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REPORT

drawn up on behalf of the Temporary Committee
for the success of the Single Act

on the Communication from the Commission of the
European Communities entitled:

"Making a success of the Single Act -
a new frontier for Europe"

(COM(87) 100 final - Doc. C2-224/86)

**Rapporteurs: Mr E. BARON CRESPO and
Mr K. von WOGAU**

PE 112.483/fin.
Or. En.

On 26 February 1987 the Commission transmitted to the European Parliament its communication "Making a success of the Single Act - a new frontier for Europe" COM(87)100 final.

On 11 March 1987, the European Parliament approved a proposal for a decision pursuant to Rule 91(2) of the Rules of Procedure on the setting up and composition of a Temporary Committee - Doc. B2-62/87.

On 12 March the Committee held its constituent meeting and nominated Messrs BARON CRESPO and VON WOGAU as co-rapporteurs.

The Commission's Communication was discussed at its meeting of 19/20 March, 31 March, 8/9 April, 27 April. At the last meeting a draft motion for a resolution was adopted by 7 votes in favour to 2 against with 2 abstentions.

The following were present at the vote: Mr. MEGAHY, acting chairman; Mr. BARON CRESPO, rapporteur; Mrs. BARBARELLA; Mr. BEUMER; Mr. BORGIO; Mr. de CAMARET; Mr. CHRISTODOULOU; Mr. COT; Mr. CRESPO; Mr. DIDO; Mr. MIRANDA DA SILVA; Mr. PRICE; Mrs. VAN HEMELDONCK.

The deadline for tabling amendments will be indicated in the draft agenda for the part-session at which it will be debated.

The explanatory statement will be presented orally by the rapporteurs.

This report was tabled on 28 April 1987.

The opinions will be published separately.

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Opinion of the Political Affairs Committee

Opinion of the Committee on Agriculture, Fisheries and Food

Opinion of the Committee on Economic and Monetary Affairs
and Industrial Policy

Opinion of the Committee on Energy, Research and Technology

Opinion of the Committee on External Economic Relations

Opinion of the Committee on Social Affairs and Employment

Opinion of the Committee on Regional Policy and Regional Planning

Opinion of the Committee on Transport

Opinion of the Committee on the Environment, Public Health
and Consumer Protection

Opinion of the Committee on Budgetary Control

Opinion of the Committee on Institutional Affairs

The Temporary Committee for the Success of the Single Act hereby submits to the European Parliament the following motion for a resolution:

A

MOTION FOR A RESOLUTION

embodying the opinion of the European Parliament on the Communication from the Commission of the European Communities entitled: "Making a success of the Single Act - A new frontier for Europe"

The European Parliament,

- having regard to the Single European Act;
- having regard to the Commission's Communication "Making a success of the Single Act : A new frontier for Europe" (COM(87)100 final) - (Doc. C2-224/86),
- bearing in mind the draft Treaty it drew up on European Union;
- having regard to the proposal for a decision tabled by MM ARNDT, KLEPSCH, PROUT, CERVETTI, Mrs. VEIL, MM de la MALENE, TELKÄMPER, and LE PEN, on the setting up and composition of a Temporary Committee (doc. B2-62/87);
- having regard to the report of the Temporary Committee on the success of the Single European Act and to the opinions of the Political Affairs Committee, the Committee on Agriculture, Fisheries and Food, the Committee on Economic and Monetary Affairs and Industrial Policy, the Committee on Energy, Research and Technology, the Committee on External Economic Relations, the Committee on Social Affairs and Employment, the Committee on Regional Policy and Regional Planning, the Committee on Transport, the Committee on the Environment, Public Health and Consumer Protection, the Committee on Budgetary Control, the Committee on Institutional Affairs (Doc. A2-42/87);
- having regard to the votes on the Commission's communication;

A. Whereas the citizens of the Community expect that the European Council meeting on 30 June 1987 will give an impetus to the achievement of European Union by making clear commitments on the main issues facing the Community;

B. Underlining the substantial political, economic and financial costs which Member States and European citizens have to bear if the necessary decisions to abolish frontiers between Member States of the Community are delayed.

