



TEN YEARS
THAT
CHANGED
EUROPE

1979 / 1989

EUROPEAN PARLIAMENT

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A DECADE OF SERVICE TO THE PEOPLE OF EUROPE

The European Parliament, elected by universal suffrage for the first time in 1979, is coming up to its third term. The concept of the 'Voice of the people of Europe' has now been accepted. Ten years after the first direct elections, the 518 parliamentarians from the 12 countries of the Community are not just listened to, they have become a driving force in the process of European integration.

Parliament has been the prime mover behind the main advances in the Community. Without Parliament, the plan for completing the internal market and the Single Act would not have seen the light of day during this decade. Without Parliament, the common transport policy, issues of equality between men and women and the protection of the environment would not figure so prominently on the Community's agenda. Moreover, European Parliamentarians, your MEPs, have not been afraid to work, often in the relative obscurity of the specialist committees, to make the Community an everyday reality. Their deliberations on the size of tractor wheels, the configuration of nuts and screws and the harmonisation of the rules on toy safety do not hit the front pages, but are essential if the completion of a true single market is to be a success.

For 10 years Parliament has been concerned with the

impact of legislation on the individual citizen. This, after all, is the least one could expect of a Community institution elected by universal suffrage. The notion of a 'People's Europe' founded on the sharing of a common identity and a heritage of collective laws is at the heart of the Community. Parliament is perhaps inherently more aware than any other institution that a united Europe will not be achieved without the support of its citizens and that those citizens will only support this concept when there is tangible proof of the contribution it can make to their everyday lives and their fundamental rights. At a time when the plan for the internal market is already bringing alive the business advantages of a common economic area, Parliament is taking care that this aspect is not the only one. An economic and commercial Europe is a necessary condition for development, but alone is not a sufficient one. There has to be a social aspect, together with greater balance between the regions and closer attention to the environment if the European Community is to be meaningful.

On the eve of the abolition of frontiers, Parliament is the only democratic Community institution. In those policy areas where decisions are taken at a Community level, it is the sole spokesman for and representative of 320 million Europeans whose daily lives are going to be increasingly affected by Community legislation. The Single Act has strengthened its posi-



EUROPEAN PARLIAMENT

tion and today Parliament is an integral part of the system of decision-making, even if it is not yet the equal of the Council which represents the national governments.

That Parliament will continue to press for further increases in its powers cannot be doubted, but it is worth remembering it is Parliament which has inhe-

rited more clearly than any other institution the mantle of the Community's founding fathers. Mindful of this heritage, it intends to make its full weight felt during its third 'term' to enhance the European ideal, to encourage closer union between the peoples of Europe and to increase its own influence - in other words democracy - in the Community.



EUROPEAN PARLIAMENT

CONTENTS

Introduction Page 1

A decade of service to the people of Europe

1

The new Europe. Page 13

Non-Europe - or a fragmented economy. Page 14

Europe as the driving force of economic recovery -
The challenge of the internal market

The 'great leap forward' or 'small steps'? Page 15

The decisive push by Parliament - The 'compromise' of the Single Act -
Parliament's increased powers - A moderate success

Conflict over the budget. Page 19

Parliament in the trenches - Checking the insatiable CAP - To each his own
budgetary responsibilities - The inadequacy of the Community's own resources -
A truce at last

2

1992 : the 'new frontier'. Page 23

The long road to the single market. Page 23

The gains to be made - The programme

The symbolic significance of the opening up of frontiers. Page 25

The hidden obstacles to free movement - Unravelling the tangle of technical
standards - Opening up public contracts - Liberalising the liberal professions -
Opening up Europe for the provision of services - Freeing capital flows and
calming markets - Making industrial cooperation easier

The difficult problem of tax harmonisation. Page 29

Finding acceptable VAT brackets - Inventing a new formula for collection -
Moving more slowly on excise duties



3

The social area. Page 31

Wealth creation and a caring society. Page 31

The campaign against unemployment - Improving instruments to combat unemployment

'Cohesion' and 1992. Page 32

A single point of reference in the Single Act - The debate on industrial democracy - Encouraging dialogue between management and labour

4

Restoring regional balance. Page 35

Disappointing results. Page 35

Hope for the regions from the Single Act. Page 36

5

Transport. Page 37

The Council 'ordered' to take action. Page 37

Substantial progress on the roads. Page 38

Air transport and safety. Page 38

Road and rail bottlenecks and the Channel Tunnel. Page 38

6

Currency. Page 41

The rise of the EMS. Page 41

Towards monetary union. Page 42



7

Research. Page 43

Parliament sounds the alarm. Page 43

The Single Act lays the foundation. Page 44

The major research programmes. Page 44

8

The environment. Page 47

The argument used by Parliament. Page 47

The campaign against air pollution. Page 48
Acid rain - Ozone and the greenhouse effect

Monitoring dangerous substances. Page 49

The post-Chernobyl shock. Page 49
Stepping up safety and checks - Establishing a 'permissible' level of radioactivity

9

Agriculture. Page 51

1986 : Parliament sets a new course. Page 51

Organising the running-down of stocks. Page 52
Finding ways out of the crisis

Stabilising agricultural production. Page 53
Limiting the maximum amounts eligible for guaranteed payments - Set-aside -
Income support for farmers - Encouraging international negotiations

The common fisheries policy or 'blue' Europe. Page 54
Modernising and restructuring the fleet - Arranging the negotiation
of the fishing agreements



10

Europe and the World. Page 57

The European Parliament on the international scene. Page 57

An active Middle East policy - Rapprochement with the East

The defence of human rights. Page 59

Confirmation of universal principles - The case of Turkey -
The condemnation of South Africa

North-South : the common future. Page 61

The Lomé Convention - Reivew of aid to Asia and Latin America -
Revival of cooperation

11

Security. Page 63

Parliamentary legitimacy. Page 63

Parliament and disarmament. Page 64

12

The Citizens' Europe. Page 65

A single citizenship. Page 65

The symbols of identity - The right to vote in local elections -
The right to petition Parliament

Opening up education in Europe. Page 66

ERASMUS : multiplying student exchanges - YES : a ticket for Europe

Equal opportunities. Page 67

Parliament on the offensive - The interpretation of 'indirect' discrimination -
Sharing the burden of proof

Television without frontiers. Page 68



13

Health. Page 69

The campaign against drugs. Page 69

Action against producers and traffickers - Encouraging prevention and rehabilitation

The war against cancer. Page 70

The Community's programme - Switching from tobacco to other crops

14

Towards European Union. Page 73

Why is integration so pressing? Page 73

How to achieve it. Page 74

The lessons of the past - From small steps to the big leap - Eurobarometer poll





1979-1988

KEY DATES

1979 : first election of the European Parliament by universal suffrage

1981 : Greece joins the Community

June 1984 : Draft treaty on European Union, Second direct elections by universal suffrage

January 1986 : The Single European Act is signed, Spain and Portugal join the Community

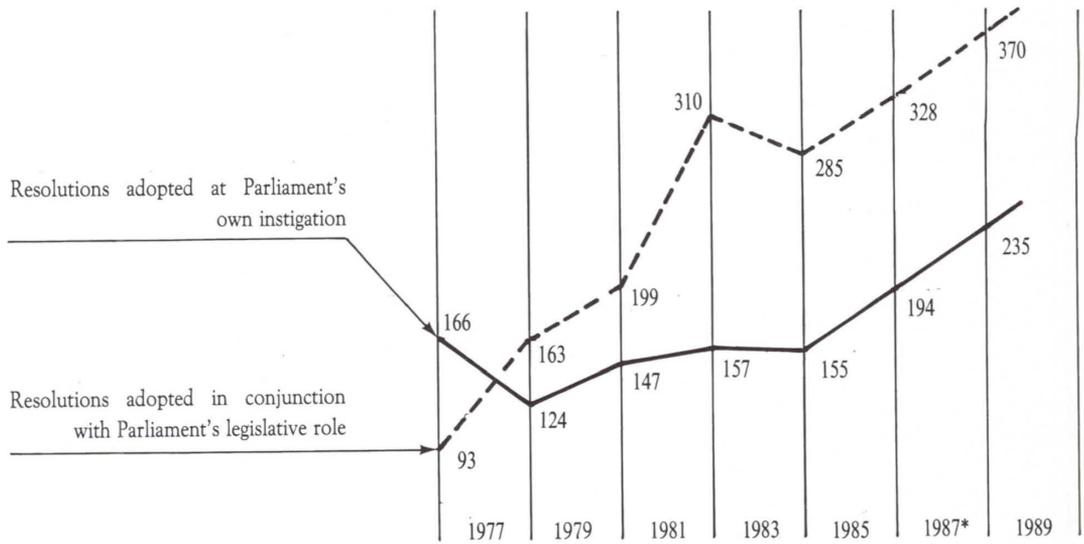
1988 : European Council in Brussels takes key decisions on budgetary and CAP reforms

MEMBERSHIP OF PARLIAMENT
(by political group and country)

Groups	B	Dk	G	S	Gr	F	Ir	It	L	N	P	UK	Total
Socialist Group	8	3	33	28	10	20	—	12	2	9	7	33	165
European People's Party	6	1	41	1	8	7	6	27	3	8	4	—	112
European Democratic Group	—	4	—	17	—	—	—	—	—	—	—	45	66
Communist and Allies Group	—	2	—	3	4	10	—	26	—	—	3	—	48
Liberal and Democratic Reformist Group	5	2	—	2	—	14	1	6	1	5	10	—	46
European Democratic Alliance	—	—	—	—	1	20	8	—	—	—	—	1	30
Rainbow Group	4	4	7	1	—	—	—	2	—	2	—	—	20
Group of the European Right	—	—	—	—	1	9	—	5	—	—	—	1	16
Independent	1	—	—	8	—	1	—	3	—	1	—	1	15
	24	16	81	60	24	81	15	81	6	25	24	81	518



PARLIAMENT AT WORK



* In 1987 and 1988, 22 and 90 resolutions coming within the cooperation procedure of the SEA were adopted.



THE ELECTORAL SYSTEMS

	Voting age	Candidates age	Electoral system	No. const	Right to vote ¹	Dual mandate
Belgium	18	21	Proportional with pref. vote	3	nat of other Mem St res in B	MP, reg. bodies mayor
Danmark	18	18	ditto	1	Danes res in other MS	MP
France	18	23	Proportional without pref vote	1	French res abroad	MP
Germany	18	18	ditto	10 + Berlin	Germans res in other MS	MP
Greece	18	21	ditto	1	Greeks res abroad	MP
Ireland	18	21	Proportional with STV ²	4	Other MS nat res in I	MP
Italy	18	25	Proportional with pref. vote	5	Italians res abroad	MP
Luxembg	18	21	Proportional poss vote for diff. parties	1	—	MP
Netherlds	18	25	Proportional with pref. vote	1	Other MS nat res in NL and Dutch res abroad	MP
Portugal	18	18	Proportional without pref. vote	1	Portuguese res in other MS	MP
Spain	18	18	ditto	1	Spanish res abroad	MP
UK	18	21	Majority ³ , with single-member constituencies	78 + 1	Irish res in UK	MP ⁴

¹ Other than nationals.

² Single transferable vote.

³ Except N. Ireland, a single constituency with three members elected by proportional representation.

⁴ The practice of dual mandate i.e. serving as both a national MP and MEP is discouraged but not against the law.





1

THE NEW EUROPE

In 10 years the European Community has moved from a 'Europessimism', characterised by a belief that it was powerless to counter the common problems of low economic growth and high unemployment, to a gradual realisation that closer cooperation, especially in the economic field, can bring about increased prosperity for all. Today the Community is unequivocally committed to the establishment of a common economic area and in regaining its courage, it has regained its credibility. This revival stems from three factors - an increase in economic growth, the strengthening of democracy in the Community's institutions and the provision of the financial means to enable the Community to carry out its policies.

Parliament has made a substantial contribution to all three of these developments.

In 1979 the Community was in the doldrums. The single market, which should have been created by the original six member states, was riddled with anomalies and hidden forms of protectionism. During this same period, Reaganism was triumphantly accumulating jobs and growth while Japan dominated world trade. The European economy seemed to be condemned to a perpetual state of crisis, dragged along in the wake of the two economic giants.

Ten years later European industry has regained its

self-confidence and credibility. Inflation has been brought under control, the spectre of recession is fading and there are signs of light at the end of the tunnel of unemployment. Business eagerly awaits the 'new frontier' - a greater internal market of 320 million consumers. 1992 is being taken seriously by every government, company and individual. Despite sometimes legitimate fears, Europeans are looking forward to the 1990s with renewed confidence and the feeling that the unification process in Europe has reached the point of no return.



1979-1988 : THE MAJOR LANDMARKS

- 1979: First direct election of the Parliament by universal suffrage
- 1981: Enlargement to include Greece
- 1983: Albert and Ball report adopted by Parliament
- 1984: Draft Treaty of European Union. Second election of Parliament by universal suffrage
- 1985: White Paper on the completion of the internal market
- 1986: Signature of the Single Act, enlargement to include Spain and Portugal
- 1988: Brussels European Council meeting, February 1988
- 1989: Third direct election of the European Parliament

**NON-EUROPE -
OR A FRAGMENTED
ECONOMY**

For years the people of Europe have suffered under the illusion that the European Community was an expensive luxury. The obstacles that impeded its realisation obscured its true benefits. Armed with figures, Parliament and then the Community set about correcting this impression. They showed that what was costly was not an integrated European economy, but a continent divided by internal barriers which hindered the creation of a genuine single European market - in other words, 'Non-Europe'. A new approach was vital to convince people of the need for economic union.

**EUROPE AS THE DRIVING FORCE
OF ECONOMIC RECOVERY**

In 1983 Parliament asked two highly regarded economists, Michel Albert, former Chief Executive of French economic planning, and James Ball, Director of the London Business School, to report on the

economic crisis facing Europe. They concluded that the main obstacles to growth were the failure to create a genuine single market, 'non-Europe', and the lack of understanding, and hence lack of support, from the general public for the Community and its institutions.

They did not mince their words in criticising weaknesses in the European economy. Michel Albert said that by throwing in the towel Europe in the 1980s had reacted in the same way as France in the 1930s. Faced with the triple challenge of inflation, the oil shock and competition from new industries, it had sacrificed long-term interests to short-term considerations by giving priority to salaries instead of profits and to consumption rather than investment. The result: unemployment, economic stagnation, trade deficits, with public expenditure sliding out of control and a Community caught up in Byzantine legal wrangling and interminable budgetary debates.

The two economists did not confine themselves to dissecting past European economic strategies. They also pointed the way to recovery. Their starting point was the assumption that in the medium-term no country has significant scope on its own for independent expansion. Their economic analysis showed that if one EC member state has growth as its sole objective, it is bound to fail. But if it first puts its own house in order and adopts a cooperative growth strategy with its economic partners, while respecting the rules of common interest, it is bound to progress.

Following this report, Parliament set up a special committee to present a plan for European economic recovery. Adopted in 1984, the plan has four main headings: strengthening the means of Community action - in other words completion of the internal market; coordination of national economic policies; measures to support development at national and Community level, and international cooperation.

The completion of the internal market and the cost of the absence of a single European market were two themes that found an echo some months later both in Council and in European public opinion.



THE CHALLENGE OF THE INTERNAL MARKET

It was in Milan in 1985 that the heads of state and government adopted the White Paper on the completion of the internal market presented by the Commission. Containing 300 proposals, it set 1992 as the date for the abolition of all obstacles to the freedom of movement of persons, goods, capital and services. A study on the impact of the Commission's proposals, the Cecchini report, which appeared in 1988, estimated the additional costs of a fragmented economy with national barriers at 200 billion ECU a year, or almost four times the Community's budget. The underlying principles of the White Paper on completing the internal market and the ideas developed in the Cecchini report reflected Parliament's thinking. The Commission, largely inspired by the ideas contained in its reports, took up all its proposals on the free movement of goods, capital and persons.

THE EUROPEAN ECONOMY OVER THE TEN-YEAR PERIOD

	1979	1984*	1988*
GDP (bn ECU)	2,001.4	2,879.2	3,721.2
Growth	3.2	2.3	3.4
Inflation	12.9	6.1	4.4
Unemployment	5.4	11.0	11.2
Trade balance (extra EC in bn ECU)	- 35.1	- 41.1	- 0.7

* For the trade balance and GDP the figures relate to 1983 and 1987.

THE 'GREAT LEAP FORWARD' OR 'SMALL STEPS' ?

For Europe's founding fathers and the most convinced Europeans, economic union has never been an end in itself, but a step on the road towards political unification. The debate on the strategy for European Union, whether there should be a 'great leap forward' or a series of 'small steps', is one that recurs regularly. In 1984, when the Community was running into economic difficulties, Parliament proposed a draft Treaty of European Union. It was not followed in this by the member states, who preferred the more limited provisions of the Single Act. Although this falls far short of what the majority of MEPs hoped for, it does strengthen the Community's powers and broaden its terms of reference. This development would not have been possible without the decisive stimulus given by Parliament's draft Treaty on European Union.

