



## DEVELOPMENTS UP TO THE SINGLE EUROPEAN ACT

The main developments of the early Treaties are related to the creation of Community own resources, the reinforcement of the budgetary powers of Parliament, election of MEPs by direct universal suffrage and the setting-up of the European Monetary System. The entry into force of the Single European Act in 1986, substantially altering the Treaty of Rome, bolstered the notion of integration by creating a large internal market.

### MAIN ACHIEVEMENTS IN THE FIRST STAGE OF INTEGRATION

Article 8 of the Treaty establishing the European Economic Community (EEC), also known as the Treaty of Rome,<sup>[1]</sup> provided for the completion of a common market over a transitional period of 12 years, in three stages, ending on 31 December 1969. Its first aim, the customs union, was completed more quickly than expected. The transitional period for enlarging quotas and phasing out internal customs ended as early as 1 July 1968. Even so, at the end of the transitional period there were still major obstacles to freedom of movement. By then, Europe had adopted a common external tariff for trade with third countries.

Creating a 'Green Europe' was another major project for European integration. The first regulations on the common agricultural policy (CAP) were adopted and the European Agricultural Guidance and Guarantee Fund (EAGGF) was set up in 1962.

### FIRST TREATY AMENDMENTS

#### A. Improvements to the institutions

The first institutional change came about with the Merger Treaty<sup>[2]</sup> of 8 April 1965, which merged the executive bodies. This took effect in 1967, setting up a single Council and Commission of the European Communities (the ECSC, EEC and EAEC) and introducing the principle of a single budget.

#### B. Own resources and budgetary powers

The Council decision of 21 April 1970<sup>[3]</sup> set up a system of Community own resources, replacing financial contributions by the Member States ([1.4.1](#)).

[1] Treaty establishing the European Economic Community, available at: <https://eur-lex.europa.eu/eli/treaty/teec/sign>

[2] Merger Treaty OJ 152, 13.7.1967, p. 2–17, available at <https://eur-lex.europa.eu/eli/treaty/fusion/sign>

[3] 70/243/ECSC, EEC, Euratom: Council Decision of 21 April 1970 on the replacement of financial contributions from Member States by the Communities' own resources, available at: <https://eur-lex.europa.eu/eli/dec/1970/243/oj>



- The Treaty of Luxembourg of 22 April 1970<sup>[4]</sup> granted Parliament certain budgetary powers (1.3.1);
- The Treaty of Brussels of 22 July 1975<sup>[5]</sup> gave Parliament the right to reject the budget and to grant the Commission a discharge for implementing the budget. The same Treaty set up the Court of Auditors, a body responsible for scrutinising the Community's accounts and financial management (1.3.12).

### C. Elections

The Act of 20 September 1976 gave Parliament new legitimacy and authority by introducing election by direct universal suffrage (1.3.4). The Act was revised in 2002, introducing the general principle of proportional representation and other framework provisions for national legislation on the European elections.

### D. Enlargement

The UK joined on 1 January 1973, together with Denmark and Ireland; the Norwegian people had voted against accession in a referendum. Greece became a member in 1981; Portugal and Spain joined in 1986.

### E. EU budget

After the first round of enlargement there were calls for greater budgetary rigour and reform of the CAP. The 1979 European Council reached agreement on a series of complementary measures. The 1984 Fontainebleau agreements produced a sustainable solution based on the principle that adjustments could be made to assist any Member State with a financial burden that was excessive in terms of its relative prosperity.

## PLANS FOR FURTHER INTEGRATION

Building on the initial successes of the economic community, the aim of also creating political unity for the Member States resurfaced in the early 1960s, despite the failure of the European Defence Community (EDC) in August 1954.

### A. Failure of an attempt to achieve political union

At the 1961 Bonn summit, the Heads of State or Government of the six founding Member States of the European Community asked an intergovernmental committee, chaired by French ambassador Christian Fouchet, to put forward proposals on the political status of a union of European peoples. The study committee tried in vain, on two occasions between 1960 and 1962, to present the Member States with a draft treaty that was acceptable to all, even though Fouchet based his plan on strict respect for the identity of the Member States, thus rejecting the federal option.

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[4]Treaty amending certain budgetary provisions, OJ L 2, 2.1.1971, p. 1–12, available at: [https://eur-lex.europa.eu/search.html?qid=1558096159975&whOJ=NO\\_OJ%3D002.YEAR\\_OJ%3D1971&type=advanced&lang=en&SUBDOM\\_INIT=ALL\\_ALL&DB\\_COLL\\_OJ=oj-l](https://eur-lex.europa.eu/search.html?qid=1558096159975&whOJ=NO_OJ%3D002.YEAR_OJ%3D1971&type=advanced&lang=en&SUBDOM_INIT=ALL_ALL&DB_COLL_OJ=oj-l)

[5]Treaty amending certain financial provisions of the Treaties establishing the European Economic Communities and of the Treaty establishing a single Council of the European Communities, OJ L 359, 31.12.1977, p. 1–19, available at: [https://eur-lex.europa.eu/search.html?qid=1558096310653&whOJ=NO\\_OJ%3D359.YEAR\\_OJ%3D1977&type=advanced&lang=en&SUBDOM\\_INIT=ALL\\_ALL&DB\\_COLL\\_OJ=oj-l](https://eur-lex.europa.eu/search.html?qid=1558096310653&whOJ=NO_OJ%3D359.YEAR_OJ%3D1977&type=advanced&lang=en&SUBDOM_INIT=ALL_ALL&DB_COLL_OJ=oj-l)



In the absence of a political community, its substitute took the form of European Political Cooperation, or EPC. At the summit conference in The Hague in December 1969, the Heads of State or Government decided to look into the best way of making progress in the field of political unification. The Davignon report, adopted by the Foreign Ministers in October 1970 and subsequently enlarged upon by further reports, formed the basis of EPC until the Single Act entered into force.