European Union and the success of the Single European Act

1. Recalls that the creation of a European Union is the main objective which it is determined to achieve, in the interests and with the support of Europe's citizens; reiterates its position on the limitations of the Single European Act in terms of achieving this objective; reaffirms, however, its determination to take advantage of the opportunities provided by the Single European Act for consolidating the integration of the Community, so that the implementation of the Act will become a stage on the road to European Union;

2. Is committed to cooperate with the Commission and Council to apply the Single European Act in such a way as to ensure that the necessary decisions are taken rapidly, in accordance with a timetable and as part of a global programme, each element of which is indispensable for the achievement of the whole, in particular, in the following areas:-

- (i) the achievement of a Europe without frontiers before 31 December 1992 and the implementing, at the same time, of a common social area as part of a cooperative growth strategy;
- (ii) the strengthening of the economic and social cohesion between the twelve Member States;
- (iii) the reform and modernisation of the Common Agricultural Policy;
- (iv) the strengthening of the financial capacity and budgetary autonomy of the Community;

3. On the basis of the guidelines put forward by the Commission, indicates its views in the following manner on these four main questions:

A Europe without frontiers : cooperative growth strategy

4. Points out that the Community's objectives of reform will be achieved only through growth that is acceptable in environmental terms and that in the current international economic situation the momentum for growth is likely to come mainly from the European internal market which must be completed by 1992 and by creating the conditions that will improve the international competitiveness of Community production as a whole and not of isolated sectors or products;

5. Believes that the creation of a common economic area will only be realised

- if greater economic policy convergence without triggering higher inflation is arrived at, through the cooperative growth strategy and the creation of jobs; and

- if greater monetary convergence is achieved:

- . through the strengthening of the European Monetary System, thus permitting the gradual elimination of Monetary Compensatory Amounts;
- . through its further development into an autonomous system with a European central bank that will give the Community a greater political and economic dimension, equipped with the necessary instruments to stabilise the ECU and able to take joint action in the international monetary system; and
- . through the promotion of the ECU by the expansion of its use.

6. Underlines as further conditions for the success of this approach:

- an enhanced role for transport and telecommunications infrastructure projects;
- the creation of conditions under which European enterprise can flourish, particularly its small and medium-sized firms;
- an effective internal and external competition policy that eliminates distortions of competition;
- the adoption of a common attitude by the Community in negotiations relating to external economic relations;
- the strengthening of Community development policy;
- the intensification of the dialogue with the social partners;
- the qualitative strengthening of Community research and technology policy with a view to enhancing the international competitiveness of the Community;

- high common minimum standards for environment protection; and
- convergence between the energy policies of the Member States.

7. Agrees with the Commission that priority as regards internal market measures should be given to:

- the liberalisation of public contracts;
- freedom of capital movements;
- the development of Community standardisation policy; and
- the harmonisation of fiscal policy.

8. Underlines the vital importance of the social dimension in achieving the internal market; is surprised at the absence in the Commission Communication of a package of social measures; calls, therefore, on the Commission to present comprehensive proposals and a set timetable for the measures proposed, particularly as regards trade union rights, safety and health at work, social security including for migrant workers, professional training, etc. to ensure, by the creation of a "European social area", reinforced by a more intense dialogue between the social partners, that completion of the internal market is not to the detriment of workers' rights and does not encourage "social dumping";

Solidarity and cohesion

9. Points out that the Treaty of Rome commits the Community to taking measures to achieve economic and social cohesion, as a fundamental aspect of European integration;

10. Considers that failure to achieve cohesion would jeopardise the achievement of the internal market; recognises that the common economic area should contribute to the stimulation of economic activity throughout the Community; points out that certain regions of the Community may not benefit from this process because of specific economic problems; or may only derive benefits in due time; this requires immediate Community action in order to diminish regional disparities;