THE DECISIVE PUSH BY PARLIAMENT

This story begins in 1981 in a restaurant in Strasbourg - 'Le Crocodile' - where a group of members of the European Parliament of various different nationalities and political tendencies met to consider ways of achieving a genuinely united Europe. One year later, the deliberations of the Crocodile Club had assumed such dimensions that Parliament decided to set up a special committee to draw up a draft Treaty on European Union.

The draft Treaty was presented in February 1984. It represented the dramatic climax of Parliament's first term of office as a directly elected Chamber. It marked MEPs' determination to give a new dimension to Europe. And it is certainly much more of a great leap forward in European integration than a series of small steps. It envisages the consolidation of existing policies, broadening the Community's



authority and power to include new areas (foreign policy, European citizenship, security, monetary union) and considerably strengthening the Community's institutions. But the draft Treaty relies on the principle of 'subsidiarity'. The subsidiarity principle means that only those tasks that can be carried out more effectively in common should be taken on by the Union and the central institutions. To lend greater weight to its proposals and to reaffirm its own legitimacy as a representative body, Parliament submitted its draft Treaty directly to the member states' governments and parliaments.

The draft Treaty was supported by an overwhelming majority of MEPs, but those voting against included some British Conservative and Labour members who opposed the idea of a United States of Europe.

The European Council meeting in Fontainebleau in July 1984 responded indirectly to Parliament's Draft Treaty by setting up a committee on institutional questions. In June 1985, the European Council meeting in Milan set up an intergovernmental conference despite the opposition of some member states. This met in Luxembourg over the following months and finally gave birth to the Single European Act which was signed on 17 February 1986 and entered into force on 1 July 1987.

THE 'COMPROMISE' OF THE SINGLE ACT

Produced in the form of a single document, the Single Act basically amends certain articles of the Rome Treaties establishing the European Communities. As such it is not as bold as Parliament's draft Treaty which, if adopted, would have supplanted and built on the existing Treaties. Nor is the Single Act in substance as ambitious as Parliament's proposals for a united Europe. But Parliament's draft Treaty had two essential merits which proved useful and forward-looking: it provided guidelines, firstly for the member states and the Community institutions and, secondly for the actual scope of the policy concerns of the Single Act. The Single Act met some of Parliament's suggestions.

First and foremost, the Single Act institutionalises European political cooperation and heightens Parliament's role in it. The member states now have to try to develop common foreign policies into which they integrate the economic and political aspects of security.

The Single Act also takes up the hitherto neglected concept of 'economic and social cohesion'. This reflects a commitment to try to reduce the socio-economic imbalance between the Community's regions. Development of the regions is expressly mentioned as necessary to the Community's harmonious development.

Finally, the Single Act contains several articles on new policies as well as some strengthening existing policies concerning the development of social policy, the formalisation of research and development programmes spread across a number of years, cooperation on economic and monetary policy and on the environment. The European Monetary System and the ECU are also specifically mentioned, although there is no commitment to achieve monetary union within a specific timescale.

In order to accelerate the completion of the single European market, the Single Act introduced a measure to encourage the Council to take relevant decisions on the basis of a majority vote. At the same time, it allowed some areas, and not always the least important, to remain subject to the unanimity rule. These include: fiscal harmonisation, free movement of persons, the rights and interests of salaried workers and legislative amendments to rules affecting the recognition of professional qualifications. The emphasis here is on ensuring the mutual recognition of qualifications.

PARLIAMENT'S INCREASED POWERS

The Single Act increases Parliament's influence in the Community. It gives it an explicit role in deciding certain Community policies. It makes necessary its assent to association agreements and to the Community's further enlargement. It strengthens Parliament's powers by instituting a new legislative process



known as the cooperation procedure which applies to a certain number of policy areas, such as the completion of the single market and research and development. Through the system of two readings set up by the cooperation procedure, Parliament plays a genuine legislative role. During the first reading Parliament has the right to amend draft legislative proposals drawn up by the Commission. The Council considers them and then issues its 'common position', returning the draft legislative proposal to Parliament.

Parliament has a second chance of amending the proposal at this stage providing that there is an absolute majority of members behind such amendments. After the second reading, provided that Parliament's position is supported by the Commission, the Council may only reverse Parliament's view by acting unanimously. A majority is needed in Council for Parliament's view to stand.

An initial analysis of the cooperation procedure for the period July 1987 to October 1988 gives an indication of how often Parliament's views are taken into account. At the first reading stage, the Commission adopted, in part or in full, 60 % of Parliament's proposed amendments, Council adopted 44 %. At the second reading, the Commission accepted 58 % of Parliament's amendments and the Council 23 %. These figures show that Parliament has become a fully-fledged force in the legislative process, an important source of practical proposals.

At the same time, the cooperation procedure is helping to highlight gaps in the information and communication channels between Parliament, the Commission and the Council. MEPs have experienced difficulty in finding out whether or not their views have been heard and understood and why some of them are rejected. Parliament finds it particularly difficult to accept that Council meetings should continue to be held in secret. It is also very difficult for it to be sure that the Commission has defended Parliament's amendments adequately before Council. Although some progress has been made recently,

Parliament remains a fervent advocate of greater glasnost in the information exchange and legislative process which depends, for its effectiveness and efficiency, on good mutual understanding and cooperation.

**FINAL RESULTS OF THE
COOPERATION PROCEDURE
(July 1987 to December 1988)**

Amendments adopted by Parliament	Amendments accepted*			
	by the Commission		by the Council	
		%		%
First reading	294	60	212	44
Second reading	62	58	19**	23

* In whole or in part.
** Council accepted 19 out of 84.

A MODERATE SUCCESS

Parliament can be at least partially content with the results of the cooperation procedure up to October 1988. MEPs themselves are reasonably satisfied with the Single Act and admit, in the words of their President, that they have used it much better than originally anticipated. The Single Act represents progress but it is far from a satisfactory answer to the problem of the distribution of powers within the Community's decision-taking structure, as the balance is still heavily weighted towards Council. Indeed, the main criticism concerns Parliament's influence over the legislative process. The Single Act has done nothing to resolve the democratic imbalance of the Community: the Council holds the reins of a legislative process from which the directly elected Parliament is virtually excluded. National governments and parliaments have transferred some of



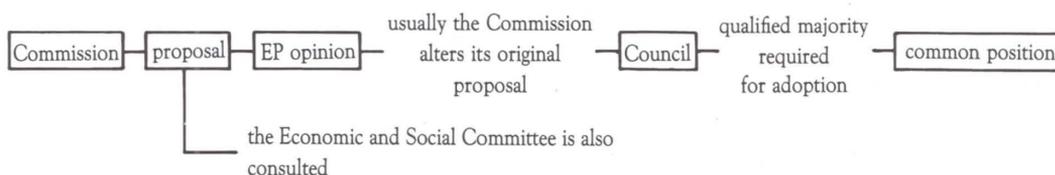
their powers, not to the Community, as a whole, but essentially to the Council. But the Council's decisions are not subject to effective control by any democratically elected European body. Moreover, the transfer of powers to the Council could accelerate with the completion of the internal market. The democratic deficit may well worsen.

file open. It intends to put its foot down on the institutional accelerator in order to prepare for the post-1992 era. Several proposals have been made, including a referendum on whether or not there should be political union ; on the role that the public wish Parliament to have ; on granting full executive powers to the Commission ; and on the development of more effective consultative links between the Council and Parliament.

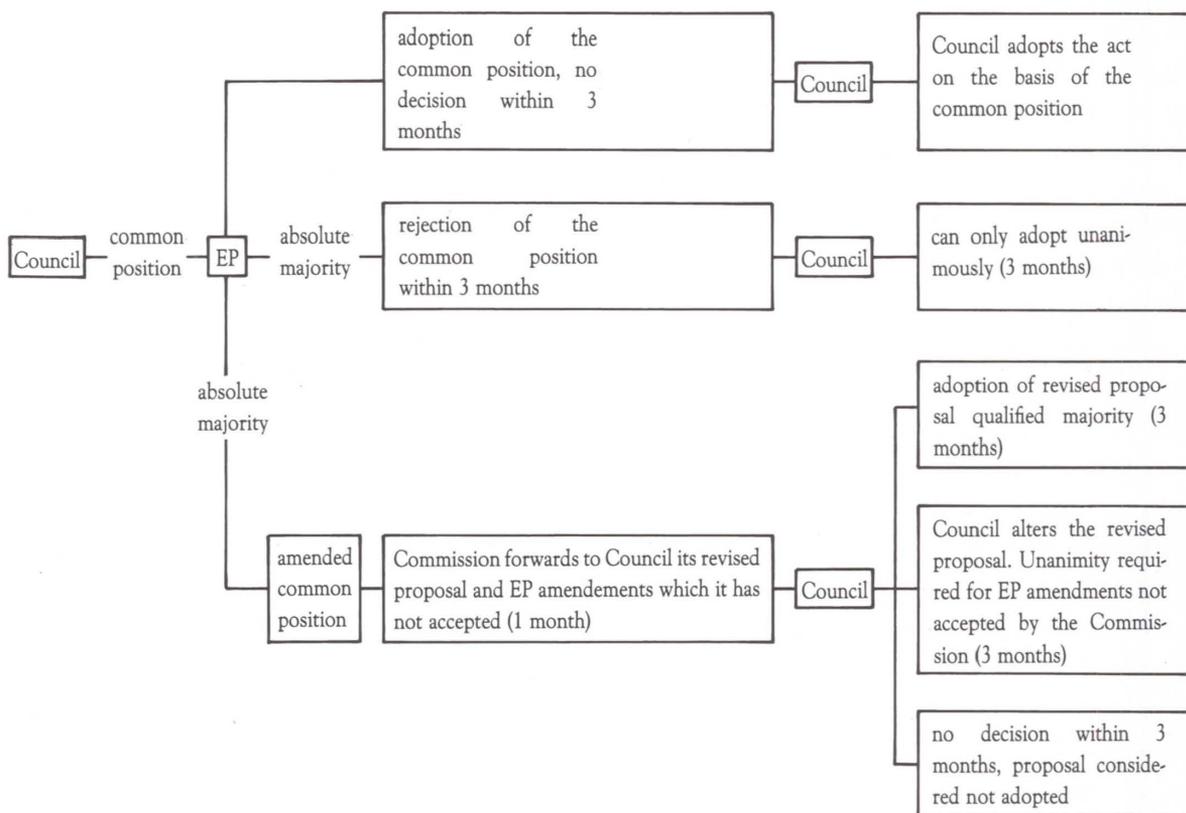
Parliament has, therefore, kept the European Union

COOPERATION PROCEDURE

First reading



Second reading





CONFLICT OVER THE BUDGET

For a long time progress was delayed by the inadequacy of budgetary resources and the lack of balance in expenditure, to the detriment of policies other than the Common Agricultural Policy. Budget debates tended to degenerate into procedural quarrels and partisan skirmishes. This trend helped to build up the public image of bureaucratic institutions, cut off from the concerns of the people and what really matters in Europe.

PARLIAMENT IN THE TRENCHES

Parliament, which shares responsibility for the budget together with the Council, has often been accused of letting expenditure slide and blocking budgetary discussions. In reality, it has proposed increases in expenditure over the Council's second draft budget ranging from 0 % in 1987 to 1.01 % in 1982. Basically Parliament has had to defend its powers, grudgingly conceded by a Council which often found itself constrained by agreements reached between the national governments at European Council meetings which rarely took Parliament's views into account. This has resulted in successive attempts to reduce Parliament's budgetary powers. The dialogue between the two institutions was for a long time beset by conflict: in the one corner, Council took a more technical, legal approach whilst in the other Parliament's approach was a more political one as it saw the budget as the best means of influencing Community policies. During this long battle, Parliament was guided by two principles: firstly, giving the Community the means to carry out its policies and secondly, switching the balance of expenditure away from the Common Agricultural Policy (CAP).

Not until 1988 did the combined effect of the Single Act, the reform of the CAP and the structural funds

ie regional, social and agricultural investment, and the allocation of extra finance allow the budgetary debate at last to be conducted on a satisfactory basis. But any progress on this front remains linked to the need for Parliament's legislative powers to be increased. The question of the budget could then become secondary as agreement on the policies would have been reached before discussion on the allocation of the available funds.

CHECKING THE INSATIABLE CAP

The imbalance between the appropriations allotted to farm price support and those earmarked for the structural funds has been at the centre of the budgetary conflict. It was one of the reasons why Parliament rejected the budget outright in 1980 and 1985. Parliament has continually drawn the Council's attention to this imbalance, which represents a serious handicap to the Community's development.

For instance, 70 % of the 1985 budget went to funding the guarantee section of the agricultural fund and only 6 % to regional policy and 2.5 % to research, energy and agricultural investment.

In December 1986, the Ministers of Agriculture decided to reduce dairy and beef surpluses and also agreed a programme for running down butter stocks, to be financed by the member states. In February 1988 the decisions reached by the Brussels Council meeting brought about considerable changes: farm spending was to be brought under control, the agricultural fund's share of the budget was to be reduced to less than 60 % by 1992 and the size of the structural funds was to be doubled, to account for over 25 % of the budget. The rebalancing of expenditure called for by Parliament is under way.

The 1988 budget amounted to 44 billion ECU, which is equivalent to 1.15 % of the Community's GDP or about 2.5 % of the national budgets of the Twelve, representing an annual expenditure of less than £ 100 per European.

**BUDGET : THE KEY FIGURES**

	Expenditure (million ecus)	Expenditure per capita (ecus)	% GDP of Community
1979	14,447	45.69	0.83
1980	16,182	50.97	0.80
1981	18,434	57.83	0.81
1982	21,984	68.80	0.86
1983	25,061	78.29	0.96
1984	27,249	84.95	0.98
1985	28,433	88.43	0.92
1986	35,174	109.13	0.99
1987	36,168	111.99	0.98
1988	43,820	135.41	1.15

**TO EACH HIS OWN
BUDGETARY RESPONSIBILITIES**

In the 1980s, Parliament has clearly expressed its views and has rejected the budget on two occasions (1980 and 1985). This was a clear challenge to the Council. To put it quite simply, Parliament did not want to put up with budgets which, while claiming to be austere, were in fact characterised by creative accounting with deficits put into the following year's figures.

Thus, in its 1985 draft budget, Council only made provision for agricultural funding for 10 months rather than 12 and failed to include agreed rebates to Germany and the United Kingdom. Parliament therefore had no choice but to reject it.

A year later Council once again submitted an inadequate budget. This one overlooked the new members, Spain and Portugal, as regards structural fund expenditure, and also the commitments entered into in previous budgets which now needed to be met with payments ('the burden of the past'). Parliament therefore had to propose an unusually high increase to the draft. Council claimed that it had exceeded its

powers and took the matter to the Court of Justice. The Court first ordered that the 1986 budget should be executed on the basis of the Council's draft. Then, in its final judgement of July 1986, it found in favour of Parliament as regards the substance of the case. It required that the two institutions should agree on the increase allowed for non-obligatory expenditure mainly affecting regional, social, development and research spending. This obligation to negotiate thus forced the two arms of the budgetary authority to look to their different responsibilities with, if necessary, the imposition of emergency funding in the form of monthly payments if they could not agree. For Parliament, this judgement of the Court of Justice represented the end of the Council's 'diktat' in budgetary matters.

**THE INADEQUACY OF THE
COMMUNITY'S OWN RESOURCES**

Since 1984 there has been a constant decline in the Community's traditional sources of revenue - in customs duties on imports from outside the Community, in agricultural levies and in VAT receipts which have come up against a 1.2 % ceiling. The shortfall was made up by temporary borrowings from the Member States and by carrying over expenditure from one financial year to the next.

With the entry into force of the Single Act and the creation of the internal market, it became vital for the Community to have access to adequate, stable, guaranteed funding. In 1981, Parliament had presented a report recommending adjustment of financial contributions according to GDP. The Brussels Summit in February 1988 adopted the idea of a link between the budget and Community GDP. Firstly, it fixed the ceiling for Community financing at 1.2 % of Community GDP for the period from 1989 to 1992, and secondly, it added a fourth source of financing based on the wealth of each country. The traditional sources of financing (customs duties, agricultural levies and a percentage of the VAT intake) were maintained. This 'fourth resource' already represented 16.23 % of the total 1988 budget. Parliament has



welcomed the increased funding made available as a result, but repeated its hope that a genuine Community tax will be proposed to prepare the way for the post-1992 era.

ATRUCE AT LAST

In February 1988, the European Council meeting in Brussels at last resolved the budgetary situation. Introducing a new source of finance based on GDP, bringing under control agricultural expenditure, doubling the structural funds and establishing a five-year frame of reference for spending, all this signalled the end to a protracted tussle within the Community.

Council also opened the way for an interinstitutional agreement on budgetary discipline. Henceforth Parliament would be an equal partner with Council in respect of all expenditure. What this means in practice is that Parliament will no longer have to accept inordinate agricultural expenditure or reductions in regional or social spending. The mutual commitment to the five-year financial perspectives up to 1992 has opened up the prospect of progress in the future, until now prevented by disagreements over finances and agriculture.

