

# Preparations for the Single European Act (SEA)

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## Preparations for the Single European Act

When the process of European integration was revived in the mid-1980s, it was accompanied by Franco-German rapprochement, a precondition for any new European initiative. The preparatory work carried out by the Dooge Committee in 1984-85 and, more particularly, the *White Paper on the completion of the internal market*, presented in June 1985 by the Commission under its President, Jacques Delors, paved the way for the February 1986 Single European Act (SEA).

### The Fontainebleau European Council

Two significant policy changes occurred in France and Germany in the early 1980s. The election of the Socialist, François Mitterrand, in May 1981, was a turning point in the history of the Fifth Republic, putting an end to the uninterrupted domination of the right since the return to power of General de Gaulle in June 1958. The new French President, who came to power on a platform of social reform, first sought to boost the economy by stimulating consumption, preferring a social Europe to a Europe of monetary stability. In contrast, Germany's economic policy makers, strongly influenced by the Bundesbank, were reluctant to renounce the dogma of stability. The Paris-Bonn axis, which had long been the driving force behind European integration, broke down between 1981 and 1982. However, the new German Chancellor, the Christian Democrat Helmut Kohl, elected in October 1982, was determined to renew relations with France along the lines laid down by his predecessors Konrad Adenauer and Helmut Schmidt.

On 25 and 26 June 1984, at the Fontainebleau European Council, which took place against a background of open crisis among the Ten because of the dispute about farm spending, the good relations which had been restored between France and Germany provided a means to end the Community's financial deadlock and to have a package of measures adopted which had been initially considered at the Stuttgart Summit of 17-19 June 1983. The Community's own resources were increased: the proportion of value added tax (VAT) levied was raised from 1 % to the maximum rate of 1.4 % from 1 January 1986, a date chosen to coincide in particular with the enlargement of the Community to include Spain and Portugal. Expenditure designed to finance the common agricultural policy (CAP) was reduced. The question of Britain's contribution to the budget found a temporary solution in the introduction of a correction mechanism intended to establish a stable arrangement for the financial compensation allocated to the United Kingdom. The Heads of State or Government also commissioned a study into the possible institutional reform of the Community to be carried out by an ad hoc Intergovernmental Committee known as the 'Dooge Committee', modelled on the 'Spaak Committee', which, in 1955, was charged with paving the way for further European integration.

### Jacques Delors' White Paper

On 14 June 1985, Jacques Delors, President of the European Commission, submitted to the Council a draft agreement on the completion of the Single Market. The agreement, devised with the help of Lord Arthur Francis Cockfield, Vice-President of the Commission, took the form of a 'White Paper' presented by the Commission to the European Council in Milan on 29-30 June 1985, which endorsed its proposals. The some 310 measures listed were designed to stimulate economic recovery, to guarantee the free movement of persons, goods, services and capital, and to merge the national markets into a single market by 31 December 1992 at the latest. This is referred to as 'Objective 92'. In practice, it aimed to eliminate the remaining legal, fiscal and technical internal boundaries and to give practical form to the ambitions which remained unresolved following the introduction of the European Common Market in 1958. The White Paper was also intended as a response to the demands of business, repeatedly expressed by the European Economic and Social Committee (ESC) and the European Parliament, by creating a market of over 380 million consumers.

### The Dooge Committee proposals

Following the European Council in Fontainebleau on 25 and 26 June 1984, the Heads of State or Government of the Ten set up an ad hoc Intergovernmental Committee on the institutional reform of the European Communities. Deliberately modelled on the 'Spaak Committee', which delivered the 1957 Rome Treaties, this group of experts, formed in September 1984, was chaired by James Dooge, former Irish

Foreign Affairs Minister and representative of Garrett FitzGerald, Irish Prime Minister, then President-in-Office of the Council of Ministers of the European Community. The Dooge Committee, sometimes called the 'Spaak II Committee' comprised one representative for each Member State and one Member of the European Commission. In particular, it was instructed to put forward specific proposals for the improvement of the way in which both cooperation in the Community and European political cooperation operated.

The Dooge Committee's task, which was purely political, proved difficult because of the divergences of interest and opinion among the various Member States with regard to the nature and aims of European integration. On the initiative of the Belgian delegate, Fernand Herman, former Minister and MEP, the Committee adopted an original working method which gave each national representative the opportunity to disagree with the proposed solution and to include such disagreement in the finished document. All issues were therefore addressed openly in a report which was not necessarily limited to reaching a consensus, at the risk of being vague or hesitant. An interim report was presented to the Dublin European Council of 3 and 4 December 1984, which asked the Committee to continue its work.

The Dooge Committee's final report recommended the transformation of the European Communities into a European Union, the attainment of a single economic area and the promotion of a European external identity. More specifically, the document proposed the creation of a technological Community and a European legal area, the strengthening of the European Monetary System (EMS) and the development of common policies on the environment, culture and social affairs. With regard to political cooperation, the Dooge Committee emphasised the need to concentrate on security and defence issues, to create a permanent Secretariat, to intensify prior policy consultations and to opt for common representation of the Ten in international bodies. Where the institutions were concerned, the report advocated a more general use of majority voting in the Council of Ministers, limiting the number of Commissioners to one for each Member State, the appointment of the President of the European Commission by the European Council, the strengthening of the Commission's executive powers and the granting of a genuine right of codecision to the European Parliament.

