

MEETINGS OF THE HEADS OF STATE OR GOVERNMENT

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The First Summit Conference of the Enlarged Community (II)
Opening Speeches
Resolution of the European Parliament on the Results

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I. THE FIRST SUMMIT CONFERENCE OF THE ENLARGED COMMUNITY (II)

In the previous issue, there appeared the final Communiqué from the Summit and the initial reactions made public at Community level. This issue presents the introductory speeches by the leaders of the ten Delegations as well as extracts from the debate in the European Parliament during the session of 15 November 1972.

The Opening Speeches

Address by Mr Georges Pompidou,
President of the French Republic¹

'Within these walls, calm once again, I should like to express anew France's satisfaction at welcoming you, who bear the major responsibility of the expanding Community, and especially the heads of the governments of Denmark, Ireland and Great Britain. It will surprise no one to hear me declare to Mr Heath that his nation's entry adds a new dimension to our Community, and that I am particularly happy at the successful outcome of negotiations that were marked by many vicissitudes. The faith and resoluteness that you showed, Mr Prime Minister, finally triumphed, and you know how pleased I am at this. It goes without saying that my welcome is also extended to the President and Vice-Presidents of the Commission.

Nonetheless, we meet not merely to exchange compliments, but to act; to propose and to decide. To my mind, any hesitancy now would be doubly dangerous. It would risk delaying the construction of Europe. It might also lead governments to allow their determination to lag behind events so that, imperceptibly, the Europe created would be a purely mercantile one, which is not and cannot be our goal.

It is befitting that, within the framework of the agenda drawn up by our Ministers of Foreign Affairs, we determine accurately our points of agreement, the decisions that accrue, the manner and time-table of their application, the new paths that we wish to follow and their general implications. I shall attempt to provide you with a brief review of French positions, following which each of you will undoubtedly wish to expose the arguments of his own government.

At the Conference of The Hague, the Community selected, as a priority objective, the step-by-step establishment of an economic and monetary union. Circumstances call for our meeting to make substantial progress towards this

¹ Spoken in French.

end. I do not think that this is the moment to go into the details of the measures proposed by our Ministers and I will do no more than recall certain general principles.

Our aim is to proceed beyond a customs union and free trade to a situation in which our states pursue concerted, harmonious and, eventually, united economic and monetary policies.

The Community must consequently be determined to protect the currencies of member countries against speculation, to fight against inflation (and the rising prices which symbolize it), to advance towards the creation of a distinctive European monetary zone, and to contribute to the reform of the international monetary system.

In the economic sphere, our primary concern must be the fight against inflation. On this occasion, we can only touch lightly on the means to be employed, but we must instruct our Finance Ministers to produce a cohesive plan of action within an agreed deadline.

In the monetary sphere, we must take all measures conducive to the pursuance of a common policy by our governments and central banks, aimed at turning Europe into an integrated zone demonstrating stability and growth. We have been presented with concrete proposals which I believe we should approve and, in some aspects, reinforce. I allude, for example, to the European Monetary Cooperation Fund. This afternoon, we shall have the opportunity to examine this matter in detail. I should like to express forthwith my impression that this Fund should be established at a predetermined date in the near future, that its operations should naturally be carried out in a Community account unit, that the initial credits should eventually be moderately increased, and that finally France, for reasons above its national considerations, but rather for the benefit of the entire Community, may expect member countries to favour the gradual pooling of a portion of the resources of their central banks into the Fund.

Such an attitude would lend substance to our resolution to intensify our contacts and to expedite our studies sufficiently to be in a position to adopt identical standpoints in discussions on the reform of the international monetary system, in which Europe must speak with a single voice, as in matters of trade. In the monetary field, more than any other, it befits us to proceed beyond declarations of intent, because events, we know, will inexorably put European solidarity to the test, this solidarity that it is our duty to forge.

Furthermore, the creation of a Fund will confirm our desire for a systematic coordination of Community efforts in the monetary field. This proposal would also, and especially, signify that the era of unilateral decisions is behind us. In

this respect, the Community should reaffirm its belief in the principle of fixed parities, which are a fundamental element of monetary order.

This naturally leads me to say a few words on the relations of the Community with the rest of the world. I shall start with the most important of all, namely, the economic relations of the Community with the United States of America.

Our links with this great country, the world's foremost economic power, with which eight of our countries are united within the Atlantic alliance, are so close that it would be absurd to conceive of a Europe constructed in opposition to it. But the very closeness of these links requires that Europe affirm its individual personality with regard to the United States. Western Europe, liberated from Nazi armies, thanks to the essential contribution of American soldiers, reconstructed with American aid, having looked for its security in the American alliance, having hitherto accepted American currency as the main element of its monetary reserves, must not and cannot sever its links with the United States. But neither must it refrain from affirming its existence as a new reality. Whether the matter concerns trade discussions, towards which we are disposed since our record is clean, whether it concerns the reform of the monetary system, which must necessarily include a return of the dollar to convertibility, a new definition of reserve instruments, the development of trade and the control of speculative capital, solutions can be devised and this was confirmed at the last session of the IMF.