1988 also saw the continuation of the rebate system to the United Kingdom agreed at the Fontainebleau European Council some years before, with its provision for a reduction in the UK contribution to the budget. This proved less controversial in the Parliament than it might have been for two reasons. Firstly, the new system of financing with its GDP limit meant that the rebate did not reduce the volume of resources available to the Community, as had been the case when the limit was expressed in VAT terms. Secondly, the GDP element in the fourth resource offered

the prospect of a gradual decline in the net imbalance suffered by the UK. However, Parliament remained committed to a longer term solution based on increasing EC spending in the UK rather than accepting a reduction in the UK's contributions to the budget. Parliament, which has always been against any system based on member states taking out of the budgets just what they put in, in the end accepted the machinery set up by the Council.

The budgetary war between Council and Parliament seems to have come to a close. As proof of this new era of cooperation the Community budget for 1989 was established in good time, ie before the end of 1988, for the first time since 1983.

THE COMMUNITY'S FINANCIAL FORECASTS (millions ECUs)

	1989	1990	1991	1992
EAGGF-Guarantee	27,700	28,400	29,000	29,600
Structural measures	9,200	10,600	12,100	13,450
Policies with multi-year funding	1,650	1,900	2,150	2,400
Other policies	2,385	2,500	2,700	2,800
Repayments and administration	4,950	4,500	4,000	3,550
Monetary reserve	1,000	1,000	1,000	1,000
TOTAL	46,885	48,900	50,950	52,800
Own resources as % of Community GDP	1.17	1.18	1.19	1.20





2

1992 : THE 'NEW FRONTIER'

The new frontier introduces a 'frisson', a mixture of enthusiasm, hope and fear. Whatever their opinions, a large majority of Europeans are today convinced that the internal market is a necessity, if only to enable the European economy to withstand US and Japanese competition. Parliament was one of the prime initiators of the internal market and today it plays the vital role of supporter and watchdog. At the same time, it is continuing to push for the opening up of the Community's internal frontiers, more effective Community policies and increased cooperation between the member states.



Politicians and managers, journalists and citizens, all now equate 1992 with the opening up of Europe's frontiers. For the first time in the history of the Community, a specific commitment has attracted widespread support. Despite difficulties and diffidence, people are now preparing for this new landmark. The process now seems irreversible.

The Single Act is the most powerful force behind it, containing as it does the shift to majority voting in Council for most of the measures connected with the completion of the internal market. However, decisions affecting the harmonisation of taxes, freedom of movement for individuals and the rights and interests of employees still require unanimous agreement by Council.

Parliament cannot but be satisfied by the objective set

for 1992, but recognises this is not an end in itself. It wants to see the Europe of 1992 emerge not just as a free trade area but with a closely integrated economy, involving increased monetary cooperation and including a social dimension. It is anxious to see that commitments in these areas as well as in environmental protection and technological cooperation are respected.

THE LONG ROAD TO THE SINGLE MARKET

Everyone is convinced of the urgent need for the large internal market but this has not made its creation any easier. The Community is engaged in a long difficult obstacle race involving the abolition of





frontier checks, removal of restrictions to the free movement of persons, goods, capital and services, and the harmonisation of taxes. At the end of 1988, of the 279 proposals contained in the final version of the White Paper, 90 % had been submitted by the Commission and 50 % had been adopted by Council. The process is well advanced, but there is still a lot to do.

THE GAINS TO BE MADE

The delays built up by the Community in the unification of the internal market have taken the form of enormous wastage and loss of earnings in terms of growth and employment. Parliament's 'plan for the economic recovery of Europe' puts at £1,350 to £1,800 the extra annual income that a family of four could derive from a frontier-free economic area, and estimated that overall it would be possible to save between 170 and 250 billion ECU a year and create 1.8 to 5 million jobs. To make the most of this, the member states and the Community will have, by 1992, to remove all obstacles to trade, open their public contracts to European competition, establish monetary union and coordinate their budgetary policies. A start has already been made : 1.6 million jobs were created in 1988 as against 1 million in 1986 and none in 1984.

The benefits of removing all the frontiers and creating a large internal market of 320 million people will also be felt at the macro-economic level. Increased competition and reduction in costs will be factors in helping to bring down prices and interest rates and step up trade. The 'virtuous circle' of the large market will then have a renewed indirect effect on growth and employment.

THE PROGRAMME

In May 1987 Parliament approved the main lines of the Delors Plan to increase EC expenditure substan-

THE POTENTIAL BENEFITS OF THE INTERNAL MARKET

Micro-economic : 170 to 250 billion ECU

- 8.9 billion : removal of barriers affecting trade
- 57.71 billion : removal of barriers affecting production as a whole
- 61 billion : greater exploitation of economies of scale
- 46 billion : increased competition

Macro-economic

- GDP : + 4.5-7 %
- Retail prices : to - 4.5-6.1 %
- Jobs : + 1.8-5 million
- Public expenditure in GDP points : + 0.4-2.2
- External trade balance in GDP points : - 0.2-+ 1.0

tially over a five-year period on technological cooperation and assistance for the poorer regions, while at the same time restricting spending on agriculture. But it directed a political appeal to Council to be careful to adopt an overall approach to the internal market. Parliament argued that the completion of the internal market should be accompanied by the creation of a European social, monetary and technological area. It also pointed out that economic cohesion could not be confined to a doubling of the structural funds and that other Community policies had to be brought into play.

On the eve of its meeting in Rhodes, in December 1988, the European Council laid down a specific programme of work for the Twelve. While taking up, once again, the main lines of its political appeal to Council, Parliament emphasised the following points :

- the persistence of major problems connected with the removal of frontiers : a need for measures to align indirect taxation, coordinate police checks at the Community's external frontiers, monitor mergers



and open up tendering procedures at a European level ;

- the urgent need for decisions on public supply contracts, company law, telecommunications, the audiovisual sector and tax harmonisation ;
- the need to strengthen the European Monetary System by creating a common currency managed by an autonomous institution ;
- the importance of making progress on the social dimension of the internal market, to ensure that coordinated labour rules are in operation in all the member states ;
- the need for a progressive alignment of the Community's environmental protection policy based on the strictest standards at present in force in all the member states.

THE SYMBOLIC SIGNIFICANCE OF THE OPENING UP OF FRONTIERS

Long delays, interminable formalities, extra transport and handling costs, reduced competitiveness - there is no end to the negative aspects of frontier checks. They are the most striking proof of 'non-Europe' for the ordinary person and they hold up industry and business. Parliament has always been very keen on the abolition of these checks.

The movement of goods over frontiers has already been considerably improved thanks to the Community transit procedure and the single administrative document, which has replaced the 70 or so former documents previously required by lorry drivers wanting to take their loads across the Community's internal frontiers.

Freedom of movement for the citizens of Europe within the Community has also considerably improved: the European passport, the European driving licence and, in some countries, the green disc, are all

documents which have made it possible to relax frontier checks.

The abolition of borders, as promised by the Single Act, is a basic objective from both the economic and symbolic point of view. There are still some black spots however. Member states will have to consider alternative ways of fighting terrorism, crime and drug trafficking, to align national legislation on weapons and narcotics, to coordinate rules on the right of residence and the right of asylum, and there is a need to harmonise policies on visas and extradition. This is still a distant hope and the fact that the Single Act maintains the unanimity rule for this area does nothing to accelerate negotiations. But the decision of the European Council meeting in Rhodes in 1988 to appoint national coordinators for these questions could get things moving. The abolition of frontiers also presupposes some approximation in the rates of indirect taxes - VAT and excise duties.

THE HIDDEN OBSTACLES TO FREE MOVEMENT

Although the removal of frontier checks still poses many problems, the work to be done to get rid of all other obstacles to free movement of goods, capital services and individuals is just as considerable. The member states have gone out of their way to increase the number of standards, regulations and laws, ostensibly to preserve the safety and health of their citizens or protect consumers, but more often to shelter their markets from competition. These national obstacles are found in areas which are essential for the European economy such as goods, services, public contracts, capital movements and the exercise of certain professions.

Parliament is convinced that if these obstacles are allowed to persist, the internal market will not be fully realised. It has, therefore, stepped up incentives, pressure and checks to make sure that the Commu-



nity does indeed move towards their progressive abolition.

UNRAVELLING THE TANGLE OF TECHNICAL STANDARDS

For years the formulation of common specifications for goods has seemed a titanic task, constantly open to review because of technological progress.

In 1979, the Court of Justice put an end to this labour of Sisyphus with its famous 'Cassis de Dijon' judgement. This stated that any product manufactured and marketed legally in a country of the Community must be able to move freely in the other countries. It gave birth to the golden rule of the apostles of trade liberalisation, namely that what is good for one country is also good for any other. A new method of harmonisation was subsequently devised, making it possible to move faster and more effectively. There are two rules underlying this procedure - the principle of the mutual recognition of national standards, and the fact that the Community's intervention is limited to harmonisation only of the essential requirements concerning health, safety and the environment. Anything that falls outside these terms of reference is referred to the European standards organisations.

Parliament actively supported this new approach and made its own contribution. The member states had to be dissuaded from their annoying habit of reinstating, in a slightly different form, the obstacles that the Community was working hard to abolish. Parliament managed to get the member states' obligations in this respect extended. Now, every time they want to introduce a new rule, they have to take account of opinions from the Commission or any one other state. At Parliament's request, these obligations should soon be extended to agricultural products, human and animal foods, medicines and cosmetics.

Parliament also hoped that some extra steps would be taken, such as the adoption of the principle of mutual recognition of certificates of conformity issued by the member states and the promulgation of European

standards for all new products, without having to go through the national standards stage.

MEDICINES : AN EXAMPLE OF THE NEED FOR FAIR PRICING FROM COUNTRY TO COUNTRY

The European pharmaceuticals industry has a turnover of £3.32 billion and its exports are worth almost £1 billion. The variation in prices is at least 1 : 5 if not 1 : 10 across the countries of the Community, due to the diversity of national regulations. Parliament has not asked for the price of medicines to be fixed for Europe as a whole, but rather that the various systems used should be comparable and that the price gap should not be allowed to widen without very good reasons. It has gained partial satisfaction from the Commission. The effect of national checks on the fixing of prices and the convergence of costs of medicine prescribed under each member states' health insurance scheme, should now be more apparent. Parliament is also calling for the creation of a data bank to store transfrontier information on the elements that go to make up medicine prices.

OPENING UP PUBLIC CONTRACTS

At present, out of an annual total of public contracts worth 400 billion ECU, or 10 % of the Community's GPD, only 2 % are the subject of genuine competition at a European level. In the past, proposed legislation on publicising calls for tender has remained a dead letter and the cost of 'non-Europe' in this field is some 40 billion ECU. The opening up of these contracts is, together with indirect taxes, a most important aspect of the internal market. It represents a test of the will of the member states to incorporate a European dimension into national industrial and commercial policies.

In 1985 Parliament was the instigator of a proposal for improving the tender procedures for public works contracts, a request that was partially satisfied by Council. A new Commission proposal was subsequently considered too weak. One reason for this was that it excluded the energy, telecommunications, transport, water and defence sectors. Another reason



was that it allowed authorities to split up contracts artificially in order to conclude contracts by mutual agreement, ie to negotiate with a limited number of suppliers. And the final reason was that it gave the job of supervising the procedures to the member states who were, at the same time, the authorities awarding the contracts.

Subsequently Parliament obtained a large degree of satisfaction. The principle of the 'open' procedure has now been elevated to the status of a general rule, and its proposal for a single and, above all, indivisible threshold of 5 million ECU for awarding procedures has been upheld. Moreover, the awarding authorities now have to allow a sufficiently long time for the reception of tenders and to use European standards for their technical specifications.

Parliament is continuing to push a further demand, this time connected with the social aspect of public contracts. What it would like to see is a reference in the specifications to obligations concerning employment and conditions of work.

LIBERALISING THE PROFESSIONS

Although freedom of establishment is practically guaranteed for employees, it has long been frustrated in the case of the liberal professions by a category-by-category approach. In 25 years, only 21 professions have been 'liberalised', among them doctors, surgeons, dentists, veterinary surgeons, nurses, lawyers, architects and pharmacists. It was, in fact, Parliament that managed to unblock the situation for pharmacists by proposing that the member states should be authorised to limit the freedom to exercise this profession to the taking-over of existing pharmacies. This allayed the concerns of those countries who feared an exodus towards those member states that do not regulate the number of pharmacies per area.

Along with practical suggestions within this case-by-case approach, Parliament has advocated the mutual recognition of diplomas and freedom to exercise professions. The subject is a delicate one, since any modification of the rules regarding training

and conditions of eligibility for the professions is still subject to the unanimity rule in Council.

A breakthrough was achieved in 1988 when the directive on higher education diplomas for courses of at least three years' study was adopted. It rejects the idea of any harmonisation of studies, something which has proved impossible in practice, and maintains the principle of trust. If a diploma confers the right to exercise a profession in any one member state, it should also confer the same right in the other member states. Council accepted a number of amendments put forward by Parliament, including the obligation to obey the professional code of the host state and the possibility of appeal to a proper authority if the person holding a diploma is refused permission to conduct his profession.

One point of disagreement remained between Council and Parliament. The directive provides that a state may demand that a person holding a diploma undergo a training course lasting three years, or an aptitude test. The choice is left to the discretion of the person holding the diploma, but Council considered that national authorities can decide if the professions concerned require a precise knowledge of national law. Parliament sees this as a major breach of the spirit of trust and would like it only to apply to the legal professions.

MEPs also hope that the principles of this directive will be applied to certificates of professional competence and the recognition of periods of study.

OPENING UP EUROPE FOR THE PROVISION OF SERVICES

The liberalisation of services is making slow progress, although it is one of the most promising sources of jobs and growth. The 'Cassis de Dijon' judgement - what is good for one state must be good for the others - applies, in theory, to services just as much as it does to goods. In practice this is far from being the case, although the Court of Justice has reaffirmed its position, condemning the illegality of conditions imposed by France on foreign insurance firms



wishing to operate in that country. France required that a subsidiary be created, subject to French law. The Court considers that a sub-office or agency is enough.

As well as its action to ensure the effective application of the directives on freedom to provide services in the banking sector, Parliament has concentrated on encouraging liberalisation in the insurance sector. Its efforts expedited the drafting of the first directive in July 1987 establishing the principle of the freedom to provide services in this field. Parliament then strove to have this principle extended to types of insurance excluded from the first directive - life assurance and collective risks and, in particular, third-party liability insurance for motor vehicles. The Commission should be submitting a proposal in line with this in the near future.

FREEING CAPITAL FLOWS AND CALMING THE MARKETS

In June 1988 the Ministers of Economic Affairs and Finance decided to free capital movements. All controls and restrictions on exchange will be removed. Europeans will be able to invest their savings wherever they wish in the Community. This decision will come into force in 1990 in eight member states, 1993 in Spain and Ireland, and 1996 in Greece and Portugal. Parliament has fully supported this liberalisation. Council accepted some of its amendments, notably those on the reforms needed to avoid tax fraud and on the transition periods for certain member states.

Nevertheless, Parliament felt it necessary to reaffirm that the liberalisation of capital movements should go hand in hand with the creation of a genuine European financial area. As more and more cross-border mergers take place, MEPs feel that a European legal framework for the organisation of stock market deals and takeover bids is urgently needed. Without legislation, Parliament believes that the European economy would be exposed to negative, even nationalistic, reactions, which would make the liberalisation of capital markets even more difficult. Parlia-

ment has, therefore, asked the Commission to submit proposals on the harmonisation of national legislation on stock market deals. These should cover publicity and advertising, equal rights for shareholders, continuity of industrial and commercial operations, and non-discrimination between Community citizens and companies. In December 1988, the Commission announced that it intended to produce proposals on EC rules for takeover bids, and this with a view both to preventing purely speculative operations, and to protect the interests of all shareholders.

In addition, Parliament believes that the operation of all the Community's capital markets should be subject to review. Two points are considered particularly important: one is the harmonisation of banking legislation to allow freedom of establishment and to provide services; the other is the harmonisation of tax legislation in order to minimise opportunities for fraud and avoid an outflow of investment and savings seeking a tax haven. The alignment of rates of tax imposed on unearned income is one of the most sensitive subjects on which the Council is due to take a decision before 30 June 1989.

MAKING INDUSTRIAL COOPERATION EASIER

Many cooperation projects between European firms have come to grief due to the lack of an adequate legal framework. The creation of a European company statute first proposed in 1970 by the Commission, proved unacceptable to Council for a variety of reasons.

Parliament supports the idea as it would simplify procedures for companies operating across Europe. Another of Parliament's concerns is the Community patent. The entry into force of the Community Patent Convention is still being held up. Ten years after its signature, Ireland and Denmark have not yet ratified it and the other member states are slow to harmonise their laws on industrial property.

On the other hand, the European Economic Interest Grouping project came into being in 1985. The EEIG,



governed by a specific piece of Community legislation, allows firms from different member states to undertake certain activities together. Most of the details set out in Parliament's proposal dating from the early 1980s were taken up by Commission and Council in the final text.