#### **B. The 1966 crisis**

A serious crisis arose when, at the third stage of the transition period, voting procedures in the Council were to change from the unanimity rule to qualified majority voting in a number of areas. France opposed a range of Commission proposals, which included measures for financing the CAP, and stopped attending the main Community meetings (the 'empty chair' policy). Eventually, agreement was reached on the Luxembourg Compromise (1.3.7), which stated that, when vital interests of one or more countries were at stake, members of the Council would endeavour to reach solutions that could be adopted by all while respecting their mutual interests.

#### **C. The increasing importance of European 'summits'**

Though remaining outside the Community institutional context, the conferences of Heads of State or Government of the Member States started to provide political guidance and to settle the problems that the Council of Ministers could not handle. After early meetings in 1961 and 1967, the conferences took on increasing significance with the summit at The Hague on 1 and 2 December 1969, which allowed negotiations to begin on enlarging the Community and saw agreement on the Community finance system, and with the Fontainebleau summit (in December 1974), at which major political decisions were taken on the direct election of the European Parliament and the decision-taking procedure within the Council. At that summit, the Heads of State or Government also decided to meet three times a year as the 'European Council' to discuss Community affairs and political cooperation (1.3.6).

#### **D. Institutional reform and monetary policy**

Towards the end of the 1970s there were various initiatives in the Member States to bring their economic and fiscal policies into line with each other. To solve the problem of monetary instability and its adverse effects on the CAP and cohesion between Member States, the Bremen and Brussels European Councils in 1978 set up the European Monetary System (EMS). Established on a voluntary and differentiated basis — the UK decided not to participate in the exchange-rate mechanism — the EMS was based on a common accounting unit, the ECU.

At the London European Council in 1981, the Foreign Ministers of Germany and Italy, Hans-Dietrich Genscher and Emilio Colombo, put forward a proposal for a 'European Act' covering a range of subjects: political cooperation, culture, fundamental rights, harmonisation of the law outside the fields covered by the Community Treaties, and ways of dealing with violence, terrorism and crime. It was not adopted in its original form, but some parts of it resurfaced in the 'Solemn declaration on European Union' adopted in Stuttgart on 19 June 1983.



## E. The Spinelli project

A few months after its first direct election in 1979, Parliament's relations with the Council were thrown into a serious crisis by the budget for 1980. At the instigation of Altiero Spinelli, MEP, founder of the European Federalist Movement and a former Commissioner, a group of nine MEPs met in July 1980 to discuss ways of revitalising the operation of the institutions. In July 1981 Parliament set up an institutional affairs committee, with Spinelli as its coordinating rapporteur, to draw up a plan for amending the existing Treaties. The committee decided to formulate plans for what was to become the constitution of the European Union. The draft treaty was adopted by a large majority on 14 February 1984. Legislative power would come under a bicameral system akin to that of a federal state. The system aimed to strike a balance between Parliament and the Council, but it was not acceptable to the Member States.

## THE SINGLE EUROPEAN ACT

Having settled the Community budget dispute of the early 1980s, the European Council decided at its Fontainebleau meeting in June 1984 to set up an ad hoc committee of the personal representatives of the Heads of State or Government, named the Dooge Committee after its chairman. The committee was asked to make proposals for improving the functioning of the Community system and of political cooperation. The June 1985 Milan European Council decided by a majority (7 votes to 3), in an exceptional procedure for that body, to convene an intergovernmental conference to consider the powers of the institutions, the extension of Community activities to new areas and the establishment of a 'genuine' internal market.

On 17 February 1986 nine Member States signed the Single European Act (SEA)<sup>[6]</sup>, followed later, on 28 February 1986, by Denmark (after a referendum vote in favour), Italy and Greece. The Act was ratified by Member States' parliaments in 1986, but, because a private citizen had appealed to the Irish courts, its entry into force was delayed for six months until 1 July 1987. The SEA was the first substantial change to the Treaty of Rome. Its principal provisions were as follows:

### A. Extension of the Union's powers

#### 1. Through the creation of a large internal market

A fully operational internal market was to be completed by 1 January 1993, taking up and broadening the objective of the common market introduced in 1958 (2.1.1).

#### 2. Through the establishment of new powers as regards:

- Monetary policy;
- Social policy;
- Economic and social cohesion;
- Research and technological development;
- The environment;

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[6]Single European Act, OJ L 169, 29.6.1987, p. 1–28, available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:11986U/TXT>



— Cooperation in the field of foreign policy.

#### **B.** Improvement in the decision-making capacity of the Council of Ministers

Qualified majority voting replaced unanimity in four of the Community's existing areas of responsibility (amendment of the common customs tariff, freedom to provide services, the free movement of capital and the common sea and air transport policy). Qualified majority voting was also introduced for several new areas of responsibility, such as the internal market, social policy, economic and social cohesion, research and technological development, and environmental policy. Finally, qualified majority voting was the subject of an amendment to the Council's internal rules of procedure, so as to comply with a previous Presidency declaration that, in future, the Council could be called upon to vote not only on the initiative of its President, but also at the request of the Commission or a Member State if a simple majority of the Council's members were in favour.

#### **C.** Growth of the role of the European Parliament

Parliament's powers were strengthened by:

- Making Community agreements on enlargement and association agreements subject to Parliament's assent;
- Introducing a procedure for cooperation with the Council ([1.2.3](#)), which gave Parliament real, albeit limited, legislative powers; it applied to about a dozen legal bases at the time and marked a watershed in turning Parliament into a genuine co-legislator.

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