Solutions will only be found if each one of us abandons his reservations and his mistrust of the imagined reservations of others, and if each decides to consider the problems realistically and with a willingness to understand the points of view of all and, as far as we Europeans are concerned, with a deep awareness of the common interest of our peoples. I disregard, for my part, any doctrinal discussion. To use a particularly touchy example, which is the price of gold, I do not think that its revaluation would be a universal panacea. However, no one will convince me that 38 dollars an ounce is the right price when, at such a price, no one is willing to sell and everybody wants to buy. This is a matter which will have to be discussed some day.

A firm and united position by the Community in tomorrow's great discussions will not be a cause for confrontation, but a factor of balance. This is my conviction, as soon as we are all convinced of our foreign friendships and of our determination to make of the Community a centre of trade expansion and not a bastion of protectionism.

This gives me the opportunity to recall the importance which France attaches to trade with Eastern European countries, and particularly with the Soviet

Union. If the construction of Europe is to allow us to be distinct from the United States, without cutting ourselves off from it, this must not hinder the development of economic, technical and commercial relations between the two halves of our continent, a development which is, moreover, one of the elements of détente and of security. I simply wish to point out that it will be necessary to avoid permitting the system of economic relations from leading to a strengthening of the existing "blocs" when we feel that the political approach should be in the opposite direction.

We shall also have to re-examine the Community's relations with developing countries. Two contrasting points of view are involved: one rather regionalist, the other more worldwide. I myself believe that Africa and the Mediterranean must retain a favoured status, for historical and geographical reasons and because the effort is more within our scope. Everyone knows the particular importance we attach to the Yaounde Convention and, therefore, to the natural inclination of countries which have adhered to it to see their acquired rights maintained and strengthened. Taking into account the conviction, which I believe is common to us all, that we need to increase Europe's aid to the least privileged part of mankind, we should, in a more general way, define principles which would allow us to decide the attitude of the Community towards developing countries as a whole.

The same will apply to a number of other fields into which our aspirations should lead us, most of which are familiar to each one of us, but at the threshold of which the Six have hitherto remained reluctant to enter, as if they feared having to fit their actions to their words. I shall mention, at random, company law, the establishment of industrial standards, such as for cars, aeronautical cooperation, long-term electric power policy, etc.

One of these subjects, that of regional policy, is topical. It has sometimes been given to understand that my country was reticent about this. Why should it be? It is a fact that France is one of the countries to have already carried out a most extensive regional development programme. But this is perhaps because it was one of the first to realise the need to do so, and it can now understand that others feel a similar need.

I shall briefly indicate our guidelines. The existence of poverty-stricken areas in our countries and therefore within the Community is unhealthy. It is unreasonable to expect that we shall create new Ruhrs everywhere. It is unrealistic to imagine that methods that worked in one area should do so in another, not only on account of customs, people and geographical locations, but also because of the variety of national administrative bodies that are in a better position to define local needs and are moreover the only organizations capable of taking practical measures, if we are to avoid creating a gigantic Community administration. Is it not contradictory to assume that one can

centralize action that is by its very nature decentralized, and which has led us in France, the epitome of administrative centralization, to recognize the pressing need for decentralization? It follows therefore that resources distributed on a Community level in accordance with established criteria must, for their exploitation, be judged within the framework of national programmes. This does not prevent, but rather enhances concerted action on the Community level aimed at harmonizing these programmes, together with subsequent verification of their achievements, in line with procedures to be set up, among which that involving "reimbursement" proposed by the German government strikes me as ingenious. The matter of national responsibilities remains to be dealt with. By this I mean that each country is the primary custodian of its regional equilibrium and that one can ill conceive of Community assistance substituting for national effort, from the moment that country possesses surplus liquidities which it wishes to employ elsewhere and, if need be, to invest in its partners.

The economic progress we seek and to which our Community has contributed so much, only makes sense if it leads to social progress. The scope of social achievements obviously depends on economic growth. But these achievements themselves have widespread economic repercussions, either because the rise in the standard of living speeds up economic development, while the improvement in working conditions increases output because work is then more willingly offered or because, on the contrary, excessive differences between social achievements in various countries may sometimes finally distort the normal interplay of competitive forces. This is why we must be particularly aware of the social aspects of our development, so as to examine together the problems which are common to us all, to acquire greater familiarity and achieve more effective coordination of our respective policies in this field, and to attain our objective of making the Community a *model of social progress*.

To improve this mutual collaboration, we could arrange to call more frequent and more regular meetings than those which our ministers for social affairs already hold periodically, and to associate business and labour leaders more closely in their endeavours, within the framework of the Brussels Economic and Social Committee.

Finally, I should like to emphasize another aspect of the matter. In a Community marked by economic growth, I am struck by the widely manifested reticence, anxiety and lack of enthusiasm. On this point, the President of the Commission has vigorously expounded his views, many of which deserve thoughtful consideration. For a long time, Europe has symbolized not only power and wealth, but quality of life and civilization. It has become abundantly clear that industrial expansion and the growth of cities run counter to many of man's instincts and needs, although they may satisfy others. This is why I hope that through an assured, resolute approach, we will succeed in