THE DIFFICULT PROBLEM OF TAX HARMONISATION

Tax harmonisation is considered to be one of the cornerstones of the internal market. While indirect taxes remain as divergent as they are from one member state to another, the removal of frontier checks will remain unrealistic since there are fears that this will act as an incentive to tax fraud. Sensitivity on this subject is increased by the fact that it involves a not insignificant proportion of the revenues of many states, and any decision is still subject to the unanimity rule.

Parliament supports an increase of the duty-free limit on goods carried by individual travellers, at present 390 ECU, until it automatically disappears once frontier checks have been eliminated.

FINDING ACCEPTABLE VAT BRACKETS

The problem of harmonising the basis of assessment for VAT has already been resolved to some extent, even though important derogations still apply, such as the zero rate for food in Ireland and the United Kingdom and the special arrangements for small firms.

The most thorny subject is that of the alignment of rates. At present, seven states have one or more reduced rates in addition to the normal rate, and three others have an extra increased rate and the difference in normal rates is anything up to 10 points. The problem is therefore to decide on an acceptable level for alignment : if it is too rigid it could seriously upset tax revenues and if it is too weak it will

encourage fraud, which in turn might mean that frontier checks would have to be maintained.

At the end of 1988 the Commission proposed a normal VAT rate band between 14 % and 20 % and a reduced rate band between 4 % and 9 %. For its part, Parliament suggested that the first of these brackets should be 16 %-22 % and the second 0 %-9 %. The underlying motive of Parliament's proposal is clear - it should be acceptable to the United Kingdom and Denmark without becoming unacceptable for all the others. Now the Commission is reworking the proposal, retaining the same principles but looking carefully at the details.

INVENTING A NEW FORMULA FOR COLLECTION

The basic principle put forward by the Commission is that intra-Community transactions should be treated like national transactions for VAT purposes. The scheme is thus as follows : the importer pays VAT imposed by the exporting country, the supplier pays the VAT for which he is invoiced to the tax authorities of his country, the importer claims the VAT from his own authority and the circle is completed by the transfer of the VAT from the first authority to the second.

The system is a logical one and makes it possible to abolish frontier checks - but it assumes the existence of a compensation scheme between the member states. The Commission has proposed a clearing system similar to that already operating between Belgium, the Netherlands and Luxembourg. In principle, Parliament supported this Commission proposal, while hoping that some technical improvements would be made and that the procedure would be carried out on an experimental basis at least for one financial year.

MOVING MORE SLOWLY ON EXCISE DUTIES

As regard excise duties (ie the taxes on tobacco, wine, alcohol and mineral oils) work has just started on the harmonisation of the basis of assessment and the



alignment of rates of tax. The difficulty stems from the considerable differences between member states : in Denmark the duty on 75 cl of spirits is £5.40 and in Greece it is 8 p.

Parliament believes that the harmonisation of these rates will be much more difficult and drawn out than the Commission originally envisaged.

**INDIRECT TAXATION IN
THE MEMBER STATES**

VAT rates 1989

	Normal	Inter- mediate	Luxury	Reduced
West Germany	14	—	—	7
Belgium	19	17	25 and 33	1 and 6
Denmark	22	—	—	—
France	18.6	—	33.3	2.1, 5.5 and 7
Greece	18	—	36	6
Ireland	25	—	—	2, 4 and 10
Italy	18	—	22 and 38	2 and 9
Luxembourg	12	—	—	3 and 6
Netherlands	20	—	—	6
United Kingdom	15	—	—	—
Portugal	16	—	30	8
Spain	12	—	33	6

Excise duties (in ECU) March 1985

	20 cigarettes	1 litre beer	1 litre wine	75 cl spirits	1 litre petrol
West Germany	1.02	0.07	0.00	3.43	0.23
Belgium	0.73	0.13	0.33	3.78	0.25
Denmark	1.96	0.65	1.35	9.58	0.28
France	0.31	0.03	0.03	3.37	0.36
Greece	0.28	0.22	0.00	0.16	0.29
Ireland	1.14	1.14	2.74	7.48	0.36
Italy	0.57	0.18	0.00	0.75	0.49
Luxembourg	0.54	0.06	0.13	2.54	0.20
Netherlands	0.74	0.23	0.33	3.79	0.28
United Kingdom	1.25	0.70	1.60	7.70	0.29
Portugal	—	—	—	—	—
Spain	—	—	—	—	—



3

THE SOCIAL AREA

Although the main pillars of the internal market are economic, the object of the exercise is to benefit people. 'Social Europe' was a matter of concern long before proposals for a large internal market. 1992 has made it more topical. Parliament is convinced that the social dimension is an essential component of the internal market and is determined to persuade Council to accept this.

In every member state there are people living on the margins. Of the 320 million people in the Community, 16 million are unemployed, two million are handicapped and several million are living on low incomes. Parliament is also the representative of this deprived section of the European population.

WEALTH CREATION AND A CARING SOCIETY

Parliament has supported policies designed to help the less well-off members of society, in particular through European employment creation measures and financial assistance through EC funds.

THE CAMPAIGN AGAINST UNEMPLOYMENT

The number of unemployed in the Community rose from five million in 1975 to 16 million in 1986, and over the same period the unemployment level went up 2.9 % to 11 %. More than half of the unemployed have been out of work for more than a year and a third for more than two years. Young people under 25 account for 40 % of all unemployed and women for 47 %. For the last 10 years, employment in most member states has remained stagnant while the United States has created 21 million new jobs and Japan six million. Today, however, the 1992 effect seems to be spreading to growth and consequently employment.

Since the start of the 1980s, unemployment and the failure to create new jobs has been one of Parlia-



ment's principle concerns. In 1983, and then in 1986, it held major debates on unemployment, particularly long-term unemployment, and the reorganisation of the labour market. Its insistence on this subject led Council to adopt, in 1987, an action programme for the long-term unemployed, women and young people.

IMPROVING INSTRUMENTS TO COMBAT UNEMPLOYMENT

In 1986, Parliament investigated the effectiveness of the European social fund, the Community's main instrument to support job training. It criticised the dispersion of the money available, the failure to target activities on the most deprived sectors of the population and the lack of priorities, coordination and follow-up. Parliament's accusation of inaction was largely corroborated by the conclusions contained in a special report by the Court of Auditors in May 1988.

Parliament, therefore, proposed the following changes to the operation of the Fund - a more precise definition of guidelines and criteria for granting aid, allocation not restricted by age limits, encouragement

of decentralised activities and priority to be given to long-term programmes.

Most of these proposals found their way into the new version of the social fund adopted in June 1988: the age criterion has been abolished for measures for the long-term unemployed, funds have been concentrated more on regions where GDP is less than 75 % of the Community average and a greater element of 'partnership' has been introduced between the Community, the member states and local and regional authorities.

In 1988 a new basic regulation provided for greater coordination of the Community's regional, social and other investment funds.

'COHESION' AND 1992

In Parliament's view, economic deregulation cannot be carried out without respecting social obligations. Certainly the internal market is going to raise the standard of living of the majority of Europeans, but

UNEMPLOYMENT IN THE COMMUNITY (annual average in thousands)

	EC	B	Dk	G	Gr	S	F	Irl	It	L	N	P	UK
1976	5,791	257	129	1,055	28	373	933	108	1,182	0.5	278	183	1,265
1977	6,239	297	161	1,030	28	540	1,072	106	1,145	0.8	271	228	1,361
1978	6,812	322	186	989	31	818	1,167	99	1,306	1.2	273	283	1,337
1979	7,150	341	152	870	32	1,037	1,350	90	1,452	1.1	281	304	1,241
1980	8,093	369	176	899	37	1,277	1,451	101	1,580	1.1	325	285	1,591
1981	10,430	454	235	1,296	43	1,588	1,773	128	1,790	1.6	480	250	2,415
1982	12,587	535	253	1,855	51	1,873	2,008	157	2,163	2.0	855	245	2,792
1983	14,237	589	277	2,263	62	2,207	2,068	193	2,475	2.5	801	253	3,047
1984	15,241	595	272	2,265	71	2,475	2,340	214	2,720	2.7	822	300	3,160
1985	15,856	557	242	2,305	85	2,642	2,458	231	2,959	2.6	761	342	3,271
1986	16,122	517	212	2,223	108	2,759	2,517	236	3,180	2.3	711	368	3,289
1987	16,110	501	216	2,233	110	2,924	2,622	247	3,297	2.7	885	319	2,983
1988	15,916	459	240	2,237	109	2,858	2,563	241	3,848	2.5	682	306	2,370



there is a real risk that people who are excluded from economic expansion will not benefit. In addition to this, the cooperation of Europe's workforce is indispensable for success. A cross-border merger might result in plant closures and such decisions can easily lead to resentment unless taken in consultation with those concerned. These are the arguments that Parliament is trying to explain to Council - which remains somewhat reluctant to act in this area.

ASINGLE POINT OF REFERENCE IN THE SINGLE ACT

On the question of the extent of a 'social dimension', there is room for divergent interpretation. Article 118a states that 'member states shall pay particular attention to encouraging improvements, especially in the working environment as regards the health and safety of workers, and shall set as their objective the harmonisation of conditions in this area, while maintaining the improvements made'. It adds that, in order to help to achieve this objective, Council, acting by qualified majority, 'shall adopt, by means of directives, minimum requirements for gradual implementation, having regard to the conditions and the technical rules obtaining in each of the member states'.

This article is the only point of reference to the social dimension and Parliament, therefore, argues that it should not be interpreted in a restrictive way.

MEPs have already adopted three proposals setting out in detail the 'minimum requirements' referred to in the Single Act, with reference to health and safety at the workplace, the transportation of heavy loads and the use of machinery.

THE DEBATE ON INDUSTRIAL DEMOCRACY

For some people, the participation of workers in the running of a firm is not only a superfluous luxury but an economic constraint: the firm runs the risk of getting bound up in a straitjacket detrimental to its performance and, therefore, to growth and employ-

ment. For others, this participation is indispensable to the success of the internal market and the dynamism of social progress.

The debate on the European company statute, an important element of which is worker participation, illustrates this point. Originally proposed by the Commission in 1970, the draft proved unacceptable to Council which has called for a new proposal. The Commission has come round to Parliament's support for balanced participation according to practices or existing legislation in the member states to replace the more controversial proposal of co-determination.

The fact remains that reaching agreement in Council on proposals concerning worker participation will be very difficult indeed.

ENCOURAGING DIALOGUE BETWEEN MANAGEMENT AND LABOUR

The Single Act introduces a Community dimension to industrial relations and collective agreements, the development of which is entrusted to the two sides of industry, under the auspices of the Commission. The dialogue between management and labour at a European level has started.

Parliament supports this procedure but believes that it should not be used as a pretext for holding up progress. It is up to the institutions to make proposals and decisions, and Parliament is asking for a directive to establish a core of minimum social provisions to act as a framework for negotiations between labour and management. It wants to see the Commission develop draft collective agreements for European companies. The Commission is soon to present proposals for a model contract of work, for fixed-term contracts and for contracts for part-time work, and on the initiative of Parliament, the Economic and Social Committee has produced a European social charter.

Parliament continues to be concerned about disagreements in Council over the social area and has adopted no less than five resolutions urging the Commission to establish a timetable for the implementation of the Community's social policy.



The European Social Fund

(in mio ECU)

	1984	1985	1986	1987
Help for the under 25s				
— less favoured regions	502	645	872	1,063
— other regions	914	997	1,046	1,298
Help for the over 25s				
— less favoured regions	225	186	267	108
— other regions	176	288	276	384
Specific programmes	43	73	95	97
	1 860	2 189	2 556	3 150



4

RESTORING REGIONAL BALANCE

In 1957, the Community's founding members agreed to bring about the 'harmonious' development of the regions. Three decades later this objective remains a distant goal. The differing levels of development in the Community are of concern to Parliament. The inclusion of the concept of 'economic and social cohesion' in the Single Act and the doubling of the structural funds should make some progress possible. But Parliament has learned from past experience and will be keeping a watchful eye on future developments.

Regional imbalances, exacerbated by successive enlargements of the Community, have become greater rather than smaller. Today there is a new challenge to regional policy: the internal market could give an extra stimulus to the most prosperous regions and deal a death blow to the less-favoured areas. The restoration of regional balance is one of Parliament's priority objectives. It always includes in its conception of Community policies in any field - agriculture, internal market, technology or social provisions - a commitment to ensure new measures bring benefits to the outlying regions. The Single Act now supports this policy by creating a strong link between the completion of the internal market and economic and social cohesion.

DISAPPOINTING RESULTS

Despite the three funds, known as structural funds - the European regional development fund (ERDF), the social fund (SF) and the European agricultural guidance and guarantee fund (EAGGF) - regional disparities have grown and worsened since the entry of Spain and Portugal. More than 20 % of the Community's population live in regions where development is considered to be backward. Taking as a basis a Community wealth measure of 100, the richest regions recorded up to 237 while the poorest are in the doldrums at 43.

For Parliament the reasons for this failure are clear: inadequate resources, objectives which are too nume-



rous and too imprecise, financing which gives infrastructure priority over productive investment, lack of supervision and follow-up and, above all, the fact that the member states have used the funds to reduce their own contributions to regional development instead of supplementing EC assistance with national aid as originally intended.

The new ERDF regulation makes it possible to counter some of these negative features.

The creation of the IMPs (Integrated Mediterranean Programmes) in 1985, made it possible to help the Community's southern flank to absorb the impact of enlargement. The Mediterranean regions, which tend to lag behind northern Europe in terms of economic development, have so far received one-third of the funds' total allocations. While the final figure agreed (2 billion ECU over seven years) is less than that recommended by Parliament, it does enable important projects to get off the ground.

long period, but the battle continues. The doubling of the structural funds represents a minimum and needs to be accompanied by other Community policies. Moreover, there is the possibility that national governments will be tempted, notwithstanding their declarations, to fail to make a distinction between grants from the funds and national aid. Parliament will want to make sure that the money is used wisely and effectively.

But the improvement in GDP brought by completion of the internal market and the additional endowment of the structural funds will not be enough to reduce imbalances. A new network of relations still has to be created between the Community and the regions.

HOPE FOR THE REGIONS FROM THE SINGLE ACT

The Single Act contains a commitment to restore regional balance. The 'economic and social cohesion' chapter obliged the signatories to provide the means required to attain this objective.

It was in February 1988 that the Twelve decided to double, over five years, the budgetary resources allocated to the structural funds. These funds will account for a quarter of the Community budget in 1992. The reform of the funds was also agreed at the same time, with priority to be given to concentrating the bulk of funding on the poorest regions. In future there will be more coordination of the various funds and closer cooperation between national governments, regional authorities and the Commission. The Twelve also agreed that fund resources should be additional to, and not a substitute for, national support.

This set of decisions went some way to meeting demands for which Parliament had been fighting for a

THE PRIORITY OBJECTIVES

- to develop the backward regions : the whole of Portugal, Ireland and Greece and certain regions of Spain, Italy and Northern Ireland, the French overseas departments - all in all, one-fifth of the Community's population ;
- to support the structural reorganisation of declining regions, particularly by granting aid for productive investments and job training ;
- to fight against long-term unemployment and make the transition from school to work easier for young people ;
- to prepare for the agriculture of the future and to think in terms of management of the rural areas.

SHARE OF THE REGIONAL FUND

1975-1987
(in mio ECU)

Belgium	178
Denmark	170
Germany	814
Greece	2,107
Spain	1,302
France	2,505
Ireland	1,154
Italy	6,948
Luxembourg	16
Pays-Bas	222
Portugal	770
UK	4,540
EC	20,726



5

TRANSPORT

Harmonisation, European-wide access to markets, safety legislation and large-scale infrastructure investments, are all necessary for the creation of a coherent transport policy on a European scale. It was not until Parliament filed a case against the Council at the Court of Justice in 1985 for failing to act, that the Council decided to set about formulating a genuine transport policy. Since then, Parliament has been keeping up the pressure to ensure that the necessary decisions are taken before 1992.

At a time when the internal market is going to increase trade between the member states, it would be counter-productive for this trade to be held up by administrative and technical bottlenecks and jams. An internal market where electrical currents and railway gauges were different from one country to another, would be a nonsense. Moreover, a genuine EC transport policy should introduce an element of competition into the sector while, at the same time, ensuring proper respect for safety provisions.

failed to respond and Parliament, therefore, went to the Court of Justice in 1985 with a complaint against the Council for failure to act. The Court found Council guilty and ordered it take all the measures required to ensure freedom of services in the road transport sector as provided for in the Treaties. The ruling also applies to the transport of goods by rail and inland waterways.

This judgement of the Court of Justice was a landmark. It confirmed what had, until then, been a disputed right - the right to take an institution to Court for failing to act - and Parliament obtained satisfaction on the content of the case: the Court reaffirmed that Council had failed in its duties by not adopting the necessary legislation to ensure freedom to provide services in the transport sector, as provided for in the Treaties. Parliament was rewarded for its stubbornness and persistence as 'watchdog of the

THE COUNCIL 'ORDERED' TO TAKE ACTION

Faced with the Council's inertia on the transport front, MEPs first sounded a warning in 1982. Council



Treaties'. Thanks to its action a decisive impulse has been given to the common transport policy.