11. Approves the Commission's objectives in this sphere: the achievement of economic growth in regions with structural backwardness, the conversion of declining regions, combatting long-term unemployment, providing first jobs for the young unemployed, adjusting agricultural production structures;

12. Points out that economic and social cohesion is not just a question of strengthening and reforming the structural funds; it will require a far greater degree of convergence and the implementation of the cooperative growth strategy, goals which will be achieved through the institution and implementation of new policies designed to transfer resources to the less-favoured regions, and the management of internal market measures to take account of the particular needs of the regions; takes the view that account should also be taken of the potential relative economic advantages that certain productive sectors may have in the less-developed economies, the development of which is impeded at present by the distorted pattern of industrial subsidies;

13. Considers the proposed doubling of the structural funds as the absolute minimum; reserves its position on the exact level of the funds until such time as the Commission is able to demonstrate that this will be sufficient to contribute significantly to the objectives set out in the Single European Act;

14. Underlines, however, that it is vital to alter intervention under the structural funds to make them genuine instruments of economic development, supporting the system of production through a better allocation of resources;

15. Calls for these funds to be made more effective, to concentrate on measures in the least developed regions, and in the declining industrial regions with a genuine additionality of effect; highlights the need for greater flexibility of competition rules to help solve problems of regional disparity.

Reform and modernisation of the Common Agricultural Policy

16. Points out that the Common Agricultural Policy in its present form and the existing patterns of expenditure have not adequately benefitted the Community's farmers and have distorted the Community's budget;

17. Considers that reform of the CAP should aim to:

- reduce, prevent and where necessary, eliminate surplus production;
- safeguard the position of family farms in the European Community, with special assistance being given to the smaller holdings operating under difficult production conditions;
- place greater emphasis on the relation between agriculture and the environment, making farming less intensive;
- offer the consumer high-quality products at reasonable prices; and
- adapt the policy to the real needs of the European market and of the world market;

18. Insists that an end has to be put to surplus production, which cannot find any acceptable commercial outlet and which results in an unacceptable system of intervention, storage and restitutions; points out that the existing problems cannot be solved by the price policy alone and urges, therefore, that a comprehensive policy (which can vary per product) should be established to control the volume of production, including a reduction of quotas, set-aside programmes, the installation of progressive production levies and the continuation of a restrictive price policy;

19. Points to the need to sustain farming activity in the regions for environmental and social reasons; approves the principle of an active incomes policy and of strengthening the mechanism for direct support measures for small farmers, and farmers in mountain and other less-favoured regions so as to avert a population drain away from these regions;

20. Is of the opinion that specific programmes for deintensification of production, environmentally acceptable production methods, reforestation and the early retirement of elderly farm employees should be a basic part of a reform of the CAP; considers furthermore that regional development programmes have to be established for the rural areas in order to stop their depopulation and desertification;

21. Rejects without condition the renationalisation of the Community's agricultural policy; believes that the Community must establish a strict framework for national support of farmers' incomes;

22. Takes the view that any increase in the Community's own resources should not be used for new guarantee section expenditure;

23. Approves the Commission's proposals that agricultural guarantee expenditure should grow at a rate less than that of the own resources base and that its proportion of the budget should reduce to approximately half the total budget;

Financial capacity and budgetary autonomy

24. Calls on the European Council to take the full measure of the Community being at the brink of bankruptcy; recognises that the provision of extra own resources is also indispensable because of the new objectives enshrined in the Single European Act and the need to fund measures to promote economic and social cohesion;

25. Believes that this reform of the budget should preserve the Community's financial autonomy and be of sufficient scale to avoid interruptions in the implementing of Community policies;

