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## Speech by Jacques Delors (Luxembourg, 9 September 1985)

**Caption:** On 9 September 1985, President of the European Commission Jacques Delors delivers a speech at the first Intergovernmental Conference (IGC) to be held in Luxembourg. He uses the opportunity to focus on the operation and the aims of the IGC.

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#### Importance and purpose of the Conference

Before I announce the Commission's initial contributions to this joint endeavour, allow me to make an important albeit obvious point. Conferences such as this are not called every five or ten years. It may well be that between now and the year 2000 no further conference will be convened. And so today we have a rare and golden opportunity to put the European venture back into perspective and lay the political and institutional foundations for dynamic renewal. We must use this Conference to speak our minds for, although recent Community developments have been gratifying, the scale of the remaining obstacles is common knowledge. Material obstacles but also silences sometimes as expressive as words. Whenever I suggest that we must break the hush and say what we mean, certain ministers tell me that too much light, too much clarity, could complicate things at national level. That may be, but-as someone put it to me when I was involved with negotiations between the two sides of industry-a little light in the shadows would do no harm. So, my hope is that, failing any general discussions, we shall have an opportunity to put our cards on the table concerning, say, the large internal market, economic and social cohesion and, hence, a certain degree of solidarity between our member countries.

#### [...]

With regard, more specifically, to the political and institutional foundations for dynamic renewal of the Community, the gradualism which has worked well enough and proved its worth since the Treaty came into being is not in question. But it does seem to me that in the proposals from certain member countries there has for some time now been a questioning of the Community method as a means of building Europe.

So I will have the opportunity, with my colleagues, to tell you how we think and feel about the value and limitations of the Community method as a means of creating an entity capable of holding its place in the world. I think we have to do some straight talking and, when we speak of excessive bureaucracy, the funereal pace of decision making and the difficulty of advancing as Twelve, we need to know whether we can eliminate the causes of these problems without jeopardizing a method which, all things considered, has enabled Europe to go forward.

#### [...]

This resolve to move towards a European Union-even though the differences between our Member States on aims and substance are more than minor-has been affirmed by several Heads of State or Government. Now it is hard to see how this European Union can be achieved until such time as it can function on the basis of unified institutions. That's not possible today, I freely admit. But we must ensure that it will be tomorrow because of the close interdependence between foreign policy and security matters on the one hand and what we might call stewardship (economic, financial and monetary matters) on the other.

But this stewardship also extends to social affairs, culture and the will to live together. For we must face the fact that in 30 or 40 years Europe will constitute a UPO-a sort of unidentified political object-unless we weld it into an entity enabling each of our countries to benefit from the European dimension and to prosper internally as well as hold its own externally.

#### [...]

The new Act would begin with a Preamble affirming that the European Communities on the one hand and European political cooperation on the other share a single goal, namely to contribute to the unification of Europe. This would be followed by two separate titles, one dealing with political cooperation, the other with adjustments or additions to the Treaty of Rome. The Commission considers that the adoption of a single Treaty strengthening the concept of European Union and neither diminishing the future nor prejudging the developments ahead would be a valuable symbol of the resolve to attain European Union

#### [...]

#### **Objectives and competence**

I now come to the three-point plan advocated by the Presidency: objectives, competence and procedures.

#### 1. Objectives

It seems to me that one of the objectives must be to codify political cooperation; a number of countries would perhaps go further than just codification.

#### [...]

Some Member States simply wish to capitalize on achievements and do not believe that, with an institutional thrust, we can rise above the problems confronting all our countries as they make their way and gain experience in political cooperation. Others would go further and make a qualitative leap inspired by political will and sustained by new institutions.

The second objective-which is essentially what the Treaty would have us do-is to create the conditions for the achievement of a pertinent and efficient economic entity. Here, to my mind, we have four essential prerequisites, which make up a coherent and interdependent whole:

(i) a genuine large internal market;

(ii) a command of technology to serve our productive capacity and our social life;

(iii) economic and social cohesion, without which the negative aspects of the large market-the concentration of poles of decision and wealth-would for some countries or regions cancel out the positive repercussions;

(iv) and, last but not least, what I would call, for want of a better phrase, a certain monetary capacity.

#### [...]

And over and above what constitutes the essential base of a united Europe, the Commission will also be making proposals, notably for the environment and culture.

#### 2. Competence

I feel that the Intergovernmental Conference must make a clear distinction between exclusive competence and concurrent competence. I do not believe that it will be possible in legal terms to base action in the spheres I have just mentioned solely on exclusive Community competence. By contrast, concurrent competence strikes me as consonant with a more realistic view of things and with preservation of the prerogatives of the national parliaments. This approach will also allow us to achieve simpler texts. And, for a multinational organization like the Community, simplicity is of the essence.

I feel too that we shall have to think in terms of potential competence. Thus, for example, in the case of currency the drafting of two or three articles, incidentally a complex operation, will clearly not be enough to enable us to stride forward. But, at least, for the next 15 or 20 years we will have the legal framework needed to advance. In short, there will be no legal barrier to any resolve to achieve progress in due course. The Commission will be proposing to you additions to the Treaty which spell out the scope of application of Articles 100 and 235.