SUBSTANTIAL PROGRESS ON THE ROADS

After the reprimand by the Court of Justice and the decision to complete the internal market, Council finally resolved to issue a series of regulations to ensure freedom to provide services in the transport sector.

In 1985 it set 1993 as the date for the total liberalisation of the market - the removal of all quota restrictions that have, for example, placed limits on the number of loads a lorry driver based in the UK can pick up on a return journey from, say, Germany, free access to the international goods transport market and EC licences granted on the basis of common standards. Council is due to round off these provisions shortly by passing measures on the liberalisation of passenger transport services. Parliament hopes that similar measures will be taken for cabotage and maritime transport.

Everyone recognises that the problem of harmonising competition conditions is difficult to resolve. Parliament has approved proposals on monitoring driving times and rest periods for lorry drivers. An inquiry was carried out in 1984-1985 with road safety and competition in mind. It showed that more than three-quarters of drivers were infringing the existing rules. The Commission, in November 1988, submitted a proposal designed to limit driving time to 56 hours a week and, at the same time, asked the member states to organise the inspection of 30 % of vehicles and 30 % of transport operations every year. Parliament supported this legislative proposal, although it wanted to include measures to discourage productivity bonuses which could lead to drivers working an excessive number of hours, thus posing a threat to road safety.

ONCE AGAIN THE BALL IS IN COUNCIL'S COURT

AIR TRANSPORT AND SAFETY

Parliament has also been seeking to see EC competition rules applied to the air transport sector and welcomed the 1987 package of Council decisions which marked the beginning of the liberalisation of air transport.

But the resulting increased air traffic in Europe brought with it increased risks. MEPs are, therefore, calling for a special European task force to monitor accidents and near misses. Other ideas are a European training centre for pilots and ground crew and the harmonisation of pilots' flying qualifications. Parliament is continuing to call for a centralised air traffic management and control system for Europe's air space.

The Commission, realising the urgent need to relieve pressure on overworked national systems, responded to these concerns by submitting, in November 1988, a series of proposals taking up the main points raised by Parliament.

ROAD AND RAIL BOTTLENECKS AND THE CHANNEL TUNNEL

In order to improve road and rail links across Europe, the Community needs to adopt specific pieces of legislation if EC funds are to be used for this purpose. Up to now, funds have been allocated on an annual basis according to rather vague criteria. Parliament has, therefore, been eager to establish a medium-term action programme based on specific criteria of 'Community interest', such as improving links in border areas or mitigating the isolation of



peripheral regions. Its proposals have been taken up by the Commission but not, to date, by Council. However, in 1988 it did accept to vote funds, to be spread over two years, in order to ensure that certain important projects could be completed.

On the other hand, to meet the claims of certain member states whose infrastructure, particularly roads, is largely used by lorries from other member states, Parliament has proposed that the principle of nationality should be replaced by territoriality: transport firms would no longer pay taxes to the country in which their vehicles are registered but to the country whose roads they use. The Commission has taken on board most of these recommendations, despite the fiscal complications they imply.

INFRASTRUCTURE : THE MAJOR PROJECTS

Over the period 1988 to 1992, EC assistance of 630 million ECU will have been given to transport infrastructure projects. The following are some of the major projects :

- the European high-speed train network, and particularly the connections between Paris, London, Amsterdam and Cologne, is one of the priority objectives of the Community's railways policy ;
- the £5 billion Channel Tunnel, due to be completed in June 1993 : Parliament wants it to be named the Winston Churchill-Jean Monnet Tunnel ;
- the development of motorway links.



6

CURRENCY

The European economy has suffered from the repercussions of the instability of the dollar and the volatility of international exchange markets. Without a genuine monetary and financial policy, the Community continues to be vulnerable to currency fluctuations. This flaw is a major handicap to the realisation of a common economic area. Parliament is convinced that monetary stability is a key to the success of the internal market. It has shown evidence of this conviction in its support of the ECU, strengthening of the EMS and progress towards monetary union, including the setting up of a European Central Bank.

One of the main decisions in the European financial field, taken in June 1988, was on the liberalisation of capital movements. This liberalisation is in line with Parliament's demands. But it believes, however, there is a danger that it could cause serious disruption if it is not accompanied by the creation of a genuine European financial and monetary area.

functioning of the system - coordination of intramarginal intervention (before the rates of exchange exceed the set margins), machinery for short-term credits between central banks and the procedure for realigning parities. But progress remains far from what Parliament and some member states would like to see. The necessary exchange rate discipline between the 12 states of the Community is still seriously handicapped by the failure of the United Kingdom to join the exchange rate mechanism of the EMS.

As for widening the use of the ECU, one of Parliament's recurrent themes, there has also been substantial progress. In parallel with growth in the use of the budgetary unit of account, the ECU (the 'private' unit of account), has attracted investments in the international money markets, demonstrating the real

THE RISE OF THE EMS

Undeniable progress has been made in the last two years on the coordination of monetary policies. The 'minor' reform of Nyborg, where the Ministers of Economic and Financial Affairs met in September 1987, made it possible to improve the technical



need for a common currency. Today the ECU is fourth in the league of currencies used for the denomination of loans on the world market and is used as the reference currency in a large number of the contracts concluded by big business. In Germany and Luxembourg private citizens are now, after some delay, able to open accounts in ECUs, and the British Treasury has issued short-term treasury bonds denominated in ECUs.

TOWARDS MONETARY UNION

Parliament has for some time been a supporter of monetary union, in other words a common currency and a European Central Bank, as a means of uniting national economies. By 1979 the Community and its member states should have progressed through a number of institutional stages along this road, but currency crises, balance of payments problems, divergent growth and interest rates, coupled with the reluctance of the larger member states to cede national sovereignty over economic policy matters, delayed further integration. Ten years later, they still seem to be hesitating in the face of the same obstacles.

Parliament's reaction, initially, was to propose measures to strengthen the role played by the European Monetary Cooperation Fund (EMCF), including the transfer of a certain proportion of the gold and dollar reserves held by central banks and in particular the extension of the role of the ECU.

In September 1988 Parliament came out in favour of the creation of a European Central Bank in order to guarantee the stability of the ECU as a European currency. The central bank should be totally autonomous and independent of the Commission, Council and the governments of the member states. This position is in line with the progress recorded some months earlier at the Hanover European Council meeting. There the Twelve decided to set up a committee under the chairmanship of Jacques Delors, and made up of the directors of the central banks of the Twelve. The job of this committee is to make proposals, by June 1989, for practical measures to ensure progress towards monetary union. But Parliament believes that, even if not all member states are in favour at this point in time, a start should be made by involving just those who are. This would involve the conclusion of a new treaty, which would represent an extra institutional breakthrough after the one achieved by the Single Act, but raises other problems of a 'two-speed Europe'.



7

RESEARCH

Research in Europe has been falling further and further behind that of Japanese and American competition for many years and has suffered, at a Community level, from minimum funding. During the lean years, Parliament has been anxious to preserve at least a 'minimum service' as regards European research. The success of a programme such as ESPRIT in the information technology sector, has largely demonstrated the effectiveness of common action, and now the Single Act has given research in Europe an institutional basis and a coherent framework for action.

Until recently it has been the reticence of the member states, for reasons of security or prestige, that has blocked cooperation on a large scale. But to ensure the Community's political and economic independence, the EC member states have a responsibility to invest in research and high technology. The European Community is becoming the base for relaunching European research programmes.

For several years France, the United Kingdom and West Germany were opposed to the idea of financing major Community research programmes. But Parliament has been trying to make governments and the public aware of the need for joint research as a means of avoiding unnecessary wasteful duplication. It has fought a long battle and finally governments have accepted the inclusion of this policy in

the priority category of programmes, with funding spread over a number of years. Not until the Single Act was this idea institutionalised.

PARLIAMENT SOUNDS THE ALARM

Since the early 80s, Parliament has been worried by the extent to which European countries have been slipping behind in the field of research. It has drawn the attention of the Community, notably through its reports on Europe's response to modern technological challenges, to the fact that this situation has grown continually worse during the last decade. It is not Europe's creative or innovative abilities that are being questioned, but rather its capacity to produce and



market products competitively. The gap between Europe and the United States and Japan has been increased by the American Strategic Defence Initiative and the Japanese Human Frontier science programme.

Parliament wants to see development facilities comparable to those that already exist in the United States and Japan, more science parks, and a strong venture capital market.

THE SINGLE ACT LAYS THE FOUNDATION

For the first time the Treaty specifies, as a Community objective, the strengthening of the scientific and technological base of European industry. The field of research policy is sufficiently explicit in the Single Act to commit the signatories unequivocally. Most of the guidelines put forward by Parliament, particularly the key idea of multiannual framework programmes, have been taken on.

THUS THE COMMUNITY HAS UNDERTAKEN TO CARRY OUT

- research programmes supporting technological development and demonstration programmes ;
- cooperation in these sectors ;
- the dissemination and exploitation of results ;
- measures to promote the training and mobility of research workers.

Parliament appreciates these Community commitments for what they are, but is disappointed with the level of funding. Of the 10.35 billion ECU originally envisaged for the period 1987-1991, the final figure agreed was barely half, only 5.4 billion ECU.

THE MAJOR RESEARCH PROGRAMMES

By applying the cooperation procedure to research,

the Single Act has considerably strengthened Parliament's role. Parliament is now better equipped to influence research policy and the content of the various programmes. It is able to insert certain elements it values, such as the contribution of research to the most backward regions and the development of small and medium-sized enterprises. It should not be forgotten either that Parliament uses its budgetary powers to influence the share of programme co-financing by the Community.

Of the many programmes launched by the Community with Parliament's encouragement, three at least should be mentioned : ESPRIT, RACE and BRITE.

ESPRIT is devoted to information technology and is based on cooperation and joint financing between the Community, industry, universities and research centres. More than 3,000 engineers have already worked on 220 ESPRIT projects, all the member states have cooperated in it and 60 % of the participants are small firms. Community funding has risen from 750 million ECU for the period 1984-1988 to 1.6 billion ECU for the period 1987-1991.

RACE is for advanced communications technology. Its objective is to set up, by 1995, an integrated broad-band network covering the whole telecommunications field (text, voice and pictures). Funding for RACE is 550 million ECU for the period 1987-1992.

BRITE is designed to help the modernisation of European industry, and the programme has been granted 125 million ECU for the period 1985-1988 and a supplementary allocation of 60 million ECU was made in 1988.

As for EUREKA, set up in 1985 as a separate research cooperation venture run by the national governments and mainly concerned with development and marketing, Parliament has been anxious to ensure that its programmes are not completely divorced from the Community's research effort. The Commission does, however, participate thus ensuring the avoidance of unnecessary duplication.



8

THE ENVIRONMENT

Pollution knows no frontiers. The accidents at Chernobyl and Basel, the pollution of the Rhine and the Mediterranean and the damage caused by acid rain have amply demonstrated this fact.

From the slaughter of baby seals to nuclear accidents, via the protection of natural habitats, Parliament has systematically drawn attention to a long-neglected sphere. It was only in 1972 that the heads of state recognised the need for a common policy on the environment, although they were not prepared to take any decisive action. The Community then adopted four programmes of action, the first two intended to combat existing pollution and the third directed more towards preventative measures. Then 1987 was designated as European Year of the Environment. The Single Act means the recognition of the environment as a Community concern.

THE ARGUMENT USED BY PARLIAMENT

Parliament is aware of the costs generated by an environment policy and the distortions of competition vis-a-vis third countries that may be caused by regulations which are felt as too stringent by industry. But it is also aware that this policy can have a beneficial effect on growth and employment and consequently on overall costs: 200,000 to 400,000 jobs are created every year in the environment protection sector in West Germany alone. Parliament





is even more aware of the threats to the air we breathe and the water we drink if vigorous action is not undertaken. The aim is to see the Community develop an environment policy that is both preventative and curative, and write the environmental dimension into other areas of EC activity, such as agriculture, industry and energy. It should also carry out upwards harmonisation of existing national standards. At present, widely varying national rules on such questions as car exhaust emissions not only affect competition but are also detrimental to the single European market. Parliament believes action should be concentrated on adopting the highest national standards as a European norm.

The Single Act may have brought environmental policy within the Community's ambit, but with resources in 1988 of just 37 million ECU (or less than 1 % of the total EC budget) and decision-taking in Council still subject to the unanimity rule, the scope for action is limited. The Commission has said that it will propose a European system for measurement and verification as the first step towards a European Environment Agency.

THE CAMPAIGN AGAINST AIR POLLUTION

On several occasions Parliament has alerted the Community institutions and the member states to the dangers of air pollution. The harmful effects are becoming ever more serious and evident, and some decisions have been taken.

ACID RAIN

Acid rain causes enormous damage : what is at stake is human health and the future of millions of acres of damaged woodlands, not to mention the threat to historical monuments such as the Parthenon and the Coliseum. Atmospheric pollution, the principal constituents of which are sulphur and nitrogen, is

caused by emissions from power stations, road traffic and industry.

In 1980 and 1982 directives were passed on the maximum levels of sulphur dioxide, suspended particles and lead. Standards were laid down for car exhaust fumes, the sulphur content of diesel oil and the lead content of petrol. But air pollution continued to be of concern and the Commission proposed new standards in 1984. The new maximum levels recommended by the Commission have, however, been challenged by Parliament which sees them as totally inadequate.

With the question of pollution from motor vehicles now irrevocably linked to the internal market, the pressure was on to reach agreement. Parliament found some allies from member states with higher standards, while others were fearful of their products being excluded from those markets where such standards applied. This led, in 1988, to Council taking a number of decisions on, for example, car exhausts and catalytic converters, the obligation to make unleaded petrol available and fixing maximum levels for pollutant particles discharged by diesel engines. Matters came to a head in April 1989 when Parliament managed to persuade the Commission to take on board its amendments designed to impose tougher controls on exhaust emissions based on US levels than those agreed by Council at the first reading. This meant Council could only reverse Parliament's decision through unanimous agreement and as Denmark was in favour of the higher limits Council was under strong pressure to agree. Failure to do so would open the way to some governments introducing national controls.

OZONE AND THE GREENHOUSE EFFECT

Disturbances to the ozone layer are having a major effect on the climate. Chlorofluorocarbons (CFCs) are mainly to blame and now all European governments accept the pressing need to find alternatives. EC member states are major CFC producers and the initial objective to reduce CFC use in aerosols by 30 % has been virtually achieved, but the beneficial



effects of this reduction have been wiped out by the increasing use of CFCs in the manufacture of plastic foam.

In June 1988 Parliament called for drastic cuts in CFC production and almost one year later, in March 1989, Environment Ministers agreed to an immediate 85 % reduction and to total elimination of CFC production by the year 2000.

MONITORING DANGEROUS SUBSTANCES

In the wake of the Seveso disaster, the Commission drafted an outline directive designed to tighten up prevention measures and contain the effects of serious industrial accidents. At Parliament's request, it was supplemented in 1982 by another directive on the transportation of dangerous goods. Some years later the Commission proposed a technical review of the Seveso directive but Parliament wanted it completely revamped to apply to new dangerous substances, with a stricter system of monitoring. A fire at a Sandoz warehouse in Basel on 1 November 1987 came as a reminder of the inadequacy of the Seveso directive. The Commission responded to Parliament's requests and submitted a new directive in October 1988. This directive now applies to all kinds of storage of dangerous products and increases the number of substances covered from seven to twenty-eight.

In the field of toxic and dangerous wastes, a report submitted by Parliament in 1984 stressed the fact that the existing directives were enforced only very incompletely and that the Commission had not taken the culprits to court, as it was entitled to under the Treaties, for failing to act. The problem of waste disposal cropped up in another part of the world later with the discovery of the export of toxic waste to the Third World, in particular to Guinea Bissau. On Parliament's initiative, 1989 was marked by an

important 'wastes programme'. Existing provisions are to be replaced by an outline directive on all waste, including dangerous waste, and regulating their transfer from one part of the Community to another as well as to third countries.

THE POST-CHERNOBYL SHOCK

Nuclear energy represents more than a quarter of the Community's energy production. Following the accident at Chernobyl, Parliament adopted a report on its consequences and on the future of nuclear energy. It noted that since the disaster, the Community had not done very much to cater for the consequences of such accidents and it still had little idea how one million, or even two million, people living in areas likely to be contaminated were to be evacuated. At the same time, it supported the continued development of nuclear energy, coupled with proper safeguards and inspection procedures.

STEPPING UP SAFETY AND CHECKS

Each state has in practice reserved control of its nuclear safety arrangements to itself, even though it would seem clear that risks that are international in scope need international monitoring. The only checking carried out by the Community's inspectors is to make sure that fissile material has not been misappropriated. Parliament consequently demands that nuclear installations be expertly evaluated by specialists from the International Atomic Energy Agency, a ban on the commissioning of power stations that do not comply with obligatory safety standards, decommissioning of any such power stations already in operation and stricter Community legislation on the siting of power stations in frontier areas. Parliament has expressed concern in particular about the operation of the Sellafield reprocessing plant in Cumbria.