26. Takes the view that the Commission proposal for a budget ceiling of 1.4% of aggregate GNP calculated on a common and controlled basis by 1992, is the first step necessary to provide an adequate and durable basis for the funding of the Community's policies; this system should take full account of the relative prosperity of Member States and citizens; calls on the Commission to reflect further and to produce imaginative proposals on possible new own resources for which the EC and Parliament, in particular, should have full responsibility;

27. Recalls its own attachment to the sound management of the contributions of the European taxpayers who it represents; agrees that budgetary reform will require a multi-annual forecasting approach; believes that budgetary discipline forms a normal part of prudent budgetary management; invites Council therefore to negotiate with it on a system of budgetary discipline with a view to agreeing annually a financial envelope, covering both compulsory and non-compulsory expenditure; highlights in this context Council's failure to contain EAGGF Guarantee expenditure; calls on the Commission to examine the financial implications of measures implemented in connection with the Single European Act and to prevent delays resulting from possible shortages of funds, care being taken to ensure that these are covered by future revenue;

28. Considers that forward estimates of expenditure are a vital part of budgetary planning and sound management of the Community's finances; does not accept the imposition of rigid annual ceilings on own resources proposed by

the Commission; notes that such a measure would constitute a return to the system of national contributions and would undo the progress achieved by the introduction of the own resources system;

29. Expresses concern at the repercussions of the Commission's proposals on the budgetary procedure; is not opposed to expenditure arising from implementation of the Single European Act being exempted from the maximum rate but insists that Parliament's powers in the area of the budgetary procedure must be respected, as regards all categories of expenditure;

30. Takes the view that the Community's budget, as well as funding policy objectives, has an important role in reducing disparities through redistribution according to relative prosperity; therefore rejects the principle of "juste retour" particularly as the Community budget only represents a part of the economic benefits derived, particularly by the more prosperous Member States, from economic integration; reiterates its belief that special mechanisms to overcome "unacceptable situations" can be tolerated on a temporary basis, only if they contribute positively to overcoming those situations;

External relations and the Community's rôle in the world

31. Underlines the need to consolidate, in external economic terms, the policies described above with the particular aim of protecting developing economic sectors in the less-advantaged regions of the Community from upheavals on the world market without, however, undermining the principles of free world trade and in an awareness of Europe's responsibility for the development of countries in the Third World;

32. Emphasises the inter-relationship between the progress towards European Union which is to be achieved through the policies and instruments provided for in Title II of the Single European Act and the development of a joint European foreign policy including the economic and political aspects of security described in Article 30 of the Single European Act and calls on the Community to act accordingly. 0

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33. Requests its President to present, in person, the European Parliament's opinion to the European Council on 30 June 1987. PE 112.483/fin

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PROPOSAL FOR A DECISION DOCUMENT B 2-62/87

tabled by:

Mr ARNDT, on behalf of the Socialist Group

Mr KLEPSCH, on behalf of the Group of the European People's Party

Mr PROUT, on behalf of the European Democratic Group

Mr CERVETTI, on behalf of the Communist and Allies Group

Mrs VEIL, on behalf of the Liberal Democratic and Reformist Group

Mr de la MALENE, on behalf of the Group of the European Renewal
and Democratic Alliance

Mr TELKAMPER, on behalf of the Rainbow Group

Mr LE PEN, on behalf of the Group of the European Right

pursuant to Rule 91(2) of the Rules of Procedure

on the setting up and composition of a temporary committee

The European Parliament,

- having been consulted by the Commission on the communication entitled
'Making a success of the Single Act - a new frontier for Europe'
(COM(87) 100 final),

- aware of the importance of this communication which calls for the
adoption of a fully coherent stance,

1. Decides to set up a temporary committee, to be chaired by the
President of the European Parliament, to draw up report on the above-
mentioned communication from the Commission for the part-session in May
1987;
2. Decides to fix the number of members of this committee at 14, to be
appointed from among the members of the relevant standing committees;
3. Instructs its President to submit to it a list of proposals for
appointments to this committee.