The conditions under which these Articles are being applied are unsatisfactory. I believe that today, considering the clear resolve to achieve at the very least the large internal market, we must tighten the loose framework of both these Articles.

#### **3. Commission proposals**

It is in that spirit, fusing coherence of objectives with simplicity of language, that the Commission will be making proposals for additions to the Treaty with regard to the large single market and the harmonization of rules, the framework for technological cooperation (reconcilable with the development of Eureka), the need for greater cohesion in the Community, currency, the environment and culture.

[...]

The large market is not just for European businessmen; it is to serve the people too. And this raises extremely thorny problems, particularly on security and health protection grounds. We have to harmonize the rules because there can he no internal market with a reasonable degree of competition unless at least a few of them and hence to some extent business costs as well have been brought into line.

[...]

History teaches us that a large single market cannot be of universal benefit unless its growth is sustained by flanking policies. A key issue here will be to determine whether these policies should he conducted at national or at Community level. Are our current policies under the Regional Fund, the Social Fund and the EAGGF Guidance Section satisfactory and geared to creating a large market and benefiting from its scale? I think not. It is time to reaffirm the resolve to achieve the essential cohesion of the Europe of Twelve, with all that that implies.

#### [...]

As for the environment, it is, of all the social issues, no doubt the one which lends itself best to Community treatment; the approach here is less tricky than in the case of culture or education.

Finally, for currency, I have indicated the problems, but I believe it is both possible and desirable to have a structure enabling us to accommodate future developments without disregarding the functions of the world's banks or the fact that currency lies at the heart of sovereignty.

So the Commission will have to be selective in its choice of areas in which to make contributions to the Conference proceedings. I have ruled out further texts on energy, industry, health and education, for I believe that in these areas we can make progress without additions to the Treaty.

There is no point in cluttering the Conference table with proposals on this, that and the other and plunging into the interminable wrangling that went on in the early 1970s with, for example, the memorandum on industrial policy.

But it would be negligent of us to overlook something of viral importance to certain States: differentiation. This is a crucial issue, and if we don't face it we will get nowhere either on the monetary front, with economic convergence, or in technology. My feeling is, if you will allow me this objection, that the Dooge Report looks at differentiation solely from what I will call its negative angle. I mean by this the possibility for a member country to secure either a transitional period of two or three years or an exemption from the requirement to adapt to a Community policy (say, in the form of a safeguard clause). But there does exist a form of positive differentiation which is absolutely essential.

By this I mean that if, within the framework of a policy defined by the Twelve, four, five or six countries all wish to go further or faster than the others to attain a Community objective, the Treaty should not stop them from doing so. Adequate financial arrangements would also have to be made...

Finally, there is another subject on which the Commission would like to make proposals: modernization of the Community's financial system. The way in which Community financing is designed seems to me

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hopelessly archaic. It results in an ever-heavier emphasis on net budget balances. We must find more flexible methods of financing outside the budget.

[...]

#### Procedures

I will close with the third and last point in the plan proposed by the Presidency, namely procedures. [...]

In actual fact any searching appraisal of the decision-making process or, more accurately, the all-too -frequent non-decision-making process shows the cause of our predicament to be "unanimity", the dead weight which is crushing the whole Community system. Its menacing presence, even when decisions may be taken by qualified majority, is producing paralysis. We must cut the Gordian knot, break with the present practice of systematically seeking unanimity and shift to qualified-majority voting in clearly defined cases: this is what the Commission will be proposing in its draft amendments to the Treaty relating to the large single market, technology, economic and social cohesion, and currency.

Finally, we must dig ourselves out of the present impasse constituted by the huge "grey area" between the Council and the Commission, which is blocking not only the Commission's proposals to the Council but also the measures required to implement Council decisions. There is a grey-area sociology, which must be analysed and modified, not by eliminating the Luxembourg pseudo-compromise-and I bow to the views expressed by the Member States - but simply by deciding to switch to qualified-majority voting when the aim is to attain objectives agreed to in principle by all.

The extension of majority voting must be sustained, as you stipulated in Milan, by improving the decisionmaking machinery within the Council and also by extending the Commission's management powers so as to restore its capacity to act. Here again, we should let simplicity be our guide in overcoming the problems of taking and implementing decisions. [...]

There are too many texts, and they are becoming impossible to apply. On the one hand there is talk of deregulation and on the other the Commission, like any self-respecting organization, carries on producing texts. We must get back to the straightforward idea of framework or outline regulations which, in particular in areas of concurrent competence, will enable each country to adopt the most appropriate implementing decisions and set up the simplest and most straightforward monitoring procedures. [...]

And lastly, I should like to close with a reminder that we need to enhance the prerogatives of the European Parliament. [...] I would observe that the Heads of State or Government took the decision to elect Parliament by direct universal suffrage and that, regardless of the derision aroused on occasion by certain debates in the House, its members were elected by universal suffrage. [...]

However, if we make a gesture towards Parliament, we shall be justifying its existence and helping to give it greater clout. [...] We can do so by giving it more responsibility and involving it in the Community decision-making process.

It is in that spirit, neither dogmatic nor demagogic, that the Commission will be making its proposals and will be reiterating one of those it made in Milan concerning the change from unanimous to qualifiedmajority voting in certain clearly defined cases when Parliament has given a favourable opinion on a Commission proposal. [...]