The disappearance of drums of nuclear waste in transit in 1987, known as the 'Transnuklear' affair, revealed a lack of proper monitoring. Parliament set up a special enquiry committee to investigate the trade in nuclear waste at CERN (the European organisation for nuclear research) at Mol in northern Belgium, which revealed serious shortcomings, including the fact that member states were unaware of the movement of nuclear waste across frontiers and that the Commission lacked powers to control operations connected with the transport of such waste. Even EC inspectors were never unexpected as inspectors warned power stations in advance of their forthcoming visits. Parliament has since called for a review of the EURATOM Treaty with the creation of an international independent team of inspectors to check the safety of nuclear installations and to harmonise health and safety regulations.

products and baby food is 370 Bq (becquerels)/kg and 600 Bq/kg for other foods. In the United States rules are even stricter: the ceiling for baby food is 56 Bq/kg. Backed up by these figures and experts' opinions, Parliament proposed limits of 100 and 125 respectively, whereas the Commission had proposed 1,000 and 1,200. In December 1988 Council decided in favour of the Commission's proposals.

ESTABLISHING A 'PERMISSIBLE' LEVEL OF RADIOACTIVITY

Immediately following Chernobyl there was a large measure of confusion regarding permissible levels of radioactivity in food.

The generally accepted 'limit' for caesium in milk

PARLIAMENT'S PRIORITIES

- education and information ;
- a waste strategy ;
- regulation of chemical substances ;
- a new approach to ecological balance : land planning, air and water protection, etc ;
- development of clean technologies

THE ENVIRONMENT BUDGET (in mio ECU)

	Environment	Total budget	Environment as a % of total
1979	3.4	13,245	0.026
1989	37.0	44,838	0.083



9

AGRICULTURE

For years the agricultural policy has been the Gordian knot of Europe. Its very success led the Community to become enmeshed, until recently, in a vicious circle of ever-increasing over-production. The common agricultural policy (CAP) has been successful in increasing production and trade, but it absorbs three-quarters of the budget and has been criticised for causing huge surpluses, collapsing world prices and high food prices in the shops for Community consumers.

To a large extent the CAP is a victim of its own success. Its initial objectives were to guarantee regular supplies, give farmers a decent income and avoid excessive price fluctuations, and these have largely been attained. Over-production worldwide, however, brought with it the need to restrain production, but this was not done. At the same time, the CAP maintained its system of guaranteed prices, side-by-side with practically unlimited production, with unwanted products for non-existent markets as a result. Although this was foreseeable, Council, mindful of pressure from the agricultural lobby, was for a long time reluctant to take the necessary decisions.

The first restriction came in 1984 with the imposition of milk quotas and the decision to dismantle, progressively, monetary compensatory amounts (border equalising taxes). In 1986 the Twelve took another step towards abolishing milk, beef and butter

surpluses. With the Brussels Council meeting in February 1988 came the major breakthrough: production stabilisers, set-aside of land, limits in support payments for farm prices and binding budgetary controls.

1986 : PARLIAMENT SETS A NEW COURSE

The massive level of agricultural stocks and the arrival of Spain and Portugal, who were more interested in agricultural investment than price support, led Parliament in 1986 to abandon its traditional position of supporting farm price increases higher than those proposed by the Commission. The change was also important for external agricultural policy with a call for the simultaneous reduction of surplus production and of subsidies by the principal produ-



cers (the United States and the European Community), and a review of the system of export refunds.

Parliament's position is now clear. Supplies on the world market exceed demand and no-one can permit themselves the luxury of producing for a market that does not exist. The principles of the CAP - market unity, financial support and Community preference - remain valid but they must be adapted. Lower prices, quotas and incentives to reduce or abandon production of crops or animals that are in surplus are now the order of the day. At the same time, reform of the CAP must be accompanied by measures to preserve the family farm and include policies to ensure the survival of rural areas.

Parliament has, therefore, made its contribution, mainly by using the budget as a lever, towards carrying out a progressive reform of the CAP. There is still by no means a full consensus within the Community, but the sword does now seem to be severing the Gordian knot.

ORGANISING THE RUNNING-DOWN OF STOCKS

In 1986 storage costs for surplus stocks amounted to 6.8 billion ECU and, if no action had been taken, this could have risen to 37 billion ECU in 1992, and the unsaleable surplus of cereals could have amounted to 99 million tonnes in 1999. Not only were these stocks a heavy burden on the budget (taking almost 20 % of funds in 1986) they were also depressing farm prices at a high cost to the taxpayer.

Parliament, therefore, recommended that, in order to avoid creating new stocks, a more prudent price policy should be adopted, the amount of land devoted to farming should be reduced through 'set-aside' programmes, and farmers should be offered incentives to diversify and concentrate on quality.

FIGHTING FRAUD

The CAP is a favoured target for fraud. Fraud is estimated to account for 10 % of the agriculture budget, or almost 3 billion ECU. The prize is tempting: the amounts concerned are considerable and the national authorities, to whom the Commission delegates administrative responsibility, appear less concerned about EC funds than when their own money is at stake.

Parliament has pressed member states and the Commission to tackle the problem of fraud seriously for more than ten years. In 1987 Parliament's committee on budgetary control decided to take a microscope to all the Community's finances. In the CAP sector a number of discrepancies came to light: 327 lorries loaded with butter from a member state, carrying false documents to avoid the levy imposed on non-EC butter; a West German firm that was about to export food contaminated by radioactivity from Chernobyl; Luxembourg butter destined for the Third World turning up in Belgium, and so on.

Parliament intends to conduct an unrelenting campaign urging the member states and the Commission to counter this fraud. Parliament's main demands in this field are simplification of EC rules, effective uniform penalties, increased resources for fraud detection, making fraud against the EC budget a criminal offence - as is already the case in Germany - and allowing EC inspectors to make spot checks.

With the member states and the Commission beginning to react to Parliament's concern, the budgetary control committee again drew attention to the scale of the problem in 1989.

FINDING WAYS OUT OF THE CRISIS

Parliament's principal recommendation was the creation of a special fund for the disposal of stocks, partly financed by the member states, and similar to that already in existence for butter, and this was broadly accepted by Council.

Parliament also recommended that some stocks should be given away or sold off cheaply, even though this solution is often more costly and sometimes less economically sound than simply destroying them. However, Parliament felt that preference should be given to this option, if only because the European



consumer finds it hard to understand why he or she cannot benefit from cheap EC butter stocks available to other countries, such as the USSR. Here too Council followed some of Parliament's recommendations.

Parliament has also supported the partial running-down of world stocks in the context of the GATT negotiations. Indeed, a unilateral reduction by the Community would be virtually pointless when the United States, for instance, holds 60 % of the world's stocks of cereals.

STABILISING AGRICULTURAL PRODUCTION (million tonnes)

Table with 3 columns: Product, June 1987, October 1988. Rows include Cereals, Skimmed milk powder, Butter, and Beef.

STABILISING AGRICULTURAL PRODUCTION

The imposition of milk quotas has made it possible to save a whole year's production in five years and to hold prices at a relatively satisfactory level. However, the administration of the system has, in practice, strengthened the position of the larger farms and led to the practice known as the 'transfer' of quotas, with farms or land sold with a quota fetching a higher price than it would have done otherwise.

Without questioning the principle of quotas, Parlia-

ment proposed some adjustments in September 1987. On the one hand it suggested putting an end to 'transfers' by the creation of 'quota banks', in which governments and producers' organisations would be represented. On the other, it proposed the negotiation of an international voluntary restraint agreement for production, since Parliament considers that it is unfair to impose quotas on Community farmers if imports of the same products are not limited.

LIMITING THE MAXIMUM AMOUNTS ELIGIBLE FOR GUARANTEED PAYMENTS

It has become impossible today in practice to offer farmers a guaranteed price for unlimited production, and Parliament agreed to the principle of setting a limit on the quantities qualifying for guaranteed prices in 1988 by approving the levels proposed by the Commission.

SET-ASIDE

The series of set-aside measures adopted by the Community is intended to reduce the amount of land used for farming. Although this remedy may be economically necessary, Parliament is uncertain about its results.

Between 1988 and 1992 the Community aims to 'freeze' 950,000 hectares of land, most of it at present under cereal production, in return for compensation at the rate of 100 ECU to 600 ECU per hectare. While approving of this idea in principle, Parliament asked, in view of the failure of the set-aside experiment in America, whether it would not have been better to bring the volume of cereal production under control rather than the area devoted to it. Above all, the effectiveness of this measure seems to be limited as the member states will make every effort to set aside, first and foremost, land which has been cultivated least and is the least productive. Parliament wanted its acceptance conditional on two factors: an identical commitment from the EC's main competitors, and measures to safeguard economic activities and social life in rural areas.

Structural changes and more extensive farming methods should also make it possible to limit excess



production. The incentive is a premium for farmers who undertake to decrease excess production by at least 20 % over five years.

Other measures have been introduced to encourage farmers to take early retirement.

INCOME SUPPORT FOR FARMERS

In order to compensate for lower prices the Commission has made provision for support for farmers' incomes, as asked for by Parliament. This support is limited to five years, varies according to the country in which the farm is situated, and is partly financed by the Community. Some 850,000 farmers will be able to benefit.

Parliament supported this measure asking, however, that the five-year period be considered an initial, rather than a maximum, period.

ENCOURAGING INTERNATIONAL NEGOTIATIONS

Reform of the CAP will only make sense if there is coordinated international action, especially with the USA, to cut stockpiles, excess production and subsidies. Both the EC and the USA would benefit since they each spend around 30 billion every year on agricultural support.

Parliament has taken up this issue at international level on several fronts: it has expressed support for international agreements between the main producers and has condemned certain protectionist measures taken by the USA, and it has been associated with international negotiations. MEPs, for the first time ever, were invited to join the European delegation at the GATT negotiations in November 1988 in Montreal.

THE COMMON FISHERIES POLICY OR 'BLUE' EUROPE

Europe's fisheries policy is one of the most tightly

'POKER' OR TRADE WAR ?

Neither the United States nor the European Community respects the New Year as a time for a political truce. During this period there have been maize, spaghetti and hormone 'wars'. The campaign often starts in December, but such confrontations usually end up with a compromise, neither of the two sides wishing to jeopardise a total trade flow of some \$150 billion.

The most recent of these has been the hormone 'war'. Following pressure from Parliament, the Community banned the use of hormones, or 'growth promoters', in meat and this was applied to imports, mainly from the USA, as from 1 January 1989, affecting trade worth approximately only \$ 100 million.

integrated of all the common policies. Evolved within the framework of the CAP in 1976, its organisation coincided with the recognition of the 200 mile exclusive economic zone. Its main features are the common management of economic zones, including the imposition of quotas where necessary, and a wide network of fisheries agreements with Third World countries. It also involved the creation of a Community system of inspectors, a feature unique in Community law, and something specifically requested by Parliament.

MODERNISING AND RESTRUCTURING THE FLEET

It was in the early 80s that the Community developed its measures for the restructuring of coastal fishing, specifically by establishing medium-term outline programmes. More than 2,300 projects were financed, with a total investment of more than 660 million ECU. They mainly covered the modernisation and reduction of the Community fleet and the processing and marketing of fisheries products.

In one measure, Parliament succeeded in having the upper limit on the length of boats for the granting of aid removed, so that the requirements of deep-sea fishing could also be taken into account.



ARRANGING THE NEGOTIATION OF THE FISHING AGREEMENTS

Since the establishment of the 200 mile exclusive economic zone, the Community has had exclusive power over fisheries relations with third countries. So it is the Community, as such, that negotiates the agreements for fishing off the coasts of these countries. The entry of Spain and Portugal made it necessary to renegotiate a number of bilateral agreements, in particular with West African countries.

Parliament hoped to be able to improve its supervision of this sphere. It therefore proposed, in 1987, two possible solutions : either the adoption of a code of conduct for the negotiation of future fisheries agreements, to include a number of principles such as the rational exploitation of resources, the protection of disappearing species, financial participation by shipowners, or the institutionalisation of a procedure of consultation between the Commission, Parliament and Council on negotiations.





10

EUROPE AND THE WORLD

Along with defence, 'foreign policy' has long been a jealously guarded preserve of national governments. Only gradually has the Community been able to speak for the Twelve. Parliament, for its part, has continually reaffirmed that it should actively concern itself with foreign policy. The opinions expressed by the representatives of the 'European people' are listened to outside the Community. And, something that would have been unthinkable 10 years ago, the Single Act has given the Community a specific role with regard to foreign policy.

The Single Act institutionalises and defines European political cooperation (EPC): the member states undertake 'to make every effort to formulate and implement a European foreign policy'. For Parliament, the Single Act marks a decisive development: it gives it the right to veto accession and association agreements and makes it an 'associate' partner as regards foreign policy. The Foreign Ministers are instructed to inform it of the subjects dealt with under EPC and to take its views into account.

THE EUROPEAN PARLIAMENT ON THE INTERNATIONAL SCENE

The European Parliament has acquired an international profile and importance. Its declarations and resolutions are considered by the governments to whom they are addressed, and reported in the international press. The never-ending processions of parliamentary





delegations and official representations to Strasbourg and Brussels, and the avalanche of telex messages to and from foreign capitals, are ample evidence of the scale of Parliament's diplomatic activity.

AN ACTIVE MIDDLE EAST POLICY

In June 1980, through the Venice declaration, the Community defined a common policy on the Middle East. Parliament was amongst the first to come out in favour of direct negotiations under the aegis of the UN with all the parties concerned - Israel, Egypt, Syria, Lebanon and the Palestinians. It laid down two conditions. Firstly, Israel should refrain from taking any unilateral action to change the physical character, demographic make-up or legal status of the Occupied Territories, and secondly that the PLO should give a clear undertaking that it would seek a peaceful solution to the conflict and recognise Israel's right to exist, under resolutions 242 and 338 of the UN Security Council.

On 13 September 1988, Yasser Arafat came to Strasbourg at the invitation of one of Parliament's political groups. In December 1988, after the declaration by the PLO parliament in exile meeting in Algiers to renounce violence and recognise Israel, Parliament invited the Twelve to recognise the PLO as a government in exile. It also reaffirmed that the Community should play a full role in seeking a solution to the Middle East crisis.

RAPPROCHEMENT WITH THE EAST

On 25 June 1988 the countries of the Eastern bloc and the Community put an end to 31 years of mistrust when a joint declaration on the establishment of official relations between the European Economic Community and the Council for Mutual Economic Assistance, more familiarly known as COMECON, was signed.

Parliament approved the declaration, although qualifying its approval with the proviso that this should not be seen as a sign of support for all Soviet policies. Parliament is keeping a watchful eye on the human

Turkey and Israel : Parliament blocks protocols

As the Palestinian uprising in the Occupied Territories continued, Parliament progressively hardened its tone towards Israel. In January 1988 it condemned Israel's violation of the Geneva Convention in its attacks on the rights and property of the civilian population. It demanded an end to Israel's retaliatory operations and to the expulsion of Palestinians.

It is against this background of emotionally charged political conflict that a relatively minor affair blew up in March 1988 concerning the adoption of three trade protocols between the Community and Israel. These protocols concerned industrial products, agricultural products and a European Investment Bank loan to Israel. By virtue of the Single Act, such protocols require the assent of Parliament before they can enter into force.

The protocol on agricultural products was the most sensitive since it included produce from the Occupied Territories. Community traders had made preparations to deal directly with exporters from Gaza and the West Bank without going through the Israeli monopoly AGREXO, but it had never been possible to apply these provisions in practice.

In March 1988 Parliament rejected the three protocols for fear that their acceptance would be interpreted as an endorsement of the policy of the Israeli 'hawks'. Parliament further argued that the obstacles to Palestinian exports would be likely to remain. Some months later, Israel agreed to grant individual export licences to producers from Gaza and the West Bank, and in October 1988 Parliament gave its agreement to the signature of the protocols.

rights situation. After the Soviet Union had declared its readiness to go ahead with a detailed exchange of views on humanitarian problems, Parliament indicated that it would open direct relations with the Supreme Soviet. Parliament also hopes that trade agreements with the USSR and the countries of Eastern Europe can be improved.

