The European Union, which came into being in November 1993, now comprises fifteen member states. The Union rests upon three 'pillars', the central one of which is the three Communities and their law. Of the three Communities, the EC (before November 1993, the EEC) is pre- eminent. The Community institutions provide the institutional framework of the Union, but their powers under the Community treaties are of an entirely different character from those under the non-Community pillars of the Union. The Community (but not the European Union) and its fifteen member states belong to the European Economic Area (EEA); the law of the EEA applies throughout its territory, including the Community.