

## **EDITORIAL COMMENTS**

### **The “grand rendez-vous”**

The Single European Act came into force on 1 July, following ratification by all the Member States. Although this document by itself cannot be expected to provide solutions to the Community's problems, the fact that all Member States have consented to be bound by a set of new or reformulated objectives, timetables and procedures, may be regarded as a positive development.

The SEA's focus on the completion of the internal market by 1992 is likely to be considered its most attractive feature. The planned removal of all obstacles to intra-community trade and a range of other measures for opening up the internal market are considered to do more for strengthening European competitiveness and economic growth than any macro-economic measures. Apart from being an economically sound idea, the 1992 target for achieving a genuine Common Market is also attractive from a political point of view. It has given the Community and its Member States a rather precise sense of direction for the next six years. Furthermore, the difficulties involved in reaching the SEA's central objective were seen to be so great as to make institutional reforms absolutely necessary. Thus, in a large number of cases, majority voting has been introduced and Article 145 of the EEC Treaty has been amended to provide for more extensive management powers of the Commission. Finally the SEA confers some new powers on the European Parliament enabling this organ to assume the role of a co-legislator in specific fields.

Even if the coming into operation of the SEA may be welcomed, there is no denying that the stagnation in the European integration process is not primarily due to defects in the Treaties. In an earlier Editorial Comment we deplored the absence of any prospect for outlawing the concept of "vital national interests" and the Luxembourg Compromise from Community life.<sup>1</sup> Indeed, if the Member States do not approach the SEA with the determination to abandon outdated concepts of independence and rivalry, if they refuse to go beyond their nationalistic and short-term view of economic and financial interests, there is no way that the Community will develop into something more valuable than the half-way house that it now is.

The latter point is heavily stressed by the Commission in its Communication of February 1987 entitled "Making a Success of the Single Act: A New Frontier for Europe".<sup>2</sup> This so-called "Delors plan" identifies as an all-important condition for success the political will to implement the SEA in the right spirit, because, "failing this, Europe will never recover from its congenital disease: a succession of good resolutions that sink in the sands of long drawn-out and sometimes inconclusive deliberations."

The European Council Meeting of 29 and 30 June 1987 was the first opportunity to test the Member States' resolve to make progress with regard to the implementation of the SEA. At the insistence of the Commission, the European Council set out to reach agreement on political guidelines capable of orientating Community action in the medium and long term with regard to the main elements of the Commission's proposals on the internal market and economic and social cohesion, on budgetary discipline, on new own resources and on the common agricultural policy. It was hoped that agreement on guidelines in these areas would allow the European Council to deal effectively with the most pressing and immediate problems relating, *inter alia*, to the common agricultural policy and the threat of imminent bankruptcy.

In the end, the European Council was more successful in settling the

1. See 22 CML Rev. (1985), 583-585.

2. Com. Doc. 87 (100) def. of 26 Feb. 1987. See also Editorial Comments in 24 CML Rev. (1987), 138-142.

short-term questions than in giving concrete guidelines on the implementation of the SEA on the basis of the Delors proposals. A unanimous compromise was reached on the system of monetary compensatory amounts, the funding of the 1987 budget and the financing of current research programmes pending the adoption of a definitive, multiannual framework programme. For the moment this takes the edge off the budget crisis. However, the solutions found are a one-off operation. Further make-shift solutions and the continuation of creative budgetary accounting practices must be ruled out for the near future.

The guidelines and the work programme for the medium term on which the European Council reached conclusions, albeit without the agreement of the United Kingdom, do not really go much beyond what had already been included in the Single Act. The European Council requests the relevant Councils to take full advantage of the improvement in the decision-making process produced by the SEA and instructs them to take, before the end of 1988, the necessary decisions with regard to matters such as the opening of public contracts, the approximation of standards, the full liberalisation of capital movements and of insurance markets, the mutual recognition of diplomas and the creation of a legal statute for European companies. The conclusions of the European Council endorse the Commission's approach to the reform of the Structural Funds but they are non-committal with respect to the proposed increase in the financial endowment of these Funds. The conclusions also show that the European Council shares the Commission's views on the nature and the direction of the agricultural reforms and on the measures needed to strengthen budgetary discipline. Further, the document supports the view that the financing system should take greater account of the proportionality of contributions in accordance with the relative prosperity of the Member States. Likewise, the idea of setting new ceilings for own resources based on a percentage of Community GNP was accepted. However, the conclusions do not contain any indication as to whether the Community should implement the Commission's proposal for a fourth category of own resources, based on the difference between the GNP of each country and the basis of assessment of VAT. The conclusions promise (and stipulate) that on all the outstanding points mentioned above the European Council will adopt its final decision at its meeting in Copenhagen on 4 December 1987.

The outcome of the meeting will probably not have come as a surprise to those who never expected the European Council to reach agreement on the whole complex package of Commission proposals quickly. The document that came out of the summit is mainly a declaration of intent. However, the fact that the Member States have not gone back on their commitments and the fact that agreement was reached on the procedure and the timetable for coming to more concrete decisions in the near future justify the conclusion that this European Council Meeting was just the first "instalment" of the "grand rendez-vous". As such it was not a failure.

The fact that the British delegation was unable to concur in the conclusions of this European Council may be regarded as unfortunate, more so than the rejection of a veto right, which occurred at this European Council. Besides, there is no doubt that the rift between the British delegation and those of the other Member States was not as deep as it appeared at first sight. Even if it is preferable to reach a consensus at such meetings it is unacceptable that the most reluctant state can block decision-making or impose a watered-down version of the proposals to be decided on. At Milan in 1985 the British, Greek and Danish Governments opposed the calling of the Intergovernmental Conference for the revision of the Treaties. Subsequent events have proved that Member States prefer not to isolate themselves. Strugglers tend to rally round the flag. It may be hoped that this will also be the case at Copenhagen in December 1987. In order not to compromise whatever new impetus the SEA has generated, it is vital that the projected meeting in the Danish capital does really turn out to be a "grand rendez-vous".