

EDITORIAL COMMENTS

Euro-optimism

Twelve months ago, when we wrote our first Editorial Comment for 1984, the general outlook for the European Community was gloomy. The Athens European Council of December 1983 had been unable to solve any of the problems which had been bundled together by the preceding European Council in Stuttgart and which conditioned any further progress in the Community. In addition, 1984 was the first year which began with the certitude that the Community institutions and the Member States faced for the first time in reality what had already loomed for some time, that is a budget which could not allow the Community's financial obligations to be met, unless its non-agricultural activities were sacrificed. Hence, our highly pessimistic viewpoint several months ago and our pressing plea for an end to political and diplomatic brinkmanship.

Today, at the beginning of 1985, we tend to take a much more optimistic view of the future of the Community. What are the reasons for this surprising change? Are we not still waiting for increased own-resources? Was the draft budget for 1985 not as unrealistic as the preceding – a fact which explains its rejection by the European Parliament in December 1984? Is the so-called budgetary discipline not a major bone of contention between the Council and the European Parliament? Are the negotiations on enlargement not dragging on?

All this is true. Nevertheless, the dangerous crisis of 1984 has been overcome. The trend has been reversed. There is objective reason for optimism.

Let us recall the major events of the past year. The Brussels European Council was half a success and half a failure. The Heads of State and Government accepted an increase of own-resources from 1% to 1.4% of V.A.T.; they also agreed on the basic elements of the so-called budgetary discipline. But they failed to reach a consensus on the solution to the British budget problem. As important as the outcome of the

European Council was, however, the result of the agricultural Council of 30 and 31 March 1984. The Council was able to decide on the reform of the common agricultural policy by establishing the principle of guarantee thresholds, production quotas for milk and a zero price increase.

Even more important than the Brussels meeting of the European Council was its session in Fontainebleau. The Heads of State and Government agreed on the solution to the British budget problem by accepting a reduction of the U.K. V.A.T. rate. They thus put an end to more than four years of division, controversy, endless negotiation, bluff, blackmail, provisional settlement and new in-fighting. It is true that the European Council did not solve the problem of lack of funds for 1984. But it sowed the seeds for the Community's institutional evolution, by setting up what was called later the Dooge Committee.

The autumn of 1984 brought the all-embracing Stuttgart package even closer to its final solution. The Budget Council agreed on inter-governmental funding of the shortfall in the 1984 budget. The Council of Ministers of Finance finalised the terms of the self-imposed budgetary discipline. The only outstanding, unsettled issue remains enlargement. The negotiations have proved slow, even after the meeting of the European Council in Dublin which dealt, rather successfully, with the question of the Community's wine surplus. The only dissonance is provided by Prime Minister Papandreu and his exorbitant requests for financial transfers in favour of the Greek economy.

In spite of this disappointing note, the Community finishes 1984 in much better health than it began it. Although it has not yet been possible to break the back of the enlargement negotiations, their end is in sight, even if 11 January 1986 might be exceeded by a few months. Moreover, the Community enters 1985 without a budget, although it will have one, as everybody agrees that the Member States will have to finance – this year – the existing deficit. Enlargement means increased own-resources and therefore the disappearance of the financial misery so detrimental to the development of the Community.

On 7 January 1985, a new team of Commissioners took over from the Thorn Commission. Its new President, Jacques Delors, showed immediately that the high expectations which accompanied him are more than justified. A new, refreshing breeze is blowing in and from the Berlaymont, the Commission's headquarters in Brussels.

Finally, there are the seeds of future evolution, the plans for institu-

tional reform triggered off by Altiero Spinelli's extraordinary achievement, the European Parliament's Draft Treaty on a European Union. The Dooqe Committee has shown that a majority of Member States are willing to go beyond the existing Treaties, both as regards substance and decision-making. The Community would miss a historic chance if it did not build on this consensus to construct a more integrated, efficient and democratic Europe.