In September 1988 its President, Lord Plumb, went to Moscow at the invitation of the Supreme Soviet, the first such visit in the history of the European



**VISITS TO PARLIAMENT BY
HEADS OF STATE OR
GOVERNMENT SINCE 1975**

Heads of State	
Anouar el Sadat President of the Arab Republic of Egypt	February 1981
Constantin Karamanlis President of the Hellenic Republic	September 1983
His Majesty King Hussein of Jordan	December 1983
Her Majesty Queen Beatrix of the Netherlands	February 1984
François Mitterand President of the French Republic	May 1984
Raul Alfonsín President of the Argentinian Republic	October 1984
Chaim Herzog President of the State of Israel	February 1985
Ronald Reagan President of the United States	May 1985
Sandro Pertini President of the Italian Republic	June 1985
Richard von Weizsäcker President of the Federal Republic of Germany	October 1985
His Majesty Juan Carlos, King of Spain	May 1986
Mario Soares President of the Republic of Portugal	July 1986
His Majesty Baudouin I, King of the Belgians	April 1987
Her Majesty Magrethe II, Queen of Denmark	July 1987
Patrick Hillery President of the Republic of Ireland	October 1987
His Holiness Pope John-Paul II	October 1988
Jean-Pascal Delamuraz President of the Swiss Confederation	February 1989
Heads of Government	
Garrett Fitzgerald Irish Prime Minister	July and December 1984
Bettino Craxi Italian Prime Minister	April 1985
Jacques Santer Luxembourgish Prime Minister	July and December 1985
Ruud Lubbers Dutch Prime Minister	July 1986
Margaret Thatcher British Prime Minister	December 1986
Wilfried Martens Belgian Prime Minister	July 1987
Paul Schlüter Danish Prime Minister	December 1987
Helmut Kohl German Prime Minister	July 1988

Parliament. There he proposed the holding of biannual meetings on agriculture between the Community and the USSR and delivered an official invitation to President Gorbachev to come and address the European Parliament in 1989.

THE DEFENCE OF HUMAN RIGHTS

Parliament has played a pioneering role in the defence of human rights. Its persistence has paid off and it is not unusual to find in the visitors' gallery people, from a wide variety of countries, whose cases have been taken up. Today its role is widely recognised and appreciated. It has made great strides in less than a decade.

CONFIRMATION OF UNIVERSAL PRINCIPLES

Parliament annually reports on the human rights situation throughout the world. The 1988 report, for example revealed that there are over 50 states which flagrantly violate human rights, and that only 50 more can be considered to be truly democratic. Parliament is asking that agreements with third countries increasingly include references to human rights. It is urging its numerous delegations to all parts of the world to make this concern a priority. Less than half the ACP (African, Caribbean and Pacific) states linked to the Community fully respect human rights, in Parliament's opinion, despite the undertakings contained in the Lomé Convention.

In 1985 Parliament conducted an inquiry into the rise of xenophobia and racism in Europe. It concluded that there was evidence not so much of a rise in signs of out and out racism rather in intolerance and distrust. Parliament has promoted practical measures to discourage this trend. It was on Parliament's initiative that the Presidents of the Council, the Commission and the Parliament signed a common declaration against racism and xenophobia in June 1986, a declaration that is now recognised as a basic



Community text, part of the Community's legal framework.

Parliament also became concerned in March 1987 about member states' policies with regard to the right of asylum. Of the over 17 million refugees in the world only a small number enter the Community. However, Parliament noted that some member states were increasing restrictions on the granting of visas and sending refugees back across borders.

THE SAKHAROV PRIZE

The Sakharov prize was instituted by Parliament in 1988 for action in support of human rights. In its first year it was awarded to Nelson Mandela and, posthumously, to Anatoli Marchenko. Nelson Mandela, founder of the ANC, imprisoned and then under house arrest for more than a quarter of a century, is the symbol of the fight against apartheid in South Africa. Anatoli Marchenko, one of the Soviet Union's most famous dissidents, died on 8 December 1987 as the result of a hunger strike after more than 20 years in prison.

THE CASE OF TURKEY

The association agreement signed with Turkey in 1963 was intended to lead to a customs union and, in the long run, accession. The agreement was frozen in 1980 following a military coup d'état. Following the accession of Spain and Portugal in 1986 the Turkish government submitted an official application to become a member of the Community. With the Commission due to announce its preliminary reactions to this request shortly, Parliament has noted that the present agreement is not working smoothly as both sides maintain some form of trade restrictions.

For Parliament the human rights issue formed an essential part of the negotiations from the outset. In September 1988, following the reestablishment of the European Parliament-Turkish Assembly Joint Committee, it came out in favour of resuming the association with Turkey. Parliament identified a number of elements in favour of resuming parliamentary relations with Turkey: the reconstitution of the Turkish Grand Assembly, the right accorded to Turkish citizens to present individual cases to the European Commission for Human Rights and the ratification of the European convention on torture. This does not mean that Turkey has been granted a clean bill of health: Parliament still denounces human rights violations and is calling for the withdrawal of Turkish occupation troops from Cyprus.

Members of the European Parliament have also taken a clear stand on the Armenian question, demanding that the Turkish authorities face up to the fact that genocide of the Armenians took place in 1915. Ankara's recent decision to open up its archives at last may well cast new light on this.

THE CONDEMNATION OF SOUTH AFRICA

Parliament condemns all instances of apartheid and violations of human rights and fundamental freedoms in South Africa. It supports sanctions and, in particular, an embargo on coal imports, agricultural produce, gold, uranium and other ores, and a halt to all new loans to the Pretoria government. In July 1988 Parliament added to this list of sanctions all oil exports destined for South Africa, the discontinuation of imports and exports of weapons and military equipment, the suspension of air traffic and the downgrading of diplomatic representations of member states to the lowest possible level.

This condemnation and call for sanctions brought some response from Council which, in 1986, agreed to a limited form of action in the shape of a ban on cooperation in the nuclear field and on imports of gold coins.



NORTH-SOUTH : THE COMMON FUTURE

THE LOMÉ CONVENTION

The Convention of Lomé, signed in 1975 at Parliament's instigation and renewed every five years, is considered an exemplary cooperation agreement. Its originality is to be found in its price stabilisation mechanisms for the poorest countries : Stabex for basic agricultural commodities and Sysmin for mining products. Lomé III, signed in 1984, encompassed 66 states of Africa, the Caribbean and the Pacific. Its endowment was 8.5 billion ECU (£ 5.87 billion), 7.4 billion (£ 5.11 billion) in the form of direct aid and low-interest long-term loans. Lomé IV is due to come into effect in 1990.

Although Parliament has pressed for funding to be written into the Community budget, Lomé remains an instrument of intergovernmental rather than Community cooperation. But MEPs exert influence on the negotiation and implementation of the Conventions through the ACP-EC Joint Assembly. In this way their concerns regarding human rights and priority for agricultural development and rural projects can be taken into account. Within the negotiations for Lomé IV, which will cover the five year period 1990-1994, Parliament is pressing for the opening up of a dialogue of a more practical kind between the two sides and the setting up of specific measures to alleviate the indebtedness of the ACP countries.

REVIEW OF AID TO ASIA AND LATIN AMERICA

For a number of years, and in particular following the entry of Spain and Portugal, Parliament has been engaged on an in-depth review of the granting of aid to Asia and Latin America.

The first task was to change the budgetary rules governing the allocation of aid between continents as they meant that assistance to one continent could

only be increased at the expense of the other. This has now been done.

Parliament's main concern is to adapt forms of cooperation to the level of development in the different countries. Although conventional aid still has a primary role to play in the poorest countries, particularly in Asia and Latin America, industrial and commercial cooperation agreements are more useful to those countries whose economies are developing. Furthermore, there has been a sweeping change in the situation in Latin America during the last 10 years : it has become heavily indebted and, in contrast to Africa, 80 % of this debt is with private banks. The debt problem can be a threat to fledgling democracies and that is one reason why the European Parliament is actively helping with the creation of a Latin American Parliament.

REVIVAL OF COOPERATION

In February 1985 Parliament devoted its whole part-session to the subject of 'North-South : a common future or none at all'. Today its position can be summed up in 10 main points :

- The revival of trade : the stabilisation of raw material prices and improvement of the generalised preference system are among Parliament's priorities.
- The alleviation of debt : the burden amounted to 1,320 billion in 1988 and the austerity policies recommended by the IMF have proved ineffective. Parliament's priorities are to rationalise the debts of the past (cancellation, moratoria, reduction or rescheduling) and to guarantee long-term development funding.
- The adoption of a code of conduct banning all sales of arms to risk countries : 20 % to 30 % of the Third World's debts are attributable, directly or indirectly, to military expenditure and this only increases their economic vulnerability. Parliament wants the Commission to grant funds as a priority to countries with a low armament level.
- Better coordination of aid : in 1988 Community aid amounted to 1.23 billion ECU, or 3.4 % of its budget. The lack of coordination between the diffe-



rent donors and the recipient country, gives rise to wastage on a large scale. Parliament has put forward practical solutions to improve this situation, including combined emergency aids, standardisation of equipment to make its use and maintenance easier, and harmonisation of accounting procedures for aid programmes in order to make the task of local administration easier.

- The fight against hunger : this is a priority objective and, following Parliament's intervention, specific appropriations have been entered for this in the budget. The Community's food aid rose by 4 billion ECU in the last 10 years.
- Checking the encroaching desert : 7.5 million square kilometres have been degraded in the ACP countries and 'desertification' is progressing at the rate of 60,000 sq km a year. Apart from establishing different production systems and crop diversifica-

tion, Parliament is calling for the Commission to undertake anti-desertification programmes, together with the ACP countries, concentrated on a number of priority areas.

- Developing the fisheries agreements : this mainly means encouraging common processing and marketing operations for produce and ship construction.
- Easing the work of the NGOs (non-governmental organisations) : in particular Parliament has proposed that the duration of the projects financed by the Community should be extended from three to five years and that the ceiling for subsidies to small projects should be raised from 150,000 ECU to 250,000 ECU.
- Aiding refugees and displaced persons by seeking a solution to the conflicts that have given rise to their situation and putting the emphasis on aid for those returning to their country of origin.



11

SECURITY

The idea of European political and defence cooperation first emerged in the early 1950s, but was dropped following the non-ratification of the European Defence Community (EDC) Treaty in 1954. Several isolated initiatives were taken in the 1960s, but it was not until the Hague Summit of 1969 that work began in earnest. European political cooperation - coordinating foreign policy- began in 1970, and the practices that then developed were summarised in the 1981 London report of the Foreign Ministers.

Immediately after the 1979 elections, Parliament asserted its right to debate matters relating to European security, as it had already done to some extent in the 1970s, arguing that it was inseparable from other aspects of foreign or industrial policy. This practice, together with changes in external circumstances, helped to open the way for the inclusion of security in the Single Act. The Single Act provides that Parliament shall be regularly informed by the Presidency of activities in European political cooperation, and that its views shall be taken into consideration. Parliament is using these opportunities to the full, but its impact is limited by the absence of a European security policy.

The Single Act brings European political cooperation within the same overall legal structure as the Community Treaties. It refers to closer cooperation on matters of security as contributing to the European

identity in external affairs, and the member states undertake to coordinate more closely their positions on the political and economic aspects of security. This is still a long way from a common foreign or security policy, let alone a common defence policy. However, the climate for political and security cooperation seems much more favourable than it was some years ago.

PARLIAMENTARY LEGITIMACY

Parliament's post-1979 initiatives in the field of security were controversial, even within Parliament itself, but a gradual acceptance of Parliament's role in this area has grown up among the other institutions and the member states, sometimes excepting Ireland.



Parliament's political affairs committee has established a sub-committee on security and disarmament which has considered such problems, and developed a common position on a concept of European security based on the principles of solidarity, détente, arms limitation and peaceful coexistence.

Parliament is exploiting to the full the openings afforded by the Single Act in the field of political cooperation and security. It is also continuing to treat the armaments industry, where it would like to see more cooperation between Europe's producers, as an important constituent of the internal market. The Commission has already prepared a directive on a common customs policy for armaments, and expects to give further attention to this key industrial sector.

The thawing of relations between the Soviet Union and America led to a breakthrough in arms control negotiations. The withdrawal of the SS-20s in exchange for Pershing IIs and cruise missiles radically changed the European strategic landscape. Parliament approved this agreement, while calling for it to be followed up by talks on the dismantling of stocks of short-range nuclear missiles and on the limitation of conventional and chemical weapons. In order to take account of the new development in East-West relations, Parliament came out in favour of strengthening European defence. This resolution, adopted in October 1987, is seen today as the basic programme for a European security policy. It is based on the reaffirmation of a common foreign policy and a common defence policy confirmed, on the basis of genuine partnership, within the context of the Atlantic Alliance, and on the parallelism between a policy of defence and a policy of détente.

The Washington agreement of December 1987 on the abolition of intermediate-range nuclear forces marked a new stage in security policy. Parliament, which had expressly called for it, welcomed the agreement. However, it continues to deplore the very inadequate role played by the Community in the process of disarmament at a time when negotiations between the two superpowers should be encouraging it to develop its own identity in this field.

Although there is a majority view on the need to 'Europeanise' security policy, there is still deep disagreement on the details. The road to a common defence policy is still a very long one.

PARLIAMENT AND DISARMAMENT

Parliamentary resolutions have repeatedly favoured world-wide disarmament as a contribution to global and, in particular, European security. In early 1986 when the United States was threatening to abandon the arms limitation talks (SALT II), Parliament condemned in advance any violation of these accords and called on the member states to draw up a global disarmament plan, comprising :

- 50 % reduction in strategic nuclear arms ;
- dismantling of stocks of intermediate-range nuclear arms ;
- world-wide ban on chemical weapons ;
- balanced reduction of conventional arms ;
- formulation and enforcement of confidence-building measures.

Most of these points were to be taken up by the superpowers in the following months.



12

THE CITIZENS' EUROPE

Parliament, elected as it is by universal suffrage, is particularly receptive to the idea of European citizenship. The citizens of Europe will only fully accept a European commitment when there is tangible evidence of the relevance of the Community to their everyday lives. The completion of the internal market and the opening up of frontiers constitutes a big step forward in itself, but there is still much to be done. For 10 years Parliament has been making every effort to make 'Citizens' Europe' a concrete reality.

If progress towards a citizens' Europe is slow, it is not due to lack of good intentions. The first impulse was given in 1974 with the creation, by the European Council meeting at Fontainebleau, of a committee on citizens' Europe. Proposals were made but once again action was slow.

While some progress is tangible, particularly with the prospect of the internal market, it is still inadequate. Any European citizen should be able to enjoy a core of common rights in all the member states. He or she should be able to reside there, study, work, take part in local public life, and enjoy certain guarantees regarding his or her fundamental rights. To realise this objective Parliament has continually pushed the Community to take practical measures. It has not hesitated to provoke matters when necessary, for example by calling for a right of petition. It has also taken advantage of the leverage provided by EC law

to encourage the passing of certain national laws, particularly in the field of equality between men and women, between migrants and nationals.

A SINGLE CITIZENSHIP

As long as Europeans do not have the feeling that they are citizens of the same entity, that they are not 'foreigners' elsewhere in Europe, the idea of a united Europe will not take off. European citizenship will only be put together bit by bit from a bundle of disparate elements. Strong political resolution and a consistent action programme will help to crystallise these elements and thereby give birth to a common citizenship. This should not be seen as a threat to national identities: just as a Welshman can be British, so a Briton can be European.



THE SYMBOLS OF IDENTITY

Europe's flag with the 12 five-pointed golden stars on an azure background now flies everywhere in the Community. It is widely recognised as Europe's symbol. It has replaced the 'customs' signs at frontiers and along with an anthem, the prelude to the ode to joy from Beethoven's ninth symphony, these form the first symbols of a common European citizenship.

The introduction of the European passport in 1985 also helped to build up the feeling of belonging to Europe. As for the European driving licence, based on the principle of mutual recognition, a new step was taken in 1986 and member states are now issuing licences which in practice are valid throughout the Community.

THE RIGHT TO VOTE IN LOCAL ELECTIONS

Every European should be able to participate, at local level, in the public life of the country where he resides permanently. The right for non-nationals to vote in municipal elections has already been granted in Ireland, Denmark and the Netherlands.

Parliament argues that as more and more people move around the Community there is a risk that they may lose certain basic political rights unless action such as this is taken to restore them.

Responding to pressure from Parliament, the Commission submitted in 1988, a proposal under which citizens of one member state of the Community residing in another member state would be able to vote in municipal elections.

THE RIGHT TO PETITION PARLIAMENT

The right of European citizens to petition does not appear in the Treaties, but has been granted by Parliament on the basis of its own rule of procedure. Any citizen may, therefore, individually or collectively, appeal directly to Parliament, provided of course that the application has a European dimension, and he or she feels basic rights are threatened. Most of the petitions (of which there were 500 in 1987-1988) concern practical everyday problems:

discrimination based on nationality, pension or social security rights for persons who have worked in more than one member state, transport, the freedom of establishment or to provide services. Parliament may have no power of jurisdiction, but it is able to channel complaints to the appropriate authority or, if necessary, recommend legal action.

To deal with the increase in the number of petitions, Parliament set up a committee on petitions in January 1987. It also improved the information and cooperation procedures between the Community institutions in order to expedite the treatment of petitions. In June 1988 the chairman of Parliament's committee on petitions was invited, for the first time, as an observer, to the round table discussions held by European ombudsmen.

OPENING UP EDUCATION IN EUROPE

At a time when the European Community is preoccupied with the internal market, there remains the problem of how to tackle different education systems, often based on different philosophies. Young people, who will form tomorrow's Europe, are faced with numerous obstacles if they wish to pursue all or part of their studies in another member state. However, these problems are not insurmountable as Parliament has amply demonstrated in a number of programmes and measures it has initiated.

