

A Community in Flux

1973 – 1984

1973

- Britain, Denmark and Ireland join EC
- Conference on Security and Cooperation in Europe (CSCE) opens in Helsinki
- Arab oil producers quadruple the price of oil and embargo port of Rotterdam

EC was struggling to cope with:

- Fluctuating superpower relations
- Inflation, Rising unemployment, Trade deficits, Fluctuation exchange rates
- Uneven economic performance among MS

1974

- Leadership of EC's "big three" members changed (Harold Wilson, Helmut Schmidt, Valéry Giscard d'Estaing)
- EC leaders decide to form European Council
- New British government opens renegotiation membership terms
 - Recalculation of British budgetary contribution
 - Reform of CAP
 - Protection of Commonwealth interests
 - Demand for retention of British parliamentary sovereignty

1975

- Inaugural meeting of European Council concludes renegotiation of Britain's membership terms
- British referendum on continued EC membership
- Greece applies to join EC
- Tindemans Report on European Union
 - Need for institutional reform, Modest extension of Community competence
 - Possible "two-speed Europe"

1978

- European Council agrees to establish European Monetary System (EMS)

1979

- 8 MS launch the exchange rate mechanism of the EMS
- June: First direct election to the European Parliament
- Beginning of the British budgetary question

1981

- Greece joins EC
- "Draft European Act" (Genscher-Colombo proposals)
 - More effective decision-making, Higher competence in external relations

1982

- Greenlanders decide in a referendum to leave EC

Problems at that time:

- Paralysed decision-making process, Weak Commission
- Agricultural policy apparently out of control
- Margaret Thatcher insisting on a budget rebate

1984

- At Fontainebleau summit, EC leaders resolve British budgetary question
- European Parliament adopts "Draft Treaty Establishing the European Union"
- = Reform program
 - Legal personality of a possible new union
 - Institutional structure, Competence, Relationship with MS
 - Principle of subsidiarity

Problems solved through:

- Trend towards deregulation and liberalisation
- Increasing cooperation between Commission and industrialists to boost competitiveness
- Growing interests in single market
- Worries about Europe's impotence (Cold War)
- Consensus on improvement of decision-making process