To achieve these results, the Dooge Committee, in spite of grave misgivings on the part of the British, Danish and Greek delegates, recommended the convening of an Intergovernmental Conference (IGC) to negotiate a draft European Union Treaty. The Dooge Committee report was submitted to the Brussels European Council of 29 and 30 March 1985 but was not actually considered until the Milan European Council of 28 and 29 June 1985. In the meantime, the British Government forwarded to its European partners a counter-proposal which rejected the changes to the existing treaties and opposed the idea of majority voting. Anxious to break the impasse, France and Germany, in turn, submitted a joint draft European Union Treaty which emphasised cooperation in foreign policy matters, an issue contested by the other Member States. In Milan, the Ten finally undertook to convene an Intergovernmental Conference for the revision of the European Treaties.

### **The Milan European Council**

The Milan European Council of 28 and 29 June 1985, chaired by the Italian Prime Minister Bettino Craxi, was asked to look into various proposals pertaining to the reform of the European institutions and to review the European Commission's White Paper on the completion of the internal market. The Ten endorsed the proposals recommended in the Commission's White Paper. The document was then consulted during the preparatory work for the conclusion, in February 1986, of the Single European Act (SEA).

As regards the institutional reforms and the conversion of the Communities into a European Union, national divergences remained significant. Ireland, traditionally attached to its neutral status, opposed the idea of defence issues becoming a matter for Europe. Germany hesitated over the plans relating to monetary unification. Denmark and the United Kingdom opposed a revision of the existing treaties, as well as the strengthening of the Community institutions and the drastic limitation of the invoking of the notion of vital national interest. Determined to overcome the political deadlock, the Italian Presidency, for the first time in the history of the Community, plumped for a new interpretation of Article 236 of the Treaty of Rome. This provided that the Council, replaced for the occasion by the European Council, could convene a Conference

of Representatives of the Governments of the Member States for the revision of the EEC Treaty. Italy forced the decision by putting the issue to a vote. Seven Member States (Belgium, France, Germany, Ireland, Italy, Luxembourg and the Netherlands) opted for this solution by advocating the convening of an Intergovernmental Conference. The Prime Ministers of Denmark, the United Kingdom and Greece, however, who found themselves in the minority, protested energetically, but in vain, against the vote, an event without precedent in the European Council whose members were used to consensus politics. A mandate was then issued to the Intergovernmental Conference (IGC) for the creation of a European Union, in which the Spanish and Portuguese Governments, whose accession to the Community was scheduled for 1 January 1986, were also invited to take part.

### **The Intergovernmental Conference**

Taking into account several plans for the reform of the Community institutions and the possible conversion of the Community into a European Union, the Milan European Council of 28 and 29 June 1985 decided, in spite of grave misgivings on the part of Denmark, the United Kingdom and Greece, to convene an Intergovernmental Conference (IGC). The IGC was issued with a triple mandate: to step up the completion of the Single Market by 1992, to improve the way in which the Community institutions worked and to implement a common foreign and security policy.

In terms of a working method, the Foreign Ministers of the Ten had decided, one month previously, to create two working groups in the IGC. The first, composed of the policy directors of the Foreign Ministries of the Ten, as well as from Spain and Portugal, and a representative of the European Commission, was responsible for political cooperation and the common foreign and security policy. The second, composed of a representative of each Member State, was given the task of reviewing the revision of the EEC Treaty. The responsibility for future action following the meetings was conferred on the Luxembourg Presidency which succeeded that of Italy. On 22 July 1985, on the basis of favourable opinions from the European Parliament and the Commission, the Council of Foreign Ministers formally convened an IGC to review the draft submitted on 5 July by the Luxembourg Government. The IGC met five times at Foreign Minister level between 9 September and 28 November 1985. At the same time, France presented a draft European Act to its partners, incorporating some of the subjects covered in the document distributed in July by the Commission, which called for the amendments to the EEC Treaty and the new treaty on political cooperation to be combined in a single legal instrument — a Single Act.

Following very lengthy and difficult discussions, the Luxembourg European Council of 2 and 3 December 1985 succeeded, almost *in extremis*, in securing the approval of the national delegations on a final declaration, clearly a product of compromise. The overall agreement simultaneously applied to the completion, before 31 December 1992, of the Single Market, the extension of qualified majority voting, further development of the Economic and Monetary Union, economic and social cohesion, reorganisation of the powers and responsibilities of the Commission, Parliament and the Court of Justice of the European Communities, the implementation of a European Technological Community and European cooperation in the foreign policy sphere. The Council of Foreign Ministers, which met on 16 and 17 December 1985 in Luxembourg, was then charged with finalising and translating into definitive legal texts the political agreement which had been so painfully achieved two weeks previously in Luxembourg. The document was called the *Single European Act* to underline the fact that it combined, in a single document, the amendments to the Community Treaties and the measures concerning cooperation by Member States in the foreign affairs sphere.

It divided those who saw it as an efficient instrument for institutional and economic revival in Europe and those who, in contrast, dismissed it as a mere consensus text, which was less progressive than the proposals set out in previous drafts such as the report of the Dooze Committee, or the Draft Treaty establishing the European Union, which was adopted on 14 February 1984 by the European Parliament, on the initiative of Altiero Spinelli.