ERASMUS: MULTIPLYING STUDENT EXCHANGES

Only 1 % of European students follow higher education courses in another member state of the Community. The aim of the ERASMUS programme is a figure of 10 %, or 600,000 students, by 1992.

ERASMUS saw the light of day partly due to the efforts of Parliament, which wrote a specific line of expenditure into the budget for granting scholarships and reimbursing certain expenses for students. The



programme is based on a university student exchange network recognised by all member states. Supported by the Community and the students of Europe, ERASMUS funding comes to 175 million ECU for the period 1987-1989. Its success is such that this sum will not be sufficient to satisfy demand in the future. COMETT, launched as part of the ERASMUS scheme in 1987, is designed to strengthen cooperation between universities and the business world in the field of technological training. It has proved successful and has already been used to finance 2,400 training courses for students and 120 scholarships for managers. The second stage of the programme has an allocation of 260 million ECU for the period 1990-1995.

YES : A TICKET FOR EUROPE

YES, a youth exchange scheme, is intended primarily for young Europeans who are unlikely to pursue higher education studies. The programme, with an initial allocation of 15 million ECU, started in January 1987 and will allow 80,000 young people between the ages of 16 and 25 to stay for up to three weeks in another country of the Community. Largely as a result of Parliament's insistence, the Commission was authorised to raise the threshold for Community financing to 75 % in cases where young people are particularly badly off.

EQUAL OPPORTUNITIES

Of the 165 million women in the Community, 21 million are in paid employment and seven million are unemployed. The Treaty confirms the principle of equality of payment for the same work as men - a principle that, alas, seems rarely to be applied. For similar work salaries are often 25 % to 30 % lower than those of men.

Parliament was the originator of four important pieces of European legislation on equal rights for

women. However, several of the member states have been found guilty by the Court of Justice for not respecting the principle of equality of treatment at work.

Responding to further pressure from Parliament, the Commission presented two action programmes - one for 1982 to 1985 and one for 1986 to 1990 - on the promotion of equal opportunities. Today Parliament makes sure the question is still on the agenda.

PARLIAMENT ON THE OFFENSIVE

Taking a single straightforward article of the Treaty as its point of departure, Parliament has launched an offensive against all forms of sex discrimination that still occur. This campaign started as soon as the directly elected Parliament first met. Its first President was a woman, Simone Veil, and a relatively large number of its members were also women (around 20 %).

An ad hoc committee was set up in 1979, followed in 1981 by a committee of inquiry into the situation of women - an unprecedented step at that time - and in 1984 by a permanent committee on women's questions.

More recently, in October 1987, Parliament adopted four major reports on sectors where discrimination can still be seen: the media, sport, the return to working life and immigration. These reports set out practical solutions to the many questions raised. For instance, in the case of immigrant women - the most underprivileged of the underprivileged - Parliament proposed that national laws on the right of residence should be changed to allow women to enjoy rights independently of their spouse's situation.

THE INTERPRETATION OF 'INDIRECT' DISCRIMINATION

The directive on the equality of treatment and equality of rights with regard to social security ban any discrimination of a direct or indirect nature. But the concept of 'indirect' discrimination is not defined and this deprives the legislation of much of its effectiveness.



In the various forms of 'indirect' discrimination, certain professional classifications and tax systems play a major part. Parliament has, therefore, endeavoured to propose a definition of the adjective 'indirect' taking as its principal basis a Community guide on classification of the professions.

SHARING THE BURDEN OF PROOF

The burden of proof is another problem area faced by those who wish to take legal action. In most member states the onus is on the plaintiff to prove a case of discrimination, and especially where 'indirect' discrimination is concerned this can be very difficult. For this reason very few cases involving failure to apply or observe directives on women's rights are brought to court.

Parliament, which has been trying for years to have the burden of proof reversed, has achieved one breakthrough. The Commission has now put forward a proposal for a directive on the sharing of the burden of proof with regard to cases involving equal treatment and equal pay, but it still has to be accepted by Council.

TELEVISION WITHOUT FRONTIERS

Television across frontiers is already a reality thanks to cable television and communications satellites. In 1990 there could be 50 television channels in Europe.

However, if European industry is not to lag behind in such areas as high-definition television, it must avoid the mistakes of the past in pursuing rival national systems. There is formidable competition from the Japanese as regards technology and from the Americans who already produce 40 % of programmes that are shown on European screens. In 1982 Parliament first took up the question of European-wide broadcasting with the result that the Commission accepted the basic principle that all broadcasts that can be received in one of the 12 countries of the Community should, in principle, be available to the other 11.

In 1987 the Commission submitted an important legislative proposal which was to be the subject of a wide-ranging debate in Parliament. Parliament emphasised the points it considered important: consumer choice, support for the European television and film industries through measures to encourage joint productions, on the imposition of quotas, on the amount of non-European, (often American) material that can be shown, uniform rules on advertising and sponsorship and the institution of a right to reply to ensure fair reporting.

At the same time, the arrival of satellite television aroused the interest of non-EC countries and this led to a wider Council of Europe convention covering the points raised by Parliament, and open for signature to the 21 member states.

In March 1989 the European Community decided to accede to this convention, which includes amongst its provisions a ban for commercial reasons on the showing of films less than two years old.



13

HEALTH

There is no more than the embryo of a Community health policy, yet the growing threat of drugs and AIDS, not to mention cancer, is now felt by all European countries and they have jointly and severally organised health campaigns. Parliament has made its own contribution, particularly to efforts to counter the scourges of drugs, cancer and AIDS.

THE CAMPAIGN AGAINST DRUGS

There are 1.5 million heroin users in EC member states and many arrests made are connected with drugs. In response to concerns expressed by many parents about the increase in drug addiction amongst young people, MEPs set up a special committee in 1985 to investigate drug trafficking and drug related problems. The outcome of the committee's findings was a recommendation that there should be increased cooperation between police forces and customs authorities, and that a European-wide conference should be held to evaluate the different anti-drug policies conducted by the member states.

ACTION AGAINST PRODUCERS AND TRAFFICKERS

Assistance to help growers switch to alternative crops is one way of attempting to curb drug production. Parliament supports an increase in Community funding for crop switching programmes under the Community's aid projects.

As far as eradicating drug trafficking is concerned, Community cooperation is essential. It is one of the conditions that have to be fulfilled before customs checks can be abolished at the Community's frontiers, and a special committee has been set up to investigate ways of bringing this about.

Five member states - France, Germany, Belgium, Luxembourg and the Netherlands- are working together on ways of achieving closer cooperation between police forces in anticipation of border posts



coming down. Schengen, the Luxembourg frontier post where the borders of France, Germany and Luxembourg meet, has given its name to the agreement between these states, but island countries such as the United Kingdom, Ireland and Greece, where strict checks at ports of entry are considered important, still have reservations about abolishing all border controls. The fear is that strict anti-drug measures on the other side of the Atlantic will tend to make dealers turn towards Europe. There is a need to harmonise laws on drug trafficking since they vary considerably from one member state to another. Parliament also wants extradition procedures improved and asset-freezing legislation introduced in all member states. But bureaucracy and confusion over different areas of responsibility can hinder cooperation as customs services are accountable to the finance ministries and police forces are responsible to the ministers for home affairs. Parliament did not, however, come out in favour of a Community task force on the lines of the American Drug Enforcement Program, as suggested by the Commission, but it did request that customs cooperation be strengthened so that continuous surveillance can be carried out in every case. This means that dealers are identified but not arrested and the consignment of drugs is followed through several countries to its final destination, thus enabling the chain to be broken and the ringleaders caught.

ENCOURAGING PREVENTION AND REHABILITATION

To be effective, a policy of prevention must, in the view of Parliament, be aimed at both illegal drugs and the initial habit-forming drugs such as tobacco and alcohol.

Parliament has come out unequivocally against the legalisation of soft drugs but, at the same time, it opposes using prison sentences as a punishment, since this not only exposes casual users to the criminal fraternity but can, in certain cases, lead to a

progression to hard drugs. Instead, the accent should be on care and rehabilitation, and Parliament would like to see an EC role through financial assistance to rehabilitation programmes from the European social fund. It is also asking the Commission to pass a set of guidelines, in the context of the social fund, to ensure the rehabilitation of ex-addicts into social and working life.

THE WAR AGAINST CANCER

700,000 people die from cancer every year in Europe. By the year 2000, there is a risk that one person in three could have cancer. The causes are now well known: smoking, eating and drinking habits, including alcohol abuse and a fatty diet. Radioactivity and excessive exposure to the sun and ultraviolet lamps can also cause skin cancer.

THE COMMUNITY'S PROGRAMME

The Community has embarked on an action programme with a view to reducing cancer related deaths by 15 % by the year 2000. A plan containing 74 measures has been proposed for the period 1987 to 1989, based on three main principles: prevention, research and information/education. 1989 is European Information on Cancer Year.

Tobacco is one of the main targets. Each year more than 220,000 people die in the Twelve from a type of cancer that can be linked to smoking. A comparable number of deaths from other lung and cardiovascular diseases are also thought to be caused by smoking. In December 1988 the Commission proposed a ban on smoking in all public places, and already at least one member state has agreed to it.

Parliament wants the accent to be particularly on long-term education measures for young people and for early screening warning to be more widely available.



SWITCHING FROM TOBACCO TO OTHER CROPS

The war against cancer and nicotine addiction cannot be seen in isolation from the Community's policy vis-a-vis tobacco producers. There are 230,000 tobacco producers in the Community and almost 1.8 million people are employed in processing and distribution. The situation is made even more sensitive by the fact that Greece produces 40 % of the Community's tobacco on land which is hardly suitable for alternative crops.

Yet, morally, the Community cannot declare war on nicotine addiction whilst continuing to subsidise tobacco production to the tune of 782 million ECU per annum. What is more, the excise duty harmonisation proposed as part of the internal market programme would have the effect of bringing down the price of cigarettes in some countries, including the United Kingdom and Ireland.

Parliament has asked the Commission to study the problem of switching from tobacco growing to other crops and to replace the policy of price support with direct income aid for poor farmers.





14

TOWARDS EUROPEAN UNION

1992 is not only the date set for the completion of the internal market. It is also the date laid down in the Single Act for a possible review of the Treaties. The objective of European Union established by the Community's founding fathers has been constantly confirmed by the governments of the member states, although there are differences of interpretation as to its exact meaning. In 1984 Parliament seized the initiative and presented a draft Treaty as a means of bringing this about. It has never concealed the fact that, while wishing to support and exploit the possibilities of the Single Act, its priority would remain the transition to this new stage in the history of Europe.

Despite undoubted progress that the Single Act has brought about, Parliament believes the Community still does not have at its disposal the means, and particularly the institutional balance, required to conduct a set of effective common policies. Parliament intends to propose, after the June 1989 elections, a draft constitution for European Union based essentially on its 1984 draft Treaty. It also wants the people to be consulted on this subject. It has indicated that it would refuse to approve any new treaty of accession until the institutional reforms required to make the Community more effective and democratic have been carried out.

its current term of office. But polls have consistently shown a majority of Europeans in favour of a united Europe. Some countries are more enthusiastic than others, but if the national governments will not agree to the necessary measures, a directly elected Parliament has to turn directly to the people for its support.

WHY IS INTEGRATION SO PRESSING ?

No member state is immune from the international economy and from crises that inevitably occur. This means that national capacity to tackle such questions as unemployment, the environment and technologi-

Parliament is aware of the difficulties of this step, the realisation of which extends beyond the duration of



cal investment is limited. On the other hand, it is an illusion to believe that a large internal market can be created without changes in monetary and fiscal policies, which have social and political implications. While there can be some dispute as to whether or not Commission President Delors's prediction that 80 % of fiscal, economic and possibly even social legislation could be of Community origin in 10 years time, there is no disputing the trend.

With this prospect in mind, Parliament objects to the fact that the powers transferred by the national parliaments to the Community are still exercised in essence by the Council, meeting in camera and not accountable to any democratic body. There is no doubt about the Community's 'democratic deficit' in the mind of Parliament and Commission, and the further Europe advances, the greater this deficit will become.

The ceiling for Community expenditure has been fixed at 1.2 % of GDP until 1992, although Community expenditure already stands at 1.05 %. This decision was initially a shot in the arm for the Community, but Parliament believes it will not be enough in the longer term. Given the present limited growth rate, it will take almost a century for Community expenditure to reach 5 % of the Community's GDP, a figure which remains far below the expenditure of national budgets.

HOW TO ACHIEVE IT

Parliament attempted to secure widespread acceptance of its Treaty on European union in 1984. Its plan did not fully succeed but it gave a stimulus to further discussions and contributed to the genesis of the Single Act. The success of any new attempt will depend on adapting strategy to what member states are prepared to accept.

THE LESSONS OF THE PAST

In 1984 Parliament realised that the need for national governments to agree unanimously on Treaty revi-

sions, or indeed on its draft Treaty, would be a major stumbling block. That is why it foresaw the possibility of a kind of two-speed Europe whereby the majority of member states wanting to integrate faster would form the core of a union, and the rest would be linked to it. Two-speed integration has considerable political and legal consequences. Parliament has undertaken to put forward proposals on the management of relations between a union and those member states that decide for the moment against being part of the core group.

Whatever the outcome, the member states will have to confront the question of applications to join the Community from countries that will not or would not wish to join a political union. Logically, it must hold true that if a state cannot be forced to join a European Union against its will, then neither can a small minority of states be allowed to prevent the majority from creating a union on the basis of objectives to which all subscribe.

The absence of political will on the part of political leaders, and the inability of European initiatives to mobilise public support behind Parliament's Treaty, led member states to side-step the Treaty on European Union in 1984. Europe's stagnation and repeated failures had a negative impact on the public. As many opinion polls show, there is genuine popular support for European unity, but so far direct election campaigns have failed to capitalise on this. The elections have not been fought on European issues with the result that the role and function of the European Parliament have remained obscure. Instead they have appeared to be a series of national elections in which the issues and the stakes have been defined in essentially national terms even though a European dimension existed.

FROM SMALL STEPS TO THE BIG LEAP

Parliament's task is, therefore, to exploit all the opportunities offered to it by the Single Act and, in particular, to ensure that its legislative amendments are accepted by the Commission and the Council. With this in mind it is concentrating on certain



OPINION POLL BY « EUROPEAN OMNIBUS SURVEY »
(October-November 1988)

Are you for or against :

	B	Dk	G	Gr	S	F	Irl	It	L	N	P	UK	EC
	%	%	%	%	%	%	%	%	%	%	%	%	%
A common organisation for defence and security ?													
for	77	36	66	62	63	80	60	84	80	74	68	71	72
against	12	42	20	14	14	10	19	8	12	13	4	18	14
don't know	11	22	14	24	23	10	21	8	8	13	28	11	14
An economic and social policy especially to deal with unemployment ?													
for	81	41	77	69	78	85	85	92	83	78	70	70	79
against	10	36	13	9	4	7	3	1	7	8	3	10	9
don't know	9	23	10	22	18	8	12	7	10	14	27	13	12
A European currency ?													
for	72	27	46	52	61	74	64	77	67	61	52	28	56
against	15	49	40	14	12	14	17	8	21	23	13	58	27
don't know	13	24	14	34	27	12	19	15	12	16	35	14	17
A European government accountable to the European Parliament ?													
for	64	15	49	51	53	58	55	75	48	53	59	33	53
against	12	63	24	14	12	16	16	7	28	23	7	37	20
don't know	24	22	27	35	35	26	29	18	24	24	34	30	27
A referendum on European Union ?													
for	74	83	73	81	78	73	81	87	79	78	74	76	77
against	12	8	10	5	3	14	5	7	11	10	3	9	9
don't know	14	9	17	14	19	13	14	6	10	12	23	15	14



priorities: the internal market and social policy, political cooperation and the trade and cooperation agreements, environmental protection, research and the new technologies, monetary integration, including the role of the ECU and the European Central Bank, and a citizens' Europe.

In order to achieve European Union, Parliament has devised an institutional strategy. The convening of a conference of representatives of the member states to draft a new treaty has already been shown to have its limitations. The other solution is to make Parliament the principal driving force of reform. The legitimacy conferred on it by direct elections gives it the justification to do this. In the absence of a mandate from the European Council it will carry out the reform on its own initiative. This approach will not, however, exclude other bodies. The other institutions and the national parliaments will, of course, be invited to associate themselves as closely as possible with this development.

Parliament will, therefore, continue its dialogue with the national parliaments in order to make them aware

of the fact that the objective of its plan is not to diminish their powers but to make up a democratic deficit in areas where they in any case no longer have much possibility and a waning right to determine EC policy.

EUROPEANS AND EUROPEAN UNION

Eurobarometer poll

- three out of four Europeans are in favour of a referendum on whether or not there should be a European Union ;
- one European in every two is in favour of giving the European Parliament the right to vote on laws that are directly applicable in each of the member states ;
- 57 % are in favour of a European government accountable to Parliament, with, as its main terms of reference : environmental protection, scientific and technical research, security and defence ;
- a majority of people in EC member states want Parliament to be made responsible for preparing a draft constitution for the European Union.

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