

# COMMISSION OF THE EUROPEAN COMMUNITIES

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PROGRESS TOWARDS THE CREATION OF

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AN AREA WITHOUT FRONTIERS

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COMMISSION NOTE

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1. Since the European Council in Milan in June 1985 welcomed and endorsed the programme for completing the Internal Market by 1992 as set out in the Commission's White Paper, the momentum generated by that high level endorsement has to some extent been maintained although there have also been some less encouraging developments.
2. On the positive side, the Inter-Governmental Conference that culminated in the Luxembourg European Council not only provided a further and even more explicit commitment to the aim of a Europe without internal frontiers by 1992, but also provided for the introduction of important improvements in the decision-making process specifically designed to help this process. Thus the political will has been clearly expressed at the highest level twice in the last 12 months and the Single Act, once ratified, will have provided, for example, in Article 100A the instrument for translating that will into decisions. Another useful procedural improvement has been the introduction, under the Luxembourg Presidency, and continued by the Netherlands and United Kingdom, of a three-Presidency rolling programme to ensure that there is continuity and coherence in the Council's planning of its work in this area.
3. It must be acknowledged, however, that the timetable proposed by the Commission in the Annex to the White Paper has not been adhered to. This has led to disappointment and some criticism in the media, the European Parliament and among the economic operators, all of whom are more inclined to judge progress against that timetable rather than by comparing the relatively productive past 12 months with the much slower pace of previous years. There is, therefore, a danger that the momentum created by the widespread and enthusiastic support which greeted the publication of the

White Paper will be lost if the Community is not seen to be catching up with and maintaining the timetable it set for itself.

4. The Commission has recently sent to the European Parliament and to the Council a detailed report on progress, measured partly in terms of the number of White Paper proposals that have been forwarded by the Commission and/or adopted by the Council since the Milan European Council. A purely numerical approach can of course be misleading in the sense that it can make no proper distinction between proposals that may have a major impact on the economic environment (e.g. the mutual recognition of professional qualifications or the progressive implementation of a programme for the liberalisation of capital movements leading to the establishment of a genuine European financial area) and those that in some cases represent little more than the tidying up of lacunae left by existing legislation (e.g. the directive on standards on Roll-over Protection for Tractors).

Nevertheless certain conclusions can be drawn from the report that point to ways in which the European Council in the Hague might play its part in restoring momentum:

- (i) the Council has not shown the necessary sense of urgency or determination to see the programme through on time. There is no shortage of White Paper proposals already on the table which the Council could usefully adopt;
- (ii) the seriousness with which the White Paper timetable and indeed the European Council's own instructions are taken varies considerably from Council to Council. The Internal Market Council, even if it has not adopted as many of the proposals submitted to it as the Commission

would have liked, has at least devoted several meetings to serious discussion of them. The Agriculture Council by contrast has devoted little time to White Paper proposals falling into its area of responsibility, arguing that it has other priorities. Nevertheless it has retained responsibility for some proposals that could just as well be treated in other Councils (e.g. proposals in the food legislation area).

(iii) The Council (Economic and Financial Questions) during the work of the ad hoc Group commissioned in the light of its remit from the Milan European Council on the fiscal chapter of the White Paper, had made little progress on proposals already before it for harmonisation of the VAT and excise duty base. However, the June Council (Economic and Financial Questions) endorsed the need both for an intensification of work on the fiscal proposals already submitted to it and for the Commission to produce detailed proposals for abolishing fiscal frontiers.

(iv) the "spirit of Luxembourg" does not appear to have infused the attitudes of Member States in the Council at any level. Although admittedly universal ratification of the Single Act is still awaited, it does not seem unreasonable to hope that, in anticipation of this, Member States finding themselves isolated on proposals which could already come under Article 148.3 or will soon come under Article 100 A, would be willing to allow progress. There has so far been little sign of any such willingness;

(v) the Commission too must shoulder its share of the

responsibility for the slippage. It has not produced all its proposals on time and is determined to do everything possible to catch up. It has drawn the Council's and the Parliament's attention to one real and serious problem it faces: the shortage of human resources to manage existing policies and to propose new legislation.